



Q4 2025 Portfolio Review

London Borough of Camden

31 December 2025



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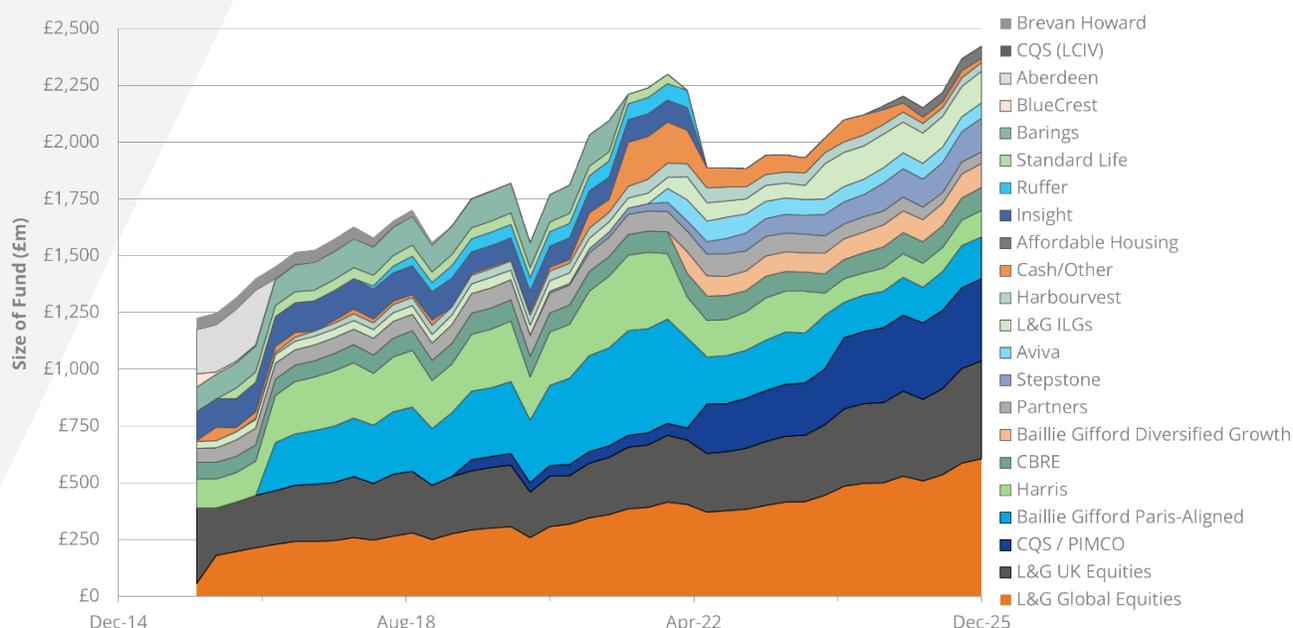
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Total Fund Valuation

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

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



Source: London Borough of Camden; Apex

Independent Advisor Market Review

The Global Economy

Global markets extended gains in Q4 2025, with many indices ending the year near record or multi-year highs. Performance leadership broadened meaningfully, with non-US equities outperforming the US, supported by a weaker dollar, more attractive valuations, and easing inflation. The S&P 500 rose 2.7% over the quarter, though returns were increasingly constrained by valuation sensitivity and greater sector dispersion. Market breadth improved beyond mega-cap technology, with industrials, financials, healthcare, and utilities contributing more consistently. European and UK equities delivered strong relative performance, benefiting from easing inflation pressures, improved real income dynamics, and heavier exposure to cyclical and value-oriented sectors. Japan was a standout, supported by strong earnings momentum and continued corporate governance reforms. Emerging markets also performed well, aided by dollar weakness and supportive global financial conditions. Inflation trends continued to improve across major economies, reinforcing expectations of gradual policy easing into 2026. Bond yields remained elevated but stable, supporting carry-driven returns in credit markets. Overall, Q4 marked a transition toward broader regional and sector participation, setting a more balanced foundation for markets entering 2026.



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The fourth quarter of 2025 was characterised by a moderation in growth momentum alongside improving inflation dynamics and the aforementioned broadening of market leadership. While global activity softened in parts, risk assets remained resilient, supported by expectations of policy easing in 2026, moderation of inflationary pressures, and improved earnings breadth outside the narrow US mega-cap cohort. GDP growth moderated across most developed markets: the US economy expanded by 1.1% in Q3, the UK posted marginal growth of 0.1%, the Eurozone grew by 0.3%, while Japan contracted by -0.6%, highlighting uneven global momentum entering year-end. Inflation continued to trend lower: US CPI eased to 2.7% in December, the UK disinflation path continued with CPI falling from 3.6% in October to 3.2% in November, while Eurozone CPI remained contained around 2.1–2.2%. Japan's CPI also moderated from 3.0% to 2.9% over the period.

Labour markets softened modestly but remained resilient. US unemployment edged up to 4.4% in September, while job openings declined materially from July levels, signalling easing labour tightness. UK unemployment rose to 5.0%, reflecting slowing domestic demand, while Eurozone unemployment remained elevated but stable at 6.4%. Japan continued to exhibit tight labour conditions, with unemployment steady at 2.6%. Wage growth cooled across regions, supporting the ongoing disinflation narrative.

We highlight the following themes impacting investment markets:

Business sentiment decelerated but remained expansionary in most regions. US composite PMI eased from mid-50s levels but stayed firmly above 50, supported by resilient services activity. UK PMI slipped to around 51.4 in December, reflecting weaker manufacturing (46.2) partially offset by services resilience. Eurozone PMI came in at 51.5 in December, while Japan was similarly 51.5 in, suggesting stabilisation rather than contraction heading into 2026.

