London LGPS CIV Limited

Annual Report and Financial Statements

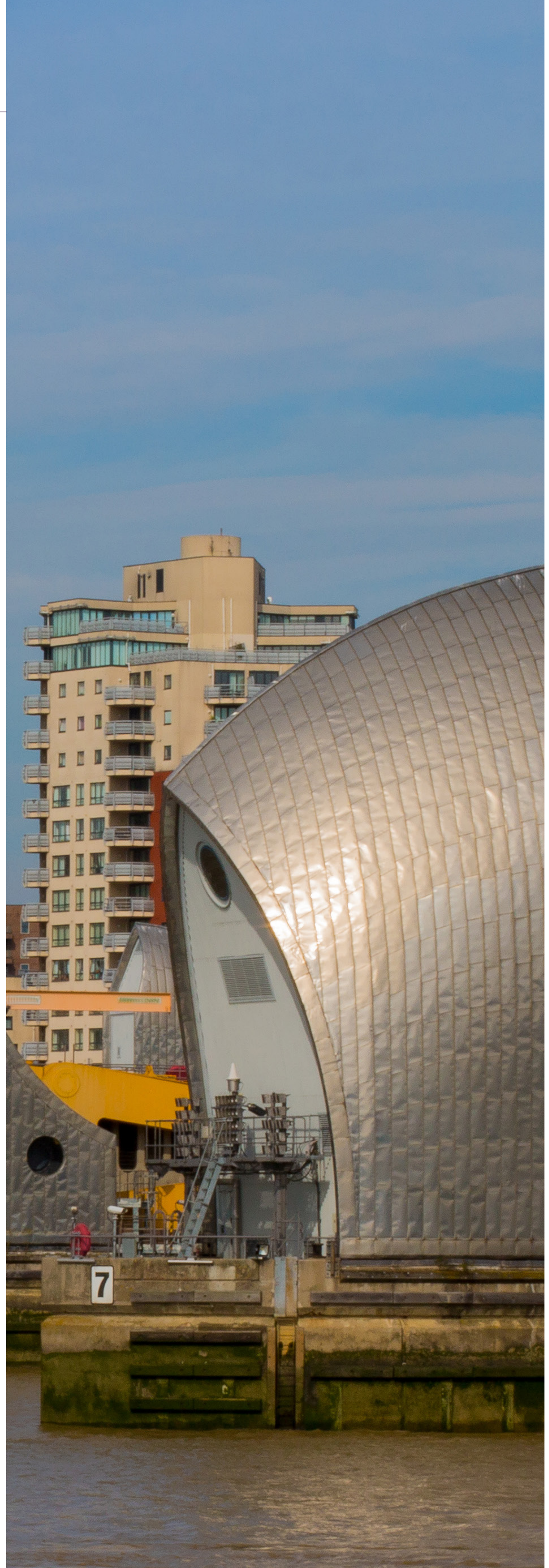
For the reporting year ended 31 March 2024

Registered company number 09136445
Authorised and regulated by the Financial Conduct Authority No. 710618

London CIV | Working together to deliver sustainable prosperity for the communities that count on us all

www.londonciv.org.uk

Contents



Chair's Foreword
Mike Craston

London CIV's ambition is to be the trusted investment partner of the London Local Authority Local Government Pension Scheme (LGPS) partner funds, working with them to drive down the cost of investment and improve outcomes, through economies of scale and the provision of dedicated investment expertise.

In addition to investment activity, we aim to provide tangential benefits that are expected of an investment partner, such as reporting, education and thought leadership in evolving areas. Our new purpose "Working together to deliver sustainable prosperity for the communities that count on us all" reflects the level of this ambition.

Over the last year, under Dean Bowden's leadership as CEO, we have worked hard to really listen to the needs of partner funds about the issues you face and understand what you need from London CIV to support you. We are now developing our Medium Term Plan for the next three years and I believe we have a real opportunity to "seize the moment" together to develop London CIV into your investment partner that can make the next incremental step up to deliver what you need. Dean has said more about what that proposition might look like in the forward look section of his overview.

We are of course conscious that we are developing the business against the backdrop of an everchanging market and public policy environment. 2024 sees a General Election and the London Assembly and Mayoral Elections. Although the LGPS pooling guidance consultation and a response has been published we still await detailed guidance. So, we share the challenge of developing a strategy in the context of a changing "pooling ecosystem" where we anticipate the need to increase the pooling of assets but await more detail on timelines and the model of pooling. The wider policy context also includes expectations, not confined to the LGPS, that UK pension fund investments can potentially contribute to investment in the UK infrastructure. whilst at the same time respecting the fiduciary duties of partner funds.

Our plans also aim to deliver on our Responsible Investment ambition about which we say more on page 20. Our target is to achieve Net Zero by 2040 and to support our 32 partner funds in achieving their net zero targets. With that in mind we are revising the Net Zero action plan which complements our Climate Policy for publication later in 2024. Providing our Climate Analytics Service free of charge to all partner funds covering all funds, pooled and unpooled is an important example of the kind of support we are able to offer and our determination to be a best in class investment partner.

We have been working with individual partner funds to develop tailored plans, and the London LGPS collectively, bearing in mind the demands of accelerated pooling. This includes a suite of Buy & Maintain Funds as part of our portfolio of Public Market funds. We have reviewed the ESG features of our existing portfolio and seen further investment in existing funds such as the Renewable Infrastructure fund. A key focus for development has been our Nature Based Solutions fund described in more detail on page 14. We are also mindful of the importance of opportunities to invest in the UK and our UK Housing Fund launched in March 2023 (see page 12) provides a good example together with The London Fund where LPPI, a second pooling company, is the investment manager.

In September 2024 I will have completed three years as Chair of the Board and am pleased that the Board have agreed to renew that appointment for a further three years so that I can continue to serve you in this role, building on the achievements of the past year. Those are of course not mine but those of Dean and the team. They are the fruits of an increasingly effective collaboration between the team and partner funds which is the fundamental basis of maximising the potential benefits of LGPS pooling whilst at the same time respecting the fiduciary responsibilities of partner funds.

Mike Craston, Chair
London CIV

The year at a glance

London's LGPS landscape

711,270	£298m	£46.1bn
No. of London LGPS beneficiaries as at March 2023	Total annual running costs of London's LGPS (source: DLUHC) as at March 2023	Total asset value of London's LGPS as at March 2023

London CIV asset and fund growth

£14.5bn (+16%)	£17.1bn (+20%)	£31.6bn (+18%)
Total value of passive assets deemed pooled	Total value of assets actively managed by London CIV (£15.5bn Public Markets + £1.6bn drawn within Private Markets)	Total value of London CIV assets: pooled and deemed pooled
6	£3.1bn (+26%)	£15.5bn (+20%)
No. of LCIV Funds launched or in development	Total AUM committed to LCIV Private Market Funds during the year	Total AUM actively managed in LCIV Public Market Funds

London CIV savings achieved

11%	£2.4m	£86.8m
This year's DFC reduction for shareholders	Annualised Fee Savings generated this year	Total fee savings for ACS and passives since inception of London CIV

London CIV responsible investment developments

490	39%	70%
No. of companies London CIV engaged with during the year	Reduction in carbon to value intensity (Scopes 1 and 2) across LCIV Public Markets Portfolio since 31 Dec 2020	Reduction in Revenue Weighted Fossil Fuel exposure across LCIV Public Markets Portfolio compared to MSCI World at 31 Dec 2023

Strategic Report

Our purpose

Working together to deliver sustainable prosperity for the communities that count on us all

Our values

Collaboration

We work together to build and sustain strong partnerships both internally and externally

Responsibility

We are committed to deliver on our promises, meet the needs of our stakeholders and go the extra mile

Diversity

We respect and celebrate our differences and create an inclusive environment where everyone feels welcome

Integrity

We act with honesty, ethics, and respect in everything we do

CEO's Overview
Dean Bowden

Progress this year

A key personal focus since taking over as CEO in December 2022 continues to be meeting with each of our Partner Funds (the individual boroughs and the City) to find out how we can best serve you.

Our goal is to be your investment partner. 2023/24 has been a year I have characterised as making the business more mature and more relevant and I believe we have made great strides in both areas.

That means we are well positioned to move forward with partner funds at this key inflection point when there is a focus on accelerating LGPS pooling.

Greater relevance

The graphic on the next page sets out our success in delivering on the commitments we made at the beginning of the year, recognising that some of those commitments such as the review of the funding model are ongoing and to be completed in 2024/25.

Purpose statement
We have changed our purpose statement to one that more accurately reflects the true raison d'etre of the business. This was agreed with shareholders and softly launched at the annual conference.

Engagement
We have enhanced our engagement with partner funds with the revitalised Cost Transparency Working Group (CTWG) and Sustainability Working Group (SWG) and I have personally completed two rounds of meeting every partner fund and committed to doing so every six months.

Client-focused products
We have built products explicitly linked to client need, with our Buy & Maintain Credit range likely to be one of our most successful launches by AUM and the UK Housing Fund continuing to attract new Investment.

Climate Reporting Service
We started to offer our Climate Reporting Service at nil cost covering all funds-up to £30k saving for each client using the service (~£420k saving across the pool.)

Fee savings
We delivered additional annual fee savings of £2.4m achieved due to dedicated manager fee negotiation programme.

Reduced Development Funding Charge
We reduced the Development Funding Charge (DFC) by 11% in 2023/4 for the first time since it was "temporarily" introduced with further reduction planned in 2024/25.

A more mature business

In terms of the steps taken to increase the maturity of the business:

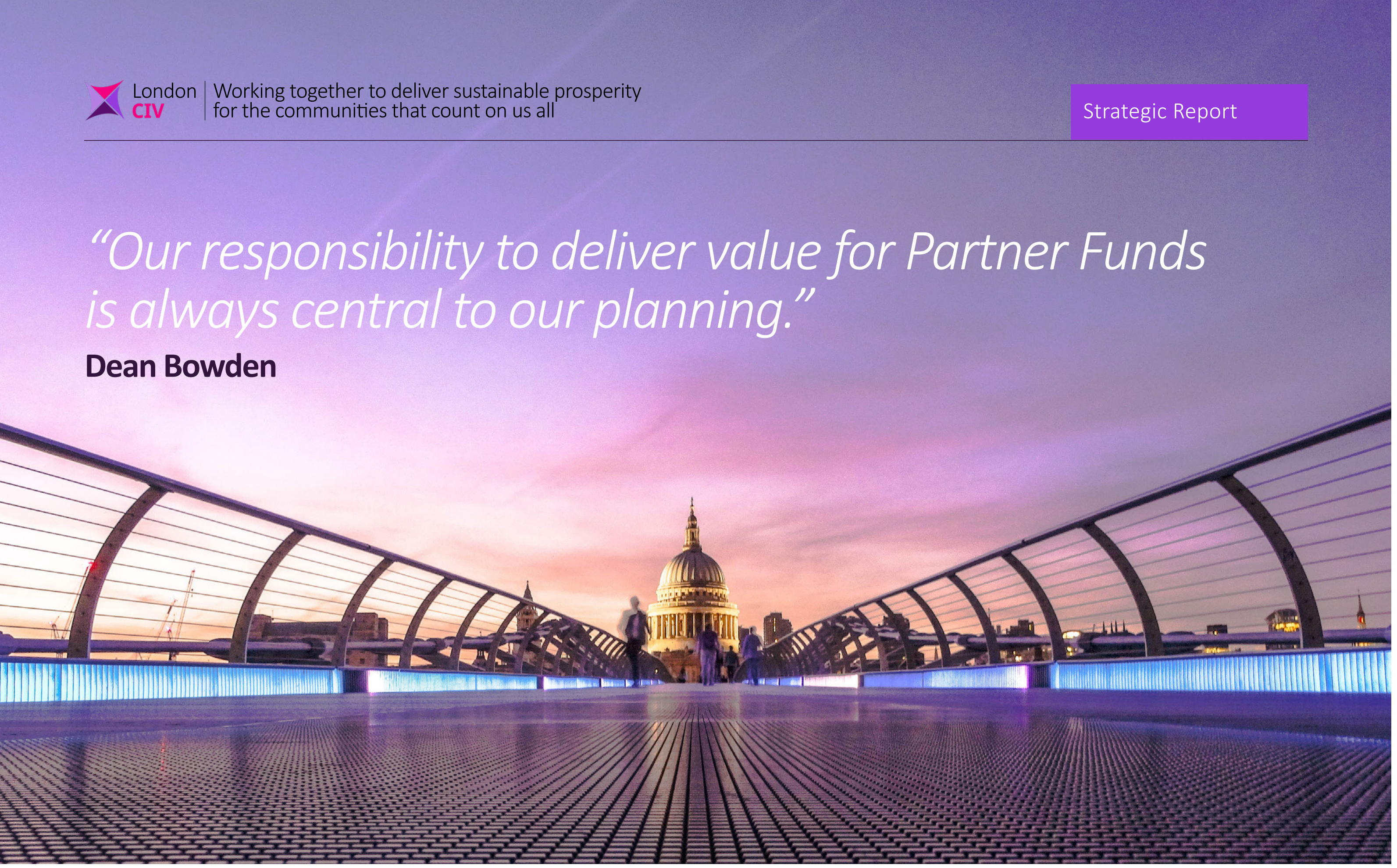
- We gained agreement to the changes in the shareholder agreement and articles of association whilst retaining all shareholders
- We thereby resolved the regulatory capital requirements with confirmation from the FCA in December 2023
- We received our Variation of Permissions (VoP) approved by the FCA in December 2023
- We revised our Board composition which is now: Chair plus 3 independent non-execs (INEDs) plus 2 shareholder nominated NEDs plus executive directors (CEO and CFO)
- We undertook a full review of the organisational model, removing inefficiencies and duplication and ensuring activities are owned by the right areas.
- We strengthened our expertise with new hires

Each of these individually is a significant step forward and provides confirmation to partner funds that London CIV recognises its role and delivers on its requirements. However, you are never the finished article and there is of course more to do, the next section of this report describes future plans.

Continues on page 6....

London CIV's key performance outcomes and progress at 31 March 2024

2023 - 2024 Themes	Progress at March 2024
Collaborative partnership which delivers the benefits clients require	• Key focus is on a "bottom up" exercise to identify plans for individual partner funds and build overall medium term plan and strategic product pipeline.
Strategic product roadmap	• Fund launches delivered and in progress: Buy & Maintain Credit (3 funds), Nature Based Solutions, Private Debt II, Global Equity Value
Progress net zero strategy ambition including products	• Operational Net Zero target is 2025 and assessment of the footprint is complete • Sustainability Working Group (SWG) in place with wider membership (all partner funds invited) and annual programme. • Climate analytics service now provided nil of charge covering all funds - 17 partner funds signed up to date.
Deliver savings on manager fees and other costs	• Fee savings of £2.4 m annualised • Development Funding Charge (DFC) reduced by 11%
Sustainable funding model to include indepth look at fees	• Work in progress to develop a sustainable funding model covering both revenue and capital that will support our future plans including to provide a wider range of services. We aim to reduce fixed fees (the combined service charge and DFC paid at the same level by all shareholders) and maximise savings.
Meet FCA regulatory capital requirements and apply for additional regulatory permissions	• FCA formally confirmed in Dec 2023 that changes to Shareholder Agreement and Articles of Association meet regulatory capital requirements • Variation of Permissions application approved by the FCA Dec 2023
A culture which attracts and retains a diverse and inclusive team	• Purpose statement and values statements now agreed and launched • Target Operating Model (TOM) work at implementation stage
Governance and constitutional structures which enable London CIV	• Board level governance framework implemented • Executive level framework implemented • Direction of travel for informal shareholder governance and engagement identified • Housekeeping revisions to Articles of Association and Shareholder Agreement identified
Explore opportunities to collaborate with other pools to deliver value for partner funds	• Seek opportunities that are genuinely collaborative and achieve any necessary formal approvals from our shareholders



"Our responsibility to deliver value for Partner Funds is always central to our planning."

Dean Bowden

Forward look

Following the Mansion House speech in July 2023 the government issued the long awaited consultation on LGPS pooling guidance.

The London CIV response to this in October 2023 followed a very careful listening process with partner funds, including a workshop at the September conference, two briefing events for elected members and officers on our proposed response and final drafting with lead s151 officers.

The government issued its response to the consultation timed to align with the Chancellor's 22 November 2023 Autumn statement advocating pooling by March 2025 or alternatively a plan for how assets would be pooled or explanation of why pooling was not appropriate (at this stage). We are now working with individual Partner Funds on delivery of their pooling strategy going forward. This includes an analysis to confirm that the additional funds in the pipeline will meet their requirements, what further investment they expect to make in current funds, and the priority programme to meet government requirements to accelerate LGPS pooling.

Whilst noting that the General Election creates uncertainty regarding who will be leading government, based on our engagements with ministers, the opposition, the Scheme Advisory Board (SAB) and HMT, we expect pooling policy to be consistent irrespective of the outcome of the election with broad interest in the potential for pension fund investments to contribute to UK infrastructure investments.

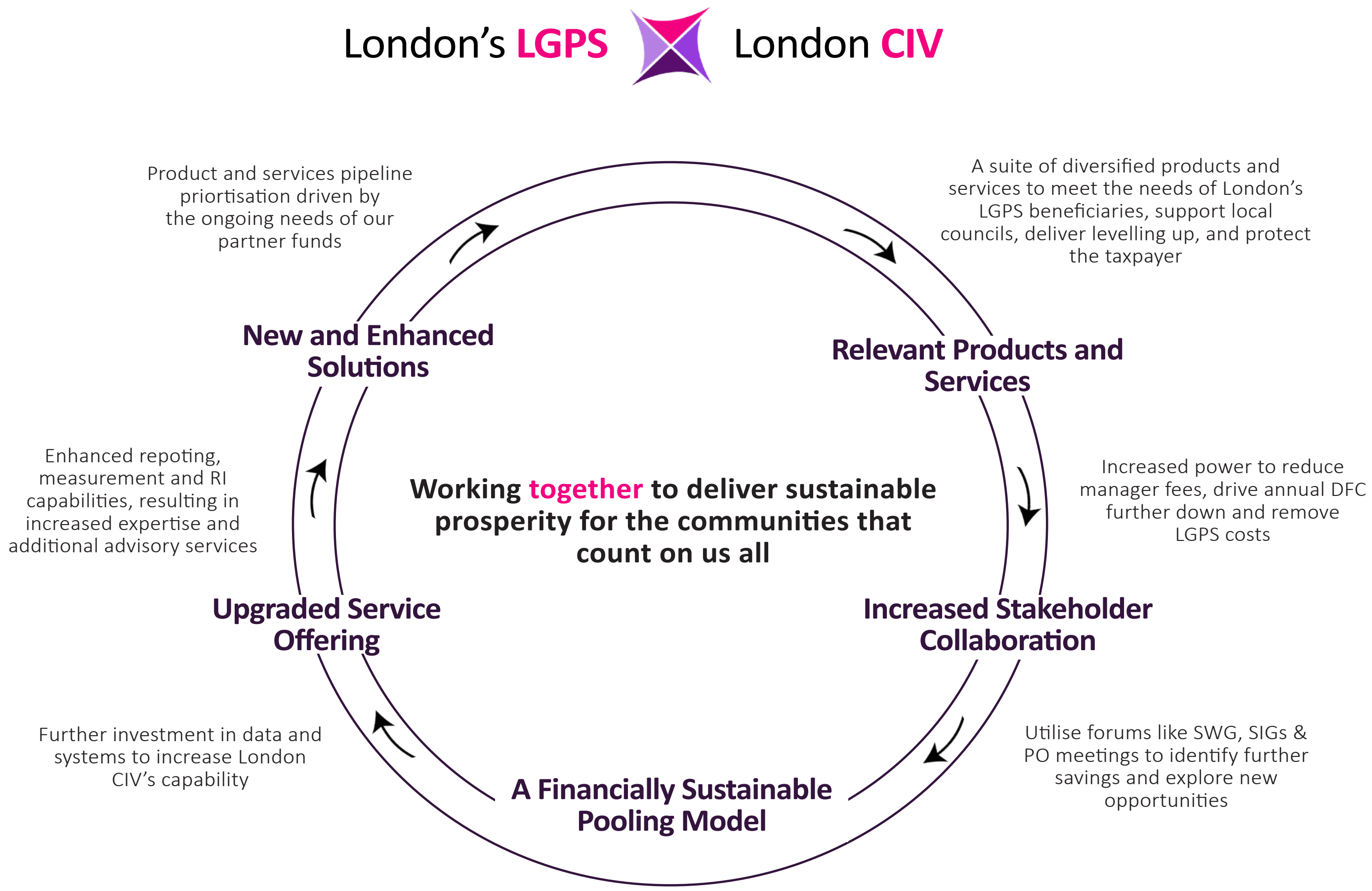
As we have said before our responsibility for delivering value for partner funds is always central to our planning. Every basis point or pound sterling we can save Partner Funds can ultimately be invested elsewhere in the boroughs to drive prosperity across London.

