



LB of Tower Hamlets

Investment Risk & Analytical Services

March 31, 2021

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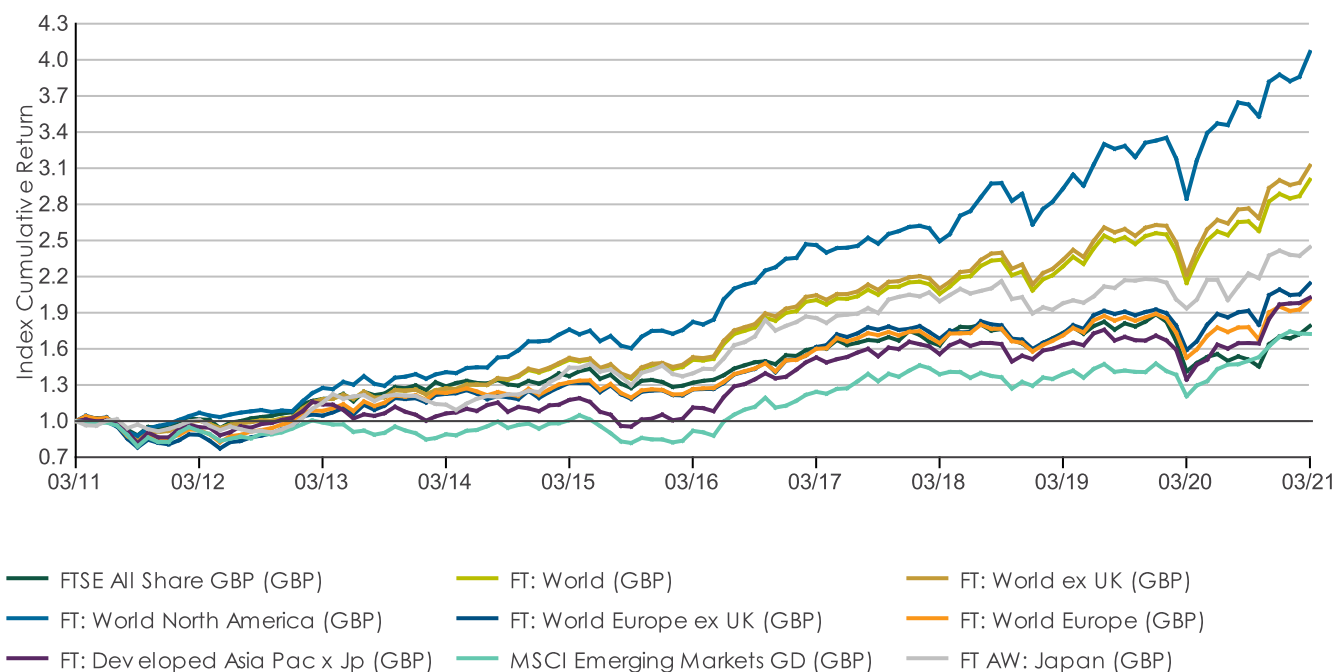
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Equity Indices

RISK STATISTICS

Index Name	CCY	Index Return		Index Sharpe Ratio		Index Standard Deviation	
		3 Yrs	5 Yrs	3 Yrs	5 Yrs	3 Yrs	5 Yrs
FTSE All Share GBP	GBP	3.19	6.29	0.15	0.41	16.22	13.57
FT: World	GBP	13.48	14.77	0.88	1.13	14.43	12.50
FT: World ex UK	GBP	14.11	15.32	0.92	1.16	14.47	12.58
FT: World North America	GBP	17.69	17.39	1.09	1.25	15.46	13.35
FT: World Europe ex UK	GBP	8.38	11.16	0.49	0.77	15.40	13.54
FT: World Europe	GBP	6.87	9.72	0.40	0.68	15.27	13.20
FT: Developed Asia Pac x Jp	GBP	9.18	12.74	0.50	0.80	16.76	15.11
MSCI Emerging Markets GD	GBP	7.46	13.40	0.47	0.88	14.18	14.47
FT AW: Japan	GBP	7.00	11.83	0.48	0.92	12.93	12.19

INDEX PERFORMANCE



QUARTERLY PERFORMANCE

Quarter	FTSE All Share GBP	FT: World	FT: World ex UK	FT: World North America
Q1 '21	5.19	4.09	4.04	4.86
Q4 '20	12.62	8.61	8.50	6.83
Q3 '20	-2.92	3.22	3.55	4.54
Q2 '20	10.17	19.92	20.49	21.90
Q1 '20	-25.13	-16.14	-15.67	-14.46
Q4 '19	4.16	1.39	1.29	1.36
Q3 '19	1.27	3.78	3.94	4.94
Q2 '19	3.26	6.53	6.72	6.82
Q1 '19	9.41	9.56	9.55	11.29
Q4 '18	-10.25	-10.90	-10.96	-11.55
Q3 '18	-0.82	6.19	6.66	8.46
Q2 '18	9.20	7.16	7.00	10.05

Min -25.13 Max 21.90

ANNUAL PERFORMANCE

Quarter	FT: World Europe	FT: Developed Asia Pac x Jp	MSCI Emerging Markets GD	FT AW: Japan
Q1 '21	3.06	2.92	1.40	1.20
Q4 '20	9.64	19.43	13.28	8.53
Q3 '20	0.15	0.81	4.85	2.44
Q2 '20	16.42	21.56	18.60	12.24
Q1 '20	-19.28	-21.32	-18.34	-10.98
Q4 '19	1.47	0.60	4.11	0.24
Q3 '19	1.47	-1.64	-0.96	6.60
Q2 '19	7.28	5.86	3.14	2.88
Q1 '19	8.44	7.75	7.47	4.46
Q4 '18	-10.64	-7.58	-5.18	-12.42
Q3 '18	2.00	0.90	0.28	4.97
Q2 '18	5.11	4.35	-2.09	3.24

Min -21.32 Max 21.56

Equity Commentary

MARKET OVERVIEW

There are many ways that people can sense anxiety in both themselves and others. There is even an index maintained by Investopedia which at the time of writing was trending slightly above neutral (to anxious). One subtler way that tension can be seen to be lifting is when the forefront worries are smaller than they used to be. Concerns about the liquidity trap as companies and households continue to save despite record low interest rates or fearing out of control inflation as economies restart and the floodgates open are arguably nicer worries to have than an out of control virus and no prospect of a return to living life. In the investment environment there is much to support the view that the pandemic has been overcome and that vaccination programs are working. In the US and UK results are already being seen and European equity indexes have outperformed global counterparts despite vaccine supply chain issues.

Value stocks rebounded in Q1 to outperform growth stocks by 2%. The junk rally in the second half of 2020 helped to make higher quality stocks look more affordable by comparison and their fundamentals for the longer term have appealed to analysts. Investors are favouring cyclical sectors such as financials and energy over more defensive stocks (e.g. Healthcare and Staples) and also technology – the lockdown winners. This indicates optimism and is part of the reason for European success as that region is more heavily weighted to the cyclical segment by global comparison.

The one year returns are truly transformed as quarter 1 2020 drops out of the longer term; the MSCI World returned -21% in US dollar terms quarter 1 of last year. Companies started 2021 at breakneck speed raising \$400bn, before January was finished, in global bond and equity issuance. Equity valuations have rebounded since March 2020 as if the pandemic wasn't happening, central government support has underpinned that recovery and enticed some private companies to take advantage and go public. Bumble, Roblox and Esports are some of the names that have listed IPOs so far this year and are thriving at this point in time. Deliveroo, Robinhood and Trustpilot are some familiar names expected to come to market in 2021. Globally, the Energy sector maintained its strong end of 2020 to begin 2021 as the best performing sector over the quarter again. Consumer staples was the only negative returning sector over Q1. It's been a very strong 12 months for all sectors since the shock of Q1 2020 passed, utilities is the weakest performer over 1 year though just behind consumer staples. Consumer discretionary is the strongest sector by some way over the last year, moving ahead of IT from the end of 2020. Oil was up again from \$50 to \$60 per barrel over 3 months. The FTSE World was up 4.1% (GBP) over the first quarter of 2021 and returned 39.9% (GBP) over one year.

The US economy grew by 4.1% over Q4 following the 33% post war record set in Q3. The prediction for 2021 growth is currently around 8%.

Hedge funds scaled back bets after an onslaught from amateur traders pushed some companies way above expected valuations causing heavy losses when unwinding short positions. At quarter end GameStop, a company previously thought to lack a bright future and valued at under \$1bn in December was worth \$13bn, the same market capitalisation as vaccine maker Novavax.

Looking at US sectors, consumer staples and IT were weakest over Q1. Energy continued its resurgence from Q4 to finish strongest for a second consecutive quarter. 12 month performance was very strong generally in the US, utilities was conspicuous as weakest being the only sector to return less than 20%. Consumer discretionary was again notably strong, outperforming second best materials by more than 10%. The FTSE North America index returned 4.9% (GBP) over the first quarter and 42.8% (GBP) over the year.

The UK tech sector outpaced hubs France and Germany despite Brexit fears; \$8bn of investment was secured over Q1 in growing companies like Starling Bank and Zego insurance.

The UK economy contracted by 9.9% in 2020, the largest annual fall ever recorded. Materials was the strongest sector over Q1 narrowly ahead of cyclical siblings energy and financials. Healthcare was weakest both short and long term struggling alongside other defensive sectors as more optimism infects investors. Materials also comes in as top UK sector over the last year after an outstanding end to 2020 when it posted the only positive sector return for the full year. The FTSE All Share was up 5.2% (GBP) over Q1 building on the 12.6% (GBP) returned for Q4 2020 and bringing the 1 year return out of the red and marginally ahead of the FTSE Japan with 26.7% (GBP).

MARKET OVERVIEW

Nissan embraced the opportunities created by Brexit by moving battery making to its Sunderland plant and claiming that the break from EU had secured the future of Britain's biggest car factory. Japan's healthcare sector is the 2nd largest in the world but the slow vaccination program and widescale dissatisfaction have negatively affected performance and resulted in the only negative sector level return for Q1. Energy was far and away the strongest sector over 3 months. Materials built on solid performance in quarter 4 to lead Japanese sectors over 1 year and utilities returned the weakest sector level performance. The FTSE Japan returned 1.2% (GBP) over quarter one, trailing all the major indexes. The FTSE Developed Asia Pacific ex Japan returned 2.9% (GBP) over the first quarter 2021 and was the leading index over the last year with 50.6% (GBP).

China's economy grew by 18% over Q1 2021 highlighting the rapid pace of recovery there. A fast restart to industrial activity and low rates of infection pushed growth above the performance of the other big economies. Consumer spending patterns changed beyond recognition during lockdown and shipping costs rose fast following sailing cancellations and reduced port capacities due to Covid-19. Supply lines were then further restricted when the Ever Given became lodged in the Suez canal for 6 days. Inflationary pressure could hit home hardest in the emerging markets where manufacturers will have to pass costs on due to already tight margins.

Samsung profits rose 44.2% year on year in Q1 despite the problems with chip production in Austin. Gold dipped at quarter end to \$1,680 before bouncing back but was down from \$1900 over the first quarter. Still up from \$1,570 at the beginning of 2020. The MSCI Emerging Markets index returned 1.4% (GBP) over the first quarter and 42.8% (GBP) for the year.

A 3rd wave of virus outbreaks has caused much of Europe to retreat from lockdown easing. Italy has the additional worries of a severe recession and yet another new administration tasked with spending 200bn euro from the EU recovery fund.

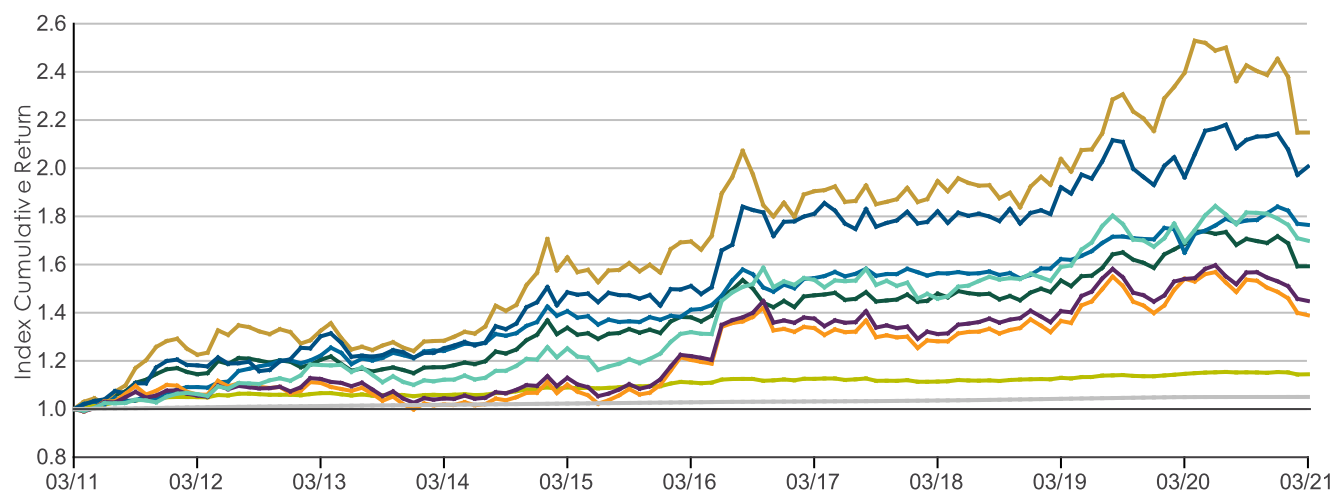
Energy was the strongest European sector over Q1 following on from a positive end to 2020. Real estate was the weakest over the 3 months to March. Consumer discretionary posts the strongest 12 month sector return. Health care was weakest by some way longer term as it was in all major regions outside of the US. The FTSE World Europe ex UK index returned 2.4% (GBP) over quarter one and 34.9% (GBP) over the year.

Fixed Income Indices

RISK STATISTICS

Index Name	CCY	Index Return		Index Sharpe Ratio		Index Standard Deviation	
		3 Yrs	5 Yrs	3 Yrs	5 Yrs	3 Yrs	5 Yrs
FTSE All Stock Index	GBP	2.50	2.90	0.26	0.32	6.62	6.92
FTSE All Stock 0-5 Yr. Gilts	GBP	0.90	0.61	0.14	-0.06	0.87	1.13
FTSE All Stock > 15 Yr. Gilts	GBP	3.34	4.85	0.22	0.34	11.83	12.37
ICE Bofa STG Non-Gilts	GBP	4.11	4.56	0.58	0.67	5.75	5.82
FTSE Index Linked	GBP	3.30	5.85	0.25	0.47	10.08	11.07
JPM GBI Global	GBP	2.74	2.91	0.23	0.22	8.42	9.99
BB Barc Global Aggregate	GBP	3.37	3.50	0.35	0.30	7.45	9.29
BB Barc Global Agg Corp	GBP	5.23	5.19	0.58	0.50	7.67	8.99
1 Month Sterling LIBOR	GBP	0.47	0.43	-3.47	-3.38	0.09	0.07

INDEX PERFORMANCE



- FTSE All Stock Index (GBP)
- FTSE All Stock 0-5 Yr. Gilts (GBP)
- FTSE All Stock > 15 Yr. Gilts (GBP)
- ICE Bofa STG Non-Gilts (GBP)
- FTSE Index Linked (GBP)
- JPM GBI Global (GBP)
- BB Barc Global Aggregate (GBP)
- BB Barc Global Agg Corp (GBP)
- 1 Month Sterling LIBOR (GBP)

QUARTERLY PERFORMANCE

Quarter	FTSE All Stock Index	FTSE All Stock 0-5 Yr. Gilts	FTSE All Stock > 15 Yr. Gilts	ICE Bofa STG Non-Gilts
Q1 '21	-7.24	-0.80	-12.46	-4.12
Q4 '20	0.63	0.10	1.11	3.22
Q3 '20	-1.23	-0.01	-2.47	1.17
Q2 '20	2.45	0.56	3.85	6.83
Q1 '20	6.32	0.87	11.21	-3.24
Q4 '19	-3.89	-0.43	-6.58	-0.69
Q3 '19	6.20	0.71	10.99	3.69
Q2 '19	1.31	0.32	1.97	2.04
Q1 '19	3.38	0.51	5.95	4.18
Q4 '18	1.92	0.63	2.55	0.02
Q3 '18	-1.73	-0.18	-3.28	-0.33
Q2 '18	0.16	0.41	-0.37	-0.11

Min -12.46 Max 11.21

ANNUAL PERFORMANCE

Quarter	FTSE Index Linked	JPM GBI Global	BB Barc Global Aggregate	BB Barc Global Agg Corp
Q1 '21	-6.35	-6.53	-5.34	-5.13
Q4 '20	1.21	-3.29	-2.32	-1.39
Q3 '20	-2.18	-2.00	-1.88	-1.47
Q2 '20	10.32	1.82	3.68	8.94
Q1 '20	1.64	10.15	6.49	1.05
Q4 '19	-8.47	-7.47	-6.53	-5.31
Q3 '19	7.76	4.46	4.02	4.52
Q2 '19	1.89	5.96	5.76	6.41
Q1 '19	5.88	-0.48	-0.11	1.80
Q4 '18	1.87	4.44	3.62	1.56
Q3 '18	-1.21	-0.48	0.31	1.66
Q2 '18	-1.00	3.03	3.30	3.74

Min -8.47 Max 10.32

Fixed Income Commentary

MARKET OVERVIEW

Fixed income markets experienced negative performance in the 1st quarter of 2021 as the U.S. equity markets hit all-time highs with expectations of improving global growth and higher inflation. The Barclays Global Aggregate Index suffered a large quarterly decline and returned -5.34% for the quarter. In addition, the world central banks, including the U.S. Federal Reserve, signalled accommodative policies would continue for 2021. Unprecedented amounts of central bank intervention have been observed over the last 12 months since the start of the global pandemic, with historically low (and even negative) interest rates. As well as this overt, political pressure for added accommodation has been evident at this time, when sovereign deficits have ballooned to historic (some believe unsustainable) levels globally. Most fixed income sectors have offered anaemic cash flows, by historical perspective causing the negative performance seen so far this year.