Equity markets delivered positive but more differentiated returns, with a clear rotation toward value, international, and cyclical exposures. MSCI World Value (+2.9%) outperformed Growth (+2.7%), while Japan's TOPIX was the standout major market (+8.8%), benefiting from domestic reforms and yen stability. Emerging markets posted mixed but generally positive returns, led by MSCI EM LATAM (+8.4%) and EM Asia (+4.6%), while China equities were broadly flat. US equities delivered more modest gains, with the NASDAQ up 2.5% amid ongoing consolidation in large-cap technology leadership. European equities advanced, with MSCI EM EMEA up 4.0%, supported by stabilising macro data.

Regional Commentary

US equities continued to advance in Q4, though they lagged several international peers. The S&P 500 returned +2.7% in Q4 and +17.9% YTD, reflecting still-solid earnings growth but more constrained returns as valuations remained elevated and leadership broadened beyond a narrow cohort of mega-cap technology stocks. Sector performance was mixed: healthcare and communication services delivered strong gains, while consumer-facing sectors, particularly discretionary and staples, underperformed over the quarter. The NASDAQ-100 rose sharply,



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highlighting continued investor appetite for high-quality growth, though market breadth improved modestly into year-end. From a macro perspective, easing inflation and a third rate cut from the Federal Reserve in December supported the soft-landing narrative. However, relative US equity performance was tempered by a weaker dollar and the fact that US assets were less leveraged to falling rates than some overseas markets, where valuations were more compressed. 10-year bond yields remained unchanged over the quarter.

European equities delivered strong relative performance. The EURO STOXX 50 rose +5.1% in Q4 and +21.2% YTD, benefiting from easing inflation, improving financial conditions, and renewed investor interest in cyclical and value-oriented sectors. Financials performed well as rate pressures eased, while healthcare and utilities attracted defensive flows amid still-mixed growth signals. The ECB maintained policy rates, and European government bonds posted modest gains. Euro government bonds returned +0.27% in Q4 and +0.56% YTD, reflecting stable inflation expectations and contained term premia.

UK equities were among the strongest developed markets in 2025. The FTSE All-Share rose +6.38% in Q4 and +24.0% YTD, while the FTSE 100 gained +6.86% in Q4 and +25.8% for the year. Performance was driven by internationally exposed sectors such as financials, energy, mining, and defence, while domestically focused companies continued to face margin and cost pressures amid a softer growth backdrop. UK government bonds also performed well as the Bank of England cut rates in December and the Chancellor's November budget supported the perception of a cautious fiscal stance. All-Stocks Gilts returned +3.10% in Q4 and +5.0% YTD, supported by easing inflation, improved fiscal clarity, and expectations of gradual monetary easing into 2026. Index-linked gilts lagged in relative terms as inflation expectations declined.

Japan remained a standout performer. The Nikkei 225 surged +12.2% in Q4 and +28.7% YTD, supported by strong earnings momentum, continued corporate governance reforms, and sustained investor interest in technology-linked manufacturing and defence-related sectors. This outperformance occurred despite tightening domestic financial conditions, reinforcing Japan's differentiated position within global equity markets. Japanese bonds fell as the government announced a Yen 21.3 trillion fiscal package (around 3.5% of GDP) in order to boost growth and increase defence spending.

Emerging market equities delivered strong returns, outperforming developed markets over the year. The MSCI Emerging Markets Index rose +4.7% in Q4 and +33.6% YTD, supported by a weaker US dollar, easing global financial conditions, and selective improvements in growth expectations. Performance was regionally differentiated, with Latin America and parts of Asia leading gains. Emerging market debt also performed well. Local-currency EM government bonds returned +3.4% in Q4 and +19.0% YTD, while hard-currency EM bonds gained +3.3% in Q4 and +14.3% YTD, reflecting attractive carry and improved investor risk appetite.

In commodities, performance in Q4 was highly divergent, reflecting differing supply-demand dynamics, geopolitical factors, and the late-cycle macro environment. Energy markets weakened materially, with Brent crude oil down -9.2% in Q4 and -18.5% YTD, reflecting ample supply, softening demand expectations, and fading geopolitical risk premia. The broader S&P GSCI



commodity index fell -0.3% in Q4 and -0.2% YTD, underscoring that energy weakness offset by gains elsewhere in the complex. Industrial metals were notably strong, consistent with improved global manufacturing sentiment and continued investment in electrification and energy transition themes. Copper rose $+17.0\%$ in Q4 and $+41.1\%$ YTD, reflecting supply constraints and robust demand linked to infrastructure, EVs, and AI-related capex. Precious metals delivered standout performance, supported by falling real yields, central bank demand, and a weaker US dollar. Gold gained $+13.0\%$ in Q4 and $+64.4\%$ YTD (futures basis), while spot gold rose $+11.9\%$ in Q4 and $+64.6\%$ YTD, reinforcing its role as both an inflation hedge and portfolio diversifier during late-cycle conditions. Agricultural commodities were mixed to weaker.

Global real estate shares softened modestly during Q4, with the FTSE EPRA NAREIT Global Index (GBP) declining 0.5% over the quarter, while year-to-date returns remained positive at 3.39% , reflecting ongoing sensitivity to elevated bond yields despite improving inflation and stable rate expectations.

Equity volatility remained supportive of risk assets through Q4. Lower and more stable volatility reinforced carry strategies, supported equity valuations, and contributed to tight credit spreads. Episodic volatility around macro and policy headlines proved short-lived, underscoring strong underlying demand for risk assets in a late-cycle environment.


TABLE 1: QUARTERLY GDP GROWTH RATE

	US GDP	UK GDP	Eurozone GDP	Japan GDP
Q4 2025	-	-	-	-
Q3 2025	1.1%	0.1%	0.3%	-0.6%
Q2 2025	0.6%	0.3%	0.1%	0.5%
Q1 2025	-0.1%	0.7%	0.6%	0.2%

Source: Bloomberg. *Forecast based on leading indicators. N/A not available at time of publication.