Equally London CIV is uniquely placed to support our Client Funds in the drive to net zero. The more we act in unison the greater the financial and sustainability impact we can have.

This is reflected in the strategic themes for 2024/25 agreed at the January 2024 General Meeting and the medium term proposition under development which has an emphasis on being a best in class investment partner which is capable of delivering a broad range of services to reduce the administrative and cost burden on LGPS partner funds. Those themes and the outline proposition which will be developed further in discussion with partner funds during 2024 are set out on the facing page. In the meantime our focus is on developing the next phase of the product pipeline and prioritised pooling programme to meet partner funds needs in the current LGPS policy context.

Dean Bowden, CEO
London CIV

Partnering for the future



Key Deliverables for 2024/25

- **Relevant Products and Services**
  Tailored plans for each of London CIV's partner funds that align with the overall London LGPS strategy to deliver "double bottom line" sustainable and local investment (UK and London).
- **Increased Stakeholder Collaboration**
  Enhancing both formal and informal engagement with London CIV partner funds and further utilising forums such as the SWG, SIGs and Pension Officer meetings.
- **A Financially Sustainable Pooling Model**
  More reductions in manager fees and other London LGPS costs and a drive to further decrease the DFC, enabling London CIV to avoid volatility and increase capability.
- **Upgraded Service Offering**
  Improvements to London CIV's capabilites, including Client and Climate Reporting.
- **New and Enhanced Services**
  Launch of bespoke services, beginning with Real Estate Advisory through either an advisory or management agreement.

Products and Services that meet Partner Funds' requirements
Aoifinn Devitt, Chief Investment Officer

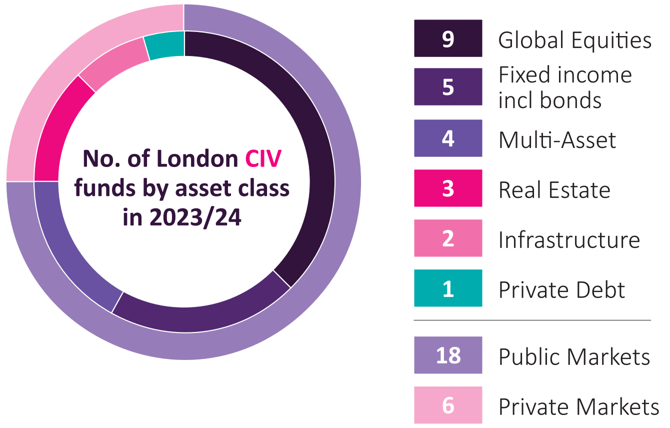
Developing a fund and service offer tailored to meet London LGPS partner funds' requirements depends on an ongoing process of engagement and market information including information about Strategic Asset Allocations (SAA) and pooling intentions at a London-wide and individual partner fund level.

At 31 March 2024 we had a fund portfolio of 24 funds with a recent focus on developing private market funds and sustainability to meet partner funds SAA expectations. The public markets portfolio includes one passive fund and a further £14.5bn of passive assets are managed by LGIM and Blackrock are included in London CIV pooled assets.

Our investment beliefs (Panel on the following page) provide the high-level framework which directs our investment practices. This is supported by our Responsible Investment framework which includes a Climate Policy and Stewardship Policy.

How we're innovating

Our suite of active funds, which fall into six main classes, is summarised in the chart below. More detailed information is provided on page 15 together with an overview of the total LGPS assets of our London partner funds, including funds deemed pooled (described by DLUHC in Annual Reporting guidance as "under pool management) and unpooled assets. An analysis of UK investments is shown on page 12.



£17.1bn	£14.5bn	£31.6bn
Total Active Funds	Total Passive Funds (Deemed Pooled)	Total Pooled

Recent developments to note include:

UK Housing Fund launched in March 2023 (case study on page 13)

Private Debt Fund 2 under development (case study page 13)

Buy and Maintain suite of funds (case study page 11)

Renewable Infrastructure Fund (case study page 14)

Nature Based Solutions Fund (case study page 14)

Products and Services that meet Partner Funds' requirements continued

Public Markets

Within public markets our focus over the past year has been on ensuring that our fund range is broad and fit for purpose and that performance is in line with expectations. Within public equities breadth assumes a spread of exposure across all styles. To that end we are adding a global equity value manager to provide balance to our growth orientation and enable our partner funds to build core equity exposure as well as exposure to a dedicated value style. We continue to expand our range of fixed income offerings through our Buy and Maintain fixed income funds as well as working on improving the ESG and carbon emissions parameters of our Global Bond Fund. Our fixed income fund range has shown strong performance since inception and we have been encouraged by positive inflows.

In our equity portfolio we have accelerated certain enhanced performance reviews (normally held annually) as the current equity market environment continues to present particular challenges to active managers. While we are reassured that our managers continue to invest according to their original style and have made adjustments reflecting the current market challenges, we have made changes to the monitoring status of managers where there are concerns.

Another group of strategies that has been challenged in the current market environment is multi-asset investing. In the light of outflows and some re-thinking of the role of such strategies by our partner funds, we are considering whether efficiencies can be achieved by streamlining the fund range.

Private Markets

Our private market fund range continues to mature and our infrastructure funds have seen inflows across the board, reflecting the inflation-hedging characteristics and strong cash flow potential of this asset class, and the alignment that renewable infrastructure has with our partner fund's responsible investing goals. Our first private credit fund is strongly cash generative and in response to partner funds interest we launching private debt fund II.

During the first quarter we were pleased to bring in two additional partner funds to the final close of The London Fund, which closed with total commitments of over £250 m. Our UK Housing Fund, focused on affordable housing, continues to see strong demand.

We continue to monitor our Real Estate Long Income Fund and are assured that its core offering remains intact, despite significant headwinds across all property valuations. We are working on a project to consolidate indirect property interests held by our partner funds, thus achieving cost savings and efficiencies.

London CIV's Investment Beliefs

1.

Long term investors earn better returns net of costs.

2.

Careful calibration of risk against objectives, together with robust risk management, leads to better risk-adjusted returns.

3.

Responsible Investment improves outcomes, mitigates risks and creates opportunities through:

a) Good corporate governance

b) Active stewardship and collective engagement

c) Effective management of climate change risk

d) Promoting diversity and inclusion

4.

Providing value for money is critical and it is essential to manage fees and costs.

5.

Collaboration, clear objectives, robust research and evidence-based decision-making adds value.

6.

Targeting opportunities across the public and private asset markets is aligned to the needs of Client Funds.

Overview of London Local Authority assets pooled and not pooled by asset class at March 2023

Pooling by Asset Class	Not Pooled (Liquid) £m	Not Pooled (Non-Liquid) £m	Pooled £m	Deemed Pooled (Passives) £m	Total LCIV £m	Total LGPS £m
Growth Assets						
Equity	4,969		8,374	11,317	19,691	24,660
Diversified Growth	892		2,298		2,298	3,190
Private Equity		1,115				1,115
Venture Capital		3				3
Income Assets						
Property		4,499	241		241	4,740
Infrastructure		1,793	755		755	2,548
Private Debt		1,301	435		435	1,736
Alternatives		222				222
Stabilising Assets						
Multi asset credit	713		1,658		1,658	2,371
Corporate Bonds - Active	1,680		669		669	2,349
Index-linked Gilts	31			1,074	1,074	1,105
Cash*	974					974
Corporate Bonds - B&M	473					473
Absolute Return Bonds	242					242
LDI*	193					193
Corporate Bonds - Passive				143	143	143
Liquid Credit	101					101
Currency*	18					18
Total	**10,286**	**8,933**	**14,430**	**12,534**	**26,964**	**46,183**

*Assets that may not be available to transfer

Partnerships in action:

LCIV Buy and Maintain Funds

Buy & Maintain Credit strategies are designed to capture income and generate attractive total returns from investments in high quality credit assets (Investment Grade). These assets are selected based on the investment manager's assessment of the borrower's capacity to repay. Trading activity is limited by design as the expectation is that debt will be held until it matures unless the risk of default or downgrade of ratings of the borrower become material.

Following on from engagement with Partner Funds, London CIV launched the Buy & Maintain Credit Fund range to meet Partner Funds' demand for exposure to high quality investment grade borrowers as their funding ratios improved and their requirements for income increased.

The Buy & Maintain Credit Fund range aims to invest in a manner consistent with achieving net zero by 2040*, deliver value for money and provide flexibility for Client Funds to achieve the duration requirements which are aligned to the needs of their pension funds. We have launched two Sub-funds with complementary duration profiles (Short Duration and Long Duration) which can be combined in the proportions required by Partner Funds. These allocations can be adjusted over time as the needs of investors change.

As of 31 March 2024, there are 8 investors in the LCIV Short and Long Duration Buy & Maintain Credit Funds with a combined investment of £952m. We are now developing the LCIV All Maturities Buy & Maintain fund which is due to launch in August 2024 (subject to FCA approval) to extend the range.

* 25% lower Weighted Average Carbon Intensity (WACI) than the reference index at inception and reducing WACI over time with the with the following interim targets: 35% decarbonization by 2025 and 60% by 2030. Carbon intensity tests are based on Scope 1, 2 and 3 emissions and a baseline reference point of 30 September 2023.

LCIV Passive Equity Progressive Paris- Aligned "PEPPA" Fund

The objective of the PEPPA Fund is to track the performance of the S&P Developed Ex-Korea LargeMidCap Net-Zero 2050 Paris Aligned ESG Index (GBP). It launched on 1st December 2021 with £520m seed investment from London Borough of Havering and London Borough of Lewisham. At the end of March 2024, there were 4 investors in the PEPPA fund with total AUM of £941m.

London CIV worked in collaboration with Partner Funds via Seed Investment Groups ("SIG") on the design of PEPPA. The PEPPA Fund has been designed for investors who wish to be at the forefront of the transition towards a low carbon economy by seeking alignment with the ambitious targets of the Paris Agreement, which aims to limit global warming to 1.5°C above pre-industrial levels. The Index is progressive, as it is updated in line with any changes to the minimum standards of EU Paris-Aligned Benchmarks. Stewardship and Engagement is a critical part of the Fund's core strategy. London CIV consolidates all its votes in PEPPA, sets key priorities at a high level and is also guided by Partner Funds' priorities and the Local Authority Pension Fund Forum's guidelines. Our voting provider Hermes EOS executes our votes and provides expertise and guidance to ensure our votes support our stewardship priorities.

London CIV appointed State Street Global Advisors Limited ("SSGA") to manage PEPPA and track the Index. S&P Dow Jones Indices ("S&P DJI") is the index provider. Since its inception PEPPA has tracked the benchmark index efficiently and the investment manager, SSGA, is performing to our expectations.

Products and Services that meet Partner Funds' requirements continued

Investing in the UK

London CIV has six private market funds, including the Private Debt Fund and The London Fund which together represent a substantial investment in UK real estate and infrastructure by London LGPS pension funds. Total commitments across the four Real Estate and Infrastructure funds and The London Fund funds at 31 March 2024 were £2.462bn] of which £1.045bn has been called at that date. Data on 30 April 2024 (post year-end) provided below illustrates the increasing interest in investment in these funds since 31 December 2023.

LCIV Real Estate Long Income (RELI) Fund is 100% invested in UK real estate including hotels, student accommodation, retail units and academic buildings. Fund commitments of £213m at 31 December 2023 and remaining at £213m at 30 April 2024.

LCIV UK Housing Fund is 100% invested in the UK through fund of fund structures, in residential real estate across affordable homes, co-living, student accommodation and private rental. Fund size increased from £195m in December 2023 to £450m at 30 April 2024.

LCIV Renewable Infrastructure Fund portfolio is 42% invested in the UK of which the majority are in wind and solar generation with a small amount of investment in batter storage, energy transmission and other clean energy initiatives. Fund size increased from £983m in December to £1.1bn at 30 April 2024

LCIV Infrastructure Fund is 35% invested in the UK of which approximately 70% of investments are in the renewable energy sector with the remainder in social infrastructure, transport and utilities. Fund size increased from £399m in December 2023 to £475m at 30 April 2024.

We recognise the interest in a "double bottom line" and our purpose statement embodies our commitment to delivering sustainable prosperity to all the communities that count on us.

As well as investing in projects across the UK, London CIV is committed to supporting London's future including through its investments in The London Fund, a collaboration between LPPI and London CIV with a fund size at 31 March 2024 of £250m. The London Fund is investing in a range of diverse projects in the capital including the regeneration of Shepherd's Bush Market, the redevelopment of the Saville Theatre, Virtus Data Centres and Edge, the net zero development in London Bridge.

It's about services and a broader value add, not just funds

London CIV is clear that to be a true partner for the London LGPS partner funds it is necessary to go beyond providing products to invest in. We need to provide a broader range of services. This now includes a climate reporting service with the development of a real estate advisory service underway.

We are now developing a Real Estate advisory service which we expect to be particularly valuable in achieving the benefits of pooling in an asset class which would otherwise be hard to pool in the short term due to the nature of the assets.

We constantly look to improve the ways in which we engage with our partner funds about the performance of investments and also provide briefings so that they can make decisions in an informed way. We launched the weekly "Coffee with the CIO" series in January 2024 to provide an online briefing on market developments and the performance of our funds. This "real time" briefing supplements the Quarterly Investment Reports (QIRs),ESG related information, Meet the Manager sessions and our monthly business updates in addition to our participation in online series and conferences for the LGPS community.

Partnerships in action:

LCIV UK Housing Fund

We launched the LCIV UK Housing Fund in March 2023 to enable our partner funds to contribute to a new stock of greener homes required to address under-served parts of the UK housing market.

At 30 April 2024 the fund had eight investors and £450m in total commitments.

It aims is to deliver resilient long term returns, targeting an IRR net of fees of 5-7% and a target yield of 3-4%. With a low correlation to other real estate sectors, this Fund is less sensitive to sudden economic jolts, such as those witnessed during the COVID-19 pandemic. Our investment partners are CBRE,Savills and Octopus.

Fund design based on client requirements

- The priority product pipeline is based on client feedback about Strategic Asset Allocations (SAA) and from clients, consultants and advisers at events and meetings
- Property was identified as a focus, including for a product which could also help address the chronic shortage of affordable housing
- In 2022 the investment team engaged with leading investors such as Big Society Capital and mapped the universe of UK affordable housing managers
- We held events to test potential client fund interest in the concept and identify issues that were important to clients

We expect all managers shortlisted for our Housing Fund to have an impact measurement framework for example Big Society has been working alongside The Good Economy on standardizing an approach towards impact reporting for investments in social & affordable housing & building transparency & accountability in the sector

Related Sustainable Development Goals

- access to adequate, safe and affordable housing is a core target for SDG 11 Sustainable Cities & Communities
- a decent & affordable home is an important determinant of the health & wellbeing of individuals and families (SDG 3)
- and has a positive knock on effect for children's education (SDG 4)
- and can help people to get & sustain employment (SDG 8)
- and can provide a route out of poverty (SDG 1)
- Housing's carbon footprint can also be reduced through the right energy efficiency and construction measures (SDGs 7 & 13)

LCIV Private Debt Funds

Our inaugural private debt solution was established in the first quarter of 2021 and has total commitments of £625 m. It is invested across two managers focused on direct lending – one with a US-centric portfolio and the other with a Europe-centric one.

As a closed ended fund no additional commitments are accepted by the fund. We are launching a second private debt fund in Q2 2024to take advantage of follow on opportunities within this asset class.

The portfolio is invested across Senior First Lien, First Lien, Unitranche and Senior Second Lien commitments across a broad range of business sectors.

The Fund's objective is to target an internal rate of return (net of fees) of 6-8% for the life of the fund.

Products and Services that meet Partner Funds' requirements continued

LCIV Renewable Infrastructure Fund

The LCIV Renewable Infrastructure Fund focuses on renewable energy infrastructure assets, investing in greenfield and brownfield assets.

This includes generation, transmission, distribution and enabling assets. The LCIV Renewable Infrastructure Fund is a global fund of funds product and one of London CIV's flagship offerings with sixteen investors and over £1billion in total investor commitments. It was seeded in March 2021 by an initial five client funds.

To date London CIV have invested into 6 funds managed by; BlackRock Investment Management; Foresight Energy Infrastructure Partners ; Quinbrook Infrastructure Partners; Macquarie Green Energy Transition Solutions, Stonepeak Global Renewable Fund and Renewable Income UK a sub-fund of Blackrock Infrastructure Funds plc.

The product supports London CIV's and partner funds commitment to ESG integration and managing climate risks. This type of strategy is designed to combine long-term fixed revenues with contractually fixed operating costs, which can deliver stable and predictable cash-flow revenues.

Photo credit: BlackRock - Glens of Foudland

Nature Based solutions

Our soon-to-launch nature based solutions fund focuses on investing in assets which protect, sustainably manage or restore natural ecosystems and address challenges related to climate change, human well-being and biodiversity.

Our core holdings will focus on sustainable forestry and agriculture. Sustainable forestry has its primary focus as return generation through the sustainable management of land for timber-products, and generates return from biological growth of forests, price growth of timber and the income from the harvest.

Sustainable agriculture generates returns from the sustainable management of crop land and key drivers of return are crop prices and rental income. Additional non-core strategies may include carbon credit strategies and other adjacent strategies to the core strategies including emerging opportunities around carbon dioxide removal. The fund will be open ended and will target a net cash yield of 2% with a target net return of 6-8% and will have an initial seven year lock up.

This sector of nature based solutions is evolving quickly and we will be establishing an advisory board comprising industry experts in order to stay abreast of the rapidly changing policy and regulatory landscape.

We will be addressing the twin objectives of our partner funds – that of achieving other goals besides return by insisting on adherence to a strict impact framework whereby the impact of all investments as well as engagement relating to same are assessed and discussed at least quarter with each underlying fund manager.

Products and Services that meet Partner Funds' requirements continued

Our Fund Range and Assets under Management

London CIV Products	AUM £m	Manager	Investors
PUBLIC MARKETS			
Equities			
LCIV Global Alpha Growth Fund	1,473	Baillie Gifford	5
LCIV Global Alpha Growth Paris Aligned Fund	2,305	Baillie Gifford	11
LCIV Global Equity Fund	605	Newton	3
LCIV Global Equity Quality Fund	560	MSIM	2
LCIV Global Equity Focus Fund	1,270	Longview	6
LCIV Emerging Market Equity Fund	561	JP Morgan	8
LCIV Sustainable Equity Fund	1,411	RBC	8
LCIV Sustainable Equity Exclusion Fund	724	RBC	5
LCIV Passive Equity Progressive Paris-Aligned "PEPPA" Fund	941	State Street	4
LCIV Global Equity Value Fund	Launching Q4 2024		
Multi-Asset			
LCIV Global Total Return Fund	100	Pyrford	1
LCIV Diversified Growth Fund	320	Baillie Gifford	6
LCIV Absolute Return Fund	981	Ruffer	10
LCIV Real Return Fund	186	Newton	2
Bonds and Fixed Income			
LCIV Global Bond Fund	888	Pimco	10
LCIV MAC Fund	1,768	CQS + Pimco	14
LCIV Alternative Credit Fund	508	CQS	3
LCIV Short Duration Buy and Maintain Fund	138	Insight	2
LCIV Long Duration Buy and Maintain Fund	814	Insight	3
LCIV Buy and Maintain All Maturities	Launching July 2024		
PUBLIC MARKETS TOTAL	**£15.6bn**		

	Com'td £m	Drawn £m	Manager	Investors
PRIVATE MARKETS				
Infrastructure				
LCIV Infrastructure Fund	475	315	London CIV	6
LCIV Renewable Infrastructure Fund	1,109	414	London CIV	16
Private Debt				
LCIV Private Debt Fund	625	420	London CIV	8
LCIV Private Debt II Fund	Launching Q2 2024			
Real Estate				
LCIV Real Estate Long Income Fund	213	213	Aviva	3
LCIV UK Housing Fund	415	2	London CIV	6
The London Fund	250	99	LPPI	4
Nature-based Solutions				
LCIV Natural Capital Fund	Launching Q3 2024			
PRIVATE MARKETS TOTAL	**£3.1bn**	**£1.6bn**		

	AUM £17.1bn
PASSIVE FUNDS (DEEMED POOLED)	
Blackrock + Legal and General Investment Management (LGIM)	£14.5bn
PASSIVE FUNDS (DEEMED POOLED) TOTAL	**£14.5bn**
Total pooled assets	**£31.6bn**

Due to rounding totals may not all be consistent

Delivering for our Stakeholders
Section 172 Statement

The Companies Act 2006 (the "Act") requires the Annual Report to provide information that enables our stakeholders to assess how the Directors of London CIV have performed their duties under section 172 of the Act.