In the US, the Federal Reserve reinforced its message that current levels of quantitative easing would stay. Emergency asset purchases would continue into 2021, \$80 billion in Treasuries and \$40 billion in mortgage-backed bonds per month. US 10 year yields were significantly higher at the end of Q1 finishing the quarter at 1.74% (compared to 0.91% at the end of 2020). This recorded the second worst quarter since 1980 for US treasuries.

The JPM US Government bonds index returned -5.53% for the quarter. Whilst in Singapore and Canada yields were above 1% subsequently impacting returns in these regions. It seems clear that the financial markets were factoring in the effects of an extremely accommodating Fed, very substantial amounts of ongoing fiscal stimulus, and continued favourable news regarding vaccinations and the pandemic.

In the Asia Pacific region, whilst Japan looks set to host the Olympic games later this year the story of low yields and negative interest rates remains. The JPM Japanese Government bonds index returned -7.89% for Q1. The central bank has for the last eight years tried to use monetary stimulus to reach its 2% inflation target and has now indicated that they will allow interest rates to fluctuate to a 'certain degree'. Japanese 10 yr yields ended the quarter at 0.09%.

Tensions between China and the U.S. (and more broadly, the west) have been heightening over different ideologies to date. Overall economic performance in China remains strong and China's government has been careful to manage its credit slowdown. FTSE Russell confirmed on March 31st that Chinese Government bonds would be included in its World Government Bond index bringing approx. \$131.2bn of foreign inflows into Chinese onshore government bonds. The Chinese 10 year bond yield ended the year at 3.24%.

In the European region, the European Central Bank announced that they would leave coronavirus stimulus measures unchanged in its March meeting. The pandemic emergency purchase programme was to remain at €1.85trillion to last until March 2022. The first quarter saw the central banks bond purchases somewhat lower than usual however it is expected that the pace will pick up later this year according to the ECB. The BofA Euro Aggregate Corps index achieved -5.48% for quarter one.

Bond yields have been rising in the Eurozone since February following the US announcement of their fiscal stimulus plan. Rising yields are a concern for the economic recovery in Europe as it raises borrowing costs for countries already struggling with the coronavirus crisis. 10 year bond yields in Germany were -0.33% (an increase from -0.57%) and countries such as Switzerland and the Netherlands also reflected negative yields for Q1. Italy's 10-year yield rose from 0.52% to 0.63%, reflecting some political uncertainty in that region and Spain's rose from 0.06% to 0.34%.

MARKET OVERVIEW

The inflationary target set to be close to 2% hasn't yet materialised and the ECB estimates rates of 1.5% in 2021 with volatility expected in the coming months. The central bank decided to keep interest rates unchanged at their last meeting.

Green bond sales have increased significantly since 2015. During 2020 a record breaking \$269bn was issued ranging from car manufacturers and financial institutions to utility companies and sovereign states.

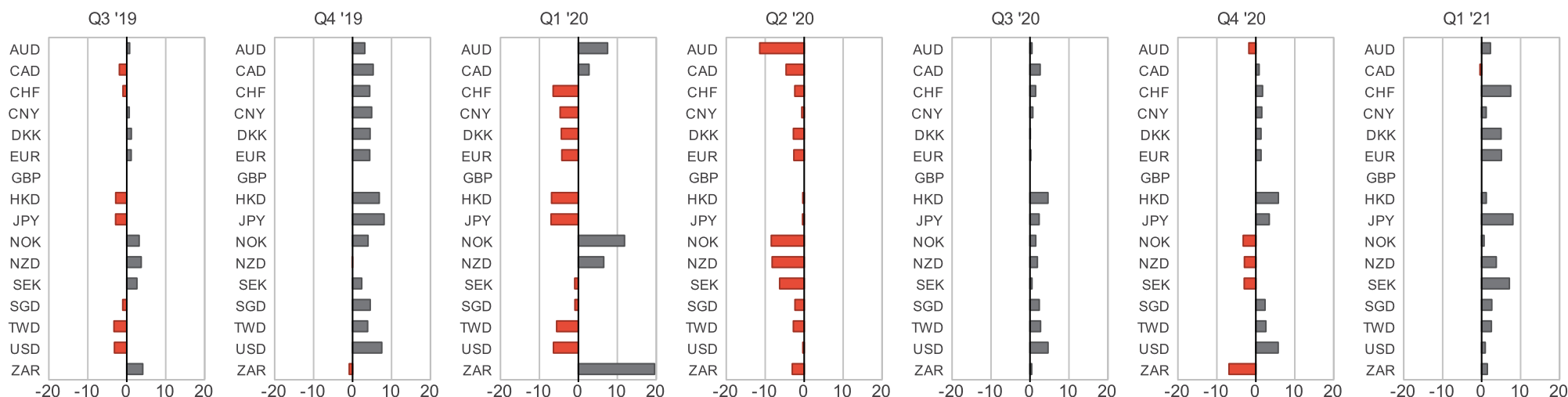
The UK has been keen to present itself as a green leader ahead of hosting COP 26 climate change summit although the EU is still leading the way in terms of green government bond issuance. In the Global markets, green bonds recorded growth last year to \$270bn. The European Union has identified green bonds as a way for it to merge its sustainable targets and support its economic recovery from the pandemic.

In the UK, sentiment suggests COVID-19 may not go away completely, but that the pandemic will. Negative COVID-19-related headlines (including an uptick in cases and a small number of variants) will not derail the ongoing economic expansion. Government policy continues to shift to "living with" rather than "eradicating" the virus. In the fixed income markets, bond yields rose markedly in Q1 amid the swift continued rollout of COVID-19 vaccinations. The UK 10 year yield increased by 65 basis points to 0.81%. The Bank of England left interest rates unchanged at +0.1% and revised down its growth forecasts for 2021.

The FTSE All Stock Index finished the quarter down by -7.24% and recorded -5.54% for the 12 month period. According to the PPF 7800 Index at the end of March, the funding ratio across 5,318 schemes increased to 102%. Compare this to the funding ratio seen in March last year at the start of the pandemic, which was 92.5%. Corporates outperformed government bonds. The ICE BofA £ Non Gilts index returned -4.12% for the period.

Alternatives Indices

CURRENCY PERFORMANCE (GBP)



CURRENCY PERFORMANCE (GBP)

Currency	QTD	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs
AUD - Australian Dollar	2.26	2.26	-10.58	-0.32	-0.62	1.57
CAD - Canadian Dollar	-0.43	-0.43	-1.75	-1.39	-1.38	1.07
CHF - Swiss Franc	7.46	7.46	8.23	-1.12	-1.16	-1.21
CNY - Chinese Yuan Renminbi	1.17	1.17	2.83	0.82	-0.55	-1.48
DKK - Danish Krona	4.99	4.99	3.53	0.89	-1.46	0.36
EUR - European Union Euro	5.08	5.08	3.88	0.96	-1.43	0.39
GBP - British Pound sterling	0.00	0.00	0.00	0.00	0.00	0.00
HKD - Hong Kong Dollar	1.20	1.20	11.61	-0.86	-0.77	-1.49
JPY - Japanese Yen	8.03	8.03	13.89	0.73	-1.15	1.39
NOK - Norwegian Krone	0.63	0.63	-9.55	2.26	-0.19	2.88
NZD - New Zealand Dollar	3.76	3.76	-5.81	0.43	-0.99	-0.64
SEK - Swedish Krona	7.12	7.12	-2.11	0.78	0.63	1.75
SGD - Singapore Dollar	2.61	2.61	5.00	0.26	-0.86	-0.86
TWD - New Taiwan Dollar	2.50	2.50	4.98	-1.27	-3.17	-1.79
USD - United States Dollar	0.93	0.93	11.27	-0.55	-0.81	-1.49
ZAR - South African Rand	1.47	1.47	-8.00	7.02	-0.74	6.52

FOREIGN EXCHANGE RATES (vs. GBP)

Currency	31/12/2020	31/03/2021	Rate of Return
AUD - Australian Dollar	1.77	1.81	2.26
CAD - Canadian Dollar	1.74	1.73	-0.43
CHF - Swiss Franc	1.21	1.30	7.46
CNY - Chinese Yuan Renminbi	8.94	9.04	1.17
DKK - Danish Krona	8.32	8.73	4.99
EUR - European Union Euro	1.12	1.17	5.08
GBP - British Pound sterling	1.00	1.00	0.00
HKD - Hong Kong Dollar	10.60	10.73	1.20
JPY - Japanese Yen	141.13	152.46	8.03
NOK - Norwegian Krone	11.70	11.78	0.63
NZD - New Zealand Dollar	1.90	1.97	3.76
SEK - Swedish Krona	11.23	12.03	7.12
SGD - Singapore Dollar	1.81	1.85	2.61
TWD - New Taiwan Dollar	38.41	39.37	2.50
USD - United States Dollar	1.37	1.38	0.93
ZAR - South African Rand	20.08	20.37	1.47

Currency

MARKET OVERVIEW

The **US dollar** bounced back versus EUR and JPY but was down against GBP over Q1. Following weak growth and criticism of the US' handling of the pandemic, many forecasters were predicting further depreciation of USD during 2021. However, the opposite was true during the first few months of the year, and while a stronger dollar might be a benefit for US importers it could have a negative impact on emerging currencies.

The **Federal Reserve** observed rising Treasury Yields and an improved economic outlook, however held rates at 0-0.25% and kept asset purchases at their current level. Inflation concerns caused global equity markets to pull back during the quarter. Annual inflation was up to 1.7% in February, the highest level since last February, pushed higher mainly by rising energy costs. US unemployment has fallen steadily since hitting an all-time high of 14.8% in April 2020 and now lies at 6% as of March. US consumer sentiment jumped to 84.9 in March, the largest increase since May 2013.

The dollar closed the quarter 4.1% stronger versus the Euro, 7% stronger versus the Yen and -0.9% weaker versus GBP.

The astonishing growth of Bitcoin continued unabated during Q1. Despite a couple of wobbles, the cryptocurrency has managed to double in price and that comes after it tripled during 2020. Wall St remains divided on the future of bitcoin, with some insisting it's purely a speculative trade. Others such as Citigroup are suggesting it could even become the preferred currency for global trade, eventually replacing the US dollar. Elon Musk seems to have confirmed where he sits on this debate, tweeting in March that Tesla cars will soon be sold in bitcoin.

An emerging development in the crypto space is that of Central Bank Digital Currencies (CBDC), with China, Sweden and Thailand now piloting theirs. Most other central banks including the US, UK and the eurozone are now actively researching the idea.

UK Pound Sterling rose steadily throughout the quarter versus EUR and JPY, before coming up against some relative strength from the USD in late February but remaining ahead of all three major currencies at the close of Q1. The efficiency with which Covid vaccinations have been distributed was a boon for the UK government, which has come under heavy criticism during the coronavirus pandemic. This is despite doubts being raised over the Astra Zeneca vaccine's efficacy and possible side effects and supply problems.

In their March meeting, the BoE voted unanimously to hold interest rates at their historic low of 0.1% and to maintain their bond-buying program at its current level. GDP is forecast to return to pre-pandemic level during 2021 and inflation is expected to climb over the coming months. As of February, the annual rate of inflation rate was 0.4%, down from 0.6 at year end.

The **UK unemployment rate** remains at its highest level for 5 years (5% as of January). However activity in the UK Services sector (IHS Markit/ CIPS PMI) rose to 56.3 in March, its highest level since August. Consumer confidence increased as the British public welcomed the gradual lifting of lockdown restrictions.

By the end of Q1, GBP had gained 0.9% versus USD, 5.1% versus the Euro and 8% against the Yen.

The **Euro** began the quarter brightly but faded, falling versus GBP and USD, largely due to the slower roll out of the bloc's Covid vaccination program. Nevertheless, it was stronger against JPY.

The eurozone has fallen behind the likes of the US and UK in terms of its vaccination program, with only 10% of the population having been vaccinated. This is a result of supply difficulties and inconsistent messaging around efficacy and safety, which has resulted in stockpiles of unused vaccines as people refused to take them. News of a third wave of infection suggests that the eurozone's rate of recovery may be further delayed.

MARKET OVERVIEW

At their March meeting, the ECB held interest rates at zero (deposit rate -0.5%). They intimated that emergency bond purchases will continue at a higher pace over the next quarter, aiming to reduce government bond yields and to boost the economic recovery. The ECB have since hinted at a reduction of its bond purchasing program over Q3 provided that encouraging financing conditions prevail.

Inflation climbed to 1.3% during March (up from -0.3% in December) pushed higher mostly by energy prices. Eurozone manufacturing leapt to 62.5 (above 50 is an expansion) according to the IHS Markit PMI Eurozone Manufacturing index, the largest monthly increase on record. Unemployment remained stable at 8.3%, below the high of 8.7% in September but above pre-pandemic levels of 7%. Consumer confidence within the eurozone remained negative but is improving, reaching -10.8 in March, its highest level since February 2020.

The Euro ended 2020 weaker than USD and GBP and stronger against JPY by -4.8%, -3.9% and 2.8% respectively. In Asia, the **Japanese Yen's** weakness at the tail end of 2020 continued, falling significantly versus USD and GBP and to a lesser extent against EUR.

The **BoJ** held short-term interest rates at its historic low (-0.1%) while trying to maintain its loose monetary policy. By also increasing the limit of its ETF purchasing program and relaxing controls around long-term yield targets. Inflation year-on-year was -0.4% in March, which although negative has risen from -1.2% at year end.

The Yen weakened substantially during Q1, closing the quarter down -7.4% versus GBP, -6.6% versus the US dollar and -2.7% versus the Euro.

Following a particularly strong 2020, the **Chinese Renminbi** pulled back slightly versus USD as investors began to worry that the removal of economic stimulus could slow China's recovery. More than 1 trillion RMB flowed into equity and bond markets last year because of China's relatively swift recovery from Covid-19, which saw the RMB gain 6.7% on the dollar in 2020.

The People's Bank of China might welcome some weakness in the currency to help boost exports however, analysts are not expecting this to signal the beginning of a significant slide versus the dollar.

Client Commentary

Scheme Performance

The London Borough of Tower Hamlets Pension Fund posted an absolute return of +1.98% in the first quarter of 2021 on a net of fees basis, falling short of the Fund Benchmark return of +2.26%. There was a divergence of manager returns in the quarter with LCIV Ruffer Absolute Return growing an absolute +7.39%, through to Schroders Equity Protection Strategy posting an absolute loss of -4.35%. Diversified Growth (51bps) achieved a stock selection gain. This was more than offset as Schroders Equity Protection Strategy fell short of its benchmark (-51bps), worsened by Global Equities (-28bps) and Pooled Bonds (-12bps). Considering allocation against benchmark, there were no notable effects. Selection decisions caused a loss of -31bps whilst allocation benefitted by 3ps during the quarter.

The Fund has posted an absolute return of +28.24% over the fiscal year to March 2021. Following the preceding quarters strong excess performance, this is equivalent to an outperformance of 6.54% compared to a benchmark return of +21.70% over 12 months. Asset allocation decisions were beneficial by 95bps whilst stock selection added 4.39%. Over the rolling three year period the fund has returned +10.32% against the benchmark return of +8.31%, resulting in an excess outperformance of 201bps. Over 10 years a surplus of 79bps is recorded with an absolute return of +8.83%, whilst since inception the Fund has delivered an absolute return of +8.03%.

Scheme Allocation

Over the quarter there was a net withdrawal of £4.3 million from the Fund; £6.6 million net income was received and £31.1 million was gained through the appreciation of asset values. The net result was an increase in the total market value from £1,925 million at the end of Q4 2020 to £1.959 million at the end of Q1 2021. The Equity Protection Strategy weight was reduced in the interval with the proceeds in the cash account.