Notes: UK Real GDP (Ticker: UKGRABIQ Index), US Real GDP (Ticker: GDP CQOQ Index) de-annualised, Eurozone Real GDP (Ticker: EUGNEMUQ Index), Japan Real GDP (Ticker: JGDPQGDP)

Individual Manager Performance Review

London CIV – Baillie Gifford

The Independent Advisor comments that, the London CIV – Baillie Gifford sub-fund delivered a return of -1.5% in Q4, underperforming Harris by -6.7% for the quarter and underperforming the Growth Index which returned +2.8%. Over a 12-month period, the Baillie Gifford sub-fund underperformed Harris by -4.3%. The return in Q4 was below the MSCI ACWI Index (GBP), which delivered +3.4%. The manager is underperforming its performance target over 12 months, with an absolute return of +9.5% vs the target of +17.3%. The manager is also behind the target over 3 years by -7.1% per annum.

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

Alphabet Inc, Taiwan Semiconductor Manufacturing, and Samsung Electronics Co. Ltd were Baillie Gifford's best-performing positions in the Paris-Aligned fund during the quarter, contributing +1.3% to the quarterly return. Prosus, Doordash Inc, and Meta Platforms were the largest detractors (detracting a total -1.2% from the portfolio return). The Fund added eight new positions and there were nine sales during the quarter. There was no material change in the Fund's Scope 1 and 2 WACI or carbon-to-value intensity this quarter. Ryanair, CRH, Martin Marietta Materials and Taiwan Semiconductor Manufacturing Company remained the largest contributors, representing around 60% of WACI. Combined Scope 1–3 WACI and carbon-to-value intensity declined by approximately 10%, mainly due to lower emissions intensity from NVIDIA Corporation.

The Fund continued to meet its climate objective, with total Scope 1–3 carbon-to-value intensity roughly 18% below the MSCI ACWI EU Paris Aligned Requirements Index



The beta on the Paris Aligned portfolio as at the quarter end stood at 1.09. This means that if the market falls 10%, the portfolio is expected to fall by 10.9%.

Baillie Gifford's 12-month performance has produced weak returns on a relative basis, underperforming the performance target by -7.8%. The manager is also underperforming the performance target since inception by -3.9% per annum.

The Paris Aligned fund held 87 companies at quarter end, across 18 different countries, and had an active risk of 4.4% (active risk, or tracking error, is a measure of how much risk the manager is tracking away from the benchmark index.) In terms of geographic exposure, as of the end of December 2025, the manager's largest exposure remained North America at 69.2%. At the sector level, the fund had the largest exposure to Information Technology sector which stood at 27.6% at quarter end, followed by Consumer Discretionary at 19.9% and financials at 12.6%. In terms of assets under management, the LCIV Paris Aligned sub-fund stood at £2.206 billion as at end December. The London Borough of Camden's investment represents 8.3% of the fund.

London CIV noted that from 1 April 2026 the Sub-fund will transition to a three-manager structure, comprising Helen Xiong, Malcolm MacColl and Michael Taylor. As previously communicated, this follows the planned retirement of Spencer Adair at the end of March 2026. The incoming three-manager team brings over 60 years of combined investment experience and benefits from the broader support of Global Alpha's dedicated analyst team and network of Trusted Advisors. MacColl has led Global Alpha since 2005, Xiong has been part of the strategy since 2021, and Taylor joined in 2025. All three are partners of the firm, ensuring continued alignment with clients as the strategy moves into its next phase.

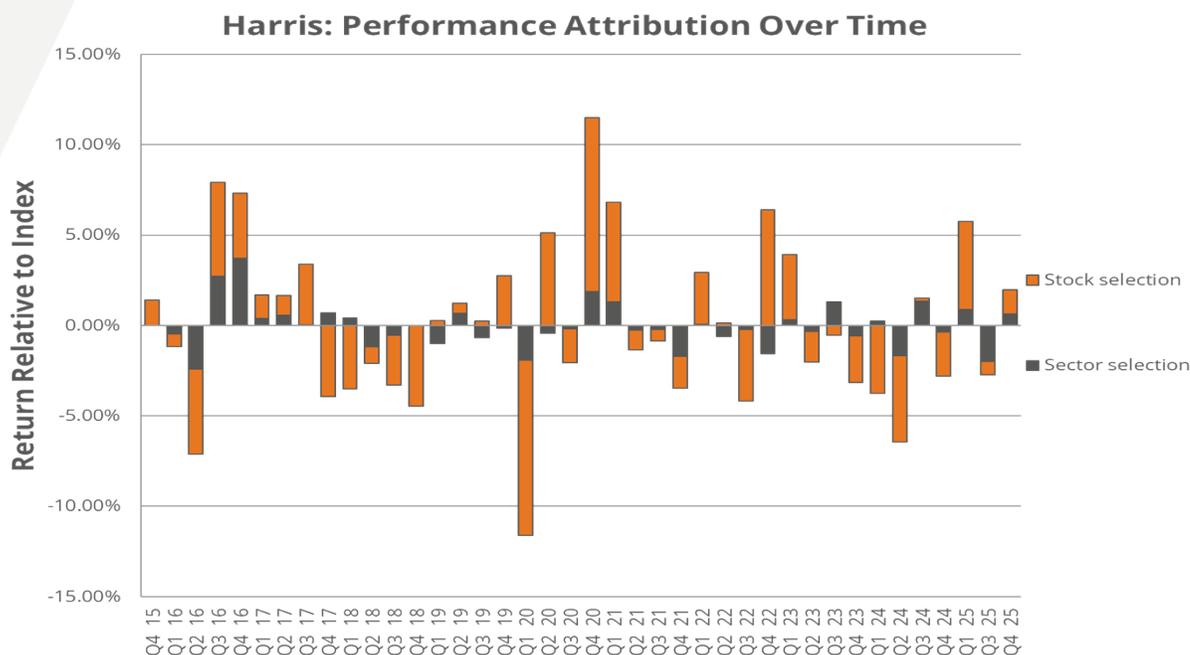
Apex rating:





Chart 2 shows the contribution to performance, relative to the index, from asset allocation and stock selection. Chart 2 shows that stock selection was a more significant contributor to the positive relative return of the fund during Q4 2025, with 0.6% attributed to sector selection, while 1.4% was attributed to stock selection.