The Act provides that Directors must act in a way that they consider in good faith would be most likely to promote the success of London CIV for the benefit of shareholders as a whole. In doing so London CIV Directors must have regard, amongst other things, to the factors set out below:

- the likely consequences of any decision in the long term
- the interests of colleagues
- the need to foster London CIV's business relationships
- the impact of London CIV's operations on the community and the environment
- the desirability of London CIV maintaining a reputation for high standards of business conduct; and
- the need to act fairly for all our members.

London CIV uses its purpose statement "working together to deliver sustainable prosperity for the communities that count on us all" to guide its decision-making and has a high engagement business model to ensure it takes account of its key stakeholders, in particular partner funds, in developing its business plans. One of the roles of the Board is to navigate the complexities of the various stakeholder priorities and perspectives. The inclusion of shareholder nominated NEDs and a Treasurer Observer amongst its membership is one way in which the Board ensures it can access a broad range of perspectives in making decisions.

The table below sets out our main stakeholder groups. The graphic on page 15 describes our business model and on this page and the following page we have explained in respect of each of our key stakeholder groups how we engage and the main focus for engagement this year.

The Corporate Governance section of the report (page 37 onwards) explains in more detail how the Board and its Committees have taken stakeholders into account in decision-making throughout the year, in particular in developing London CIV's strategic plans.

This statement should be read in the context of the Chairs foreword on page 1 and CEO's overview starting on page 4.

London CIV's pooling ecosystem

Partner funds (LGPS beneficiaries and the taxpayer)	**How do we engage?** Our partner funds are both our clients and our shareholders so are our primary focus for collaboration. Through that process of engagement we aim to deliver value to LGPS beneficiaries and the London taxpayer. We engage through a combination of formal governance and informal engagement arrangements which provide multiple opportunities to meet both on an individual and collective basis to ensure our strategy, products and services meet partner fund requirements. The formal arrangements and our informal forums such as the Sustainability Working Group (SWG) and Cost Transparency Working Group (CTWG) are described in more detail in the corporate governance section of this report (page 37). We have a four stage fund launch process which includes Seed Investor Groups (SIGs) to ensure an ongoing dialogue with partner funds to make sure products and services meet London LGPS requirements; achieve a critical mass of investors at launch; and reduce the cost of "manufacture" including when negotiating with investment partners. **What has the focus been this year?** A key focus for this year has been the response to DLUHC's consultation about accelerating LGPS pooling, including proposed changes to the LGPS "ecosystem" and how London CIV can support partner funds in responding to that change. We have also continued to develop new products to meet requirements. The study on page 14 illustrates the engagement process in developing the Nature Based Solutions fund which is intended to generate a positive measurable social impact alongside a financial return. A second example (page 11) is the dialogue with partner funds to develop a suite of Buy & Maintain Funds.
Our business and investment partners (including advisors and consultants)	**How do we engage?** We operate an outsourced business model in particular in respect of fund administration where our partners are Northern Trust (NT) and as regards investment management. Our investment management oversight arrangements include regular meetings including to engage on performance and ESG topics. We also hold regular meetings with the advisors and consultants who support our partner funds. **What has the focus been this year?** A key focus for this year has been a review of all the key third party service providers who contribute to our fund and corporate administration, including investment systems. The aim has been to maximise the effectiveness of our arrangements and ensure they support changed regulatory requirements and ongoing improvements to client reporting. Responding to anticipated LGPS policy changes and our plans for new funds have been a key focus for our meetings with advisors and consultants. There are "Partnership in action" case studies throughout this report which illustrate how we have engaged with our stakeholders, including our investment partners, about the development of products and services.

Planet	**How do we engage?** Our targets and plans in respect of Net Zero are described in the Responsible Investment section of this report on page 20. Our Sustainability Working Group (SWG) forum plays a key role in our engagement with our partner funds and is complemented by our (free) Annual Conference for all partner funds and briefing/training sessions. Our engagement with companies in whom we invest is guided by our Stewardship Policy and Voting Guidelines and described in more detail on page 21 and 24 and our annual Stewardship Outcomes report. **What has the focus been this year?** A key focus for this year has been our overall action plan to achieve Net Zero (to be published in the second half of 2024 within the framework of our existing policy goals) and ensuring our range of products and services meets partner funds requirements. This includes our Climate Analytics service provided nil of charge to all our partner funds covering all funds, pooled or off pool. You can read about how one partner fund has made use of this service in their planning to achieve net zero on page 23.
Communities	**How do we engage?** To achieve our stewardship goals we collaborate with a wide range of partners. Those arrangements, and the framework for our stewardship engagement activity is described in more detail on page 24 and our Responsible Investment and Stewardship Outcomes Report. **What has the focus been this year?** The coverage of our stewardship activity across environmental, social and governance themes is summarised on page 24 and takes place within the framework of our Stewardship Policy. More information can be found in our Stewardship Outcomes report on our website.
Colleagues	**How do we engage?** London CIV is a small company so it is relatively straightforward for the most senior staff to engage with colleagues at every level of the business, facilitated by our open plan office and regular team meetings. We have a hybrid working policy. We hold a monthly "TownHall" and have an "Employee Voice" group with a representative from every team to facilitate feedback. This is attended by the CEO to achieve prompt responses to the questions of the day and longer term plans. **What has the focus been this year?** A key focus for this year has been the launch of new purpose and values statements (page 3 and 26) together with a revised organisational structure designed to give greater clarity to accountabilities and streamline processes (page 26).
Policy makers and Regulators	**How do we engage?** The government department responsible for the LGPS policy is DLUHC and we engage both through formal consultation arrangements and through maintaining an informal dialogue. We also seek to discuss matters of mutual interest with HM Treasury officials who have a remit in respect of the LGPS and respond to formal consultations by other government departments such as the DWP. We also maintain contact with officials at the LGPS Scheme Advisory Board (SAB) and attend LGPS events. Our regulator is the Financial Conduct Authority (FCA) by which we are authorised and regulated and we maintain ongoing contact to ensure a good working relationship, including responding to consultations. **What has the focus been this year?** We have played a full part in engaging with all the key players in the government consultation about accelerating LGPS pooling which has taken place as part of the broader landscape of pension policy review, including the scope for pension fund investment to contribute to investment in UK infrastructure. That engagement has included dialogue with our partner funds before submission of our response in October 2023, ongoing informal conversations with officials at DLUHC and HM Treasury and at the Scheme Advisory Board (SAB) and networking with colleagues at other pools. We have also engaged with consultants and advisers. During this year we have engaged with the FCA about our regulatory capital and Variation of Permissions. As regards FCA consultations most notably this year we responded to the consultation on Diversity and Inclusion.

Delivering for our Stakeholders continued

London CIV's Business Model

London CIV was established as a collective venture to pool LGPS pension assets and is owned by its 32 London Local Authority investment partners.

A high engagement business model, which includes a disciplined Fund Launch Framework (FLF), is central to our collaborative approach to working with our partner funds.

The FLF makes use of Seed Investor Groups (SIGs) to achieve this. We also provide quarterly updates to Client Fund consultants and advisors.

Our purpose statement "working together to deliver sustainable prosperity for the communities that count on us all" sums up our determination to maximise the value that the LGPS provides to local government pensioners in their retirement, whilst being mindful of the importance of driving down the costs of managing the LGPS so that as much as possible can be spent on delivering local government services.

The London CIV business model makes significant use of outsourced services and delegated investment managers to provide flexibility and access a wider range of expertise than would otherwise be possible. For 4 of the private markets funds we are the portfolio manager. For other funds portfolio management is delegated. The funds use UK authorised and unauthorised structures. The London CIV offer also includes passive funds managed by LGIM and Blackrock classified as pooled.

We are responding to partner funds requests by expanding the services we provide, beginning with Climate Reporting, now provided at nil charge to all partner funds covering pooled and unpooled funds. A Real Estate Advisory Service is the next to be launched and further services are in the process of being developed in response to demand.

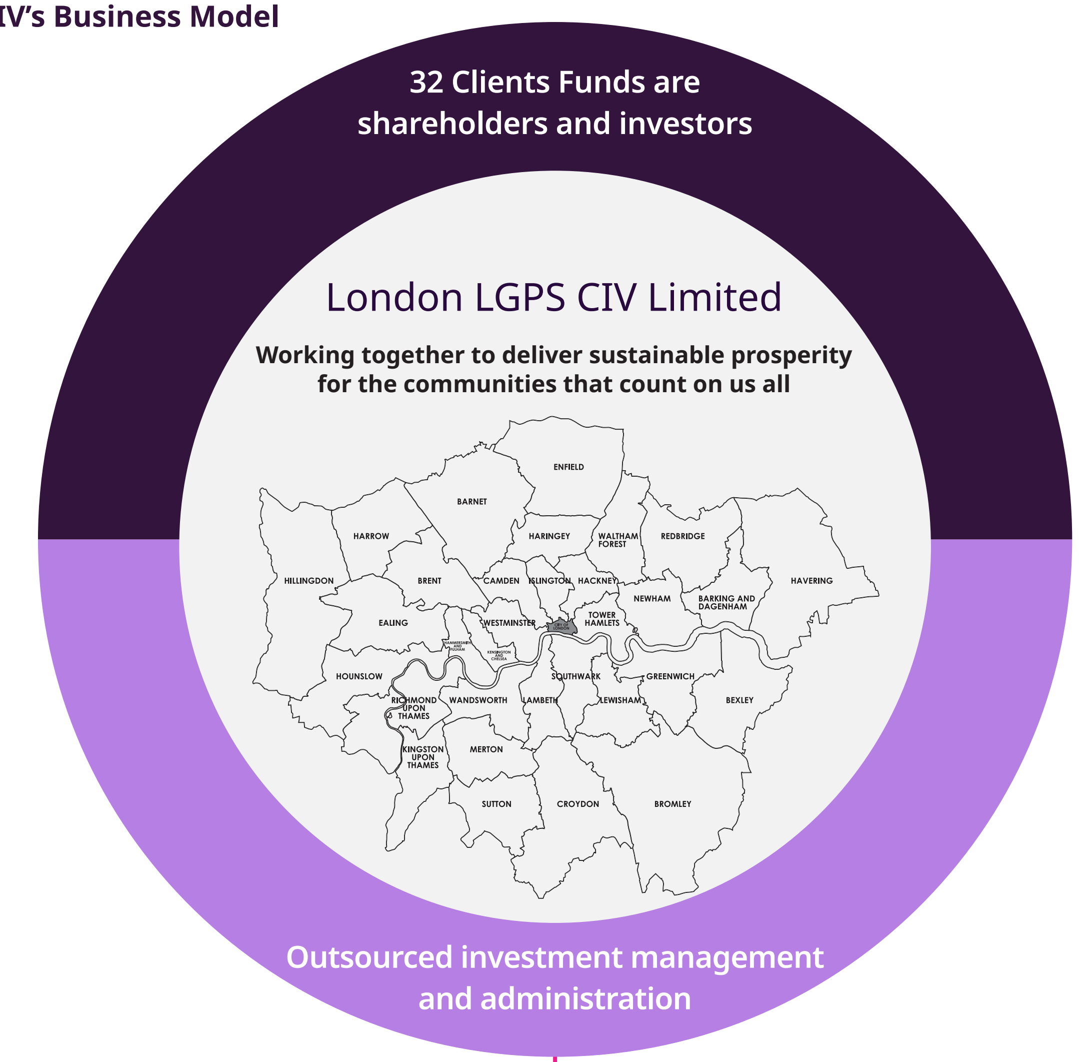
London CIV's Partnerships and signatories*

Asset Owner Diversity Charter	Climate Action 100+	Cost Transparency Initiative (CTI)	Deforestation Free Pensions Working Group
Diversity Project	Investor Action for Human Rights	LAPFF	Marine Conservation Society
Pensions for Purpose	Share Action	TCFD	TNFD
	UK Stewardship Code	UNPRI	

* See glossary page 62

Delivering for our Stakeholders continued

London CIV's Business Model



Fund development characterised by high levels of partner engagement including seed investor groups

Funds using UK authorised and unauthorised structures

For three private markets funds we are the portfolio manager. For other funds portfolio management is delegated or our funds invest in specified third-party funds

Client Fund and stakeholder accountability through CTWG and SWG in addition to formal governance

+

Added value services such as climate reporting

Responsible Investment and Engagement
Jacqueline Amy Jackson

As responsible investors, it is our duty to not only seek sustainable financial returns but also to drive positive change. Active ownership and engagement are essential tools to influence ESG practices and create long-term value for our clients' beneficiaries.

What ESG means for London CIV

We regard it as part of our fiduciary duty to encourage long-term sustainable growth and maximise the economic health of companies, including the effective management of ESG risks. This in turn has wider benefits for the economy and society as a whole. The diagram below shows our three step approach which involves integrating ESG into investment decision-making and design; engagement with fund managers and companies; and disclosure and reporting in line with best practice.

1. Integration
Embedding responsible investment into investment decision and design

2. Engagement
Collaboration with companies, managers, peers and participants

3. Disclosure
Transparent reporting in line with best practice

What is Net Zero?

The Intergovernmental Panel on Climate Change ("IPCC") Special Report on the impacts of global warming has clearly indicated that faster CO2 reductions will result in a higher probability of limiting warming to 1.5°C. Accordingly, London CIV committed to Net Zero Green House Gas ("GHG") emissions by 2040. To achieve this, the progress which will be made over the next ten years is critical. We have set ambitious interim targets which require an average carbon intensity reduction of 35% by 2025, and of 60% by 2030, relative to a 2020 baseline, across all funds within the London CIV Fund range.

Our climate targets

- Net zero by **2040**
- Reduce average carbon intensity by **60% by 2030** (relative to 2020 baseline)
- Reduce average carbon intensity by **35% by 2025**
- Achieve corporate net zero by **2025**

Our TCFD report published at the end of June 2024 sets out progress in the pathway to achieving those targets, together with information about the more detailed net zero action plan we are developing to achieve the targets based on the data we now have available. Our approach follows the framework established by the Net Zero Asset Owners Alliance.

Putting the framework into practice

Setting a direction and designing a portfolio
Our overall targets, Statement of Investment Beliefs set out on page 9 and individual partner fund targets provide the strategic context for our climate policy and net zero action plan. We are reviewing the impact framework we have developed against the FCA's SDR requirements.

We recognise that the targets of our 32 Partner Funds may vary and our role as a local authority pension pool is to provide a rangeof investment solutions which help our them meet their own climate objectives. Our TCFD report provides detailed information about the products in our portfolio.

The Partnership in Action study on page 23 illustrates how we have used our climate analytics reporting service to support one partner fund in identifying the investment solutions which will assist them in meeting climate objectives as part of their overall investment strategy.

Net Zero Investment Framework, Paris Aligned Asset Owners

Governance & Strategy
Net zero commitment | Beliefs, strategy & mandates Climate risk assessment | Monitoring & reporting

Objectives and Targets
Emissions reduction | Investment in climate solutions

Strategic Asset Allocation
Scenario Analysis | Portfolio optimisation | Asset class variants | Review constraints

PORTFOLIO / FUND LEVEL
Sets direction and portfolio structure for alignment

Asset Level Assessment & Targets
Alignment & engagement targets & metrics | Asset assessment criteria | Recommended methodologies

Implementing Alignment
Portfolio Construction I Engagement & Stewardship | Selective Divestment | Direct Management

ASSET CLASS LEVEL
Shifts alignment of assets to meet portfolio goals

Stakeholder & Market Engagement
Asset managers or clients | Data & service providers

Policy Advocacy
Global & national net zero policies | Disclosure & shareholder rights

EXTERNAL
Influences enabling environment to facilitate alignment

Product design and manager appointment

- We seek ongoing feedback from individual partner funds as to their asset allocation requirements
- We seek feedback from partner funds and their consultants and advisers at the design stage of each new product. "ESG by design" is a core principle and we consider each fund in the context of our wider portfolio and Net Zero commitments and partner fund expectations as to how we will support them in achieving their Net Zero commitments.
- All tendering investment managers must demonstrate their approach to identifying and mitigating exposure to climate risk and articulate how their investment objectives support the transition to the low carbon economy. This is assessed on the basis of the fund's ESG credentials, climate policy and their responses to London CIV's fund manager due diligence questionnaire.

Manager Monitoring

- We meet with our fund managers on a quarterly basis to assess their climate performance across key exposure and impact metrics.
- Fund managers are challenged to provide case studies or examples of investment decisions that were influenced by the integration of climate factors in decision-making

Engagement

Engagement is a key element of our framework since once companies start to transition towards low-carbon business models London CIV expects to see its portfolio decarbonise too. This includes engagement as part of our stewardship activity and also as part of our oversight of our delegated fund managers. There is more detailed information about the engagement we undertake as part of our stewardship activity in the Stewardship Outcomes Report published at the end of May 2024 and available on our website.

In order to expand our impact we favour collaborative engagement with other like- minded investors including other pools. We are a member of ClimateAction100+ and have supported investor initiatives led by ShareAction and ClientEarth. The most developed area of engagement is with our listed equities, where we use the formal rights granted to us as investors, including the right to vote on our shareholdings and file resolutions. We have established a set of Voting Guidelines, which include our expectations and voting strategy around climate change management. Our stewardship partner is Hermes EOS who conduct votes on our behalf, subject to review and approval from our Responsible Investment team. We also make use of LAPFF voting alerts. You can read more about our Stewardship activity in our Stewardship Outcomes report published at the end of May 2024.

Monitoring progress

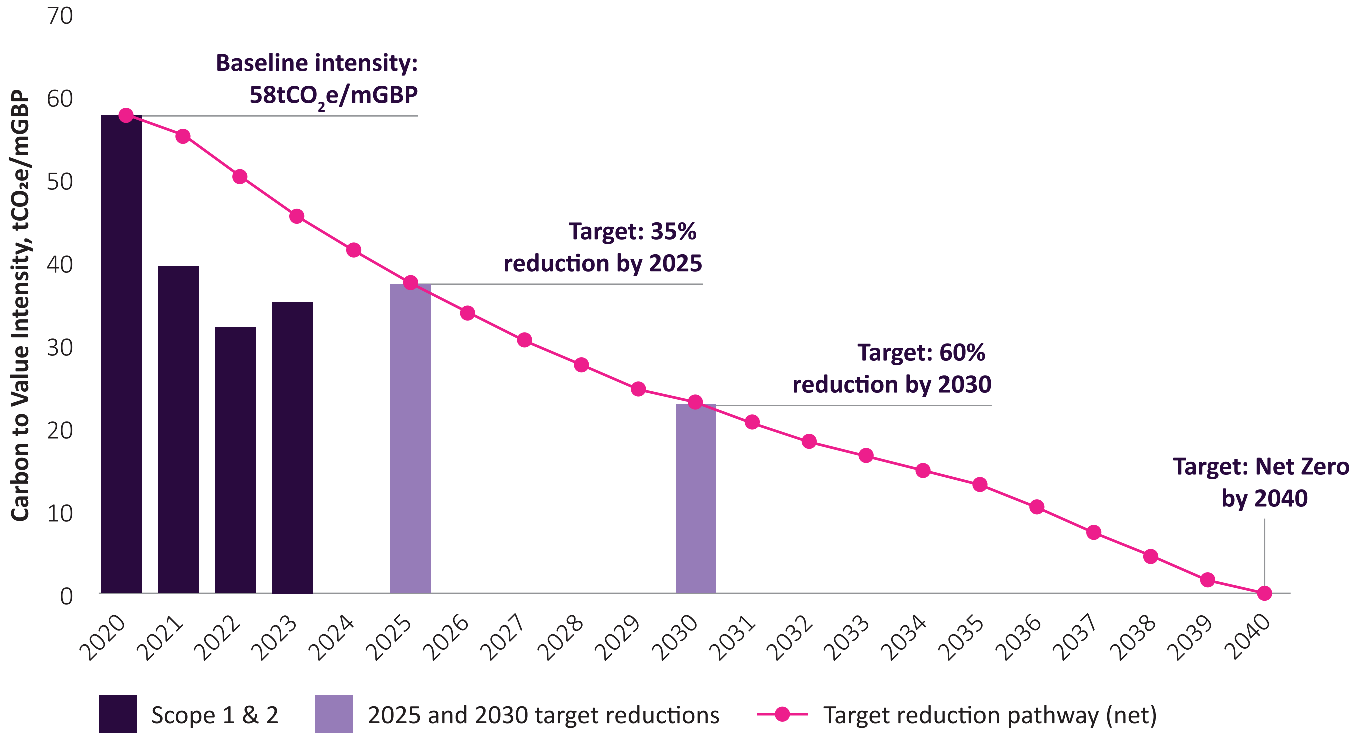
Monitoring progress is still not a perfect science since there remain challenges in data quality and availability. However we take the view that it is better to report based on the available date rather than not at all. Currently 75% of Assets under Management (AuM) within our ACS funds are covered by our analysis, an improvement from 72% in 2022. The 25% of AuM not covered is for a variety of reasons including the asset class (eg sovereign exposure, derivatives) and data quality issues.