By the end of the period the Equity Protection programme was 0.99% underweight (14.01% vs 15.0%) compared to the benchmark allocation. Global Equity maintained its overweight position against the benchmark with 44.64% against 41.0%. This was at the expense of each of Property (8.33% vs 12.0%) and Pooled Bonds (5.28% vs 6.0%). Multi Asset Credits were steady at 5.98% against the 6.0% benchmark allocation. Diversified Growth saw an increase (20.32% vs 20.0%).

Manager Performance

LCIV BG Global Alpha (LBTH01)

The strategy and assets selected to be held in the LCIV portfolio earned a return of +2.18% over the quarter, underperforming the MSCI AC World ND benchmark return of +3.61% by -142bps. Following the previous three successive quarters of strong excess performance, over the fiscal year the manager exceeds the benchmark by more than 17 per cent earning an absolute return of +56.28%. Over three years the absolute return is +18.83% which is more than six per cent in excess of the yardstick. Since inception when the benchmark has posted +8.95% the manager has delivered an excess return of 3.52% and has earned +12.46%.

L&G MSCI World Low Carbon (LBTH05)

In the quarter the fund was -2bps behind of the benchmark whilst growing by an absolute return of +6.00%. Over the fiscal year the index posted a gain of +50.19%, against this the fund posted +49.99%. Over three years the absolute return is +12.62% which is 4bps ahead of the yardstick. Since inception the fund has earned a return of +10.69% and delivers an excess return of 3bps.

LGIM MSCI Wld Low Carb Tar Idx (LBTH16)

During the quarter whilst the MSCI World Low Carbon Target index delivered a return of +3.87%, the manager matched it and earned +3.85%. For the fiscal year the account has earned +39.03%, however falls short of the benchmark by -18bps. Since inception the account has fallen -11bps short of the benchmark with an absolute return of +13.68%

LCIV BG Diversified Growth Fd (LBTH02)

The Diversified Growth fund suffered a loss with an absolute return of -0.68% over the quarter, falling short of the 3 Month LIBOR +3% benchmark return of +0.75% by -142bps. Over the fiscal year the portfolio has grown by +17.96%, which is 14.60% ahead of the benchmark. Over three years the absolute return is +2.55% which is -124bps short of the yardstick. Since inception when the benchmark posts +3.65% the manager has earned a return of +4.36%, equivalent to an excess of 71bps.

LCIV Ruffer Absolute Return Fd (LBTH03)

The absolute return fund ended the period with a return of +7.39%, outperforming the benchmark of +0.75% by 6.65% in Q1. The portfolio returned +20.71% over the fiscal year, 17.35% ahead of the benchmark return of +3.36%. Over three years the absolute return is +7.41% which is 3.62% ahead of the yardstick on an excess basis. Considering the benchmark is the 3 Month LIBOR+3 over the last 12 quarter ends the manager has fallen short over rolling three year periods on eight occasions. Since inception when the benchmark posted +3.65% the manager has delivered an excess return of 164bps and earned +5.29%.

Schroders Real Estate (LBTH10)

The Schroders real estate comingled account delivered an absolute return of +2.20% over the quarter, outpacing the benchmark return of +1.80% by 40bps in excess terms. The portfolio grew +2.89% over the fiscal year versus the benchmark return of +2.06%. Over three years the absolute return is +2.93%, which is a performance that is 64bps in excess of the yardstick. Since inception when the benchmark has recorded +4.83%, the manager has delivered an excess return of 37bps and earned a return of +5.20%.

LCIV (CQS) MAC (LBTH12)

The Multi Asset Credit fund posted an absolute return of +2.07% during Q1, outperforming the liquidity benchmark of +0.99% by 108bps. Over one year the account has posted a return of +25.26% against the yardstick of +4.36%. Since inception the fund underperforms the 3 Month LIBOR +4% benchmark by -132bps, with an absolute return of +3.44%.

GSAM Star II (LBTH08)

GSAM Star II experienced an absolute loss with a return of -2.77% for Q1 against the LIBOR 3 Month hurdle benchmark return of +0.99%. Over the one year period the absolute return was +7.85% against the index of +4.36%. Over three years the absolute return is +1.43% which is -3.36% behind of the benchmark. Considering the benchmark is the 3 Month LIBOR+4 over the last eight quarter ends the manager has fallen short over rolling three year periods on all occasions. In the interval since inception the yardstick has earned +4.64%, against this the account has fallen short posting an absolute return of +1.55%.

Insight BNY Mellon Absolute Return (LBTH09)

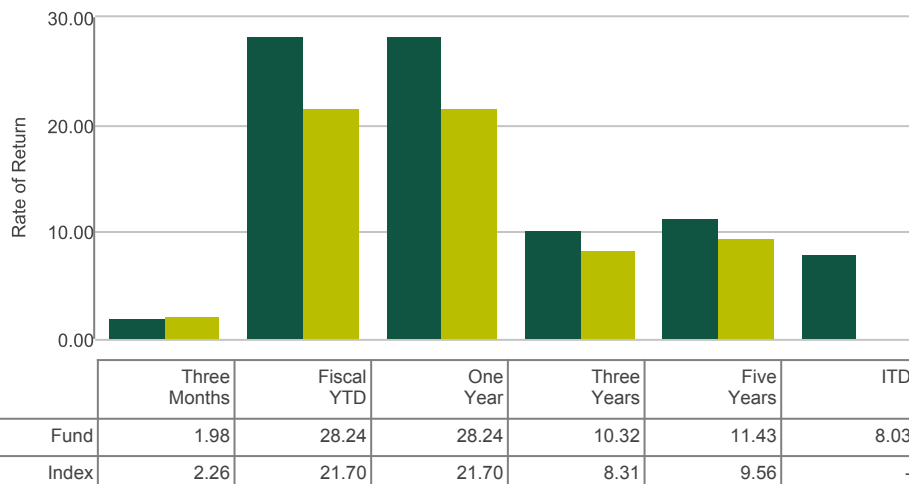
In the quarter the BNY Mellon fund achieved an absolute return of +0.75% whilst the LIBOR index plus 4% hurdle earned +0.99%. Over the fiscal year the account posted a return of +7.96% which is 3.60% ahead of the yardstick of +4.36%. Over three years the absolute return is a loss of -0.67% which is more than five per cent behind of the benchmark. Considering the benchmark is the 3 Month LIBOR+4 over the last seven quarter ends the manager has fallen short over rolling three year periods on all occasions. Since inception when the liquidity plus hurdle benchmark posts +4.64% the manager has suffered a negligible absolute return of +0.07%.

Schroders Equity Protection (LBTH14)

During the quarter where the blended benchmark incurred a shortfall of -0.71%, the manager incurred an absolute loss with a return of -4.35%. This was equivalent to an -3.64% underperformance. Since inception on March 31st 2020 the manager has earned a return of +8.13% against +23.42% for the benchmark.

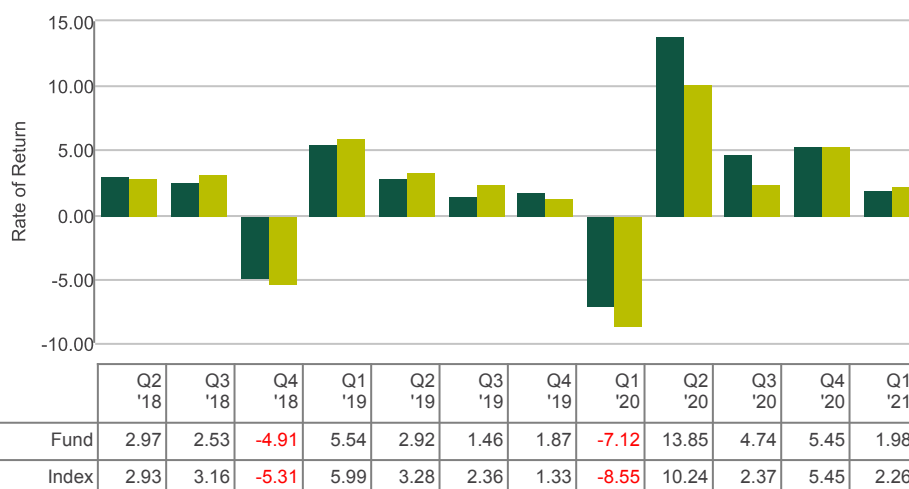
Executive Summary

LB OF TOWER HAMLETS TOTAL FUND NET OF FEES



Index: Total Plan Benchmark

LB OF TOWER HAMLETS ROLLING QUARTERS TOTAL FUND NET OF FEES



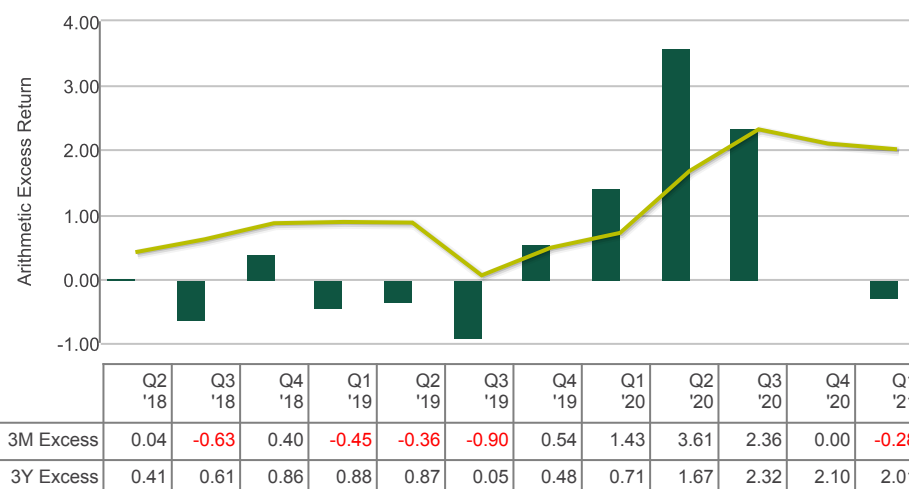
Index: Total Plan Benchmark

RISK STATISTICS

	1 Yr	3 Yrs	5 Yrs
Return	28.24	10.32	11.43
Index Return	21.70	8.31	9.56
Excess Return	6.54	2.01	1.87
Standard Deviation	7.87	7.60	6.75
Index Standard Deviation	6.78	7.52	6.60
Tracking Error	2.62	2.02	1.80
Information Ratio	2.49	0.99	1.04
Sharpe Ratio	3.54	1.26	1.59
Index Sharpe Ratio	3.15	1.00	1.35
Jensen's Alpha	3.57	2.06	1.85
Relative Volatility (Beta)	1.10	0.98	0.99
R Squared	0.89	0.93	0.93
Beginning MV (in 000s)	1,523,834	0	0
Net Contributions (in 000s)	3,928	1,457,164	1,457,164
Income (in 000s)	16,312	46,716	46,716
Appreciation (in 000s)	414,767	454,959	454,959
Ending MV (in 000s)	1,958,840	1,958,840	1,958,840

Index: Total Plan Benchmark. Risk Free Index: JP Morgan 3 month Cash (GBP)
 Category: Total Fund Net of Fees. Calculation Frequency: Monthly

LB OF TOWER HAMLETS ROLLING QUARTERS TOTAL FUND NET OF FEES



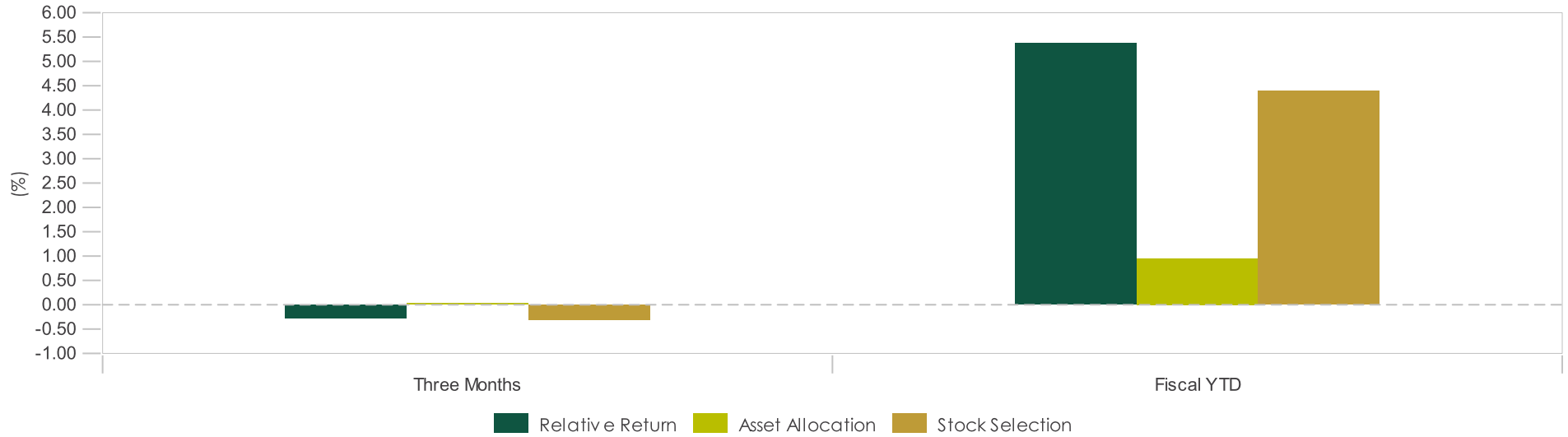
Index: Total Plan Benchmark

Investment Hierarchy

Account/Group	Ending Market Value GBP	Ending Weight	Policy Weight	% Rate of Return							
				One Month	Three Months	Fiscal YTD	One Year	Three Years	Five Years	Inception to Date	Inception Date
LB of Tower Hamlets	1,958,839,891	100.00	100.00	1.05	1.98	28.24	28.24	10.32	11.43	8.03	31/03/1987
<i>Total Plan Benchmark</i>				2.39	2.26	21.70	21.70	8.31	9.56	-	31/03/1987
<i>Excess Return</i>				-1.33	-0.28	6.54	6.54	2.01	1.87	-	31/03/1987
Total Plan ex Equ Protection	1,958,839,891	100.00		1.05	1.98	28.24	28.24	10.31	11.43	8.03	31/03/1987
Global Equity Phys & Synthetic	874,336,024	44.64	41.00	1.89	3.94	51.95	51.95	-	-	17.52	31/08/2018
<i>Global Protected Eq BM</i>				4.24	4.58	43.35	43.35	-	-	10.74	31/08/2018
<i>Excess Return</i>				-2.35	-0.64	8.60	8.60	-	-	6.79	31/08/2018
Global Equities	874,336,024	44.64	41.00	1.89	3.94	51.95	51.95	15.59	16.33	11.06	31/03/2005
<i>Global Equities BM</i>				4.24	4.58	43.35	43.35	12.47	13.65	10.04	31/03/2005
<i>Excess Return</i>				-2.35	-0.64	8.60	8.60	3.12	2.68	1.01	31/03/2005
L&G MSCI World Low Carbon	362,462,284	18.50		4.30	6.00	49.99	49.99	12.62	-	10.69	30/11/2017
<i>MSCI World Low Carbon GBP Hedg</i>				4.31	6.02	50.19	50.19	12.58	-	10.66	30/11/2017
<i>Excess Return</i>				-0.01	-0.02	-0.20	-0.20	0.04	-	0.03	30/11/2017
LCIV BG Global Alpha	403,177,244	20.58		-0.92	2.18	56.28	56.28	18.83	20.51	12.46	30/06/2007
<i>MSCI AC World ND</i>				4.04	3.61	38.94	38.94	12.69	14.16	8.95	30/06/2007
<i>Excess Return</i>				-4.96	-1.42	17.34	17.34	6.14	6.35	3.52	30/06/2007
LGIM MSCI Wld Low Carb Tar Idx	108,696,496	5.55		4.81	3.85	39.03	39.03	-	-	13.68	18/12/2019
<i>MSCI World Low Carbon Target</i>				4.82	3.87	39.21	39.21	-	-	13.79	18/12/2019
<i>Excess Return</i>				-0.01	-0.02	-0.18	-0.18	-	-	-0.11	18/12/2019
Pooled Bonds	103,427,415	5.28	6.00	0.26	-1.15	7.90	7.90	0.44	0.82	0.37	31/03/2010
<i>Pooled Bonds BM</i>				0.33	0.99	4.36	4.36	4.79	4.57	-	31/03/2010
<i>Excess Return</i>				-0.07	-2.14	3.54	3.54	-4.35	-3.75	-	31/03/2010
GSAM Star II	54,792,159	2.80		0.46	-2.77	7.85	7.85	1.43	1.55	1.55	31/03/2016
<i>LIBOR 3 Month +4%</i>				0.33	0.99	4.36	4.36	4.79	4.64	4.64	31/03/2016
<i>Excess Return</i>				0.12	-3.76	3.49	3.49	-3.36	-3.09	-3.09	31/03/2016
Insight BNY Mellon Abslut Ret	48,635,256	2.48		0.05	0.75	7.96	7.96	-0.67	-	0.07	30/06/2016
<i>LIBOR 3 Month +4%</i>				0.33	0.99	4.36	4.36	4.79	-	4.64	30/06/2016
<i>Excess Return</i>				-0.28	-0.24	3.60	3.60	-5.45	-	-4.57	30/06/2016
Multi Asset Credits	117,230,607	5.98	6.00	0.47	2.07	25.26	25.26	-	-	3.44	31/05/2018
<i>Private Debt Benchmark</i>				0.33	0.99	4.36	4.36	-	-	4.76	31/05/2018
<i>Excess Return</i>				0.14	1.08	20.90	20.90	-	-	-1.32	31/05/2018
LCIV (CQS) MAC	117,230,607	5.98		0.47	2.07	25.26	25.26	-	-	3.44	31/05/2018
<i>3 month LIBOR + 4%</i>				0.33	0.99	4.36	4.36	-	-	4.76	31/05/2018
<i>Excess Return</i>				0.14	1.08	20.90	20.90	-	-	-1.32	31/05/2018