CHART 2: HARRIS PERFORMANCE ATTRIBUTION



Source: Harris, Apex

Growth outperformed in relation to value in Q4. The MSCI World Growth Index (GBP) returned +2.8% whereas the MSCI World Value Index (GBP) delivered +3.4%. Harris has outperformed the Value Index by +1.7% and the MSCI World Index (GBP) by +1.9%. Harris is underperforming the performance target for the past 12 months by -3.5% and over three years by -8.2% p.a.

In Q4, Bayer was the top contributor, adding +0.73% to total returns, while Alibaba Group and Charter Communications were the weakest performers, each of them reducing the portfolio’s return by -0.4%.

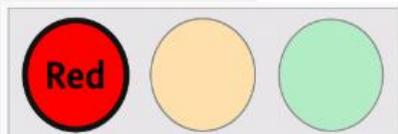
At quarter-end, the fund's regional allocation stood at 51.6% in the US, 35.8% in Europe, 7.0% in the UK and 5.6% in China and Korea.



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Performance has been a major concern for some time for this mandate, despite the latest quarter's outperformance.

Apex rating:



Legal & General

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

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

TABLE 2: TRACKING ERROR

	Three-Month Tracking	One-Year Tracking	Three-Year Tracking
World – Future World	0.02%	0.22%	0.29%
World – Market Capitalisation	0.02%	-0.29%	-0.20%
Gilts	0.00%	0.00%	-0.01%

Source: Legal & General; Apex

In Q4, the sustainable Solactive Index, against which the Future World global equity index fund is benchmarked, delivered a return of +3.5% compared with the full global equity market capitalisation index – MSCI World (GBP) - which returned +3.2%.



CBRE

Chart 3 shows the contribution to performance from each of the underlying funds making up CBRE's portfolio over the past four quarters. This quarter shows a mixture of both positive and negative returns. The key detractors from performance during the quarter were Schroder Capital UK Real Estate Fund (-0.4%), Ardstone UK Regional Office Fund (-0.1%), and Ardstone Nuveen Fund (-0.1%).

Schroders Capital UK Real Estate Fund recorded a -6.4% return during the quarter, reflecting broad-based valuation pressure across several assets in the portfolio. Performance was adversely affected by asset-level headwinds, including a failed planning appeal at Kensington Village, upward revisions to projected capital expenditure, and slower-than-expected leasing progress. Persistent vacancy across a number of properties — notably Battersea Studios, Kensington Village, Chenies Street and Tetris — further weighed on sentiment. These dynamics resulted in softer valuation assumptions, reflected in outward yield adjustments and more conservative rental growth expectations.

Ardstone UK Regional Office Fund declined by -8.3% over the period, primarily due to mark-downs in asset values within a subdued regional office market. The most significant reductions were seen at George House and VSH, partly offset by a modest uplift at St Andrew Square. During the quarter, the Fund continued to execute its disposal programme, completing the sale of Sentinel, Glasgow, for £19.6 million as part of its broader capital recycling strategy.

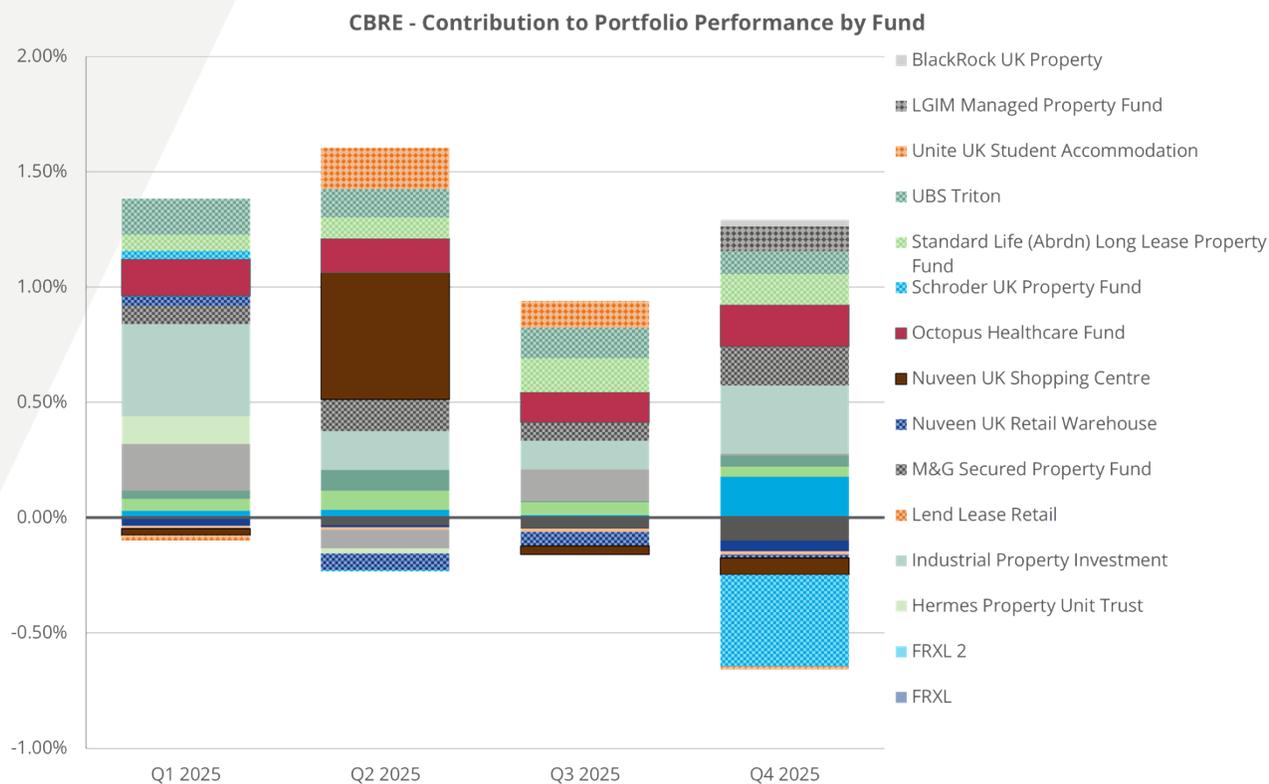
Nuveen UK Shopping Centre Fund generated a -36.9% return, largely driven by the completion of the St James Quarter disposal and the adjustment required to reconcile the Fund's valuation with the final transaction price. After settling associated debt facilities transferred to the buyer, the Fund received net proceeds of approximately £55 million, which were subsequently used to repay the outstanding £34.2 million unitholder loan.