In terms of progress to our Net Zero by 2040 target we are currently aligned with a temperature pathway of ~2-3oC. This is not yet sufficient to meet the "well below" ~2-3oC goal of the Paris Agreement, and is roughly in line with the MSCI world index and the passive funds included in pooled funds.

We have set a target to reduce the carbon intensity of our portfolio by 35% in 2025 and 60% by 2030 (relative to 2020). For Scope 1 and 2 emissions, portfolio emissions have reduced by 40% since the baseline, meaning we have already surpassed our target. However, when considering Scopes 1, 2 and 3, emissions have risen by ~5% since the base year. We are working on better understanding the Scope 3 impact of our portfolio, and we expect that much of this increase is due to improvements in data quality and coverage since the base year.

Other key actions include a greater focus on private markets and passive funds, the later in conjunction with LGIM and Blackrock.

Net Zero: London CIV target reduction pathway and performance to date



Baseline intensity is the carbon intensity in the year we set our targets (2020). This means that all our reduction targets are relative to our intensity in 2020.

Source: London CIV 2024 TCFD report

Partnerships in action:

Climate Advisory

Since 2022 we have been providing a climate analytics service to partner funds, free of charge.

This includes in-depth analysis of the carbon footprint and climate risk exposure of both on- and off-pool holdings, to help inform the development of decarbonisation strategies, internal risk management and strategic asset allocation. Since we launched the service, 17 Partner Funds have signed up.

LB Sutton and RB Kingston upon Thames ("Sutton and Kingston")

Our partner funds Sutton and Kingston are two separate funds with a joint support team. They had reviewed their respective investment strategies at a time when the appetite for environmental and social impact solutions across the LGPS had increased, the UK Government had published its White Paper on Levelling Up and a Schroders survey suggested that 71 % of LGPS funds were planning to increase their private market allocations.

Three objective criteria were applied:

1. De-risking by reducing overweight to equities.
2. Focusing on income generating strategies; and
3. Contributing to their respective net zero targets through responsible investment.

Sutton and Kingston wanted to address specific SDGs that were most pertinent to their investment requirements. These included: 13 (Climate Action), 3 (Good Health and Wellbeing), 7 (Energy), 9 (Infrastructure), 8 (Economic Growth), 10 (Reduced inequalities).

Sutton and Kingston used London CIV's Climate Analytics service (provided nil of charge to all partner funds covering both pooled and off pool funds) to support their review. The service includes time for our climate data specialist to discuss their analysis with partner funds, typically producing simulations that provide further insight if changes to investments are being considered. Our Climate Analytics Service played a crucial role in helping Sutton and Kingston provide key investment portfolio adjustment recommendations to their respective Pension Committees. These included a vertical investment strategy that would insert intentionality, additionality, measurability, and financial return. Sutton and Kingston's actuaries undertook asset liability modelling before all parties identified the following London CIV funds which it was considered could meet their objectives.

LCIV Funds	Asset Class	Stewardship outcome alongside financial return
Renewable Infrastructure	Infrastructure	Net zero
The London Fund	Real Estate	Levelling-up (placed-based social and environmental impact)
UK Housing	Real Estate	Levelling-up (placed-based social and environmental impact)
PEPPA	Equities	De-risking / Net zero

Stewardship

Our purpose statement refers to prosperity and the diagram below illustrates how value creation is balanced with value protection in our alignment with the World Economic Forum's (WEF) four pillars, which guide our ESG framework and inform London CIV's strategic decision-making and balancing . The pillars provide a comprehensive view of sustainability, encompassing not only financial growth but also societal well-being, environmental stewardship, and good governance.

Building on those four pillars London CIV uses a risk identification methodology to undertake an annual review to identify priority stewardship themes. We map these to the UN Sustainable Development Goals (SDGs) which assists in focusing our engagement where we can have most impact and assessing whether we are making progress against key milestones.

Our priority stewardship themes for 2023 were: climate change and natural capital; human rights and human capital, health and well being with a particular focus on climate change and natural capital; human rights and human capital.

EOS at Federated Hermes is our stewardship provider for voting and engagement on listed equities and corporate fixed income. Their expertise strengthens our ability to engage with companies and investment managers on critical ESG issues. We collaborate with 16 partners as part of our stewardship and engagement activity. This includes our work with LAPFF whose alerts are reviewed alongside the advice from Hermes EOS to inform targeted engagements with companies.

People

"An ambition to end poverty and hunger, in all their forms and dimensions, and to ensure that all human beings can fulfil their potential in dignity and equality in a healthy environment"

What it means for LCIV: recognising that assets are dependent on human capital and can positively or negatively impact society.

Planet

"An ambition to protect the planet from degradation, including through sustainable consumption and production, sustainably managing its natural resources and taking urgent action on climate change, so that it can support the needs of the present and future generations."

What it means for LCIV: environmental degradation poses critical financial and economic risks to long-term investment returns.

Principles of Governance

"The definition of governance evolves as organisations are increasingly expected to define and embed their purpose at the centre of their business. But principles of agency, accountability, and stewardship are vital."

What it means for LCIV: companies and assets which are well managed are poised for better returns due to better resource management, improved employee productivity and better reputation.

Prosperity

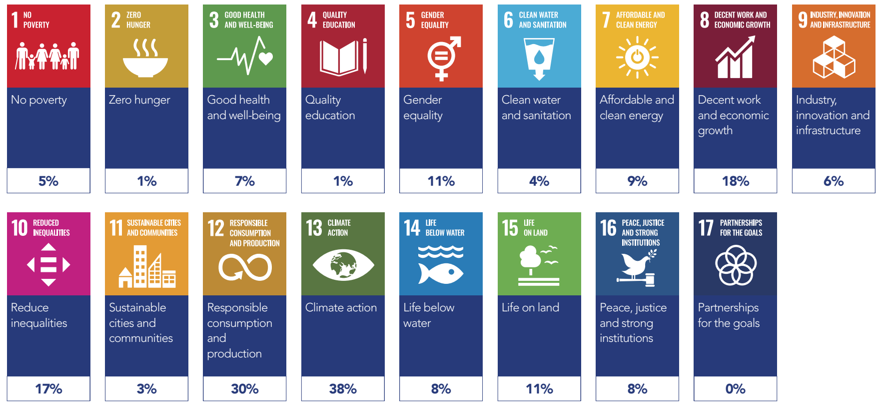
"An ambition to ensure that all human beings can enjoy prosperous and fulfilling lives and that economic, social, and technological progress occurs in harmony with nature."

What it means for LCIV: our primary goal is to pay pensions, ensuring that people are not vulnerable to financial challenges that could minimise the ability to prosper.

Our Stewardship Outcomes Report provides more detail including case studies about engagements in 2023.

Supporting the UN Sustainable Development Goals

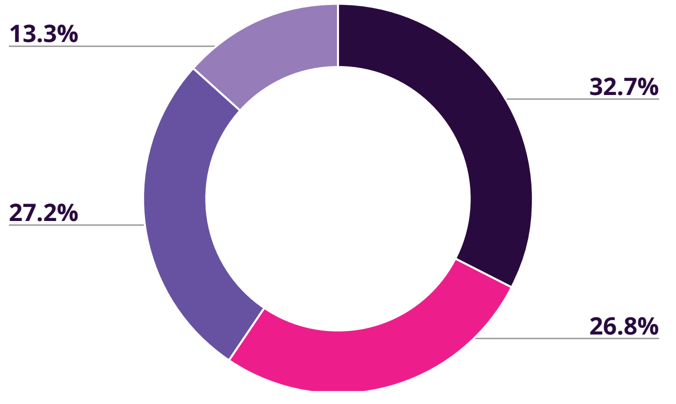
The chart below illustrates the proportion of **1,605** engagement objectives and issues on which we have engaged in 2023, which we believe are directly linked to an SDG (noting that one objective or issue may directly link to more than one SDG).



Engagement

- **EOS engaged** with **490 companies** across **2,426 ESG topics** on behalf of London CIV in addition to the engagements carried out by our investment managers.
- **1,605 engagement objectives and issues** were **linked to one or more SDG** (EOS data, SDGs image)
- In 2023, our **investment managers** held **2,832 engagement meetings** with portfolio companies
- Specific areas of interest were **climate change** (discussed in **41% of the 573 meetings**) and **human rights and human capital** concerns (raised with issuers on **641 separate occasions (45%)**).

Engagement in 2023



We engaged with 418 companies over the last year.

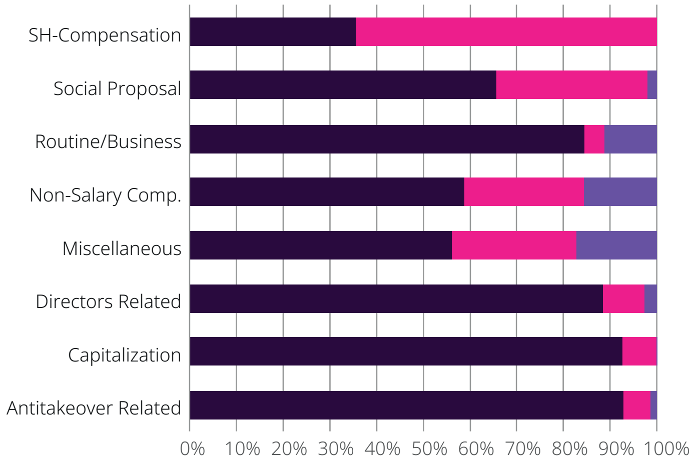
- Environmental
- Governance
- Social and Ethical
- Strategy, Risk and Communication

Source: EOS 2023

Voting

- In 2023, our **investment managers and EOS** voted on **22,688 proposals**. This represents a 97% voting execution in 2023.
- **Investment managers and EOS** voted **against management** propositions on **2,488** occasions.
- **Director-related** and **non-salary compensation** remain the areas of highest dissent
- Our investment managers and EOS also voted on **1,007 shareholder proposals** in 2023 and supported 56% of the proposals.

Voting Instruction Breakdown



Our Responsible Investment and Stewardship Outcomes Report 2024 provides more information about activity in 2023 and is available on our website.

People, Culture and Pay
Sam Furlano

Our people are vital to our success and the key focus this year has been on maturing the business, clarification of our purpose and our values, reviewing our organisation structure and fostering an inclusive, high performing and engaged culture to optimise business success.

In 2023 we launched our new purpose statement to provide clarity about our strategic direction.

We adopted a consultative approach to revise our values to ensure they align to our purpose statement and are memorable. The four values are collaboration, responsibility, integrity and diversity.

To make sure the purpose statement and values truly resonate we have run workshops for all staff. We are making good progress in incorporating them into people policies and processes including recruitment, onboarding and performance management.

A revised organisational model

A key piece of work in 2023/24 has been a review of our organisational model, including separating the Chief Operating Officer (COO) and Chief Financial Officer (CFO) roles, to achieve greater long-term resilience and effectiveness. We've increased clarity (regarding roles, responsibilities, and accountabilities) across the business, with a clearer segregation of responsibilities.

We have strengthened our expertise at all levels of the organisation with new senior hires and four new junior/entry level roles to support with sustainability and succession planning (nine recruitments in total).

Our values

Collaboration
We work together to build and sustain strong partnerships both internally and externally

Responsibility
We are committed to deliver on our promises, meet the needs of our stakeholders and go the extra mile

Integrity
We act with honesty, ethics, and respect in everything we do

Diversity
We respect and celebrate our differences and create an inclusive environment where everyone feels welcome

Learning and Development

We rely on the talent and skills of our people and continue to build a learning culture to support the career and development pathways for our people. This year we celebrated some internal promotions but as a small firm there are limitations on the promotion opportunities we are able to provide. We are pleased that we already have a reputation for talented alumni based on the development opportunities we provide.

In 2023, we reviewed and updated our performance development review and objectives processes to make a clearer link to our business goals and our purpose statement and values. We provided staff with training to help them understand the new approach including the importance of their contribution to the business.

London CIV is authorised and regulated by the FCA so one aspect of that is ensuring that the team meets the standards of professional conduct required including through our programme of regulatory training and supporting staff in professional qualifications. All staff undertook a minimum of 10 hours of regulatory learning and development which included an ESG module. All staff are affiliate members of the professional body CISI.

Collaboration

Collaboration is core to London CIV's business model and purpose including our ability to deliver for our partner funds and all the communities that count on us. We place a strong emphasis on building a collaborative style as a team. To that end we have recently refreshed our approach to our monthly "Townhall" with the aim of strengthening its role in keeping staff up to date and obtaining feedback. This is complemented by our quarterly Employee Voice staff consultation group which includes staff representation from each functional team and is attended by our CEO, Dean Bowden to facilitate a high level of interaction and prompt responses to questions about strategy and the working environment. We also have quarterly social events and regular well-being initiatives. Strong engagement helps us to accelerate our people's development, enhance our leadership capabilities and improve employee commitment and motivation.

Diversity

We monitor the diversity of our staff on an annual basis, taking into account multiple factors, including socio-economic diversity. Given the small size of the team the data published in the annual report is limited to gender and ethnicity.

Our targets, which are kept under review, are informed by our membership of the Diversity Project (an industry organisation). We are founder members of the Asset Owners Diversity Charter, which aims to promote good standards of diversity reporting across the sector. We take into consideration FCA guidance and respond to their consultations.

The targets set in respect of the composition of the Board and senior roles (the Executive team and level just below) are for 40% of post holders to be female. The current composition is in line with these targets. Earlier this year, we set a new target for at least 15% (increased from 8%) of our "Heads of" to be from ethnic minorities. This has been achieved.

There are eight members of the Board (January 2024) four NEDs, two Executive Directors and 2 shareholder nominated NEDs but the last two are not included when calculating whether or not diversity targets have been achieved. In March 2021, it was agreed not to include the two shareholder nominated NEDs (who must be Leaders of London Councils) in calculating whether gender and ethnic diversity targets have been achieved. 33% (2 individuals) of the six members are female against a target of 40%. After excluding the Executive Directors 50% are female. In line with the Parker report, the Board has set an objective of a composition that includes one ethnic minority member. Whilst there is ethnic diversity on the board, the target has yet to be achieved.

The total size of the Executive Committee increased to eight members, with the appointments of Martin Gloyne as COO and Aoifinn Devitt as CIO. Aoifinn's appointment increased female committee membership to three.

An emphasis is also placed on the impact of having women in key Executive and NED roles. In addition to the Compliance Audit and Risk Committee (CARCO) and Remuneration and Nominations Committee, London CIV also has an Investment and Customer Outcomes Committee (ICO). The RemNomCo and Investment and Customer Outcomes Chairs are female NEDs. The CIO is female.

The Shareholder Committee is not as diverse as the London CIV team in terms of gender and ethnicity. However, the Chair of the Committee is from an ethnic minority. The Committee is nominated from amongst Pension Investment Committee Chairs and s151 officers and includes one Trade Union member.

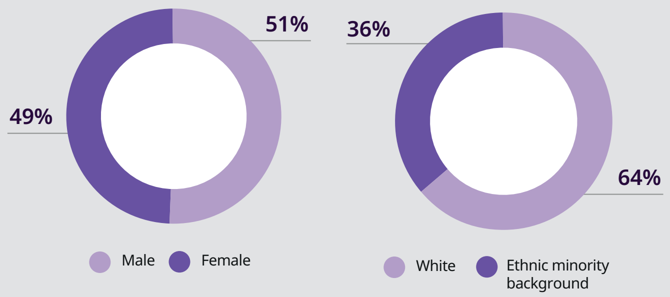
CEO Pay and Pay Ratios

The hourly pay ratio between the CEO and the lowest paid employee based on permanent staff numbers is 12:1

Gender pay ratio analysis

London CIV's gender pay report is based on 45 permanent staff as at 31 March 2023 and does not include interims, consultants or non-executive directors. Given the small numbers one individual can significantly impact ratios so caution is required in interpreting the data. The analysis is based on hourly earnings by gender and indicates that for every £1 the median man earns the median woman earns £0.74 across a workforce of 45 permanent staff of which 49% are female. The key challenge for London CIV is to make sure that the organisational culture and working arrangements attract, motivate and retain a diverse workforce, providing as many development and progression opportunities as possible within the constraints of a very small and specialist team.

45 Total staff (as at 31 March 2024)



For every £1 the median man earns, the median woman earns
£0.74

Percentage of employees are women
49%

Financial Review Brian Lee

"We remain focused on delivering value for money and managing costs"

Brian Lee

I am pleased to introduce the finance review which covers the financial performance of London LGPS CIV Limited, the pool company for London, for the year to March 2024.

Financial Highlights

Overall, the Company has performed well against its financial metrics with favourable variances achieved in comparison to its income and expenditure budgets.

Successful renegotiation of third party manager fees in the past twelve months has allowed the Company to pass on fee savings to investors and also to save shareholders £300k pa by reducing the Development Funding Charge ('DFC')

Key financial indicators for the year to March 2024 include:-

- Income £8.5m (after Development Funding Charge reduction of £300k) vs budget £8.6m
- Expenses £8.3m vs budget £8.6m
- EBITDA of £1.5m (2023 £74k) which includes a VAT reclaim of £1.26m
- Net partner fund investment commitments of £1.6bn achieved in the year
- Assets Under Management increased by 20%, rising from £14.3bn to £17.1bn (actively managed funds)
- Annualised Fee Savings generated £2.4m
- 11% reduction in Development Funding Charge (DFC) for first time since 2017
- Regulatory Capital Surplus at 153% of the capital requirement

Income statement

Operating Income

Management fees were higher in the year as a result of third party management fee savings being passed on to investors and the Company and higher assets under management. The higher management fees also allowed the Company to reduce its fixed fee by 11% (£300k) in the year which is the first reduction in the Development Funding Charge since it was introduced in 2017.

Passive fees remain constant at £0.6m pa based on assets held with LGIM and Blackrock. The passive assets are deemed as pooled by DLUHC and the associated fees payable to the Company relate to a funding agreement with the previous shareholder group known as the Pension Sectoral Joint Committee ('PSJC') dating back to 2017.

VAT regulations as they relate to financial institutions have evolved over the last few years which has enabled the Company to negotiate a VAT recovery of £1.258m from HMRC in the year. The Company is seeking to agree a Partially Exempt Special Method (a 'PESM') which will allow the Company to apply a VAT recovery methodology on an ongoing basis as opposed to operating a reclaim approach to recovery of VAT incurred

Income Statement	Actual Mar-23 £m	Actual Mar-24 £m	Budget Mar-24 £m
Total Fixed Fees	**3.5**	**3.2**	**3.5**
Total Public Market Fees	2.7	3.5	3.2
Total Private Markets	0.9	1.1	1.0
Management fees before Passive Fee Income	**3.6**	**4.6**	**4.2**
Total Passive Fee Income	0.6	0.7	0.6
Total Management and Passive fees	**4.2**	**5.3**	**4.8**
Climate Reporting & Securities Lending	-	-	0.3
Total Fee Income	**7.8**	**8.5**	**8.6**
VAT Refund	-	1.3	-
Total Operating income	**7.8**	**9.8**	**8.6**
Expenses			
Staff costs	5.6	6.2	6.3
Facilities	0.6	0.4	0.4
Legal & Professional	0.6	0.8	0.6
Travel & general expenses	0.1	0.1	0.1
Technology and Data Services	0.8	0.8	1.2
Total Expenses	**7.7**	**8.3**	**8.6**
EBITDA	**0.1**	**1.5**	**0.0**

Savings and reduced costs

- Annualised net fee savings of **£2.4m**
- Annual fixed fee reduced by **11%**
- Operating costs **lower than budget**

Operating Expenses

The operating expenses of the Company fall into five categories namely, staff costs, facilities, professional fees, general expenses, and technology systems costs.