Account/Group	Ending Market Value GBP	Ending Weight	Policy Weight	% Rate of Return							
				One Month	Three Months	Fiscal YTD	One Year	Three Years	Five Years	Inception to Date	Inception Date
Diversified Growth	397,958,755	20.32	20.00	1.29	3.34	19.32	19.32	5.00	5.62	4.56	31/01/2011
<i>Diversified Growth BM</i>				0.25	0.75	3.36	3.36	3.79	4.89	4.21	31/01/2011
<i>Excess Return</i>				1.04	2.59	15.96	15.96	1.21	0.73	0.36	31/01/2011
LCIV BG Diversified Growth Fd	192,168,551	9.81		-0.17	-0.68	17.96	17.96	2.55	4.35	4.36	31/01/2011
<i>3 Month LIBOR +3%</i>				0.25	0.75	3.36	3.36	3.79	3.64	3.65	31/01/2011
<i>Excess Return</i>				-0.42	-1.42	14.60	14.60	-1.24	0.71	0.71	31/01/2011
LCIV Ruffer Absolute Return Fd	205,790,204	10.51		2.69	7.39	20.71	20.71	7.41	6.80	5.29	28/02/2011
<i>3 Month LIBOR +3%</i>				0.25	0.75	3.36	3.36	3.79	3.64	3.65	28/02/2011
<i>Excess Return</i>				2.44	6.65	17.35	17.35	3.62	3.17	1.64	28/02/2011
Property	163,252,327	8.33	12.00	1.22	2.20	2.89	2.89	2.93	4.73	6.63	31/03/1989
<i>Property BM</i>				0.67	1.80	2.06	2.06	2.29	4.09	-	31/03/1989
<i>Excess Return</i>				0.55	0.40	0.82	0.82	0.64	0.65	-	31/03/1989
Schroders Real Estate	163,252,327	8.33		1.22	2.20	2.89	2.89	2.93	4.61	5.20	30/09/2004
<i>MSCI UK All Property Index</i>				0.67	1.80	2.06	2.06	2.29	4.09	4.83	30/09/2004
<i>Excess Return</i>				0.55	0.40	0.82	0.82	0.64	0.52	0.37	30/09/2004
Schroder Equity Protection	274,417,480	14.01	15.00	-1.30	-4.35	8.13	8.13	-	-	8.13	31/03/2020
<i>Schroders Blended Benchmark</i>				3.19	-0.71	23.42	23.42	-	-	23.42	31/03/2020
<i>Excess Return</i>				-4.49	-3.64	-15.29	-15.29	-	-	-15.29	31/03/2020
Schroders Equity Pro Strategy	274,417,480	14.01		-1.30	-4.35	8.13	8.13	-	-	8.13	31/03/2020
<i>Schroders Blended Benchmark</i>				3.19	-0.71	23.42	23.42	-	-	23.42	31/03/2020
<i>Excess Return</i>				-4.49	-3.64	-15.29	-15.29	-	-	-15.29	31/03/2020
Residual	97,667	0.00		-	-	-	-	-	-	-	31/03/2018
Legacy Mandates	97,667	0.00		-	-	-	-	-	-	-	31/03/2018
Cash	28,119,616	1.44		0.00	-0.00	0.00	0.00	0.00	0.32	3.67	31/03/1997
<i>Cash Benchmark</i>				-0.01	-0.02	-0.07	-0.07	0.33	0.33	5.26	31/03/1997
<i>Excess Return</i>				0.01	0.02	0.07	0.07	-0.33	-0.02	-1.59	31/03/1997
Internal Cash Management	28,119,616	1.44		0.00	-0.00	0.00	0.00	0.00	0.32	3.67	31/03/1997
<i>7 Days LIBID GBP</i>				-0.01	-0.02	-0.07	-0.07	0.33	0.33	5.26	31/03/1997
<i>Excess Return</i>				0.01	0.02	0.07	0.07	-0.33	-0.02	-1.59	31/03/1997

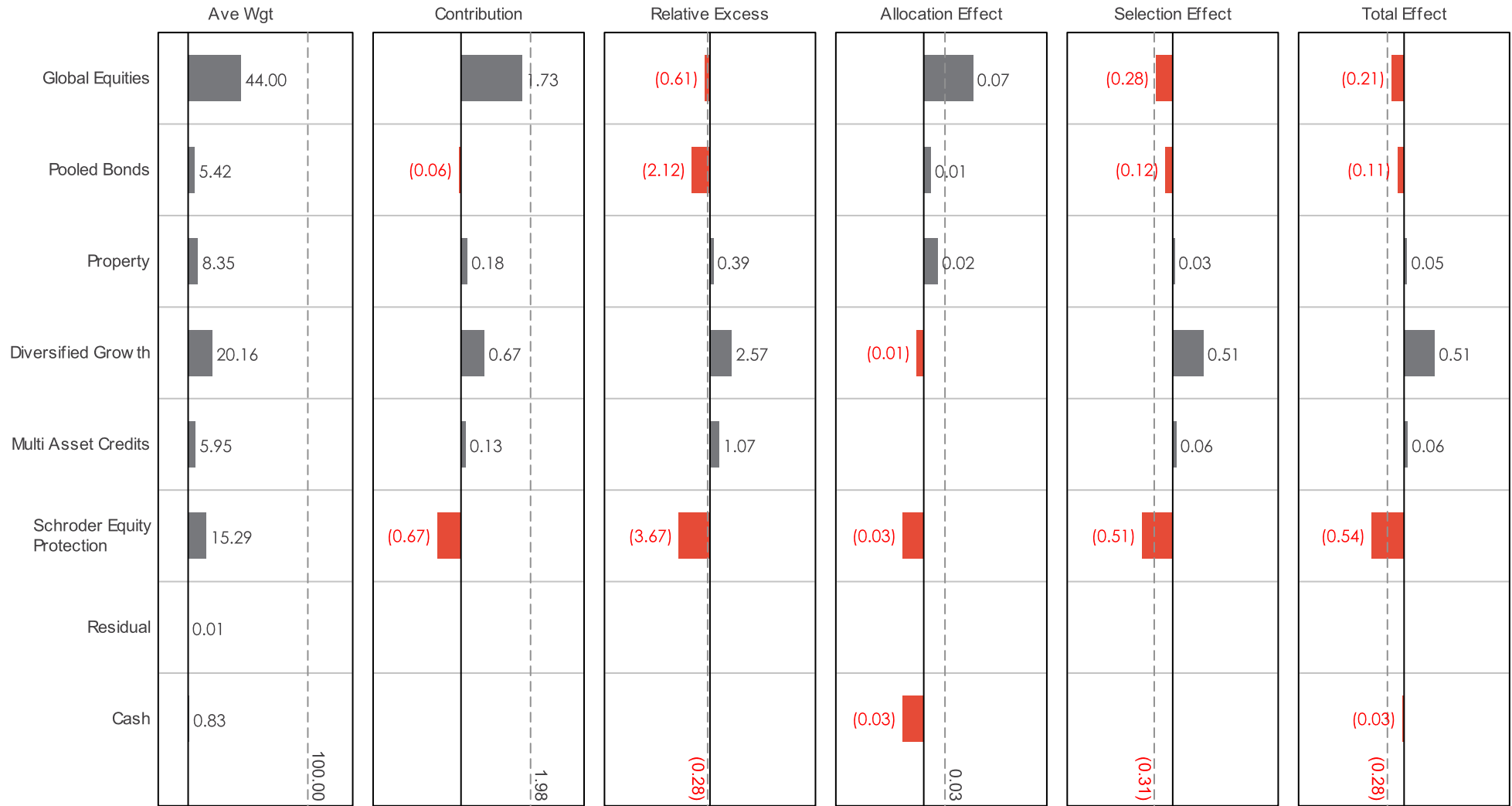
Policy Level Attribution Overview



Time Period	Rate of Return			Relative Asset Allocation	Relative Stock Selection	Residual
	Group	Index	Relative			
Three Months	1.98	2.26	-0.28	0.03	-0.31	0.00
Fiscal YTD	28.24	21.70	5.37	0.95	4.39	-0.01

The above Attribution Model is based on the Geometric methodology.

Policy Level Attribution Detail - Three Months



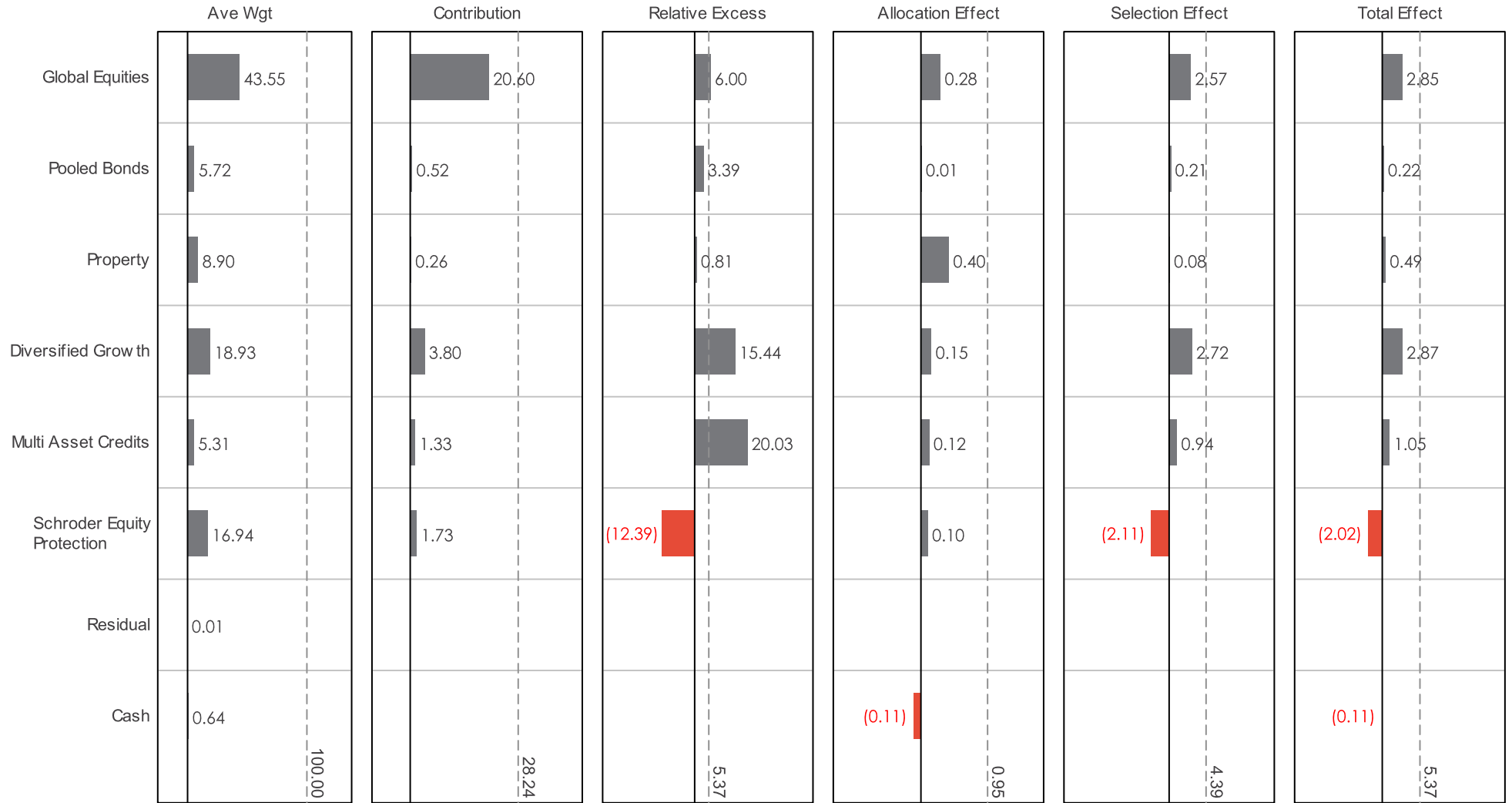
The above Attribution model is based on Geometric methodology. The chart depicts the Top & Bottom accounts/groups based on Total Management Effect. The vertical dotted line represents the total consolidated result for a given metric.

Policy Level Attribution - Three Months

	Weights		Rate of Returns				Attribution Effects		
	Average Weights	Average Excess Weight	Return	Contribution	Excess Return	Relative Excess Return	Relative Asset Allocation	Relative Stock Selection	Total Effect
LB of Tower Hamlets	100.00	0.00	1.98	1.98	-0.28	-0.28	0.03	-0.31	-0.28
<i>Total Plan Benchmark</i>	<i>100.00</i>		<i>2.26</i>	<i>2.26</i>					
Global Equities	44.00	3.00	3.94	1.73	-0.64	-0.61	0.07	-0.28	-0.21
<i>Global Equities BM</i>	<i>41.00</i>		<i>4.58</i>	<i>1.88</i>					
Pooled Bonds	5.42	-0.58	-1.15	-0.06	-2.14	-2.12	0.01	-0.12	-0.11
<i>Pooled Bonds BM</i>	<i>6.00</i>		<i>0.99</i>	<i>0.06</i>					
Property	8.35	-3.65	2.20	0.18	0.40	0.39	0.02	0.03	0.05
<i>Property BM</i>	<i>12.00</i>		<i>1.80</i>	<i>0.22</i>					
Diversified Growth	20.16	0.16	3.34	0.67	2.59	2.57	-0.01	0.51	0.51
<i>Diversified Growth BM</i>	<i>20.00</i>		<i>0.75</i>	<i>0.15</i>					
Multi Asset Credits	5.95	-0.05	2.07	0.13	1.08	1.07	-0.00	0.06	0.06
<i>Private Debt Benchmark</i>	<i>6.00</i>		<i>0.99</i>	<i>0.06</i>					
Schroder Equity Protection	15.29	0.29	-4.35	-0.67	-3.64	-3.67	-0.03	-0.51	-0.54
<i>Schroders Blended Benchmark</i>	<i>15.00</i>		<i>-0.71</i>	<i>-0.10</i>					
Residual	0.01	-	-2.06	-0.00	-	-	-0.00	0.00	-0.00
Cash	0.83	-	-0.00	0.00	-	-	-0.03	0.00	-0.03
Residual									0.00

The above Attribution Model is based on the Geometric methodology.

Policy Level Attribution Detail - Fiscal YTD



The above Attribution model is based on Geometric methodology. The chart depicts the Top & Bottom accounts/groups based on Total Management Effect. The vertical dotted line represents the total consolidated result for a given metric.

Policy Level Attribution - Fiscal YTD

	Weights		Rate of Returns				Attribution Effects		
	Average Weights	Average Excess Weight	Return	Contribution	Excess Return	Relative Excess Return	Relative Asset Allocation	Relative Stock Selection	Total Effect
LB of Tower Hamlets	100.00	0.00	28.24	28.24	6.54	5.37	0.95	4.39	5.37
<i>Total Plan Benchmark</i>	<i>100.00</i>		<i>21.70</i>	<i>21.70</i>					
Global Equities	43.55	2.55	51.95	20.60	8.60	6.00	0.28	2.57	2.85
<i>Global Equities BM</i>	<i>41.00</i>		<i>43.35</i>	<i>16.61</i>					
Pooled Bonds	5.72	-0.28	7.90	0.52	3.54	3.39	0.01	0.21	0.22
<i>Pooled Bonds BM</i>	<i>6.00</i>		<i>4.36</i>	<i>0.28</i>					
Property	8.90	-3.10	2.89	0.26	0.82	0.81	0.40	0.08	0.49
<i>Property BM</i>	<i>12.00</i>		<i>2.06</i>	<i>0.28</i>					
Diversified Growth	18.93	-1.07	19.32	3.80	15.96	15.44	0.15	2.72	2.87
<i>Diversified Growth BM</i>	<i>20.00</i>		<i>3.36</i>	<i>0.72</i>					
Multi Asset Credits	5.31	-0.69	25.26	1.33	20.90	20.03	0.12	0.94	1.05
<i>Private Debt Benchmark</i>	<i>6.00</i>		<i>4.36</i>	<i>0.28</i>					
Schroder Equity Protection	16.94	1.94	8.13	1.73	-15.29	-12.39	0.10	-2.11	-2.02
<i>Schroders Blended Benchmark</i>	<i>15.00</i>		<i>23.42</i>	<i>3.52</i>					
Residual	0.01	-	11.80	0.00	-	-	-0.00	0.00	-0.00
Cash	0.64	-	0.00	0.00	-	-	-0.11	0.00	-0.11
Residual									-0.01

The above Attribution Model is based on the Geometric methodology.