Meanwhile, the main positive contributors during the quarter were Tritax London Logistics Unit Trust (+0.6%), Industrial Property Investment Fund (+0.3%), and Octopus Healthcare Fund (+0.2%), with smaller contributions from M&G Secured Property Income Fund and Curlew Student Trust. Tritax delivered a 5.8% return, supported by 1.8% rental growth and a 4.2% uplift in gross valuations, alongside the positive impact of gearing, partially offset by acquisition costs at Communications Park. Industrial Property Investment Fund returned 2.8%, driven by £3.5 million of new lettings at 8% ahead of ERV and a £16 million capital uplift from the first phase of Sentinel Park, Birmingham. Octopus Healthcare Fund generated a 2.2% return, comprising stable income



and modest capital appreciation, supported by rent reviews and a slight increase in net initial yield to 5.47%.

CHART 3: CBRE PERFORMANCE ATTRIBUTION



Source: CBRE; Apex

As at quarter end the portfolio had 22 investments and leverage on the portfolio stood at 11.6%.



Partners

Camden has committed capital to the PG Real Estate Secondary 2009 (EUR) SICAR Fund, with 95.31% of the commitment drawn as at 30 September 2025. To date, the Fund has distributed 142.1% of contributed capital to investors, maintaining a strong distribution profile. The net multiple remains at 1.49x, reflecting continued realisations during the liquidation phase. Realisations continue to be driven principally by the one remaining legacy asset, Annington Homes, where residual proceeds remain contingent on bondholder settlement and a small remaining asset sale expected to conclude during the next 18 to 24 months. There are no fees payable on this last holding.

The pension fund has committed capital to the PG Real Estate Secondary 2013 (USD) Fund, with 71.97% of the commitment drawn as at 30 September 2025. To date, the Fund has distributed 100.28% of contributed capital, indicating that investors have fully recovered their paid-in capital and that the vehicle remains in the value realisation phase with 18 remaining investments. The net multiple remains stable at 1.18x, broadly unchanged over the quarter. Key activity included proceeds from Project Camino, following the sale of “The Wharf” mixed-use development in Washington, D.C., while the two remaining assets in New Jersey (Asbury Park retail and Richwood land parcel) are expected to exit within 24 to 36 months. Subsequent to quarter-end, Camden also received a further USD 258,148.63 distribution on 16 October 2025, comprising return of capital, capital gain and income.

The pension fund has committed capital to the PG Real Estate Secondary 2017 (USD) Fund, with 70.52% of the commitment drawn as at 30 September 2025. To date, the Fund has distributed only 1.76% of contributed capital, indicating it remains in the value creation phase. The net multiple declined slightly to 0.87x, reflecting modest valuation pressure over the quarter. Despite macro headwinds, the fund generated meaningful realisation activity during the quarter. Proceeds were received from the US Logistics Portfolio (Horizon) following the sale of two stabilised assets, and from the full exit of the Australia Self-Storage Portfolio, which achieved a gross return of c. 1.35x cost and a 20% IRR. Positive valuation contributions were led by French Real Estate Services (Emeria) and Asia-Pacific Diversified Fund Portfolio (Chorus), while negative movements reflected weaker pricing for the Shanghai Industrial Portfolio (Link) and several US office positions as buyers continued to demand wider discounts for assets in negotiation. The manager continues active asset-management and sales processes, with key disposals (including US logistics and selective European assets) expected over 2026. However, at a recent meeting they admitted that they should have anticipated the growth in e-commerce which has impacted their retail investments,

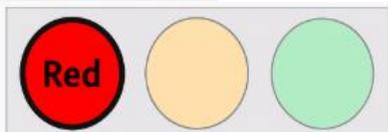


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whilst the office investments have been negatively impacted by COVID and the shift towards more remote working.

The manager has agreed to consider a possible fee rebate on this fund and will revert within the month on this point.

Apex rating:

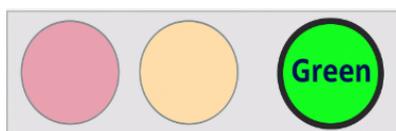


HarbourVest

The Independent Advisor notes that the London Borough of Camden Pension Fund has committed \$86.3 million to HarbourVest's Global Fund 2016, with approximately 87% of the commitment drawn as at 30 September 2025. To date, the Fund has distributed \$91.7 million back to investors, equating to a 1.22x multiple on capital paid in.

The manager report was not available at the time of going to print.

Apex rating:



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

London CIV's Multi-Asset Credit (MAC) sub fund returned +2.0% in Q4 2025, slightly behind the performance objective of +2.1%. Over 12 months, the sub-fund delivered +8.9%, marginally ahead of the target (+8.8%), and over three years it has returned +9.4% p.a., outperforming the objective (+9.44% p.a.).

The Sub-fund is diversified across a wide range of borrowers, bonds, and loans. Asset-backed securities, including CLOs, add an extra layer of credit diversification. The overall portfolio rating has improved from 'BBB-' at the end of September 2025, to 'BBB' at the end of December 2025, reflecting ongoing de-risking at the margin.