The overall level of costs have been managed to operate within the budget envelope as the business continues to remain focussed on cost control and delivering value for money for its shareholders and investors.

Capital and Revenue Funding Review

In 2021, in conjunction with our partner funds and the CTWG, a comprehensive funding review was carried out by the Company. The purpose of the review was to assess the optimal funding arrangements for the Company and our partner funds so that the Company was financially robust as required for an FCA regulated business and appropriately resourced to provide cost effective investment solutions for our investors.Under the guidance of CTWG, EY were commissioned to assess the funding model options based on their own detailed analysis and feedback from shareholders and investors carried out via workshops and questionnaires. The conclusion was that a further funding review would be carried out when assets managed by the Company had increased and services required by partner funds had been better defined. As outlined in Dean Bowden's CEO report, we are now seeking to progress a number of key deliverables for 2024/25 one of which includes a financially sustainable pooling model.

As we have witnessed with DLUHC's ambition to progress pooling, the ability of the Company to support the pooling requirements of our partner funds needs to be underpinned by a robust capital and revenue funding framework. Therefore we are now building on the funding model work from 2021 , to provide a basis on which a sustainable capital and revenue funding framework can be implemented in the next 12 months. We will be liaising closely with our partner funds in the coming months on this important and exciting project as we continue to work together to deliver sustainable prosperity for the communities that count on us all.

Assets Under Management

The value of assets under management at March 2024 was £17.1bn (March 2023 £14.3bn) and a further £14.5bn (March 2023 £12.5bn) was invested in passive funds managed by LGIM and Blackrock deemed pooled. .

- Public markets assets managed by London CIV increased by nearly 20% in the year, rising from £12.9bn to £15.5 through a combination of net new partner fund investment (£1.0bn) and favourable market movement (£1.6bn).
- Commitments to private markets assets managed by the Company increased by 26% (£651m) in the year, leading to total commitments of £3.1bn
- The overall level of assets considered pooled (including assets managed and passive investments managed by LGIM and Blackrock) increased from £26.8bn to £31.6bn, a rise of 18% in the year.

The Company was successful in sourcing £1.6bn of net client inflows and client commitments in the year which was an increase on the previous year of nearly £1bn.

Private market commitments have increased to over £3bn since the launch of the Infrastructure Fund in November 2019.

Net inflows for the public markets funds totalled £1bn in the year, including the launch of the Buy and Maintain Funds which have been the most successful fund launches to date.

Assets Under Management	Actual Mar-23 £bn	Actual Mar-24 £bn	Budget Mar-24 £bn	Budget Mar-25 £bn
AIFM AUM- ACS	12.9	15.5	14.1	15.7
AIFM AUM- Private Markets	1.4	1.6	1.3	1.5
Total AUM AIFM	14.3	17.1	15.4	17.2
MiFID AUM	-	-	-	0.4
Total Managed Assets	14.3	17.1	15.4	17.6
Passive Funds managed by LGIM/Blackrock	12.5	14.5	12.0	12.6
Total AUM	**26.8**	**31.6**	**27.4**	**30.2**
Total LGPS AUM (at March 2023)	**46.1**	**46.1**	**46.1**	**46.1**
Gross New Inflows (incl commitments)	1.1	2.3	1.6	1.6
Client Outflows	0.5	0.8	-	-
Net client flows	0.6	1.5	1.6	1.6

The latest available figures for total London LGPS assets are £46.1bn at 31 March 2023.

Regulatory Capital and Liquidity Requirements

In December 2023 the FCA granted London CIV additional regulatory permissions. The capital adequacy calculation required has therefore changed and as part of this London CV prepares an internal Capital Adequacy Risk Assessment (ICARA) described more fully below. The Shareholder Agreement requires that a regulatory capital statement is put to shareholders for approval in writing at least annually and this is done as part of the AGM business. The next FCA return in July 2024 is for the June 2024 position informed by the audited 31 March financial statements.

The capital adequacy surplus at 31 March 2024 using the audited financial statements was 153%.

The tables below summarise the capital and liquidity requirements under AIMD and MifIDPRU and confirm that on the basis described above the Company meets its regulatory obligations. In December 2023 the FCA confirmed that the A and B Ordinary shares met the permanent capital requirements necessary for the share capital to qualify as permitted capital for the purposes of regulatory capital.

For AIFMD and MiFIDPRU the capital adequacy requirement is the same. The capital adequacy or "Own Funds Requirement" based on the audited financial statements as at the 31 March 2024 as described above is as follows:

AIFMD Own Funds Requirement – March 2024 based on audited financial statements	£m
Own Funds	8,239
Own Funds Requirement	5,400
Surplus	2,839
Surplus over Requirement	**153%**

The liquidity requirements under AIFMD and MIFIDPRU are presented in the table below.

AIFMD Liquidity Requirement – March 2024	£m
Liquid Assets	9,072
Liquid Assets Requirement	5,294
Liquid Assets Surplus	**3,778**

MiFID Liquidity Requirement – March 2024 (post audit)	£m
Core Liquid Assets	6,846
Liquid Asset Threshold Requirement	699
Liquid Assets Surplus	**6,147**

As noted above the Company will prepare an ICARA at least annually. The purpose of the ICARA is to demonstrate how the Company has assessed its regulatory obligations including potential harms it can cause to consumers and to assess and quantify appropriate levels of

capital and liquidity required to address the potential harms identified during business as usual, in stressed conditions and in the execution of an orderly wind-down. The Company has not identified that it requires additional capital to support its ongoing operations.

Fee Savings

The first fund was launched by London CIV in 2015 and since then we have been monitoring and reporting on fee savings delivered to our partner funds. We have kept this under review with the CTWG.

This year we achieved annualised cost savings to investors of over £2.4m in the last 12 months and reduced the DFC this financial year by £300k per annum.

We have achieved cumulative net savings in respect of the ACS and passive funds of £86.8m since 2015.

In past years we have published a chart in the Annual Report showing net cumulative cost savings following DLUHC reporting guidelines. This takes into account the running costs of London CIV and the funds we manage on your behalf. It includes the ACS and Passive Funds but not Private Market Funds. We have not included the chart this year because we have decided to develop a more comprehensive chart including Private Markets funds which we will publish as part of a fact sheet in September as part of our work with partner funds on a new funding model. It will also be made available on our website as a supplement to the Annual Report.

Cost Transparency Working Group ('CTWG')

In 2023 the Cost Transparency Working Group, chaired by Damon Cook the s151 of the Royal Borough of Greenwich and comprising pension officers and members of pension committees, agreed a number of funding principles for investors and the Company which were subsequently approved by shareholders as part of the budget and MTFS in January 2024. The Cost Transparency Working Group continues to play a pivotal advisory role and 'sounding board'as a link between partner funds and the Company in respect of financially related topics. In the last year, the CTWG, has reviewed:

- London CIV's funding principles,
- the methodology of management fee savings,
- annual expense reporting to DLUHC
- the methodology of the annual Assessment of Value

We would like to place on record our thanks to officers and members for their contribution and involvement in the CTWG on these important matters.

Increased investment by partner funds

- Public markets assets increase by **12%**
- assets managed rose by **20%**
- commitments to private markets funds increased by **26%**

Going Concern

Each year the Company carries out a detailed financial analysis which considers the ability of the Company to meet its current and future liabilities. For the financial year 2024/25, London CIV has reviewed the Shareholder approved Annual Budget for the year to determine if there have been any material changes to the business model which could impact on the financial integrity of the Company.

In preparing the going concern analysis, the Company has considered:

- the annual budget and MTFS that was approved by Shareholders in January 2024,
- the capital adequacy position of the company under AIFMD and MIFIDPRU regulations
- the current trading activity of the company
- the general economic environment

The Company determined that it had the financial resources to operate as a going concern for the foreseeable future.

Brian Lee, Chief Financial Officer
London CIV

Strategic Report
London CIV | Working together to deliver sustainable prosperity for the communities that count on us all

Summary of Principal Risks and Mitigation

Stephen Burke

We strive to minimise our enterprise risk and prevent harm to our Client Funds

Enterprise Risk

London CIV recognise the importance of good risk management to prevent harm whilst maximising your investment returns.

London CIV's principles for enterprise risk management are as follows:

The Board maintains the Company's risk appetite as:

"The Company acknowledges the inherent risks in growing the business at pace, selecting and overseeing portfolio managers, establishing effective pooling structures and delivering accurate reporting to clients and has established an appropriate control framework. London CIV has a medium appetite for manager selection, third party outsourcing arrangements, client communication and engagement, operational processes or procedures which would impact the financial stability of the company and its ability to achieve its purpose and strategic objectives."

The Board delegates the oversight of its Risk Management Policy to the Compliance, Audit and Risk Committee ('CARCO') and the executive directors that are responsible for implementing the Policy which is an integral part of the Company's strategy, business planning and decision making. The Policy sets out the Company's three lines of defence risk management model which is summarised as:

First line
Risk and control ownership

Second line
Oversight, support and challenge

Third line
Oversight from the Depositary and assurance from corporate and fund auditors.

Risk Appetite

The Board approves the risk tolerance levels on an annual basis to guide business activities and to shape the controls framework.

- Risk Appetite is taken into consideration in establishing the Company's Medium Term Financial Strategy and is integrated with its operational controls and culture.
- In April 2023, the Company completed a 20-month period of engagement with its shareholders to agree with all of them required changes to the terms of issue of its share capital to enable the Company to meet FCA's threshold conditions for authorisation. On completion of these changes the Board assessed that the Company had returned to trading within its Risk Appetite, albeit this position was not formally confirmed by the FCA until December 2023.
- Due to the growth of the Company the funding model now requires a review to ensure the business can continue to build retained capital to support future plans for growth and as assets under management increase. The need to agree a new funding model was a key objective agreed with shareholders as part of the MTFS approved by shareholders in January 2024.
- The Company requested a variation of its permissions from the FCA in July 2023 to allow it to offer a wider range of solutions to support the pooling requirements of its Partner Funds including segregated management and investment advisory services. The FCA completed its assessment and granted the Company the required additional permissions in December 2023. The new permissions require the Company to meet additional activity-based regulatory capital requirements which include liquidity provisions, liquidity and capital stress tests as well as a costed actionable wind-down plan.
- When the Company launches new services, they will add to the operational and compliance risk profile of the Company. The Company will seek to mitigate these risks through enhancing its own controls and through the engagement of suitable outsourcing partners. The risk appetite for each new service will be assessed with CARCO before it is launched and the effectiveness of controls will then be reviewed on an ongoing basis.
- The Company expects to launch its first service using its new permissions in the forthcoming year, which will assist Partner Funds to pool their existing property fund interests providing better value, oversight and reporting than currently available to them.

Summary of Principal Risks and Mitigation continued

Principle Sources of risk controllable by the Company

Definition	Risk tolerance	Assessment
Strategic		
Failure to deliver the Business Strategy due to poor execution, decision making, governance, or a failure to deliver due to poor investor engagement, inadequate offering or external industry dynamics.	MEDIUM	The Company's new purpose and values statement are embedded in the Company's operating model and there has been increasing successful engagement with Partner Funds delivering proof points that the Company is meeting its purpose and adding value to Partner Funds. Pooling progress accelerated in 2023/24 which supported the Company to achieve its budget and to finance its first ever reduction in DFC. The Company resolved its regulatory capital issue with the FCA who also agreed to extend the Company's permissions allowing the Company to plan new services that will further the support that is currently given to Partner Funds. TCFD reporting services are a core offering and seeing increasing uptake from Partner Funds to meet their reporting obligations. His Majesty's Governments Department of Levelling Up Housing and Communities' ('DLUHC') pooling guidance proposes fundamental change to the pooling landscape including Partner Funds transfer implementation of their Investment Strategy Statement to their pool; and a target to pool all liquid assets by 2025. The Company continues to develop its capabilities to support Partner Funds to meet DLUHC guidance.
Investment Risk		
Failure to conduct effective investment risk oversight (including counterparty, credit, liquidity, market and ESG risk), or failure to deliver on investment principles or objectives.	MEDIUM	We continue to work to improve the quality, consistency and automation of our investment risk and performance processes.
Operational Risk - Legal and Compliance		
The risk that the Company does not comply with the applicable regulatory framework or does not adhere to applicable laws.	LOW	As reported elsewhere confirmation from the Company's Share Capital is regulatory capital reduced risk in this area. New regulatory permissions enabling plans for business growth and in assets under management result in increased focus on the adequacy of resources and regulatory compliance. Work is in progress to put in place a new funding model covering capital and revenue requirements for growth The Company continues to promote its compliance and risk culture led by the CEO and promoted by our purpose and values. An Executive Risk Committee has been formed to promote the risk culture of the Company. Forthcoming mandatory LCIV fund TCFD reporting, Sustainable Disclosure Rules and anti-greenwashing marketing requirements raise regulatory and reputational risk until fully embedded in our processes. The Company uses third party lawyers to mitigate legal and tax risks particularly in its private markets' funds. In its latest review the Depositary reconfirmed the Company "Standard" risk assessment (its lowest rating).
Operational Risk - Firmwide Operations including Outsourcing and IT		
The risk of loss as a result of inadequate internal processes, poor internal controls, poor contingency plans and poor operational oversight (internal and 3rd party).	LOW	A target operating model review has been completed and the Company is addressing recommendations to improve efficiency are reduce risk. The COO's role has been split into a CFO and a new COO role to improve capacity and focus. Northern Trust remains the key supplier of Custody, Transfer Agency and Fund Accounting services and we are satisfied with the overall level of service. As the operating model matures, we expect to increase the scope of our outsourced functions. We continue to meet CyberEssentials certification in the financial year and CyberEssentials Plus certification was achieved in May 2024..
People		
The ability to attract and retain talent and the ability to maintain appropriate employment practices alongside a suitable remuneration framework.	LOW	The Company is in a period of heightened change, due to planned retirements and actions required to deliver to the future growth strategy. This change impacts at the senior leadership level and the organisation of some of our teams. The Company purpose-led approach is supported by its people and is distinctive from what is offered by the City. As part of the development of a broader based offer a Chief Proposition Officer role has very recently been employed, a new Chief Risk Officer appointed in succession to Stephen Burke who is retiring and following on from the creation of distinct CFO and COO roles and a new CIO appointment. The "out of tolerance" rating reflects the fact that the level of change to be managed is higher than normal.
Financial Strength and Balance Sheet		
The risk that the Company does not have sufficient regulatory capital reserves or does not achieve sufficient income to remain a going concern	VERY LOW	When the business was established it was envisioned that there was sufficient capital for £15bn of AUM. The business now has £17.1bn AUM and has been able to be very efficient with its capital to achieve this level. However there is work in progress to develop a comprehensive new funding model covering both capital and revenue requirements to enable further growth to meet the needs of shareholders and support Partner Funds' continued pooling The Company has put in place a dedicated CFO and now meets additional MIFIDPRU regulatory requirements which include additional Company disclosures and the preparation of an annual Internal Capital Adequacy Risk Assessment, which includes a costed wind-down plan.

Summary of Principal Risks and Mitigation continued

Business environmental risks

We identify the following risks:

Climate change

In 2022 the Company set a net zero target for London CIV by 2025.

The Company also established a net zero target for our fund range of 2040 offering pathways for Partner Funds with varying targets.

We continue to focus on the climate impact of our fund offering and aim to launch a Nature Based Solutions fund later in 2024. The Company supports an increasing number of its Partner Funds with information to prepare their TCFD reporting.

Public Policy

We work closely with our Partner Funds to identify public policy changes which might impact on the business and Partner Funds. The Shareholder Committee has specific responsibility for identifying emerging trends which might impact on the business or Partner Funds which should be considered by the Board or the Executive.

Issues include national government policy in respect of pensions and LGPS pooling and local government together with pensions and financial markets regulations. At the 2023 Budget the Government

challenged the LGPS in England and Wales to move further and faster on consolidating assets and subsequently issued a consultation which closed in October 2024 proposing LGPS funds transfer all listed assets into their pools by March 2025. We have been working closely with Partner Funds to develop plans for the future including for a broader range of services.

We also continue to work closely with individual Partner Funds bearing in mind that local elections and wider political changes translate into changes in leadership of LGPS Pension Committees and new Pension Committee members

Wars

The Company is a global investor operating to ensure it meets Government policy through the implementation of financial sanctions.

Many of the Company's funds are designed to exclude investment companies with revenues in controversial weapons and others have additional weapons-based exclusions. The Company will continue to support our investors acting together in their investment requirements.

As a result of the war in Ukraine sanctions on Russia have continued. No new investment have been made in Russian or Belarusian securities. The Company has valued the small number of these investments at nil value, and its delegated investment managers will sell them if the opportunity arises.

Inflationary Pressures

Inflationary pressures impact us as they do the wider economy. We have capped our headcount and taken other steps to control costs, including optimising our office space through hybrid working.

This year we have also cut the DFC for the first time through the saving we have made in cutting investment management fees. This has been made possible as we have retained some of the savings and increased our management fees. It is our long-term desire to eliminate the DFC and derive our income from management fees and charges for the services we provide.

This Strategic Report was approved by the board and signed on its behalf by:

Dean Bowden, Director
26 June 2024

Governance

Governance Framework

London CIV corporate governance and key stakeholders

London CIV is an FCA authorised and regulated company limited by shares whose 32 London Local Authority shareholders are its only clients ("partner funds"). It was established as a collective venture in 2015 to provide a more effective vehicle for managing the pooled Local Government Pension Scheme (LGPS) assets of the London Local Authorities.

The partner funds and their beneficiaries are London CIV's key stakeholders and London CIV's purpose statement is "working together to deliver sustainable prosperity for the communities that count on us all". We are very conscious that we are managing the assets of the London Local Government Pension Scheme (LGPS) and that the members and beneficiaries of the scheme provide and have provided key services to the people of London. Overall the business model is characterised by visibly high levels of partner fund engagement. You can read more about how we engage with our key stakeholders in the s172 statement on page 16. The wider community of stakeholders includes companies with whom we engage as part of our activity as responsible investors with stewardship responsibilities to planet and other people in mind.

Prosperity is one of four World Economic Forum ESG "pillars" alongside People, Planet and Principles of Governance. It is defined as "an ambition to ensure that all human beings can enjoy prosperous and fulfilling lives and that economic, social and technological progress occurs in harmony with nature".

Our Responsible Investment (RI) Policy describes what prosperity means for London CIV in the following terms "our primary goal is to help our clients with meeting their pension commitments, ensuring that people are not vulnerable to financial challenges that could minimise the ability to prosper". We have supporting Climate and Stewardship Policies and our investment decisions are guided by an agreed framework of investment beliefs.

An effective governance framework is key to London CIV's operation, long term success and sustainability, and to our legal and regulatory requirements. We reviewed our governance framework in 2023/24 with the aim of simplifying arrangements and to support London CIV in becoming a more mature and relevant business. Those changes are set out in more detail in the next section. The arrangements are described more fully in the corporate governance policy/handbook available on the website.

London CIV committee structure

Formal Governance

Shareholder Governance

- Two general meetings
- Four quarterly shareholder committee meetings
- Shareholder Agreement includes reserved matters incl budget and forward plan
- Engagement on strategy and emerging themes
- Financial and corporate performance

London CIV Board

- Remuneration & Nomination Committee
- Investment and Customer Outcomes Committee (ICO)
- Compliance Audit & Risk Committee (CARCO)

CEO supported by the Executive Committee

Informal Partner Fund Engagement

- Fund launch governance and engagement framework
- Sustainability Working Group (SWG)
- Cost Transparency Working Group (CTWG)

Governance Framework continued

London CIV Governance Framework

The overall strategic direction and governance of London CIV is vested in the Board.