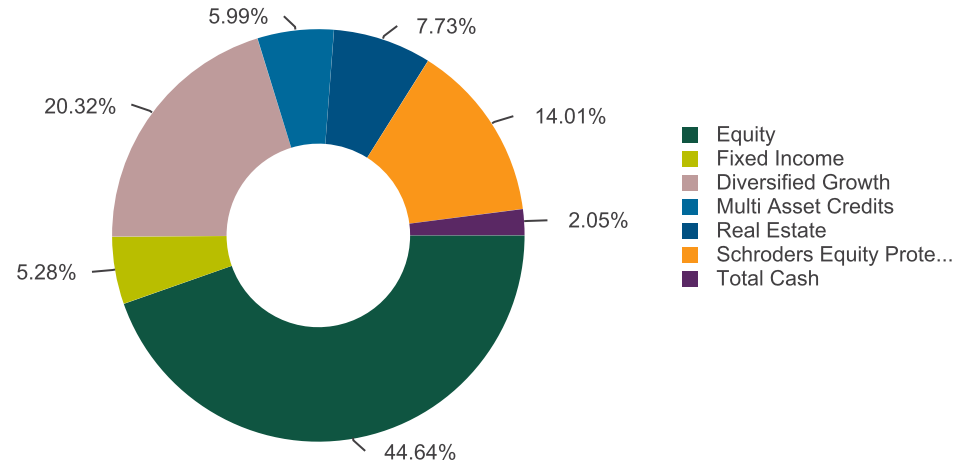
Market Value Summary - Three Months

Account/Group	Rate of Return	Change in Weight	31/12/2020 Market Value	Net Contribution*	Income	Fees	Appreciation	31/03/2021 Market Value	31/12/2020 Weight	31/03/2021 Weight
LB of Tower Hamlets	1.98	0.00	1,925,266,890	-4,272,989	6,609,015	-66,843	31,236,975	1,958,839,891	100.00	100.00
Total Plan ex Equ Protection	1.98	0.00	1,925,266,890	-4,272,989	6,609,015	-66,843	31,236,975	1,958,839,891	100.00	100.00
Global Equity Phys & Synthetic	3.94	0.95	841,156,231	0	146,025	0	33,033,769	874,336,024	43.69	44.64
Global Equities	3.94	0.95	841,156,231	0	146,025	0	33,033,769	874,336,024	43.69	44.64
L&G MSCI World Low Carbon	6.00	0.74	341,931,162	0	0	0	20,531,122	362,462,284	17.76	18.50
LCIV BG Global Alpha	2.18	0.09	394,560,634	0	146,025	0	8,470,585	403,177,244	20.49	20.58
LGIM MSCI Wld Low Carb Tar Idx	3.85	0.11	104,664,435	0	0	0	4,032,061	108,696,496	5.44	5.55
Pooled Bonds	-1.15	-0.15	104,627,306	0	0	-63,707	-1,199,891	103,427,415	5.43	5.28
GSAM Star II	-2.77	-0.13	56,355,189	0	0	-63,707	-1,563,029	54,792,159	2.93	2.80
Insight BNY Mellon Abslut Ret	0.75	-0.02	48,272,118	0	0	0	363,138	48,635,256	2.51	2.48
Multi Asset Credits	2.07	0.02	114,856,777	0	3,956,261	0	-1,582,431	117,230,607	5.97	5.98
LCIV (CQS) MAC	2.07	0.02	114,856,777	0	3,956,261	0	-1,582,431	117,230,607	5.97	5.98
Diversified Growth	3.34	0.31	385,101,371	0	1,342,588	0	11,514,796	397,958,755	20.00	20.32
LCIV BG Diversified Growth Fd	-0.68	-0.24	193,480,517	0	960,296	0	-2,272,263	192,168,551	10.05	9.81
LCIV Ruffer Absolute Return Fd	7.39	0.55	191,620,854	0	382,292	0	13,787,059	205,790,204	9.95	10.51
Property	2.20	0.04	159,744,735	0	1,164,220	-3,136	2,343,372	163,252,327	8.30	8.33
Schroders Real Estate	2.20	0.04	159,744,735	0	1,164,220	-3,136	2,343,372	163,252,327	8.30	8.33
Schroder Equity Protection	-4.35	-1.95	307,288,141	-19,999,998	0	0	-12,870,663	274,417,480	15.96	14.01
Schroders Equity Pro Strategy	-4.35	-1.95	307,288,141	-19,999,998	0	0	-12,870,663	274,417,480	15.96	14.01
Residual	-	-0.00	99,723	-2	-79	0	-1,976	97,667	0.01	0.00
Legacy Mandates	-	-0.00	99,723	-2	-79	0	-1,976	97,667	0.01	0.00
Cash	-0.00	0.79	12,392,605	15,727,011	0	0	0	28,119,616	0.64	1.44
Internal Cash Management	-0.00	0.79	12,392,605	15,727,011	0	0	0	28,119,616	0.64	1.44

*Net Contributions include Cash Contributions/Distributions, Security Deliveries/Receipts, Fees/Fee Rebates, Inter Account transfers for Consolidations & Benefits Payments.
Copied History or Backloaded Data may not display the correct Contributions/Withdrawals creating misrepresentation.

Asset Allocation Overview

LB OF TOWER HAMLETS ASSET CLASS WEIGHTS



Program/Consolidation	Ending Market Value GOF GBP	Actual Weight	Target Weight	Equity	Fixed Income	Diversified Growth	Multi Asset Credits	Real Estate	Schroders Equity Protection	Total Cash
Global Equities	874,336	44.64	41.00	874,336						
Pooled Bonds	103,427	5.28	6.00		103,427					0
Property	163,252	8.33	12.00					151,373		11,880
Diversified Growth	397,959	20.32	20.00			397,959				
Multi Asset Credits	117,231	5.98	6.00				117,231			
Schroder Equity Protection	274,417	14.01	15.00						274,417	
Residual	98	0.00		0						98
Cash	28,120	1.44								28,120
LB of Tower Hamlets	1,958,840	100.00	100.00	874,336	103,427	397,959	117,231	151,373	274,417	40,097
LB of Tower Hamlets Percent				44.64	5.28	20.32	5.98	7.73	14.01	2.05

*Market Values are represented in thousands.

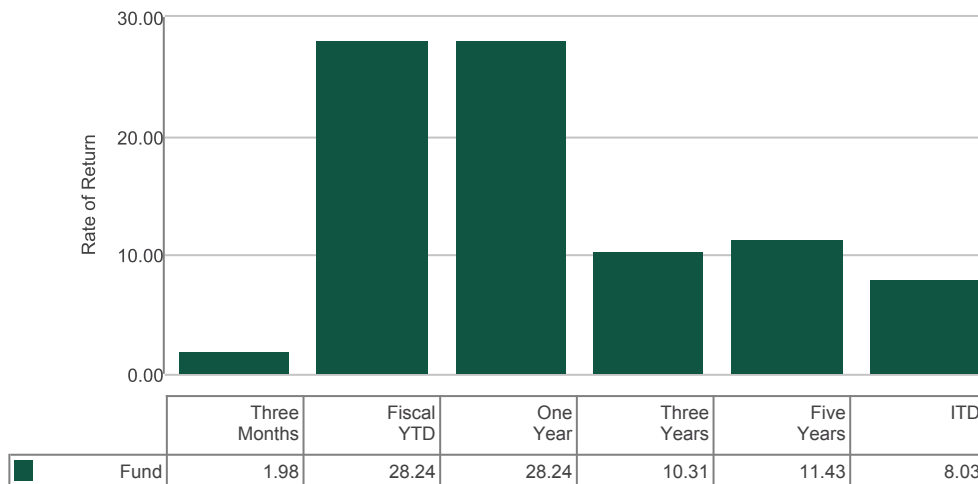
*Underlying assets of the fund have been included in the market value and allocation.

Growth Over Time - Ten Years



Executive Summary

TOTAL PLAN EX EQU PROTECTION TOTAL FUND NET OF FEES

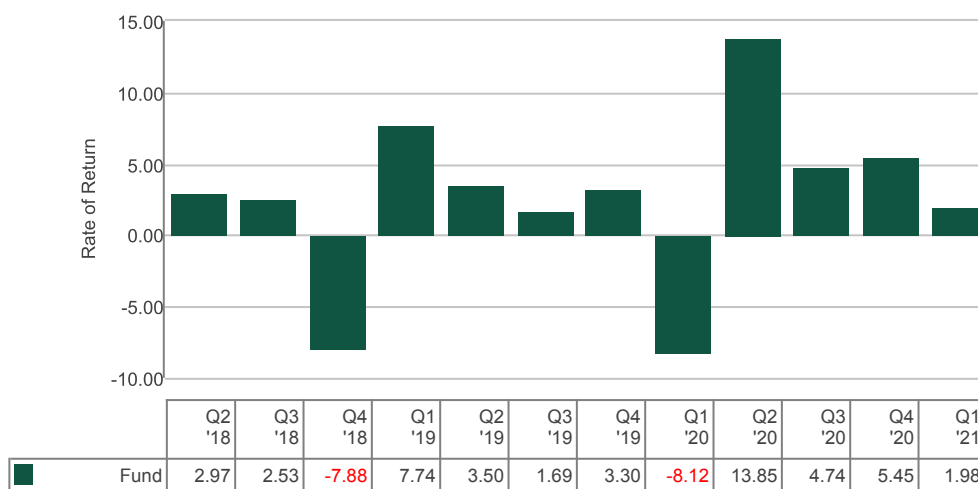


RISK STATISTICS

	1 Yr	3 Yrs	5 Yrs
Return	28.24	10.31	11.43
Index Return	-	-	-
Excess Return	-	-	-
Standard Deviation	7.87	8.66	7.48
Index Standard Deviation	-	-	-
Tracking Error	-	-	-
Information Ratio	-	-	-
Sharpe Ratio	3.54	1.10	1.44
Index Sharpe Ratio	-	-	-
Jensen's Alpha	-	-	-
Relative Volatility (Beta)	-	-	-
R Squared	-	-	-
Beginning MV (in 000s)	1,523,834	0	0
Net Contributions (in 000s)	3,928	1,457,164	1,457,164
Income (in 000s)	16,312	46,716	46,716
Appreciation (in 000s)	414,767	454,959	454,959
Ending MV (in 000s)	1,958,840	1,958,840	1,958,840

Index: null. Risk Free Index: JP Morgan 3 month Cash (GBP)
 Category: Total Fund Net of Fees. Calculation Frequency: Monthly

TOTAL PLAN EX EQU PROTECTION ROLLING QUARTERS TOTAL FUND NET OF FEES

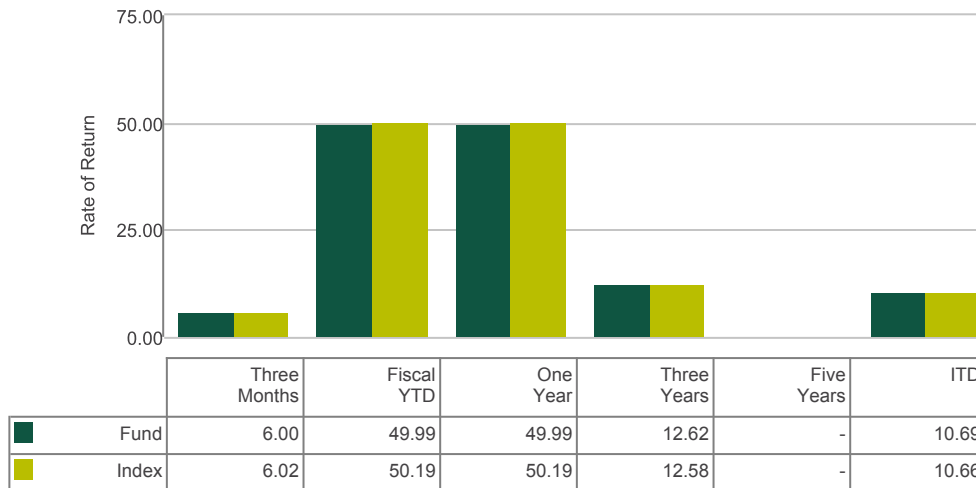


Growth Over Time - Ten Years



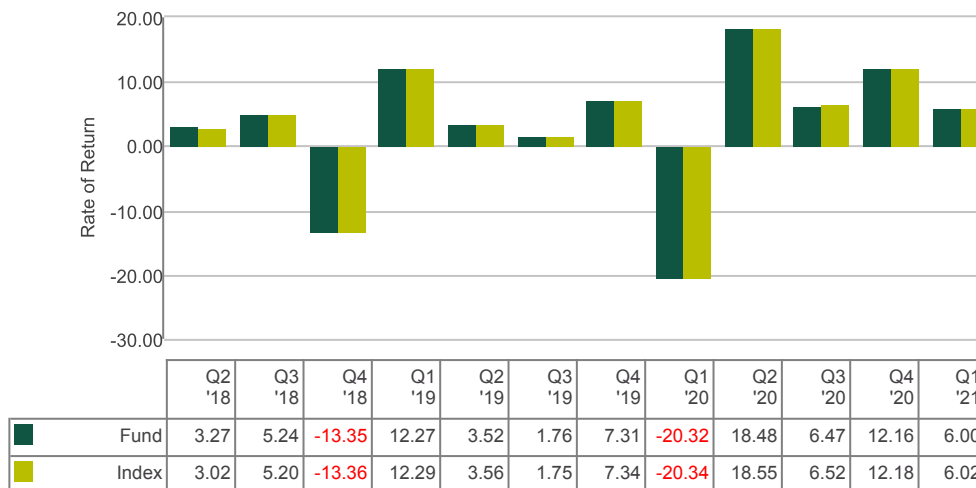
Executive Summary

L&G MSCI WORLD LOW CARBON TOTAL FUND NET OF FEES



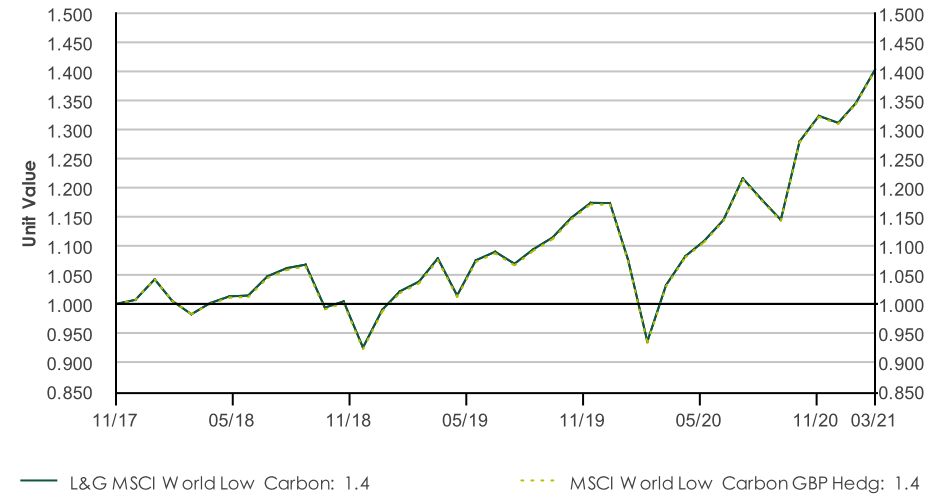
Index: MSCI World Low Carbon GBP Hedg

L&G MSCI WORLD LOW CARBON ROLLING QUARTERS TOTAL FUND NET OF FEES

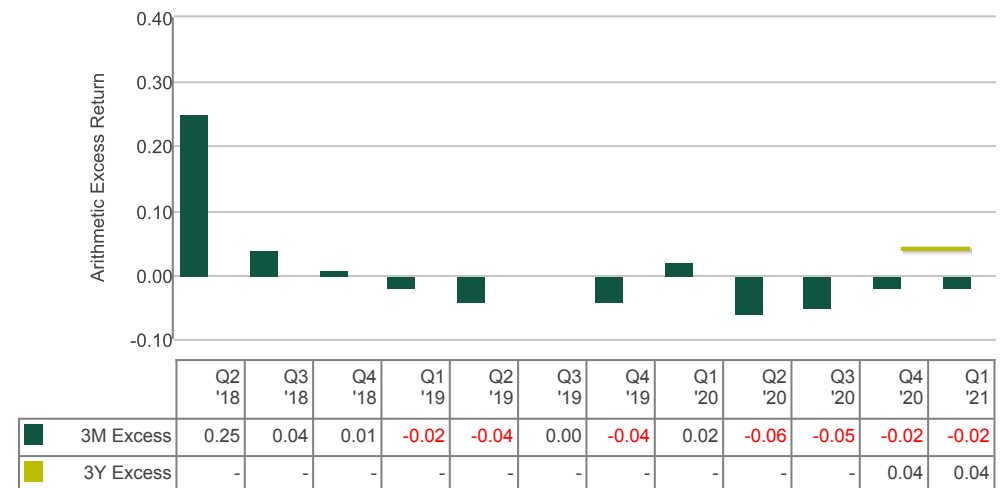


Index: MSCI World Low Carbon GBP Hedg

GROWTH OVER TIME - INCEPTION TO DATE - TOTAL FUND NET OF FEES



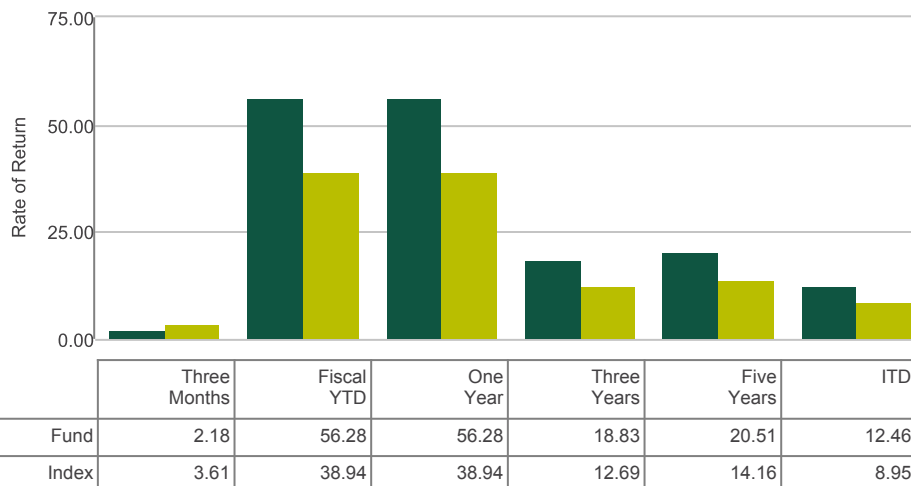
L&G MSCI WORLD LOW CARBON ROLLING QUARTERS TOTAL FUND NET OF FEES