The Sub-fund remains primarily invested in income-generating asset classes, including high yield (33.5%), structured credit (19.4%), loans (18.7%), and government-related instruments has increased from 0.8% to 5.6%. Exposure to sub-investment grade credit is balanced by allocations to investment grade (9.4%) and emerging markets (9.2%), both of which, while more sensitive to interest-rate movements, provide important diversification benefits during periods of market



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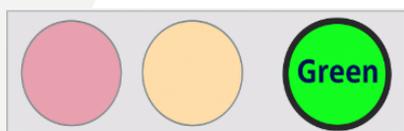
volatility. The value of the fund's investment in CQS and PIMCO stood at £362.4 million as of end December 2025, which represents 15.0% of the London CIV sub-fund, the total value of which stood at £2,420.7 million.

Both underlying managers remain cautious on valuations given that credit spreads across many markets are near multi-year tights, and continue to emphasise default avoidance, strong issuer selection and diversification. London CIV maintains its confidence in both managers' ability to deliver to the performance target.

The portfolio's Weighted Average Carbon Intensity (WACI) was 50.5% of that of the benchmark based on Scope 1 and 2 emissions, and 55.1% when including Scope 1, 2 and 3 emissions.

The fund's fossil fuel exposure stood at 1.7% as at end September 2025.

Apex rating:



London CIV – Infrastructure Fund - Stepstone

The London Borough of Camden pension fund had committed £182.0 million of capital to London CIV's infrastructure fund, as at end September 2025 (report for December 2025 not available at the time of writing this report). The total fund value was £474.4 million. London Borough of Camden's investment represents 28.5% of the Fund (valued at £135.0 million as at end September 2025). The Fund has invested in eight primary funds, three secondary funds and one co-investment. As at end September, the fund was 82% drawn, in line with Stepstone's expectations.

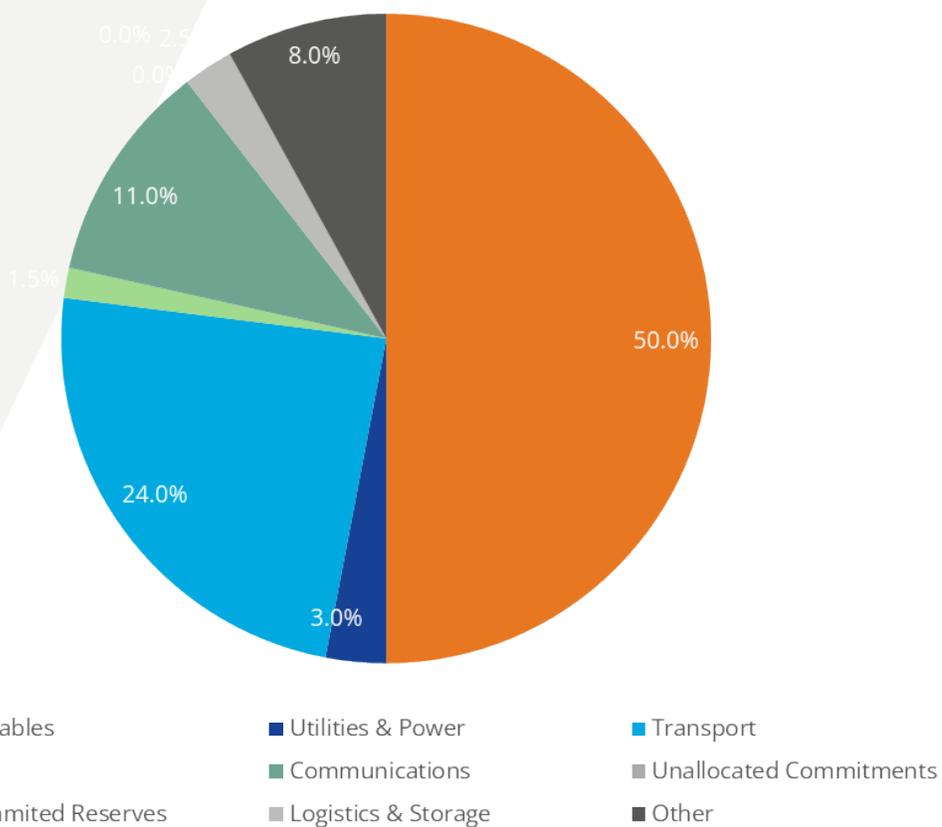
Long-term, the fund will aim to achieve a net return of 8% to 10% p.a. over rolling four-years, and a cash yield of 4% to 6% p.a.

The fund made no capital calls to investors during the quarter, cash reserves and distributions received were used to pay call notices received by the fund (capital calls totalling £4.3m across four investments) and had total distributions of £3.9 million, of which Camden received £1.1 million.

Over the quarter, the Fund committed £15 million to a primary fund to Igneo Australia New Zealand Diversified Infrastructure Fund, with 50% of the commitment drawn post quarter end.

The net IRR since inception is +8.3% p.a., +7.1% p.a. over three years and +6.8% over one year, compared to the target IRR of 8.0% p.a. The shorter-term performance lag is attributed by London CIV to limited progress within some of the primary funds including Macquarie, Basalt and Equitix. Chart 4 shows the current split by sector of underlying allocations, including funds committed but not yet allocated to an underlying investment and uncommitted reserves.