London CIV was set up for the specific purpose of pooling the LGPS pension assets of the London Local Authorities. The constitutional arrangements therefore include a Shareholder Agreement which reserves certain decisions to shareholders (in some cases by simple majority and in some cases by supermajority). These reserved matters include annual approval of the budget, objectives and business plan and changes to the constitution.

The Chief Executive is responsible for the day-to-day management of the company and is supported in his leadership by an Executive Committee which includes other senior managers. Under the FCA's Senior Management & Certification Regime (SMCR) certain individuals hold responsibility as Senior Management Function Holders (SMFs). The current SMFs are the CEO, Chief Financial Officer (CFO) and Chief Risk Officer (CRO, covering compliance and risk). There are two Executive Directors, the CEO and the CFO. Currently the other members of ExCo are the Chief Operating Officer (COO), Client Relations Director, HR Director and Director for Governance (Company Secretary).

The Board Governance Committees are the Investment and Customer Outcomes Committee (ICO); Compliance, Audit, and Risk Committee (CARCO); and Remuneration and Nomination Committee (RemNomCo) which includes the Chair of the Shareholder Committee.

The two shareholder nominated directors on the Board are Leaders of London Councils on appointment and there is a Treasurer Observer (s151 officer.).

As part of the Strategic Business Review (SBR) in 2023 there was a review of board and management governance arrangements. Two key changes were:

- to reduce the size of the Board
- change the remit of the Investment Oversight Committee to give a greater focus on customer outcomes (the Investment and Customer Outcomes Committee, ICO)

There are 2 general meetings each year of all shareholders and quarterly meetings of a consultative Shareholder Committee representative of shareholders (see page 41).

As regards formal and informal partner fund and shareholder engagement and governance arrangements:

- the Responsible Investment Reference Group (RIRG) has evolved into the Sustainability Working Group (SWG)
- it has been agreed to establish an informal Chairs Forum to meet twice annually to complement the two formal shareholder general meetings
- it has been agreed to consider how the Cost Transparency Working Group (CTWG) might evolve.

Shareholder committee

Consultation on strategy and business plan (MTFS) financial and corporate performance matters reserved to shareholders Responsible Investment, Reporting & Transparency Emerging issues, shareholder priorities.

London CIV Company Board

Matters reserved to the Board (subject to matters reserved to shareholders) include:
- Strategy and oversight of management of the company
- Budget setting and forward plan
- Reviews performance
- Major contracts and significant decisions including in relation to funds
- Financial reporting and controls

Investment and Customer Outcomes Committee (ICO)

Oversees the investment activity of London CIV in line with the Company's strategy and business plan, including responsible investment with a focus on customer outcomes

Compliance/Audit/Risk Committee (CARCO)

- Oversee compliance obligations
- Risk management framework
- Integrity of financial statements and reporting

Remuneration and Nomination Committee (RemNomCo)

- Remuneration policy
- Remuneration of key staff
- Nominations and succession planning for key staff and the Board

Executive Committee (EXCo)

- ExCo supports the CEO in his/her leadership of London CIV including the development and implementation of strategy in line with agreed risk appetite and financial limits. Responsibilities include Developing and implementing effective solutions to address issues and opportunities facing the company
  - Ensuring that day-to-day operations meet relevant legal requirements and regulatory obligations of the company
  - Keeping corporate and financial performance under review
  - Major decisions in respect of funds and financial commitments
  - People strategy

Board and Committees continued

Board and Committees
Mike Craston

Key issues discussed by the Board during the year, were:

- the CEO's strategic business review, including a new purpose statement with supporting values with workstreams designed to achieve a more relevant and mature business
- corporate performance including performance against MTFS objectives and the product pipeline
- financial performance including regulatory capital requirements and approval of the ICARA
- changes to the Articles of Association (AA) and Shareholder Agreement (SHA) to ensure that constitutional documents met FCA requirements in respect of equity capital
- Annual budget, business plan and objectives set in the context of a medium term financial plan
- (evolving) Medium Term Strategy including effective partner fund engagement to deliver the strategy and the associated funding model.
- The government's policy in respect of LGPS pooling and the implications for London CIV's strategy and for partner funds with the objective of ensuring that London CIV was able to implement the changes required by partner funds in a new "pooling ecosystem"
- regular update on governance and shareholder matters
- Responsible Investment and Stewardship including London CIV's net zero climate ambition
- Strategic challenges and risks to delivering the strategy and specific proposals
- Diversity and inclusion, remuneration, succession and appointment matters
- Year-end financial report and Annual Review

A comprehensive Board evaluation of its collective performance was undertaken externally in 2022 and the report was used as a reference point during 2023 to inform the governance workstream of the strategic business review including the approach to conducting board and committee meetings, creating more opportunities for informal interaction and information provided to support board discussion. This is an iterative exercise and the inhouse evaluation undertaken in early 2024 (timed to give some space for new governance arrangements and changes in the senior team to have taken effect) is expected to assist in prioritising action to achieve further improvement both in respect of simplifying the framework and practice. For example improving the key performance information available to assist in monitoring the business, including the "so what" narrative and risks to success.

All directors must meet FCA fitness to serve requirements and are specifically approved by the FCA where required by the SM&CR regime. The Executive directors, Chair of the Board and Chief Risk Officer hold designated Senior Manager Functions (SMF) under the FCA's Senior Management & Certification Regime (SM&CR). Two Non-Executive Directors, Cllr Peter Mason and Cllr Ravi Govindia are nominated by Shareholders and Damon Cook is the Treasurer Observer.

Following the review of the governance framework the size of the Board was reduced to Chair plus 3 independent non-exec directors (INEDs) plus 2 shareholder nominated directors plus executive directors (2). Paul Niven came to the end of a second three year term and Alison Talbot came to the end of a three year term and this gave an opportunity to reduce the number of external independent directors and size of the Board to 8 members from September 2023.

Compliance, Audit and Risk Committee (CARCO)

Chaired by Mark Laidlaw

In summary CARCO is responsible for: the risk and control framework; overseeing compliance obligations; for the integrity of financial statements and reporting, and the external auditor engagement.

The key issues considered by CARCO this year include

- Ongoing work to enhance the risk and control framework to meet changes in the external and internal strategic and operating environment of the firm, including enterprise risks and mitigating actions required
- Review of the Annual Report and Financial Statements for London CIV including discussion with the auditors about restatement of the 2023 financial statements
- The ongoing compliance monitoring programme
- Business resilience, cybersecurity and the information systems programme
- The report and financial statements for the Authorised Collective Scheme (which contains reports on the funds) and EUUT.
- Regulatory capital and action to amend the Articles of Association and Shareholder Agreement to meet FCA requirements (formally confirmed by the FCA as satisfactorily met in December 2023)
- Variation in Regulatory permissions (achieved December 2023)
- The report of the external auditors including going concern requirements
- Assessment of Value (AoV) report to partner funds on ACS funds, reviewed in collaboration with ICO members
- Internal control environment and assessment of any need for an internal audit function and controls reporting
- The Annual Report of the Depositary

Investment and Customer Oversight Committee (ICO)

Chaired by Yvette Lloyd

In summary, the role of the ICO is to oversee the investment activity of London CIV to ensure that it is aligned with the strategy set by the Board, its investment risk appetite, agreed business plan and to ensure it is suitable for its partner funds. This includes forward looking activity such as the Strategic Product Roadmap, fund launch pipeline and fund launch implementation as well as the oversight of investment risk and fund performance. As part of this years governance review the Terms of Reference were revised and the remit of the committee refocused to give a greater emphasis on customer outcomes.

Whilst the primary accountability for climate change and stewardship matters rests with the Board and the Executive, the Board delegates responsibility to ICO to review progress of its Responsible Investment Strategy and Stewardship, including climate change in respect of activity and progress towards net zero. The Board was pleased that, following submission of the Stewardship Outcomes Report, London CIV was approved again as an asset owner signatory to the UK Stewardship Code and also that London CIV has been a strong advocate of transparency in climate emissions through TCFD reporting, as evidenced by its own TCFD report.

Key topics discussed by the ICO, described further elsewhere in the strategic report were:

- The development of new funds to meet partner fund investment requirements and doing so in a way which takes into account the current LGPS context and our partner funds
- Fund performance, manager selection metrics and oversight of investment risk in funds
- Responsible Investment, in particular progress in achieving London CIV's net zero ambition in respect of climate change and TCFD reporting including the new climate analytics service
- Stewardship and Engagement, including the three priority stewardship themes

Remuneration and Nomination Committee (RemNomCo)

Chaired by Kitty Ussher

In summary the Committee is responsible for: the remuneration framework; remuneration of key staff; nominations matters (appointments) and succession planning for key staff and the Board.

A key focus for the work of the Committee members this year has been a review of the Terms of Reference and related provisions in the Remuneration Policy in particular to create a Senior Staff Pay panel with delegated responsibilities from RemNomCo. Although London CIV has not adopted the UK Corporate Governance Code formally it takes account of the Code in addition to FCA requirements in its corporate governance arrangements and the refresh of the Remuneration Policy had both the wording of the UK Corporate Governance Code and FCA requirements in mind in the interests of clarity of structure of the policy and drafting. It now makes clear that RemNomCo is responsible for deciding the fee paid to the Chairman.

The Committee considered and recommended to the Board the re-appointment of Mike Craston as Chair of the Board for a second three year term from September 2024. This was approved.

RemNomCo members have been involved in decisions in respect of the appointment of senior staff including Martin Gloyne as COO, Aoifinn Devitt as CIO and most recently Sarah Nowell as replacement for Stephen Burke the outgoing CRO.

Diversity and inclusion continues to be a key focus for the Board and the Executive and recruitment at all levels and this is reflected in the wording of the remuneration policy. The People, Culture and Pay section of the Annual Report provides more information about the People Strategy and also about diversity commitments and the current composition of the staff team and board.

The key areas of emphasis for the work of the Committee in respect of the People Strategy are:

- An annual review of the remuneration policy in order to ensure that London CIV is able to attract, retain and motivate the quality staff required to deliver services to client funds
- The committee reviewed the annual pay award in March 2024 and also received an update on the next phase of work to review remuneration policy more generally.
- Succession planning and appointments in respect of the Board and senior staff as described above
- The Committee also keeps under review arrangements for the annual Board Evaluation, Board Development programme and appraisal of Board members

Shareholder Committee

Chaired by Cllr Rishi Madlani

The committee is consulted on: London CIV's strategy, budget and business plan (MTFS); emerging issues and shareholder priorities; financial and corporate performance; Responsible Investment, and Reporting & Transparency. It is also consulted about matters reserved to shareholders by the shareholder agreement. This role means that the Shareholder Committee plays an important role in identifying emerging issues and realistic solutions which will ensure that London CIV can deliver pooling to meet the needs of London. The Chair of the Committee is a member of the Remuneration and Nomination Committee and there are regular meetings between the Chair of the Shareholder Committee and CEO and with the Chair of the Board.

Particular areas of focus have been: London CIV's medium term plans, in particular delivering the anticipated benefits of pooling to client funds and value for money; strengthening collaboration with partner funds, appointments of new senior staff.

Overall a key theme for the Committee this year has been a welcome for the progress made as a result of the strategic business review initiated by Dean Bowden on taking up appointment as CEO, which has created a much stronger partnership between London CIV and its partner funds.

Key issues discussed by the Committee in the last year were:

- Government policy in respect of LGPS pooling
- Corporate and financial performance including value for money and a relentless focus by the Committee on value for money and cost efficiency
- Medium term financial strategy, annual budget, business plan and objectives prior to decision by the January 2024 General Meeting of all Shareholders
- As part of that discussion Responsible Investment, including progress in achieving London CIV's net zero targets and stewardship and engagement activity and the refresh of the Responsible Investment Reference Group (RIRG) to form a Sustainability Working Group (SWG) chaired by the CEO with support from the Vice Chair of the Shareholder Committee
- As part of that discussion Diversity and inclusion, including progress as part of London CIV's activity as an investor and the diversity of the staff team, Board and Committees

Board and Committees continued

Board of directors

Mike Craston
Chairman

Mike joined the London CIV Board as Chair in September 2021. He is non-executive Chair of Railpen. Prior to this, he held a number of roles at Legal and General, Aegon Asset Management, Scottish Equitable, and Schroders and most recently as Chair of Aviva Investors Holdings and a Non Executive Director of AVIVA plc.

Dean Bowden
Chief Executive Officer

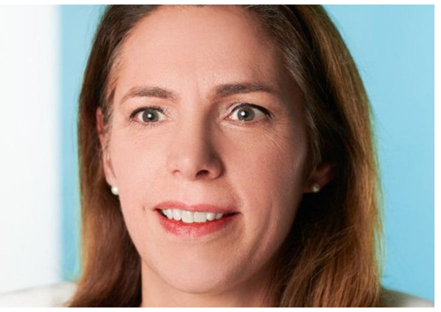
Dean Bowden was appointed as Chief Executive of London CIV in

December 2022. He has over 25 years experience in the investment sector, most recently as CEO of Quilter Investors Portfolio Management and Managing Director of Quilter Investors Limited, while also undertaking the role of Quilter's Group Head of Responsible Investment. Dean began his career as an Investment Manager at Thesis Asset management, personally managing individual client portfolios and a range of funds, before moving to Skandia (now Quilter) in 2007 as Chief Investment Officer of the International Division, spending 15 years with the group undertaking a number of senior leadership positions.

Brian Lee
Chief Financial Officer

Brian Lee is the Chief Financial Officer of London CIV and has been a director of London CIV since 2015. Brian

is a Chartered Accountant and his previous experience has been in senior management roles in global investment management and fiduciary businesses including a major international bank, a FTSE 250 wealth manager, and a NYSE listed hedge fund and private equity manager.



Yvette Lloyd
Non-Executive Director

Yvette Lloyd is Head of Responsible Investment Strategy IM EMEA Distribution at BNY Mellon Investment Management EMEA Ltd. She brings expertise in equity, multi-asset, and real estate in both public and private markets, for both retail and institutional investors. Yvette has over twenty years of experience in large asset management firms including the implementation of ESG factors across a global funds platform. She has served as a Member Nominated Director of a large UK pension scheme and an advisor to the Trustee for the Royal College of Nurses Foundation. Yvette is Chair of the Investment and Customer Outcomes Committee (ICO).

Kitty Ussher
Non-Executive Director

Kitty Ussher is an economist, former Lambeth councillor and MP who served as Economic Secretary to the Treasury (City Minister) during the financial crisis of 2007-08. In parliament she was a member of the Public Accounts Committee, the 2006 Companies Act and several Finance Bill committees. She has also served on the Financial Services Consumer Panel of the FCA and as a Non-Executive Director at Revolut NewCo UK Ltd.

Kitty is currently Group Head of Policy Development at Barclays and a member of The Times shadow monetary policy committee. She chairs the Remuneration and Nomination Committee.

Cllr Peter Mason
Non-Executive Director

Peter Mason is the Leader of the London Borough of Ealing. Before being elected Leader in 2021, he served on the Ealing cabinet in various portfolios including housing, planning, skills & employment as well as public service reform and transformation. Peter is a member of the Old Oak and Park Royal Development Corporation (OPDC Board) and the Chair of the West London Economic Prosperity Board and several other sub-regional committees. Peter was the Head of Public Sector at a leading digital engagement PropTech company. He is a trained town planner holding a Master's in Urban Regeneration from the Bartlett School of Planning.

Board and Committees continued

Cllr Ravi Govindia
Non-Executive Director

Cllr Ravi Govindia led Wandsworth Council from 2011 to May 2022. He has specialised in the fields of regeneration, housing, finance and planning. As co-chair of the Nine Elms Vauxhall Partnership he played a key role in securing the Northern Line extension to Nine Elms, unlocking London's biggest regeneration programme. Under his leadership, Wandsworth delivered record housing, the second lowest council tax and pioneered a range of innovative homeownership schemes. In 2017 he was awarded a CBE for services to local government

Mark Laidlaw
Non-Executive Director

Non-Executive Director

Mark has over 30 years' experience in financial services primarily within life, pensions and asset management and is a qualified actuary. Mark held a number of roles including as Chief Financial Officer (CFO) and Chief Risk Officer (CRO) at AEGON UK and is a Non-Executive Director of Omnilife, Kilter Finance and Scottish Friendly as well as a Trustee of the LV= pension scheme and a member of the investment committee of TPT (a DB Master Trust). Mark is Chair of the Compliance Audit and Risk Committee (CARCO).

Damon Cook
Treasurer Observer

Damon Cook is the Royal Borough of Greenwich's statutory Chief Finance Officer (s1515) and Director of Finance. His wider responsibilities include ICT, pensions and payroll, procurement, advice and benefits, and governance.

Directors' Report
Brian Lee

The directors present their annual report and the audited financial statements for London LGPS CIV Limited (the "Company") for the year ended 31 March 2024.

Principal activities

London CIV manages the Local Government Pension Scheme (LGPS) assets of the London Local Authorities (including the City of London). As their investment partner it provides a portfolio of products and growing range of services. A detailed explanation of the Company's principal activities and business model can be found on page 4 in the CEO report and page 18 respectively.

Strategic Report

The Company is required by the Companies Act 2006 to include a Strategic Report in its Annual Report. The information that fulfils this requirement, which considers past performance, risks and uncertainties and future developments, can be found in the CEO report on page 4, financial review on page 28 and section on risks on page 33. Please also refer to our Section 172 Statement on page 16 which signposts where further information can be found elsewhere in the report, for evidence of the Directors' engagement with suppliers, customers, and others during the financial year.

Going concern

The directors have reviewed the financial results for the year ended 31 March 2024, and the annual budget for the year to March 2025 which covers income and expenses, regulatory capital and the cashflow requirements of the business. The directors are of the opinion that the Company has sufficient financial resources to meet its ongoing obligations as they fall due over the next 12 months from the date of signing the financial statements. Accordingly, the Directors believe it is reasonable for the Company to continue to adopt the going concern basis in preparing the financial statements for a period of at least 12 months from date of signing the financial statements.

Pension scheme

The Company participates as an Admitted Body, in the City of London Corporation Pension Fund ("the Fund") which operates a defined benefit scheme. The funding of the scheme by the Company is determined by the Actuary to the Fund. The Company is obliged to account for its participation in the Fund under FRS102. As at 31 March 2024 the Actuary has reported an FRS102 pension surplus of £1,356,000 (31 March 2023:£859,000). The Company closed its defined benefit scheme to new entrants with effect from the 1 June 2020. The Company continues to offer pension provision for eligible employees through defined contribution arrangements.

Companies can recognise a defined benefit pension scheme surplus as an asset only to the extent that it is able to recover the surplus either through reduced contributions in the future or through refunds from the scheme.

This is a complicated area of pensions accounting and in preparing the financial statements for the year ended 31 March 2023, the Company took specific professional advice on this matter from PWC. Informed by this advice a surplus of £859,000 was recognised as a defined benefit asset in the financial statements. The auditors gave an unqualified opinion in respect of the audit of the 2023 financial statements which included the recognition of the pension scheme surplus.

Over the last year, the approach to reporting pension scheme surpluses has evolved, including across the LGPS. The Directors again took specific professional advice on the recognition of a pension scheme surplus in its financial statements for the year ended 31 March 2024. As a result and after discussion with the Company's auditors, the Directors have decided not to recognise the scheme surplus as an asset in the 31 March 2024 financial statements since the Company does not have a right to a refund or, in light of their funding commitments, to reduce future contributions (see note 16 for details). Due to the materiality of the impact of this change the prior year numbers have been restated.

Share capital

The Company's Share Capital comprises A and B Ordinary Shares where the B shares contribute to the Company's regulatory capital requirements as a FCA regulated entity.

In respect of the financial statements for the prior period to March 2023, the FRS 102 accounting treatment of the Share Capital represented the Share Capital as a financial liability rather than Equity Capital as the Articles of Association and Shareholder Agreement permitted a shareholder the option to redeem which meant the shares could not be considered permanent capital for regulatory capital purposes.

The Company took steps in 2021, keeping the FCA informed throughout, to modify the Shareholder Agreement (SHA) and Articles of Association (AA) in order to re-classify the share capital as equity. In April 2023 the Company achieved approval from all shareholders to revise the SHA and implement changes to the AA. The A and B shares have been re-classified from financial liabilities to equity in the Balance Sheet as of March 2024. Further details are contained in Note 17 to the financial statements.