Index: MSCI World Low Carbon GBP Hedg

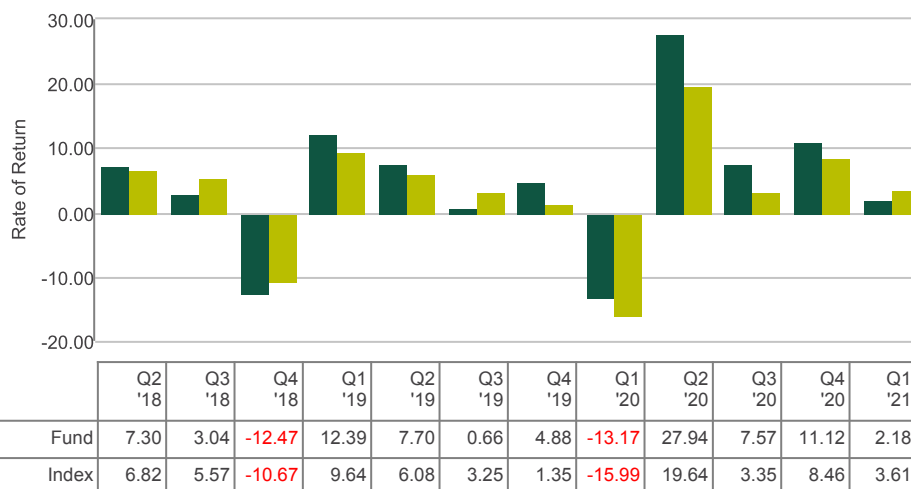
Executive Summary

LCIV BG GLOBAL ALPHA TOTAL FUND NET OF FEES



Index: MSCI AC World ND

LCIV BG GLOBAL ALPHA ROLLING QUARTERS TOTAL FUND NET OF FEES



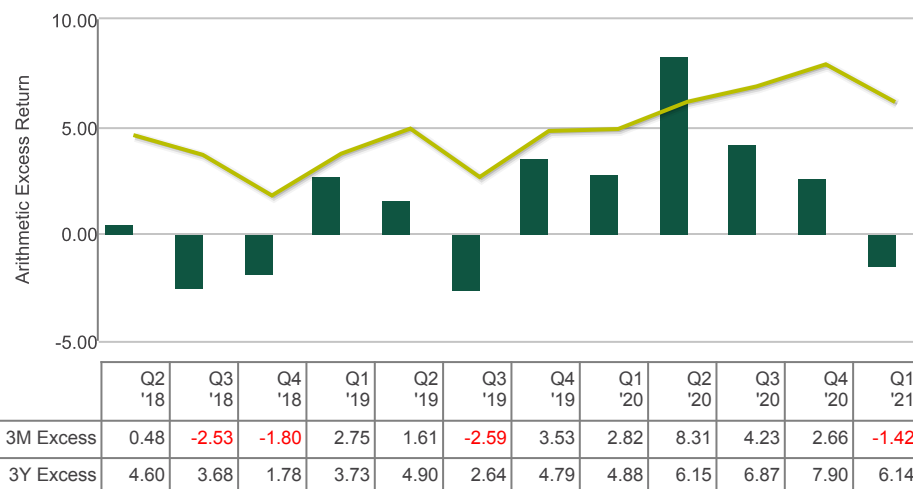
Index: MSCI AC World ND

RISK STATISTICS

	1 Yr	3 Yrs	5 Yrs
Return	56.28	18.83	20.51
Index Return	38.94	12.69	14.16
Excess Return	17.34	6.14	6.35
Standard Deviation	14.19	15.98	13.42
Index Standard Deviation	12.49	14.04	12.27
Tracking Error	7.00	5.54	5.50
Information Ratio	2.48	1.11	1.16
Sharpe Ratio	3.94	1.13	1.48
Index Sharpe Ratio	3.09	0.85	1.10
Jensen's Alpha	13.59	4.91	5.81
Relative Volatility (Beta)	0.99	1.07	1.00
R Squared	0.75	0.88	0.83
Beginning MV (in 000s)	294,846	0	0
Net Contributions (in 000s)	-57,300	206,604	206,604
Income (in 000s)	2,119	8,339	8,339
Appreciation (in 000s)	163,512	188,234	188,234
Ending MV (in 000s)	403,177	403,177	403,177

Index: MSCI AC World ND. Risk Free Index: JP Morgan 3 month Cash (GBP)
 Category: Total Fund Net of Fees. Calculation Frequency: Monthly

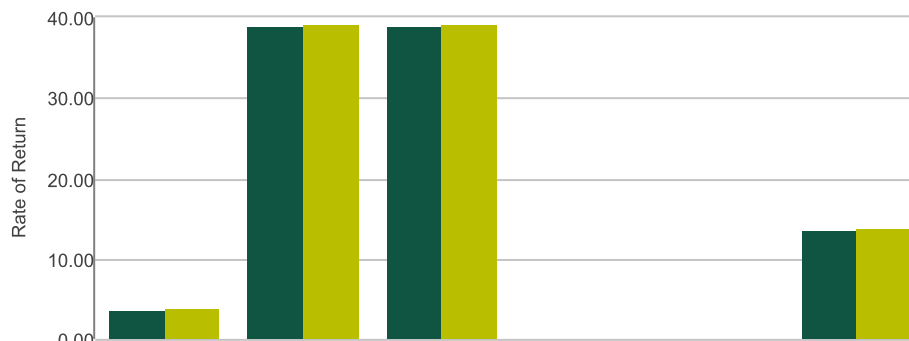
LCIV BG GLOBAL ALPHA ROLLING QUARTERS TOTAL FUND NET OF FEES



Index: MSCI AC World ND

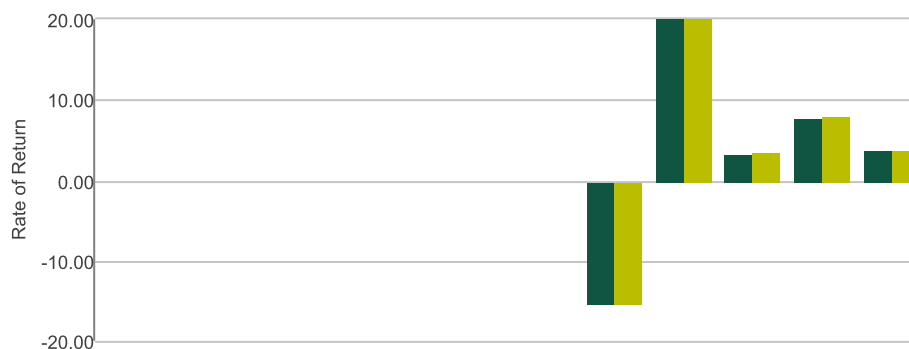
Executive Summary

LGIM MSCI WLD LOW CARB TAR IDX TOTAL FUND NET OF FEES



Index: MSCI World Low Carbon Target

LGIM MSCI WLD LOW CARB TAR IDX ROLLING QUARTERS TOTAL FUND NET OF FEES



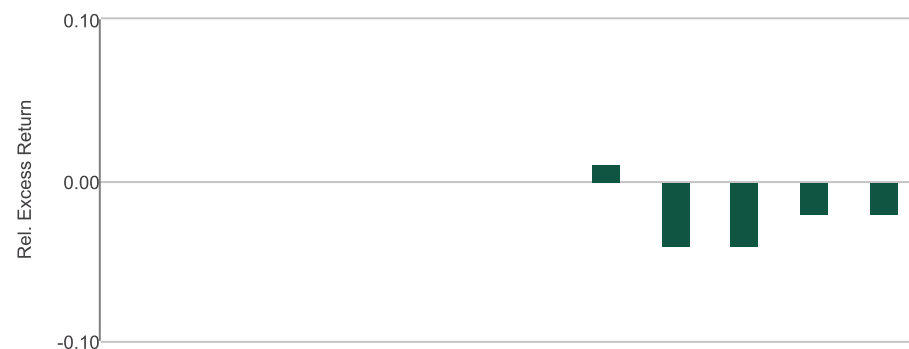
Index: MSCI World Low Carbon Target

RISK STATISTICS

	1 Mo	3 Yrs	5 Yrs
Return	4.81	-	-
Index Return	4.82	-	-
Excess Return	-0.01	-	-
Standard Deviation	-	-	-
Index Standard Deviation	-	-	-
Tracking Error	-	-	-
Information Ratio	-	-	-
Sharpe Ratio	-	-	-
Index Sharpe Ratio	-	-	-
Jensen's Alpha	-	-	-
Relative Volatility (Beta)	-	-	-
R Squared	-	-	-
Beginning MV (in 000s)	103,705	-	-
Net Contributions (in 000s)	0	-	-
Income (in 000s)	0	0	0
Appreciation (in 000s)	4,991	16,512	16,512
Ending MV (in 000s)	108,696	108,696	108,696

Index: MSCI World Low Carbon Target. Risk Free Index: JP Morgan 3 month Cash (GBP)
 Category: Total Fund Net of Fees. Calculation Frequency: Monthly

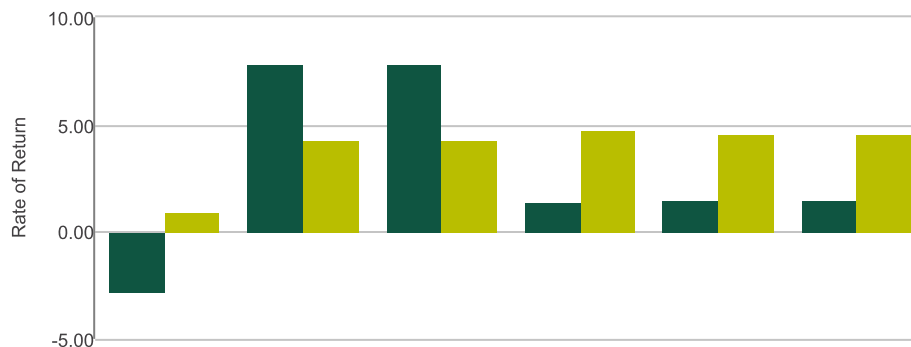
LGIM MSCI WLD LOW CARB TAR IDX ROLLING QUARTERS TOTAL FUND NET OF FEES



Index: MSCI World Low Carbon Target

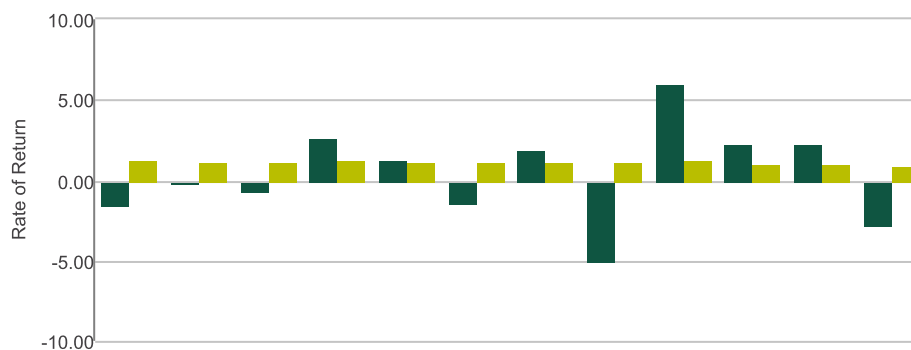
Executive Summary

GSAM STAR II TOTAL FUND NET OF FEES



Index: LIBOR 3 Month +4%

GSAM STAR II ROLLING QUARTERS TOTAL FUND NET OF FEES



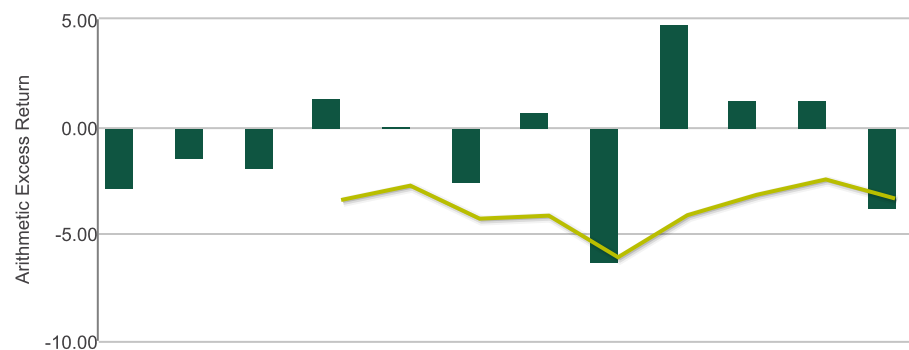
Index: LIBOR 3 Month +4%

RISK STATISTICS

	1 Yr	3 Yrs	5 Yrs
Return	7.85	1.43	1.55
Index Return	4.36	4.79	4.64
Excess Return	3.49	-3.36	-3.09
Standard Deviation	5.33	5.01	4.29
Index Standard Deviation	0.15	0.13	0.12
Tracking Error	5.24	5.00	4.27
Information Ratio	0.67	-0.67	-0.72
Sharpe Ratio	1.40	0.13	0.20
Index Sharpe Ratio	25.98	30.78	34.00
Jensen's Alpha	-99.17	-93.16	-47.87
Relative Volatility (Beta)	102.72	61.64	16.63
R Squared	0.03	0.04	0.01
Beginning MV (in 000s)	50,806	0	0
Net Contributions (in 000s)	0	52,604	52,604
Income (in 000s)	0	370	370
Appreciation (in 000s)	3,987	1,818	1,818
Ending MV (in 000s)	54,792	54,792	54,792

Index: LIBOR 3 Month +4%. Risk Free Index: JP Morgan 3 month Cash (GBP)
 Category: Total Fund Net of Fees. Calculation Frequency: Monthly

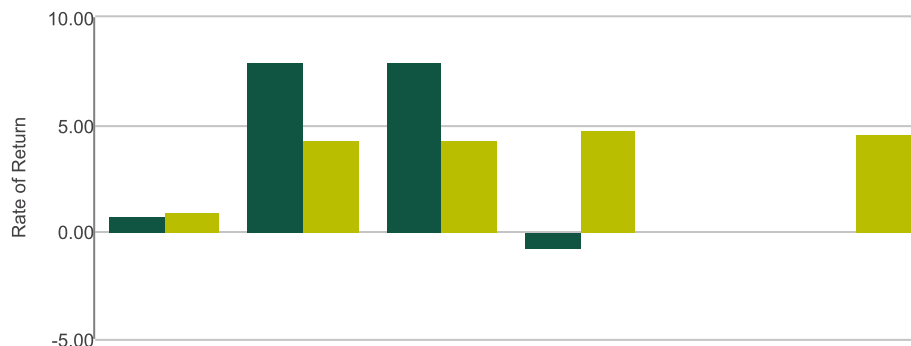
GSAM STAR II ROLLING QUARTERS TOTAL FUND NET OF FEES