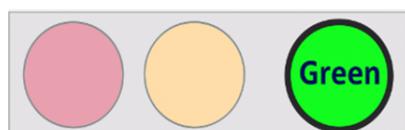
CHART 4: SECTOR ALLOCATION BY FUND COMMITMENTS



Source: LCIV

TABLE 3: INFRASTRUCTURE INFORMATION

Underlying Fund	Current Net IRR	Target IRR	Comments
Macquarie GIG Renewable Energy Fund 2 (MGREF 2)	+6.1%	8.5%	97% invested across 9 investments.
Arcus European Infrastructure Fund 2 (AEIF 2)	+25.5%	13.0%	94% invested across 9 investments, with 4 realised.
Equitix VI (EF VI)	+2.1%	8.5%	99% invested across 32 investments
Basalt Infrastructure Partners III (BIP III)	+6.5%	11.5%	89% invested across 8 investments
European Diversified Infrastructure Fund III (EDIF III)	+10.2%	8.5%	Fully committed across 9 investments
Capital Dynamics Clean Energy and Infrastructure VIII (CE VIII)	+6.0%	11.0%	99% drawn
Brookfield Global Transition Fund (BGTF)	+8.3%	10.0%	86% committed and 61% invested across 9 platforms.
NextPower UK (NP UK LP)	+8.5%	8.0%	96% committed across 19 investments
Italo (GIP Pegasus)	+16.1%	14.5%	Secondary. 1 investment (Italo)
Meridiam Infrastructure North America II (MINA II)	+2.0%	10.1%	Secondary. 13 investments.
KKR Global Infrastructure Investors IV (KKR)	+15.9%	14.0%	Secondary. 13 investments.
Calisen	5.6%	11.2%	Direct co-investment

Apex rating:**London CIV – Real Estate Long Income Fund - Aviva**



APEX

The London Borough of Camden pension fund committed £95 million of capital to London CIV's Real Estate Long Income Fund in August 2021. The total fund value as at end September 2025 (latest LCIV report available) was £154.0 million, with total fund commitments of £213 million. London Borough of Camden's valuation as of 30 September 2025 was £67.8 million, representing 44.0% of the fund.

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

As of end of September 2025, the fund is fully deployed.

The Fund invests in properties with long leases and strong tenants, with returns driven by the focus on secure, long-term, contractual inflation-linked cashflows, which are reflected in the key fund terms: 20yr+ cashflows, minimum 80% inflation-linked, and minimum 80% investment grade. Currently, 100% of these leases have rents that are linked to inflation (62% CPI-indexed, 35% RPI-indexed, 3% open-market rents).

The net IRR since inception to end September remained negative at -4.5%, falling short of the 8.2% investment objective, largely reflecting the sector-wide re-rating of real estate values in a higher-rate environment. The IRR for the quarter was +2.0%, ahead of the quarterly investment objective of 1.2%. Over one year it stood at +3.5%, behind the target of 6.1%. The strong credit quality of tenants (with a weighted average rating of BBB+, an average lease term of 21.5 years, and 98% inflation linkage) reinforces London CIV's confidence in the manager's ability to sustain inflation-linked income payments, which remain crucial for achieving target returns.

The Fund aims to make regular quarterly distributions yielding 3% per annum. This is currently on track with a net income yield for the 12 months to end September of 5.4% versus the target of 3%. During Q3 2025 it made a further quarterly distribution of £2.1 million of which Camden received £0.9 million.

Post quarter-end, London CIV became aware of several unpaid interest payments by the borrower of the student accommodation debt investment at St Mary Bredin, Canterbury (representing c. 10.9% of Fund income). The debt payments are fully wrapped by Ageas Insurance Limited (rated A+), and the Aviva Investors is exploring pursuing several avenues to resolve the situation, including replacing the operator, working with the borrower for a repayment plan, or, if necessary, appointing a receiver. London CIV expects quarterly distribution payments to be reduced during 2026 as a result of this issue and is actively engaging with Aviva Investors until the situation is resolved.

At a meeting with London CIV and Aviva Investors, a concern was raised over the level of diversification in the fund, for example, the 43% allocation to hotels. London CIV acknowledged that this was a constraint on the current fund but indicated that they plan to review other long income fund holdings held by London Boroughs which will come under their remit from the end of March, with a view to introducing more diversification in time. The original target fund size for the London CIV Long Income fund was £400 million, compared with a current size of £154 million.



London CIV – UK Housing Fund

The London Borough of Camden pension fund committed £97 million of capital to London CIV's UK Housing Fund in January 2024. The total fund value as at end September 2025 (latest available LCIV report) was £259.3 million, with total fund commitments of £530 million.

The Fund's objective is to achieve a net IRR of 5-7%, and a target yield of 3-4% per annum, by investing in strategies that increase the supply of good quality, affordable housing in the UK. Investments will include different types of social and affordable housing funds allocated across general needs social and affordable housing (minimum 50% allocation; specialist housing (0% – 25% allocation), and transitional supported housing (0% – 25% allocation).

By the quarter end, the Fund has received a total of £530m of commitments from nine investors, since launching in March 2023 and was 49% drawn. Commitments to date include: CBRE UK Affordable Housing Fund (£100 million), Octopus Affordable Housing Fund (£108 million), Savills IM's Simply Affordable Homes Fund (£75 million), £44.8m secondary fund commitment into CBRE UK AHF, £100m primary fund commitment into Man Group's Community Housing Fund III and £100m primary fund commitment into Legal & General Affordable Housing Fund.

The net IRR for the quarter, reported by London CIV, was -0.2%. Over one year it was +1.3%. The quarterly fall was attributed by London CIV to a 6.7% subscription premium introduced by CBRE UK AHF. The aim is to protect existing investors against new acquisition costs associated with deploying new capital as new investment comes in.

TABLE 4: HOUSING INFORMATION

Underlying Fund	Current Net IRR	Target IRR	Comments
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CBRE UK Affordable Housing Fund (CBRE)	-9.8%	+6.0%	£100m primary fund commitment
Octopus Affordable Housing Fund I (OAHF)	+6.1%	+7.0%	£108m primary fund commitment
Simply Affordable Homes 1 (SAH)	-5.6%	+8.0%	£75m primary fund commitment
Man RI Community Housing Fund 3 (MAN RI)	-6.8%	+7.0%	£100m primary fund commitment
L&G Affordable Housing (L&G)	+4.2%	+7.4%	£100m primary fund commitment
CBRE UK Affordable Housing Fund-Secondary	+3.6%	+6.0%	£44.8m secondary fund commitment

One concern is that the fund remains entirely allocated to general needs and affordable Housing. Whilst the target is to have minimum of 50% to this type of housing, it is worth noting that the target is to hold 0-25% in specialist housing and 0-25% in supported transitional housing. This is something to monitor.