The effect of this reclassification has been to increase Called Up Share Capital treated as Equity by £4,950,033 and decrease Creditors amounts falling due after more than one year by £4,950,033 as at March 2024. As a result, the Company's Total Shareholders' Funds have increased by £4,950,033 and Net Assets have increased by £4,950,033. The reclassification of the A and B shares as equity that met the definition of permanent regulatory capital was formally confirmed by the FCA in December 2023.

Variation of Permissions

The FCA approved a variation to London CIV's regulatory permissions in December 2023 to authorise London CIV as a collective portfolio management investment company (CPMI).

Subsidiary Companies

The Company's subsidiaries during the year were LCIV Nominee (1) Limited, LCIV Nominee (2) Limited and London LGPS CIV GP Limited, The London Fund GP LLP and The London Fund LP. The principal activities are described in note 10. The subsidiary companies were dormant during the period under review. The directors do not anticipate that the subsidiary companies will trade in the foreseeable future.

Directors

The directors who served during the year and up to the date of signing the financial statements, unless otherwise stated, were:

- Dean Bowden
- Michael Craston (Chairman)
- Jason Fletcher (resigned 17 October 2023)
- Brian Lee
- Cllr Ravi Govinda CBE
- Cllr Peter Mason
- Mark Laidlaw
- Yvette Lloyd
- Paul Niven (resigned 1 September 2023)
- Alison Talbot (resigned 21 September 2023)
- Kitty Ussher

Director indemnity provision

The Company has made qualifying third-party indemnity provisions for the benefit of its directors which remain in force at the date of this report.

Board attendance

The list below shows the attendance at board meetings by board directors during the year. There were 6 formal Board meetings held during the course of the financial year ending 31 March 2024.

Director	Meetings
Michael Craston (Chair)	4/6
Dean Bowden	6/6
Jason Fletcher (resigned 17 October 2023)	3/3
Brian Lee	6/6
Cllr Ravi Govinda CBE	6/6
Cllr Peter Mason	5/6
Mark Laidlaw	6/6
Yvette Lloyd	6/6
Paul Niven (resigned 1 September 2023)	2/2
Alison Talbot (resigned 21 September 2023)	2/2
Kitty Ussher	6/6

Directors' responsibilities statement

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", Section 1A, and applicable law).

Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102 Section 1A, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006.

The directors are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Independent auditor

Deloitte LLP were appointed as auditor to the Company and funds managed by the Company in 2019 for a maximum period of five years which expires this year. The Company has begun a procurement process for the external audit of the London LGPS CIV Limited, its funds and CASS accounts which will be completed later this year. A resolution will be put to shareholders for the appointment of the external auditor selected following the completion of the procurement process.

This report was approved by the board and signed on its behalf by:

Brian Lee, Director
26 June 2024

Financial statements

In this section

Independent Auditor's Report
to the Members of London LGPS CIV Limited

Opinion

In our opinion the financial statements of London LGPS CIV Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 March 2024 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the Statement of Comprehensive Income;
- the Balance Sheet;
- the Statement of Changes in Equity;
- the Cash Flow Statement; and
- the related notes 1 to 20.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"(United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management and those charged with governance about their own identification and assessment of the risks of irregularities, including those that are specific to the company's business sector.

We obtained an understanding of the legal and regulatory framework that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included the Companies Act 2006 and relevant tax and pensions laws and regulations; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty. These included the company's regulatory solvency requirements, requirements of the Financial Conduct Authority ("FCA") and the Financial Services and Markets Act 2000.

We discussed among the audit engagement team including relevant internal specialists such as pensions and IT specialists regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in accuracy of the turnover recorded in the financial statements as there is an inherent risk of fraud that the turnover earned by the Company may not be accurately calculated based on the key inputs to its calculation. We have performed the following procedures to address this fraud risk:

We substantively tested, on a sample basis , the management fee recorded by the Company by;

- recalculating the asset management fee amounts using the terms in the relevant Asset Management Agreements;
- validating Asset Under Management used in the asset management fee computation; and
- agreeing asset management fee amounts invoiced to subsequent cash receipts.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and external legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance and reviewing correspondence with the Financial Conduct Authority.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the Directors' Report has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Directors' Report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Michael Caullay CA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Statutory Auditor Glasgow
26 June 2024

Statement of Comprehensive Income
for the year ended 31 March 2024

Registered Number: 09136445

	Note	2024 £	Restated 2023 £
Turnover	4	9,088,177	8,370,231
Administrative expenses		(9,167,384)	(8,680,336)
Other operating income	7	1,504,442	131,553
Operating profit/(loss)		1,425,235	(178,552)
Interest receivable and similar income		387,858	181,417
Interest payable and similar expenses		(274,000)	(184,158)
Profit/(loss) before taxation		1,539,093	(181,293)
Tax on profit/(loss)	8	(381,933)	164,416
Profit/(loss) the financial year		1,157,160	(16,877)
Other comprehensive income for the financial year			
Actuarial (loss)/ gains on defined benefit pension scheme		(4,000)	1,467,000
Remeasurement loss of pension reimbursement asset		–	(650,000)
Deferred tax relating to items of other comprehensive income		1,000	(189,365)
Other comprehensive (loss)/ income for the financial year		(3,000)	627,635
Total comprehensive income for the financial year		1,154,160	610,758

For both the prior and current year, all results derived from continuing operations.

As described in Note 16 on page 59 a prior year restatement has been identified and corrected.

The notes on pages 54 to 61 form integral part of these financial statements.

Balance sheet
as at 31 March 2024

	Note	2024 £	Restated 2023 £
Fixed assets			
Tangible assets	9	63,920	43,689
Investments	10	21	21
		63,941	43,710
Pension assets	16	–	–
Current assets			
Debtors: amounts falling due after more than one year	11	–	66,447
Debtors: amount falling due within one year	11	3,719,809	2,020,178
Cash at bank and in hand	12	117,294,634	9,000,294
		121,014,443	11,086,919
Creditors: amounts falling due within one year	13	(112,828,412)	(4,039,875)
Net current assets		8,186,031	7,047,044
Total assets less current liabilities		8,249,972	7,090,754
Creditors: amounts falling due after more than one year	14	–	(4,950,033)
Deferred taxation	15	(10,891)	(5,833)
Net assets		8,239,081	2,134,888
Capital and reserves			
Pension reimbursement reserve	17	4,950,033	–
Profit and loss account		3,289,048	2,134,888
Total shareholders' funds		8,239,081	2,134,888

The financial statements on pages 50 to 61 were approved by the board of directors and were authorised for issue on 26 June 2024. They were signed on its behalf by:

Brian Lee, Director
26 June 2024

The notes on pages 54 to 61 form integral part of these financial statements.

As described in Note 16 on page 59 a prior year restatement has been identified and corrected.

Statement of changes in equity
for the year ended 31 March 2024

	Called up share capital £	Pension reimbursement reserve £	Restated Profit and loss account £	Restated Total shareholders' funds £
At 1 April 2022	–	650,000	874,131	1,524,131
Comprehensive expense for the financial year				
Loss for the financial year	–	–	(16,877)	(16,877)
Actuarial gains on defined benefit pension scheme	–	–	1,467,000	1,467,000
Remeasurement loss of pension reimbursement asset	–	(650,000)	–	(650,000)
Deferred tax relating to items of other comprehensive income	–	–	(189,365)	(189,365)
Other comprehensive income for the financial year	–	(650,000)	1,277,635	627,635
At 31 March 2023 and 1 April 2023	–	–	2,134,888	2,134,888
Comprehensive income for the financial year				
Profit for the financial year	–	–	1,157,160	1,157,160
Actuarial gains on defined benefit pension scheme	–	–	(4,000)	(4,000)
Deferred tax relating to items of other comprehensive income	–	–	1,000	1,000
Other comprehensive income for the financial year	–	–	(3,000)	(3,000)
Total comprehensive income for the financial year	–	–	1,154,160	1,154,160
Contributions and distributions by owners				
Reclassification of share capital	4,950,033	–	–	4,950,033
Total transactions with owners	**4,950,033**	**–**	**–**	**4,950,033**
At 31 March 2024	**4,950,033**	**–**	**3,289,048**	**8,239,081**

From 20 April 2023, the Class A and Class B Ordinary Shares have been reclassified as Equity rather than Debt due to changes to the Articles of Association and the Shareholder Agreement

As described in Note 16 on page 59 a prior year restatement has been identified and corrected

The notes on pages 54 to 61 are an integral part of these financial statements.

Statement of cash flows
for the year ended 31 March 2024

	Note	2024 £	2023 £
Cash flows from operating activities			
Operating profit/(loss)		1,425,235	(178,552)
Adjustments for:			
Depreciation of tangible assets		34,097	32,862
Increase in trade and other debtors		(1,699,628)	(146,756)
Increase in trade creditors		108,498,218	3,385,810
Cash generated from operations		108,257,922	3,093,364
Income taxes paid		(19,112)	(256,920)
Interest received		109,858	29,417
Interest paid		–	(158)
Net cash generated from operating activities		108,348,668	2,865,703
Cash flow from investing activities			
Purchase of tangible assets		(54,328)	(24,455)
Net cash used in investing activities		(54,328)	(24,455)
Net increase in cash and cash equivalents		108,294,340	2,841,248
Cash and cash equivalents at the beginning of the year		9,000,294	6,159,046
Cash and cash equivalents at the end of the year		117,294,634	9,000,294

The notes on pages 54 to 61 form integral part of these financial statements.

Notes to the financial statements
for the year ended 31 March 2024

1. General information

London LGPS CIV Limited (the "Company") is a private company limited by shares and is incorporated and domiciled in England and Wales. The address of its registered office is 4th Floor, 22 Lavington Street, London, SE1 0NZ and Registered Number: 09136445. Authorised and regulated by the Financial Conduct Authority No. 710618.

The principal activity of the Company is the provision of FCA regulated investment management services.

The ultimate parent of the Group is London LGPS CIV Limited.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared on a going concern basis, under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The Company's functional and presentational currency is GBP.

The following principal accounting policies have been applied consistently throughout the year:

2.2 Going concern

As disclosed in the directors report, the Company continues to adopt the going concern basis in preparing its financial statements. The directors believe it is reasonable for the Company to continue to adopt the going concern basis in preparing the financial statements for a period of at least 12 months from date of signing the financial statements.

2.3 Exemption from preparing consolidated financial statements

The Company is not required to prepare consolidated financial statements by virtue of the exemption under section 402/405 of the Companies Act 2006.

2.4 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

The service charge and development funding charge are billed to each shareholder annually and recognised over the year to which they relate.

Asset management fees are ad valorem fees calculated daily and invoiced in arrears. Turnover also includes the reimbursement of certain fund related expenses which are also included in administrative expenses.

2.5 Equity instruments

Equity instruments issued by the Company are recorded at a level representing the value of proceeds received. Share capital represents the nominal value of shares that have been issued.

2.6 Tangible assets

Tangible assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives using the straight-line method.

The estimated useful lives range as follows:

Leasehold improvements – 3 years

Fixtures and fittings – 3 years

Computer equipment – 3 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

2.7 Investments

Investments in subsidiaries are stated at cost, less provision for any impairment. Dividends, impairment losses and reversals of impairment losses are recognised in the Statement of Comprehensive Income in 'Net gains/(losses) on investments'.

Dividends from investments which would be classified as financial liabilities by the investee are classified as interest and recognised in the Statement of Comprehensive Income in 'Interest income'.

2. Accounting policies (continued)

2.8 Impairment of investments

Impairment losses on investment in subsidiaries are measured as the difference between cost and the current estimated recoverable amount. When the recoverable amount is less than the cost, an impairment is recognised within the Statement of Comprehensive Income in 'Net gains/(losses) on investments' and is reflected against the carrying amount of the impaired asset on the Balance Sheet.

2.9 Financial liabilities

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form.

2.10 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short- term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.11 Finance costs

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.12 Operating leases

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight-line basis over the lease term.

2.13 Leased assets: the Company as lessor

Where assets leased to a third party give rights approximating to ownership (finance lease), the lessor recognises as a receivable an amount equal to the net investment in the lease i.e. the minimum lease payments receivable under the lease discounted at the interest rate implicit in the lease. This receivable is reduced as the lessee makes capital payments over the term of the lease.

A finance lease gives rise to two types of income: profit or loss equivalent to the profit or loss resulting from outright sale of the asset being leased, at normal selling prices, reflecting any applicable discounts, and finance income over the lease term.

2.14 Pensions

Defined benefit pension plan

The Company participates in a defined benefit plan operated by the City of London Corporation. A defined benefit plan defines the pension benefit that the employee will receive on retirement, usually dependent upon several factors including but not limited to age, length of service and remuneration.

The amount recognised in the Balance Sheet in respect of the defined benefit plan is the estimated present value of the Company's share of the estimated defined benefit obligation at the Balance Sheet date less the Company's share of the fair value of plan assets at the Balance Sheet date out of which the obligations are to be met. The present value of the defined benefit obligation at the Balance Sheet date is less than the fair value of plan assets at that date which means that the plan has a surplus. Under FRS102, London CIV is only able to recognise a plan surplus to the extent that it is able to recover it. The surplus recognition is evaluated in line with restrictions which are known as an ceiling test, on the basis that a Minimum Funding Requirement is generally accepted to exist for the LGPS.

2 Accounting policies (continued)

The defined benefit obligation is calculated using the projected unit credit method. Annually the Company engages independent actuaries to estimate the defined benefit obligation.

The fair value of plan assets and liabilities are measured in accordance with the FRS 102 fair value hierarchy and in accordance with the Company's policy for similarly held assets. This includes the use of appropriate valuation techniques.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income.

The cost of the defined benefit plan, recognised in profit or loss as employee costs, except where included in the cost of an asset, comprises:

a) the increase in net pension benefit liability arising from employee service during the period; and

b) the cost of plan introductions, benefit changes, curtailments and settlements.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets.

2.15 Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

2.16 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Comprehensive Income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

2.17 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date.

2.18 Cash at bank and in hand

Where subscription monies are received from investors pending investment into funds managed by the Company, the monies are held on a bank account that forms part of the Company's cash balances until the monies have been invested and are not subject to segregation in a separate client money bank account. Investors in funds managed by the Company have agreed that client money rules are not applicable.

3. Critical accounting judgements and key sources of estimation uncertainty

The preparation of the Company's financial statements requires management to make judgements and assumptions regarding the valuation of defined benefit post-employment obligation and the pension reimbursement asset that affect the financial statements and related disclosures. The Company believes that the estimates utilised in preparing the financial statements are reasonable, relevant and reliable. Actual results could differ from these estimates.

The Directors do not believe any accounting judgements or estimates have been applied to this set of financial statements other than regarding the valuation of defined benefit post-employment obligations (refer note 15) that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

4. Turnover

	2024 £	2023 £
Management Fee	4,626,330	3,630,014
Service charge and development funding charge	3,220,000	3,520,000
Other fee income	661,104	617,077
Reimbursement of certain private market funds expenses	580,743	603,141
	9,088,177	8,370,231

Reimbursement of private market funds expenses relates to the recovery of fees and expenses charged to investors in those funds.

5. Auditor's remuneration

	2024 £	2023 £
Fees payable to the Company's auditors for the audit of the Company's annual financial statements	39,300	37,750

	2024 £	2023 £
Fees payable to the Company's auditors in respect of:		
Other audit related services	15,300	14,660

Other audit related services relate to the provision of a client assets report to the Financial Conduct Authority.

6. Directors' and employees

Staff costs including Directors' remuneration during the year as follows:

	2024 £	2023 £
Wages and salaries	5,070,291	4,496,947
Social security costs	614,888	580,240
Other pension costs	415,300	392,382
	6,100,479	5,469,569

As noted previously, the Company operates a defined benefit pension for the benefit of certain employees and executive directors. The assets of the scheme are administered by the City of London Pension fund. Employer contributions are recognised as an expense during the year, these amounted to £131,905 (2023: £160,472).

The Company also provides a Defined Contribution Scheme provided by Nest Pension, the accounting treatment is to expense the employer's contributions to the scheme which amounted to £283,395 for the year (2023: £231,910).

The average monthly number of employees, including executive directors, during the year was 46 full time equivalent (2023: 44).

Remuneration in respect of directors was as follows:

	2024 £	2023 £
Emoluments	919,942	995,521
Social security costs	105,065	126,752
Pension contributions	36,734	37,995
	1,061,741	1,160,268

Number of directors who are part of the defined benefit pension scheme in 2024: 1 (2023: 1)

The amounts set out above include remuneration in respect of the highest paid director as follows:

	2024 £	2023 £
Emoluments	338,675	266,240
Social security costs	45,482	37,361
Pension contributions	–	–
	384,157	303,601

7. Other operating income

	2024 £	2023 £
Other operating income	246,256	131,553
VAT refund	1,258,186	–
	1,504,442	131,553

Other operating income includes £1,258,186 relating to the reclaim of VAT refund from HMRC.

8. Tax on profit/(loss)

	2024 £	2023 £
Corporation tax		
Current tax on (loss)/profit for the financial year	375,875	19,112
Total current tax	375,875	19,112
Deferred tax		
Origination and reversal of timing differences	6,058	(139,485)
Effect of changes in tax rates	-	(44,043)
Total deferred tax	16,308	(183,528)
Total tax charge/(credit) for the financial year	381,933	(164,416)

Factors affecting tax charge/(credit) for the year

The tax assessed for the year is the standard rate of corporation tax in the UK of 25% (2023: 19%). The differences are explained below:

	2024 £	2023 £
Profit/(loss) before taxation	1,539,093	(181,293)
Profit/(loss) before taxation multiplied by standard rate of corporation tax in the UK of 25.00% (2023: 19.00%)	384,773	(34,446)
Effects of:		
Movement in unrecognised deferred tax	–	2,369
Expenses not deductible	183	(88,296)
Income not taxable	(3,024)	–
Tax rate changes	1	(44,043)
Total tax charge/(credit) for the financial year	381,933	(164,416)

Factors that may affect future tax rate charges

There are no factors which may affect future tax rate changes to be disclosed.

9. Tangible assets

	Leasehold improvements £	Fixtures and fittings £	Computer equipment £	Total £
Cost				
At 1 Apr 2022	44,651	12,863	177,463	234,977
Additions	–	–	24,455	24,455
At 1 April 2023	44,651	12,863	201,918	259,432
Additions	–	–	54,328	54,328
At 31 March 2024	44,651	12,863	256,246	313,760
Accumulated depreciation				
At 1 April 2022	44,651	8,710	129,520	182,881
Charge for the year	–	2,161	30,701	32,862
At 1 April 2023	44,651	10,871	160,221	215,743
Charge for the year	–	1,328	32,769	34,097
At 31 March 2024	44,651	12,199	192,990	249,840
Net book value				
At 31 March 2024	–	664	63,256	63,920
At 31 March 2023	–	1,992	41,697	43,689

10. Investments

	Investments in subsidiary companies £
Cost	
At 1 April 2023	21
At 31 March 2024	21

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Principal activity	Class of shares	Holding
LCIV Nominee (1) Limited**	22 Lavington Street, 4th Floor, London, SE1 0NZ	Dormant	Ordinary	100%
LCIV Nominee (2) Limited**	22 Lavington Street, 4th Floor, London, SE1 0NZ	Dormant	Ordinary	100%
London LGPS CIV GP Limited**	22 Lavington Street, 4th Floor, London, SE1 0NZ	Dormant	Ordinary	100%
The London Fund GP LLP *	22 Lavington Street, 4th Floor, London, SE1 0NZ	General partner for The London Fund LP	Ordinary	51%
The London Fund LP *	Brodies LLP, Capital Square 58 Morrison Street Edinburgh, EH3 8BP			–

* Indirect dormant subsidiary

** These subsidiaries of the Company were entitled to exemption from audit under Section 479A of the Companies Act 2006 relating to subsidiary companies.

11. Debtors

	2024 £	2023 £
Due after more than one year		
Rent deposits*	–	66,447

* The deposit is not expected to mature until the end of the lease on 15/11/2024.

	2024 £	2023 £
Due within one year		
Trade debtors	561,633	282,956
Other debtors	1,897,406	396,115
Prepayments	208,236	449,772
Accrued income	986,089	891,336
Rent deposit	66,447	-
	3,719,811	2,020,179

Other debtors includes £1,258,186 relating to the reclaim of VAT refund from HMRC which was received subsequent to the year end.

12. Cash at bank and in hand

	2024 £	2023 £
Cash at bank and in hand	117,294,634	9,000,294

Cash at bank and in hand includes subscription monies totalling £110,681,774 received from investors pending investment into London CIV managed funds.