Index: LIBOR 3 Month +4%

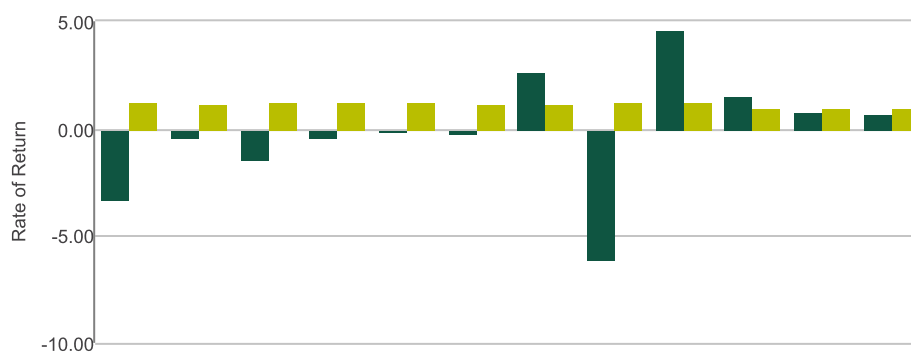
Executive Summary

INSIGHT BNY MELLON ABSLUT RET TOTAL FUND NET OF FEES



Index: LIBOR 3 Month +4%

INSIGHT BNY MELLON ABSLUT RET ROLLING QUARTERS TOTAL FUND NET OF FEES



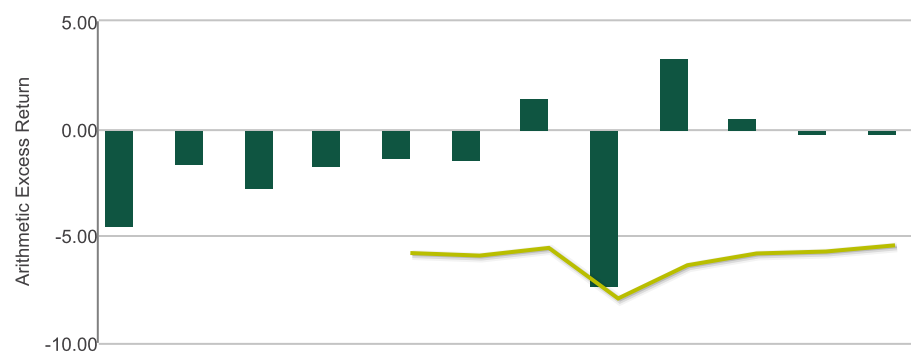
Index: LIBOR 3 Month +4%

RISK STATISTICS

	1 Yr	3 Yrs	5 Yrs
Return	7.96	-0.67	-
Index Return	4.36	4.79	-
Excess Return	3.60	-5.45	-
Standard Deviation	2.80	4.85	-
Index Standard Deviation	0.15	0.13	-
Tracking Error	2.74	4.88	-
Information Ratio	1.31	-1.12	-
Sharpe Ratio	2.71	-0.30	-
Index Sharpe Ratio	25.98	30.78	-
Jensen's Alpha	-99.99	-90.21	-
Relative Volatility (Beta)	166.11	53.66	-
R Squared	0.32	0.03	-
Beginning MV (in 000s)	45,051	0	-
Net Contributions (in 000s)	0	50,079	-
Income (in 000s)	0	0	0
Appreciation (in 000s)	3,584	-1,444	-1,444
Ending MV (in 000s)	48,635	48,635	48,635

Index: LIBOR 3 Month +4%. Risk Free Index: JP Morgan 3 month Cash (GBP)
 Category: Total Fund Net of Fees. Calculation Frequency: Monthly

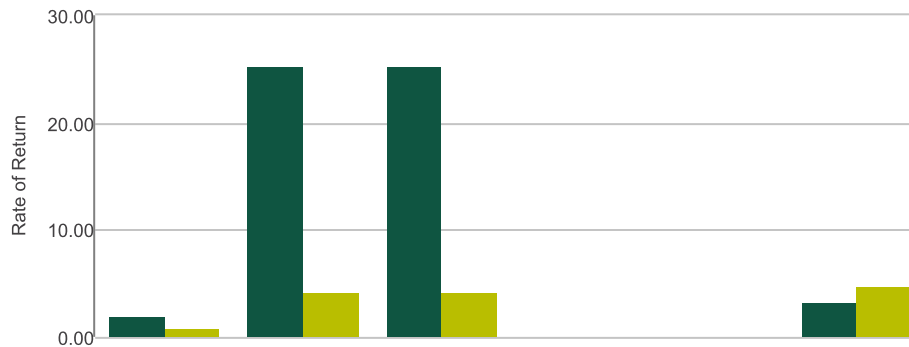
INSIGHT BNY MELLON ABSLUT RET ROLLING QUARTERS TOTAL FUND NET OF FEES



Index: LIBOR 3 Month +4%

Executive Summary

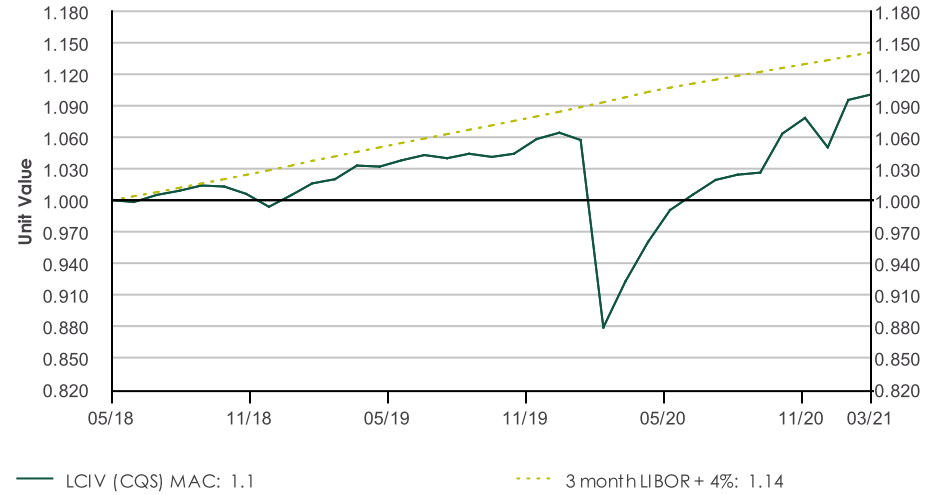
LCIV (CQS) MAC TOTAL FUND NET OF FEES



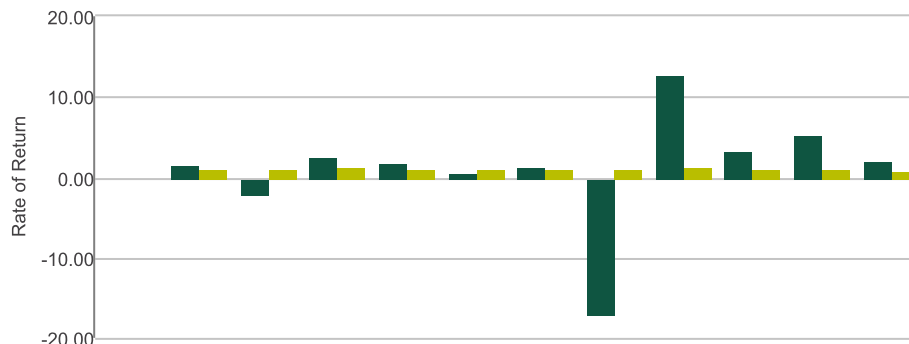
	Three Months	Fiscal YTD	One Year	Three Years	Five Years	ITD
Fund	2.07	25.26	25.26	-	-	3.44
Index	0.99	4.36	4.36	-	-	4.76

Index: 3 month LIBOR + 4%

GROWTH OVER TIME - INCEPTION TO DATE - TOTAL FUND NET OF FEES



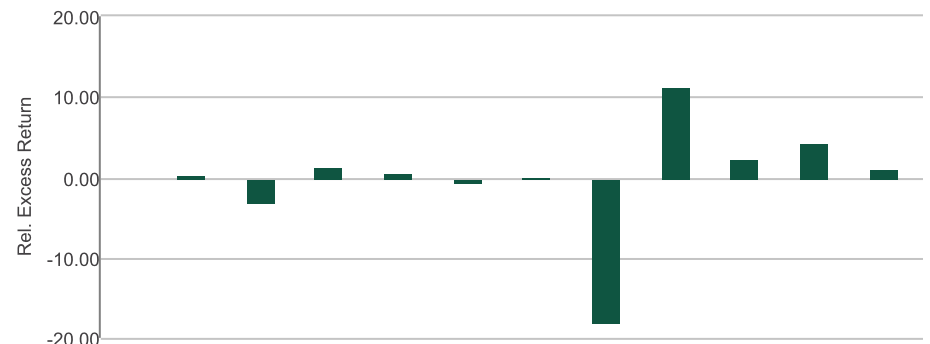
LCIV (CQS) MAC ROLLING QUARTERS TOTAL FUND NET OF FEES



	Q2 '18	Q3 '18	Q4 '18	Q1 '19	Q2 '19	Q3 '19	Q4 '19	Q1 '20	Q2 '20	Q3 '20	Q4 '20	Q1 '21
Fund	-	1.57	-2.00	2.65	1.76	0.60	1.34	-16.96	12.73	3.40	5.28	2.07
Index	-	1.20	1.24	1.29	1.23	1.19	1.19	1.24	1.28	1.02	1.00	0.99

Index: 3 month LIBOR + 4%

LCIV (CQS) MAC ROLLING QUARTERS TOTAL FUND NET OF FEES

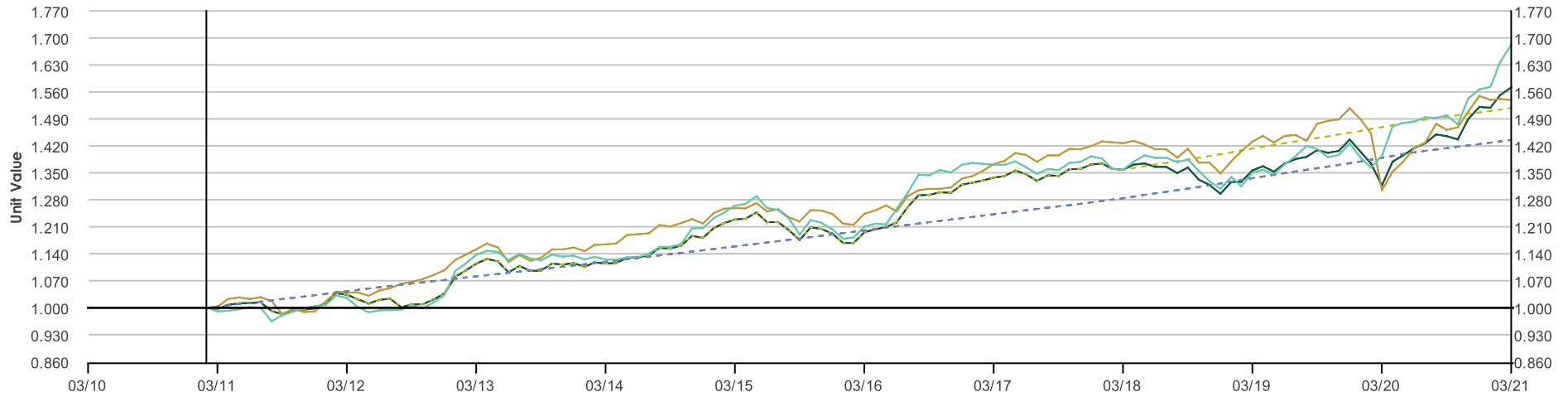


	Q2 '18	Q3 '18	Q4 '18	Q1 '19	Q2 '19	Q3 '19	Q4 '19	Q1 '20	Q2 '20	Q3 '20	Q4 '20	Q1 '21
3M R.Excess	-	0.37	-3.20	1.34	0.53	-0.58	0.15	-17.98	11.30	2.36	4.24	1.07
3Y R.Excess	-	-	-	-	-	-	-	-	-	-	-	-

Index: 3 month LIBOR + 4%

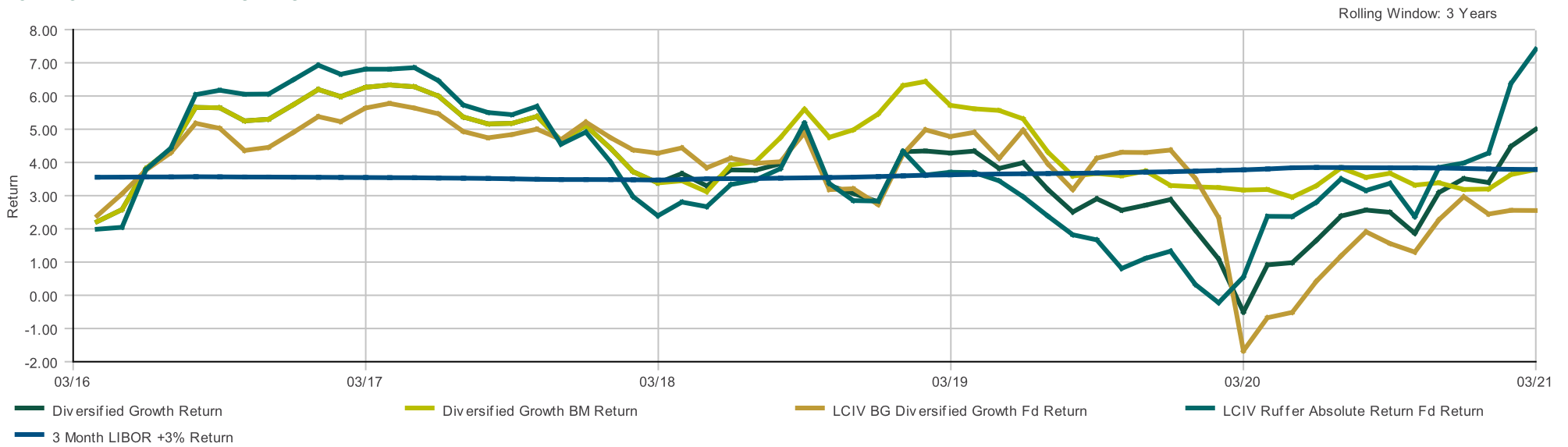
Portfolio Windows

GROWTH OVER TIME - YOUNGEST INCEPTION TO DATE - TOTAL FUND NET OF FEES



— Diversified Growth: 1.57
 - - - Diversified Growth BM: 1.52
 — LCIV BG Diversified Growth Fd: 1.54
 - - - 3 Month LIBOR +3%: 1.44
— LCIV Ruffer Absolute Return Fd: 1.68
 - - - 3 Month LIBOR +3%: 1.44

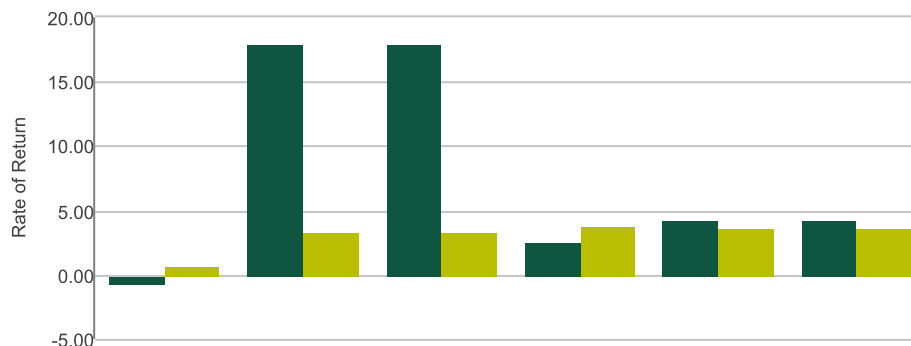
ROLLING THREE YEAR TIME SERIES



— Diversified Growth Return
 — Diversified Growth BM Return
 — LCIV BG Diversified Growth Fd Return
 — LCIV Ruffer Absolute Return Fd Return
— 3 Month LIBOR +3% Return

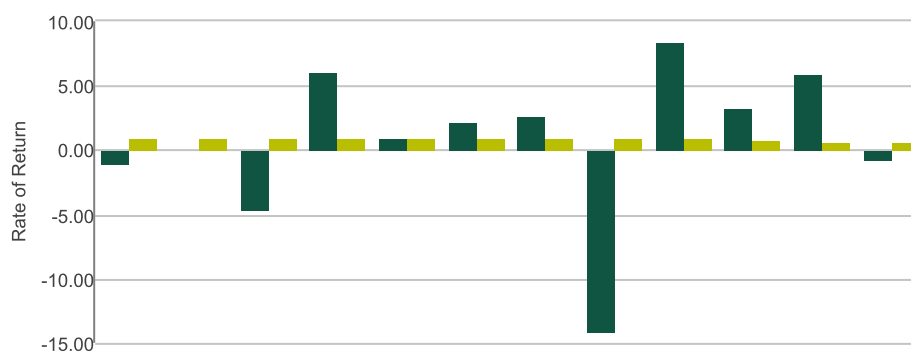
Executive Summary

LCIV BG DIVERSIFIED GROWTH FD TOTAL FUND NET OF FEES



Index: 3 Month LIBOR +3%

LCIV BG DIVERSIFIED GROWTH FD ROLLING QUARTERS TOTAL FUND NET OF FEES



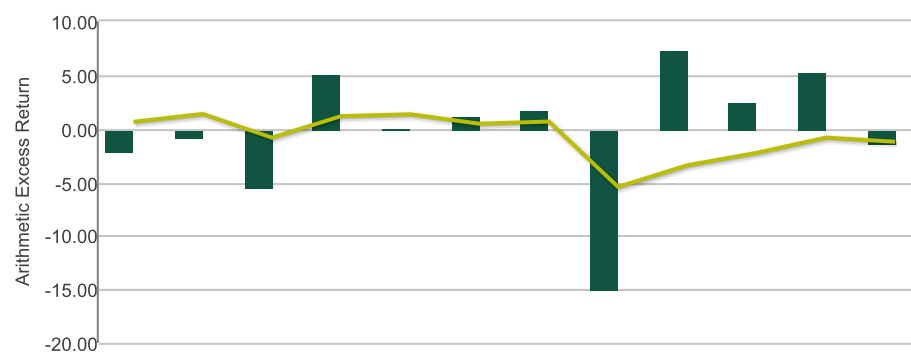
Index: 3 Month LIBOR +3%

RISK STATISTICS

	1 Yr	3 Yrs	5 Yrs
Return	17.96	2.55	4.35
Index Return	3.36	3.79	3.64
Excess Return	14.60	-1.24	0.71
Standard Deviation	5.47	8.41	6.85
Index Standard Deviation	0.15	0.13	0.12
Tracking Error	5.40	8.43	6.87
Information Ratio	2.70	-0.15	0.10
Sharpe Ratio	3.22	0.21	0.54
Index Sharpe Ratio	19.45	23.07	25.35
Jensen's Alpha	-95.30	-92.90	31.21
Relative Volatility (Beta)	96.95	81.19	-8.14
R Squared	0.03	0.02	0.00
Beginning MV (in 000s)	143,505	0	0
Net Contributions (in 000s)	23,100	181,232	181,232
Income (in 000s)	3,542	10,421	10,421
Appreciation (in 000s)	22,022	515	515
Ending MV (in 000s)	192,169	192,169	192,169

Index: 3 Month LIBOR +3%. Risk Free Index: JP Morgan 3 month Cash (GBP)
 Category: Total Fund Net of Fees. Calculation Frequency: Monthly

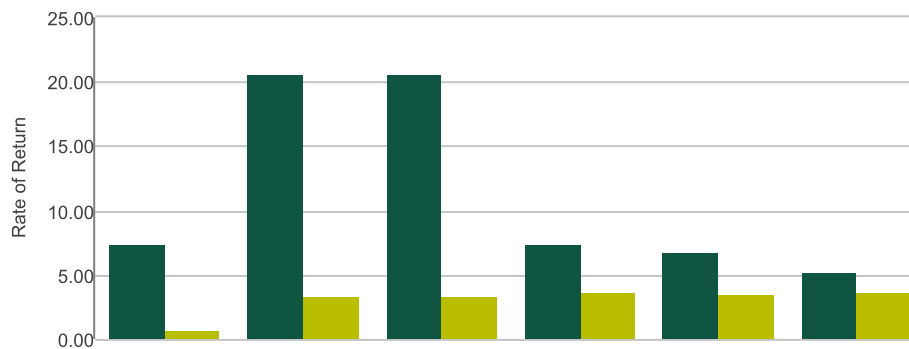
LCIV BG DIVERSIFIED GROWTH FD ROLLING QUARTERS TOTAL FUND NET OF FEES



Index: 3 Month LIBOR +3%

Executive Summary

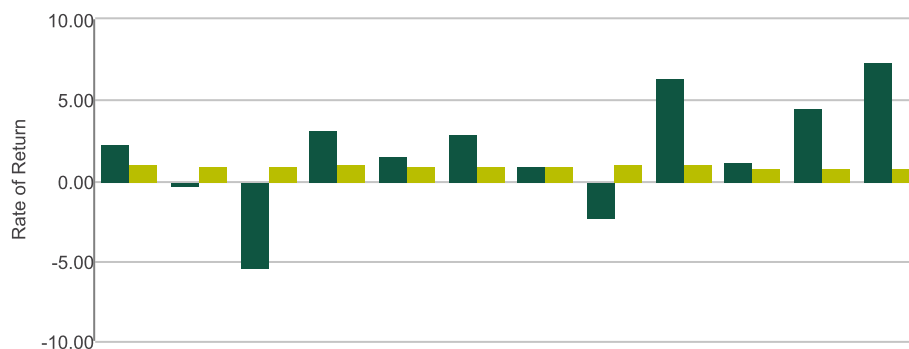
LCIV RUFFER ABSOLUTE RETURN FD TOTAL FUND NET OF FEES



	Three Months	Fiscal YTD	One Year	Three Years	Five Years	ITD
Fund	7.39	20.71	20.71	7.41	6.80	5.29
Index	0.75	3.36	3.36	3.79	3.64	3.65

Index: 3 Month LIBOR +3%

LCIV RUFFER ABSOLUTE RETURN FD ROLLING QUARTERS TOTAL FUND NET OF FEES



	Q2 '18	Q3 '18	Q4 '18	Q1 '19	Q2 '19	Q3 '19	Q4 '19	Q1 '20	Q2 '20	Q3 '20	Q4 '20	Q1 '21
Fund	2.30	-0.33	-5.44	3.15	1.59	2.94	0.99	-2.28	6.38	1.12	4.49	7.39
Index	1.01	0.96	0.99	1.04	0.99	0.95	0.95	1.00	1.04	0.78	0.76	0.75

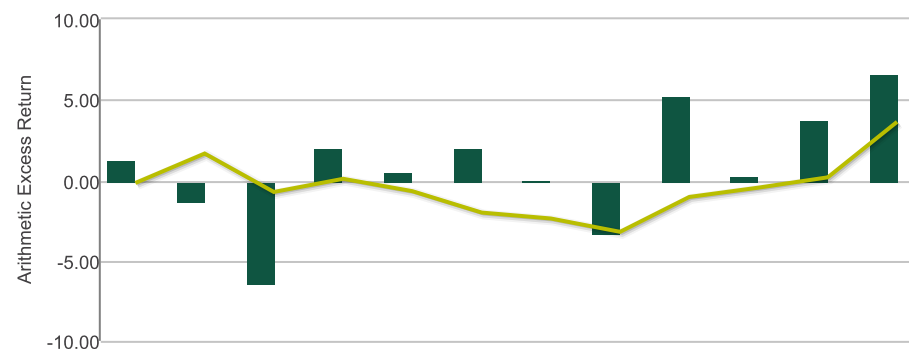
Index: 3 Month LIBOR +3%

RISK STATISTICS

	1 Yr	3 Yrs	5 Yrs
Return	20.71	7.41	6.80
Index Return	3.36	3.79	3.64
Excess Return	17.35	3.62	3.17
Standard Deviation	7.17	6.64	5.94
Index Standard Deviation	0.15	0.13	0.12
Tracking Error	7.15	6.66	5.95
Information Ratio	2.43	0.54	0.53
Sharpe Ratio	2.84	1.00	1.03
Index Sharpe Ratio	19.45	23.07	25.35
Jensen's Alpha	-100.00	-81.36	15.47
Relative Volatility (Beta)	463.76	55.39	-2.88
R Squared	0.35	0.01	0.00
Beginning MV (in 000s)	155,916	0	0
Net Contributions (in 000s)	16,400	169,138	169,138
Income (in 000s)	1,228	5,431	5,431
Appreciation (in 000s)	32,246	31,221	31,221
Ending MV (in 000s)	205,790	205,790	205,790

Index: 3 Month LIBOR +3%. Risk Free Index: JP Morgan 3 month Cash (GBP)
 Category: Total Fund Net of Fees. Calculation Frequency: Monthly

LCIV RUFFER ABSOLUTE RETURN FD ROLLING QUARTERS TOTAL FUND NET OF FEES

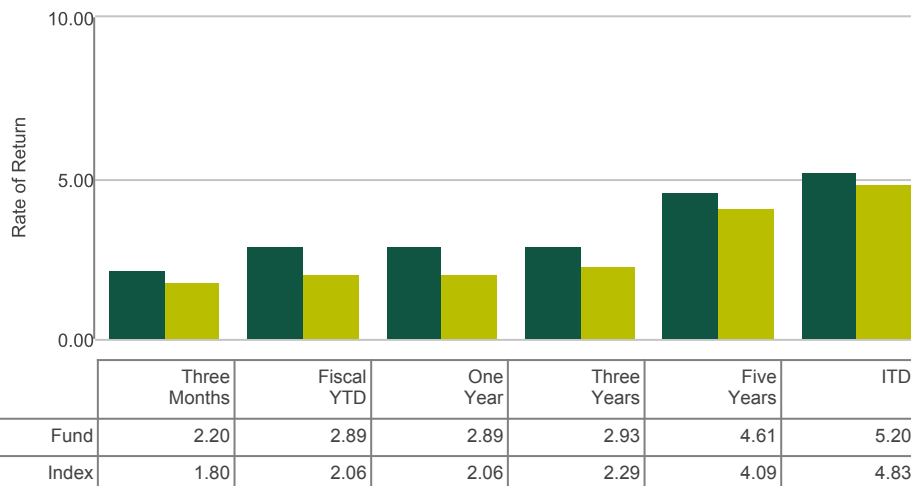


	Q2 '18	Q3 '18	Q4 '18	Q1 '19	Q2 '19	Q3 '19	Q4 '19	Q1 '20	Q2 '20	Q3 '20	Q4 '20	Q1 '21
3M Excess	1.30	-1.28	-6.44	2.10	0.61	1.99	0.04	-3.28	5.34	0.34	3.73	6.65
3Y Excess	-0.18	1.65	-0.74	0.08	-0.69	-2.02	-2.39	-3.22	-1.05	-0.47	0.17	3.62

Index: 3 Month LIBOR +3%

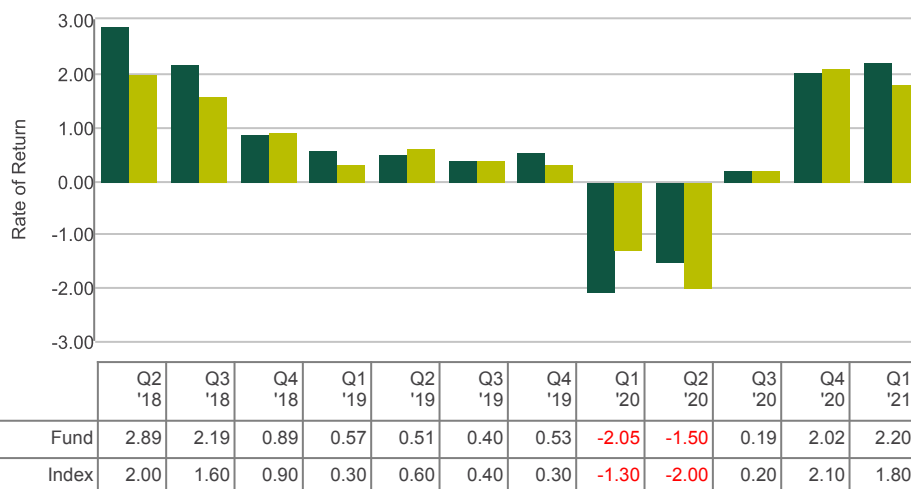
Executive Summary

SCHRODERS REAL ESTATE TOTAL FUND NET OF FEES



Index: MSCI UK All Property Index

SCHRODERS REAL ESTATE ROLLING QUARTERS TOTAL FUND NET OF FEES



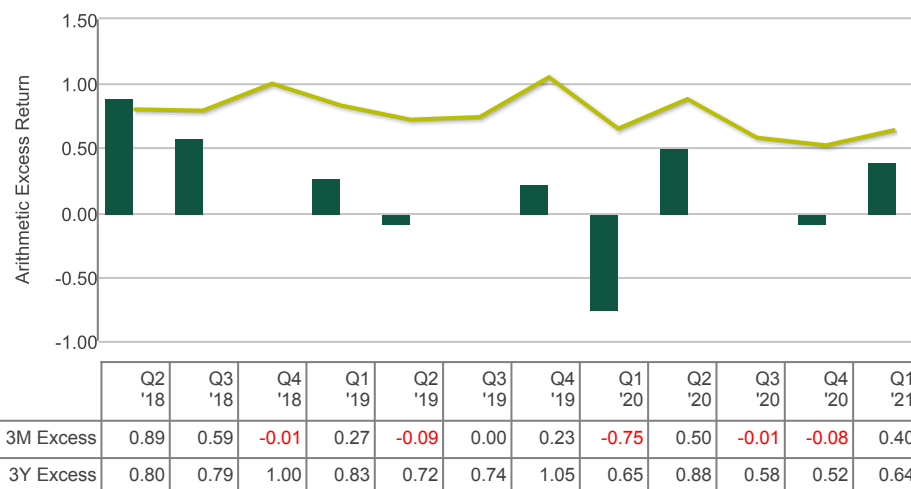
Index: MSCI UK All Property Index

RISK STATISTICS

	1 Yr	3 Yrs	5 Yrs
Return	2.89	2.93	4.61
Index Return	2.06	2.29	4.09
Excess Return	0.82	0.64	0.52
Standard Deviation	2.18	2.44	2.31
Index Standard Deviation	2.13	1.83	1.77
Tracking Error	2.13	1.65	1.52
Information Ratio	0.39	0.39	0.34
Sharpe Ratio	1.16	0.88	1.70
Index Sharpe Ratio	0.80	0.83	1.92
Jensen's Alpha	1.59	0.69	0.60
Relative Volatility (Beta)	0.55	0.97	0.98
R Squared	0.31	0.55	0.58
Beginning MV (in 000s)	158,673	0	0
Net Contributions (in 000s)	-0	149,536	149,536
Income (in 000s)	5,455	17,888	17,888
Appreciation (in 000s)	-875	-4,172	-4,172
Ending MV (in 000s)	163,252	163,252	163,252

Index: MSCI UK All Property Index. Risk Free Index: JP Morgan 3 month Cash (GBP)
 Category: Total Fund Net of Fees. Calculation Frequency: Monthly

SCHRODERS REAL ESTATE ROLLING QUARTERS TOTAL FUND NET OF FEES



Index: MSCI UK All Property Index

From 31/03/2020

Group/Account

		End Weight	
	Total Plan Benchmark	100.00	
Schroders Equity Protection Strategy	Schroders Blended Benchmark	15.00	LBTH14
Schroders Real Estate	HSBC/IPD Pooled All Balanced Funds Average	12.00	LBTH10
LCIV BG Global Equities	MSCI AC World NDR	20.00	LBTH01
L&G MSCI World Low Carbon	MSCI World Low Carbon Target Index - GBP Hedged	16.00	LBTH05
LCIV(CQS) MAC	3 month LIBOR + 4%	6.00	LBTH12
L&G Low Carbon Currency	MSCI World Low Carbon Target Index	5.00	LBTH16
LCIV BG Diversified Growth Fund	3 Month LIBOR +3%	10.00	LBTH02
LCIV Ruffer Absolute Return Fund	3 Month LIBOR +3%	10.00	LBTH03
GSAM	LIBOR 3 Month +4%	3.00	LBTH08
Insight BNY Mellon Absolute Return Bond Fund	LIBOR 3 Month +4%	3.00	LBTH09
Internal Cash Management	7 day LIBID		LBTH13
L&G ALL WORLD EQUITY INDEX	FTSE All World Index		LBTH06
L&G FTSE All World Index GBP hedged	FTSE All World Hgd		LBTH04

To 31/03/2020

Group/Account

		End Weight	
	Total Plan Benchmark	100.00	
Schroders Equity Protection Strategy (IL)	FTSE A Gov Index-Linked > 5 yrs	6.00	LBTH15003
Schroders Real Estate	HSBC/IPD Pooled All Balanced Funds Average	12.00	LBTH10
LCIV BG Global Equities	MSCI AC World NDR	20.00	LBTH01
L&G MSCI World Low Carbon	MSCI World Low Carbon Target Index - GBP Hedged	16.00	LBTH05
LCIV(CQS) MAC	3 month LIBOR + 4%	6.00	LBTH12
Synthetic Equities & Cash	MSCI World Net	9.00	LBTH15001
L&G Low Carbon Currency	MSCI World Low Carbon Target Index	5.00	LBTH16
LCIV BG Diversified Growth Fund	3 Month LIBOR +3%	10.00	LBTH02
LCIV Ruffer Absolute Return Fund	3 Month LIBOR +3%	10.00	LBTH03
GSAM	LIBOR 3 Month +4%	3.00	LBTH08
Insight BNY Mellon Absolute Return Bond Fund	LIBOR 3 Month +4%	3.00	LBTH09
Internal Cash Management	7 day LIBID		LBTH13
L&G ALL WORLD EQUITY INDEX	FTSE All World Index		LBTH06
L&G FTSE All World Index GBP hedged	FTSE All World Hgd		LBTH04

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