13. Creditors: amounts falling due within one year

	2024 £	2023 £
Trade creditors	315,073	223,357
Amounts owed to group undertakings	21	21
Corporation tax	375,875	19,112
Other taxation and social security	485,595	416,351
Other creditors	111,367,294	2,883,787
Accruals and deferred income	284,554	497,246
	112,828,412	4,039,874

Amounts owed to group undertakings are interest free and repayable on demand.

Other creditors balance includes subscription monies £110,681,774 received from investors pending investment in London CIV managed funds.

14. Creditors: amounts falling due after more than one year

	2024 £	2023 £
Share capital treated as debt	–	4,950,033

On 20 April 2023 the Company's Shareholders approved changes to the Articles of Association and the Shareholder Agreement which changed the terms of issue of both A and B Ordinary Shares so they may no longer be redeemed at par at the option of a Shareholder. These changes to the terms of issue of the A and B shares have resulted in the reclassification of the Ordinary Shares as Equity rather than Creditors: falling due after more than one year.

15. Deferred taxation

	2024 £	Restated 2023 £
At beginning of the year	5,833	–
Charged to profit and loss	6,058	(183,532)
Charged to other comprehensive income	(1,000)	189,365
At the end of the year	10,891	5,833

The deferred taxation balance is made up as follows:

	2024 £	Restated 2023 £
Accelerated capital allowances	15,980	10,922
Short term timing differences	(5,089)	(5,089)
	10,891	5,833

As described in Note 16 on page 59 a prior year restatement has been identified and corrected.

16. Pension commitments

The Company participates in the City of London Pension Fund (the "Fund") which is part of the Local Government Pension Scheme. This is a multi-employer defined benefit pension scheme with assets held in a separately administered fund. The Fund provides retirement benefits on the basis of members' earnings over their careers. The Fund is administered by the City of London, which is responsible for ensuring that the Fund is sufficiently funded to meet current and future obligations. The Company has agreed a funding plan with the City of London, whereby contributions made by the Company into the Fund are equal to 15% of active employees' salaries. Additional contributions may be agreed with the City of London to reduce any funding deficit ascribed to the Company if necessary. A comprehensive actuarial valuation of the Fund, using the projected unit credit method, was carried out at 31 March 2022 by the Fund Actuary.

Prior year restatement

After discussion with the Company's auditors, and as described in the Directors' Report on page 44, the Directors reconsidered the method for calculating the economic benefit available from using a surplus to reduce contributions, which now reflects the impact of the company's minimum funding requirements. After discussion with the Company's auditors, the Directors have accordingly decided not to recognise the scheme surplus as an asset in the 31 March 2024 financial statements.

When carrying out this calculation, it is common practice to assume that regular contributions will continue into the future beyond the period of the rates and adjustments certificate, for the same period as used to value the future service cost. As London CIV is an admitted body in the City of London LGPS Pension Scheme, it is uncertain that a refund would be available from the Scheme due to the nature of the arrangement. Likewise, the company believes that a reduction in future contributions is uncertain and restricted by its funding commitments.

Due to the materiality of the impact of this change the prior year numbers have been restated.

	Reported amount £	Restated amount £	Effect of restatement £
Other comprehensive income			
Actuarial gains on defined benefit pension scheme	2,326,000	1,467,000	859,000
Deferred tax relating to items of other comprehensive income	(404,051)	(189,365)	(214,686)
Balance sheet			
Pension assets	859,000	–	(859,000)
Deferred taxation	(220,520)	(5,833)	214,686
Statement of changes in equity			
Profit and loss account	2,779,203	2,134,888	644,314

16. Pension commitments (continued)

Actuarial Valuation

To assess the FRS 102 surplus at 31 March 2024, the actuary has based the value of the Company's surplus calculated for the funding valuation as at 31 March 2022 and the results of the previous FRS 102 report as at 31 March 2023, allowing for benefits paid and further benefits to accrue to members and for benefits established in respect of transfer values received, using financial assumptions that comply with FRS 102. Mortality projections have been updated to use the Continuous Mortality Investigation (CMI) 2022 model. To calculate the Company's asset share as at 31 March 2024, the actuary has used the assets allocated to the employer at 31 March 2023 allowing for investment returns, contributions and transfers paid in, and estimated benefits paid from, the Fund by and in respect of the employer and its employees. The difference is shown on the Balance Sheet as a surplus in accordance with FRS 102.

Reconciliation of fair value of plan liabilities were as follows:

	2024 £	2023 £
Opening defined benefit obligation	4,828,000	6,673,000
Benefits paid net of transfers in	(17,000)	(71,000)
Contributions by scheme participants	88,000	87,000
Current service cost	140,000	367,000
Interest cost	233,000	184,000
Change in financial assumptions	(158,000)	(3,079,000)
Experience loss on defined benefit obligation	18,000	844,000
Change in demographic assumptions	(61,000)	(177,000)
Closing defined benefit obligation	5,071,000	4,828,000

Reconciliation of fair value of plan assets were as follows:

	2024 £	2023 £
Opening fair value of scheme assets	5,687,000	5,461,000
Benefits paid plus unfunded transfers in	(17,000)	(71,000)
Contributions by employer	144,000	148,000
Interest income on plan assets	278,000	152,000
Actuarial gain	–	96,000
Return on assets less interest	251,000	(182,000)
Contributions by scheme participants	88,000	87,000
Administrative expenses	(4,000)	(4,000)
Closing fair value of scheme assets	6,427,000	5,687,000

Composition of plan assets:

	2024 £	2023 £
Equities	3,584,000	3,336,000
Cash	56,000	41,000
Infrastructure	845,000	759,000
Multi-asset fund	1,028,000	1,551,000
Bonds	914,000	–
	6,427,000	5,687,000

The return on the funds (on a bid to bid basis) for the year ended 31 March 2024 is estimated to be 9.13% (2023: (0.54)%).

	2024 £	Restated 2023 £
Fair value of plan assets	6,427,000	5,687,000
Present value of plan liabilities	(5,071,000)	(4,828,000)
Asset ceiling adjustment	(1,356,000)	(859,000)
Net pension scheme asset	–	–

The amounts recognised in profit or loss are as follows:

	2024 £	2023 £
Current service cost	140,000	367,000
Net interest on the defined liability/(asset)	(4,000)	32,000
Administrative expenses	4,000	4,000
	140,000	403,000

Defined benefit costs recognised in other comprehensive income

	2024 £	2023 £
Return on plan assets less interest	251,000	(182,000)
Actuarial gain on plan assets	-	96,000
Change in financial assumptions on the plan liabilities	158,000	3,079,000
Experience loss on defined benefit obligation on the plan liabilities	(18,000)	(844,000)
Change in demographic assumptions on the plan liabilities	61,000	177,000
Asset ceiling adjustment	(456,000)	(859,000)
	(4,000)	1,467,000

The total return on the fund assets for the year to 31 March 2024 are as follows:

	2024 £	2023 £
Interest on assets	278,000	152,000
Return on assets less interest	251,000	(182,000)
	529,000	(30,000)

Financial statements

London CIV | Working together to deliver sustainable prosperity for the communities that count on us all

Notes to the financial statements continued

Principal actuarial assumptions at the Balance Sheet date (expressed as weighted averages):

	2024	2023
Discount rate	4.95 %	4.80 %
Future salary increases	3.90 %	3.90 %
Future pension increases	2.90 %	2.90 %
Future RPI inflation	3.15 %	3.20 %
Mortality rates (in years):		
– for a male aged 65 now	20.8	21.1
– at 65 for a male aged 45 now	22.0	22.3
– for a female aged 5 now	23.3	23.5
– at 65 for a female member aged 45 now	24.7	25

17. Called up share capital

	2024 £	2023 £
Allotted, called up and fully paid Share Capital treated as Equity comprising		
33 (2023: Nil) Ordinary A shares of £1 each	33	–
4,950,000 (2023: Nil) Ordinary B shares of £1 each	4,950,000	–
	4,950,033	–

On 20 April 2023 shareholders approved changes to the Articles of Association and Shareholder Agreement which amended certain terms of issue of both A and B Ordinary Shares so they may no longer be redeemed at par at the option of the shareholder. This changed the substance of their contractual obligations.

From 20 April 2023 the A and B Ordinary Share have been reclassified according to the substance of their contractual obligations from financial liabilities to equity, in accordance with the Company's Accounting Policy 2.10 Financial instruments.

The effect of this event has been to increase Called Up Share Capital by £4,950,033 and decrease Creditors: amounts falling due after more than one year by £4,950,033.

18. Commitments under operating leases

At 31 March the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2024 £	2023 £
Not later than 1 year	200,480	300,720
Later than 1 year and not later than 5 years	–	200,480
Later than 5 years	–	–
	200,480	501,200

The current year lease expense is included in administrative expenses.

19. Commitment under finance lease

At 31 March the Company had future minimum lease payments under non-cancellable finance leases as follows:

	2024 £	2023 £
Not later than 1 year	1,364	766
Later than 1 year and not later than 5 years	4,092	–
Later than 5 years	–	–
	5,456	766

20. Related party transactions

During the year, each of the 32 (2023: 32) shareholders paid an amount to London LGPS CIV Limited which totalled £800,000 (2023: £800,000) for service charge fees and £2,420,000 (2023: £2,720,000) for development funding charge. At the end of the year, £Nil (2023: £134,400) of development funding charge remained outstanding.

During the year, London LGPS CIV Limited also received fee income of £45,646 (2023: £19,143) from The London Fund LP. At the year end, £10,551 (2023: £5,459) remained outstanding.

Parent and subsidiary relationships

The parent and ultimate controlling entities are disclosed in note 1 to the financial statements. The Company's subsidiary undertakings at 31 March 2024 and 31 March 2023 are disclosed in note 10.

Glossary

Acronyms and Terms	Definition
ACS – Authorised Contractual Scheme	An Authorised Contractual Scheme (ACS) is a UK authorised, tax transparent collective investment scheme. . It is essentially a pool of assets held and managed on behalf of a number of participants (the investors) who are co-owners of the assets.
AIF – Alternative Investment Fund	An alternative investment fund (AIF) is a type of collective investment where funds are raised from a number of investors with a view to investing them in accordance with a defined investment policy for the benefit of those investors.
AIFM – Alternative Investment Fund Manager	An AIFM is defined as an entity that provides, at a minimum, portfolio management and risk management services to one or more AIFs as its regular business irrespective of where the AIFs are located or what legal form the AIFM takes.
AIFMD – Alternative Investment Fund Managers Directive	Directive reference 2011/61/EU The Alternative Investment Fund Managers Directive (AIFMD) is a regulatory framework for alternative investment fund managers (AIFMs), including managers of hedge funds, private equity firms and investment trusts.
AoV – Assessment of Value	An annual report that provides investors with London CIV's assessment of the value each sub-fund within the ACS is delivering against seven criteria set out by the FCA.
AUM – Assets Under Management	Assets under management (AUM) is the total market value of the investments that the Company manages on behalf of investors.
CARCO –Compliance, Audit, and Risk Committee	CARCO oversees London CIV's activity in respect of compliance, audit and risk.
CTI – Cost Transparency Initiative	The CTI is an industry standard for institutional investment cost data designed to provide transparent information on costs and charges and help investors decide whether investments represent value for money.
CTWG – Cost Transparency Working Group	The role of the CTWG is to ensure that there is full transparency and understanding between London CIV and its partner funds on the calculation of cost savings and benefits that London CIV is delivering.
Climate Action100+	An investor initiative to ensure the world's largest corporate greenhouse gas emitters take necessary action on climate change. Over 700 investors with >$35 trillion in assets under management ("AUM") are engaging 170 companies worldwide on improving governance, curbing emissions and strengthening disclosures.
DFC – Development Funding Charge	The DFC and service charge together comprise the London CIV's fixed income stream and are paid by all shareholders contributing to the core costs of the company. When introduced the intention was that the DFC would be a short to medium term measure until management fee income had risen sufficiently to contribute to core costs. The DFC was reduced for the first time in 2023/24 by 11%.
Diversity Project	The Diversity Project is a cross-company initiative championing a truly diverse, equitable and inclusive UK investment and savings industry.
DLUHC – Department for Levelling Up	Department for Levelling Up, Housing and Communities the government department responsible for local authorities including LGPS pension asset pooling policy
ESG – Environmental, Social and Governance	ESG Environment, Social and Governance are issues that are identified or assessed in responsible investment processes. Environmental factors are issues relating to the quality and functioning of the natural environment and natural systems. Social factors are issues relating to the rights, well-being and interests of people and communities. Governance factors are issues relating to the governance of companies and other investee entities.
EUUT – Exempt Unauthorised Unit Trust	An unauthorised unit trust (UUT) is any unit trust which has not been authorised under Section 243 of the Financial Services and Markets Act (FSMA) 2000 by the Financial Services Authority and, a UUT can qualify as an exempt unauthorised unit trust (EUUT) if: the trustees are UK resident, the investors are exempt from capital gains tax or corporation tax on chargeable gains (for reasons other than residency) and, approved by HMRC.
FCA – Financial Conduct Authority	The FCA regulates the conduct of nearly 45,000 businesses in the UK to ensure that financial markets work well.
ICO – Investment and Customer Outcomes Committee	The Investment and Customer Outcomes Committee (ICO) oversees the investment activity of London CIV in line with the Company's strategy and business plan, with a focus on customer outcomes.

Acronyms and Terms	Definition
LAPFF – Local Authority Pension Fund Forum	The Local Authority Pension Fund Forum (LAPFF) is a voluntary association of public sector pension funds based in the UK. LAPFF promotes the highest standards of corporate governance to protect the long-term value of local authority pension funds.
MiFID- Markets in Financial Instruments Directive	MiFID is a directive that aims to increase transparency and investor protection in financial markets including by setting standards of conduct and standardising disclosures.
MTFS – Medium Term Financial Strategy	A financial strategy which outlines investment and other financial goals within an annual and 5-year timescale.
NED – Non-Executive Director	A non-executive director is a member of London CIV's board who is not a member of the executive team and not involved in the day-to-day management of the com-pany. They are involved in strategic direction, governance, setting the company's risk appetite, and monitoring corporate and financial performance.They are expected to provide challenge and act in the interests of the Company's stakeholders.
Pensions for Purpose	Pensions for Purpose is a collaborative initiative of impactmanagers, pension funds, social enterprises and others involved or interested in impact investment. Its aim is to promote understanding of impact investment by effectively sharing news stories, blogs, case studies, academic research and thought leadership papers.
QIR – Quarterly Investment Report	A report sent to all London CIV Client Funds detailing the performance of London CIV funds on a quarterly basis.
RemNomCo – Remuneration and Nomination Committee	The Remuneration and Nomination Committee are responsible for London CIV's remuneration policy, remuneration of key staff and, nominations and succession planning for key staff and the board.
RMF – Risk Management Framework	The Risk Management Framework is used to identify threats to London CIV and outlines the process for mitigating those risks. The RMF is embedded in the Company's overall business strategy, operational policies, and practises.
SAB – Scheme Advisory Board	The Local Government Pension Scheme Advisory Board is a body set up under Section 7 of the Public Service Pensions Act 2013 and The Local Government Pension Scheme Regulations 110-113. The purpose of the Board is to be both reactive and proactive. It will seek to encourage best practice, increase transparency, and coordinate technical and standards issues in respect of the LGPS.
SM&CR – FCA's Senior Management & Certification Regime	The Senior Managers and Certification Regime (SM&CR) replaced the Approved Persons Regime (APR) for solo-regulated firms from 9 December 2019. The regime aims to reduce harm to consumers and strengthen market integrity. It sets a new standard of personal conduct for everyone working in financial services.
SMF – Senior Manager Functions	Senior Management Functions (SMFs) are a type of controlled function under FSMA. They are prescribed in the Handbook and apply to UK-authorised firms and EEA Branches.
SWG – Sustainability Working Group	SWG is a forum which supports the Executive, Board and ICO in developing and co-ordinating London CIV and Client Funds' approach to stewardship, responsible investment and ESG.
TCFD – Financial Stability Board's Task Force on Climate Related Financial Disclosures ("TCFD")	TCFD was established with the goal of developing a set of voluntary climate-related financial risk disclosures which can be adopted by companies so that those companies can inform investors and other members of the public about the risks they face related to climate change.
UK Stewardship Code 2020	The Code sets stewardship standards for asset owners and asset managers, and for service providers that support them. The Code comprises a set of 'apply and explain' principles for asset managers and asset owners, and a separate set of principles for service providers.
UNPRI – the UN Principles for Responsible Investment	A set of six principles that provide a global standard for responsible investing as it relates to environmental, social and corporate governance factors. Organisations follow these principles to meet commitments to beneficiaries while aligning investment activities with the broader interests of society.
UN SDGs – UN Sustainable Development Goals.	These include the SDG targets and indicators, thresholds set by the UNFCCC 2015 Paris Agreement, expectations set out in the Universal Declaration of Human Rights, and other environmental, social, governance, and development objectives established by political or socio-economic institutions.

London CIV: Our journey so far

Established by all London Boroughs and the City of London in 2015, London LGPS CIV Limited ('London CIV') is a dedicated asset pooling company for each of their respective Local Government Pension Schemes ('LGPS'). As well as our Partner Funds, they are also London CIV's shareholders. London CIV is one of eight LGPS asset pooling companies in the UK.

As at 31 Mar	Managed Assets	Funds	People	Events in the year
2015	£0.3bn	1	5	• Public Markets (ACS) Programme Structure launched
2017	£3.6bn	11	12	• Passive Fund Framework
2018	£6.2bn	14	18	• New governance framework – 2 shareholder NEDs and Treasurer Observer added to Board – Shareholder Committee • Responsible Investment policy and joined UNPRI
2019	£8.2bn	14	25	• Private Markets Programme launched • ESG review, six priority actions agreed
2020	£7.6bn	14	27	• Responsible Investment Reference Group, CTWG and Seed Investor Groups • Climate Analytic capability enhanced • TCFD signatory and Climate Action 100+ joined
2021	£11.2bn	19	35	• Private Markets Programme Phase Two begins
2022	£13.9bn	20	38	• Voting and Engagement capacities enhanced • London CIV commits to 2040 Net Zero ambition • Climate and Stewardship Policies
2023	£14.3bn	22	42	• Strategic Business Review • DLUHC accelerated pooling consultation • Climate Reporting at nil charge covering all funds
2024	£17.1bn	24	45	• Revised Articles and Shareholder Agreement approved plus Variation of Permissions

Investment Partners Information

Aviva Investors Global Services Limited
Baillie Gifford & Co
CQS (UK) LLP
Insight Investment Management Limited
JPMorgan Asset Management (UK) Limited
Local Pensions Partnership Investments Ltd
Longview Partners (Guernsey) Limited
Morgan Stanley Investment Management Limited
Newton Investment Management Ltd
PIMCO Europe Limited
Pyrford International Limited
RBC Global Asset Management (UK) Limited
Ruffer LLP
State Street Global Advisers Limited
StepStone Group Real Assets LP

General Partners Information

Arcus European Investment Manager LLP
Infrastructure Investments III GP S.à.r.l.
Equitix Investment Management Limited
Macquarie Infrastructure and Real Assets Europe Limited
Basalt Infrastructure Partners LIP
Capital Dynamics
Brookfield Asset Management
Igneo Infrastructure Partners
Meridiam
Churchill Asset Management
Pemberton Asset Management
BlackRock Financial Management, Inc.
Foresight Group
Quinbrook Infrastructure Partners
Stonepeak Infrastructure Partners
Macquarie Asset Management
Door GP Ltd
Yoo Capital LLP
Sodor- Goldman Sachs Asset Management
CBRE Investment Management (UK Funds) Limited
Octopus Investments Ltd
Savills Investment Management

Company Information

Directors

Dean Bowden
Michael Craston (Chairman)
Brian Lee
Cllr Ravi Govinda CBE
Cllr Peter Mason
Mark Laidlaw
Yvette Lloyd
Kitty Ussher

Company secretary

Kristina Ingate

Registered number

09136445
Authorised and regulated by the Financial Conduct Authority No. 710618

Registered office

4th Floor
22 Lavington Street
London
SE1 0NZ

Business address

4th Floor
22 Lavington Street
London
SE1 0NZ

Independent auditor

Deloitte LLP
Statutory Auditor
110 Queen Street
Glasgow
G1 3BX

www.londonciv.org.uk