A second concern relates to the pace of capital deployment. Although the fund is now fully committed, only 49% of commitments had been drawn by the end of September 2025. This represents progress from the 39% drawn at the end of June 2025, but the overall drawdown rate remains lower than expected for a fund that has already allocated all commitments. Again, this is something to monitor.

The MAN RI Community Housing Fund 3 is showing an IRR of -68%. London CIV were approached for an explanation of this and commented "The MAN RI Community Housing Fund made its first capital call during the quarter. This was primarily to cover set up and formation costs - therefore the unusual IRR is not meaningful at this stage. The fund's first investment is scheduled to complete in Q1/2 2026, and a further transaction is currently going through the legal process. The LCIV team are scheduled to complete an asset tour with the manager w/c 23rd February to review the seed assets and pipeline."

Apex rating:



London CIV – Diversified Growth Fund – Baillie Gifford

London CIV's Diversified Growth sub fund returned +0.4% in Q4 2025, which trailed the target of +1.9%. However, the one-year absolute return of +10.9% led to significant outperformance of the target of +3.0% which is a positive. This also outperformed the Global Alpha strategy where Baillie Gifford's one-year return was +9.5%.

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

The fund invests across a broad array of asset classes, and derivatives are used to help dampen the volatility of the fund. As at end December 2025, the fund had an allocation of 44.4% to Alternatives (the largest allocation within this being to infrastructure at 23.8%), 30.2% to Fixed Income, and 25.4% to Equities. During the quarter, the manager increased the allocation to risk assets by reducing positions in structured finance, insurance-linked securities, rates and currencies. London CIV note that this has reduced the diversification in the portfolio which may lead to more volatile returns going forward.

The value of Camden's investment in Baillie Gifford Diversified Growth stood at £105.7 million as of end December 2025, which represents 39.8% of the London CIV sub-fund, the total value of which was £265.4 million at December end.

Apex rating:





Summary of Concerns

Date raised	Concern	Update
Q1 2022	LCIV – Global Alpha Paris Aligned (Baillie Gifford)	Continued close monitoring recommended given ongoing performance issues – fund is still underperforming across all time periods.
Q4 2024	Harris – global equities	After a period of improvement Harris' performance slipped again. Continued close monitoring is recommended – fund is still underperforming across all time periods apart from the latest quarter which was positive.
Q1 2025	General performance	The portfolio is showing considerable underperformance relative to target over all time periods at the total fund level. The strategy asset review should take this into account with a view to potentially addressing some of the worst affected underlying mandates.
Q3 2025	LCIV Housing Fund	Fund currently has 100% allocated general needs and affordable housing. This lack of diversification is something to monitor: the ideal would be to see some of the target allocation to specialist housing and transitional housing (targets of 0-25% each) reflected in the portfolio. The slow drawdown rate (49% as at end September) is also something to monitor.
Q1 2026	Partners Group	Poor performance is a concern for the 2017 fund in particular, with the manager having invested in sectors which have struggled (retail and offices). Closer dialogue is recommended with the manager and continued engagement over a possible fee rebate.

Karen Shackleton
Senior Advisor, Apex
18th February 2026

Manager	AUM (£m)	Fund or Strategy	Number of investors	Camden's Rank	Size of Camden's Portfolio (£m)	Percentage of Fund or Strategy	Comment
Baillie Gifford Paris-Aligned	2,206	Fund	10	Not provided by London CIV	183.50	8.32%	£487m increase in AUM. The number of investors decreased by 1.
Harris*	5,058	Strategy	12	9th	114.93	2.27%	£244m increase in AUM and number of investors has increased by 1.
Legal & General - UK equity (World)**	23	Fund	1	8th	21.60	93.58%	£1.48m increase in AUM and number of investors has not changed
Legal & General - North America**	471	Fund	2	2nd	395.09	83.91%	£12m increase in AUM and number of investors decreased by 1.
Legal & General - Europe**	426	Fund	5	4th	68.95	16.18%	£24m increase in AUM and number of investors remains unchanged.
Legal & General - Japan**	669	Fund	6	6th	36.15	5.40%	£10m decrease in AUM and number of investors remains unchanged.
Legal & General - Asia Pacific**	318	Fund	7th	4th	24.25	7.61%	£10m increase in AUM and number of investors remains unchanged.
Legal & General - Middle East**	0.8	Fund	1	9th	0.80	100.00%	£0.13m increase in AUM and number of investors remains unchanged.
Legal & General - World Emerging Markets**	647	Fund	8	5th	58.45	9.03%	£9m decrease in AUM and number of investors remains unchanged.
L&G ILGs**	4,440	Fund	12	3rd	137.90	3.11%	£359m increase in AUM and investors remain unchanged.
Legal & General - FW Global Equity Index**	8,551	Fund	12	1st	430.53	5.03%	£1474m increase in AUM. The number of investors increased by 1.
CBRE	5,000	UK separate accounts	31	15th	98.00	1.96%	AUM remains unchanged and number of investors remain unchanged.
Partners 2009 fund*	89	Fund NAV	53 (EUR SICAR sleeve)	3rd	6.88	7.75%	£36m decrease in AUM (Annually updated, as at December 2023). As the fund is a closed-ended vehicle, neither the number of investors nor Camden's rank will change over time.
Partners 2013 fund*	243	Fund NAV	39 (in the USD C LP sleeve)	5th	13.95	5.74%	£112m decrease in AUM (Annually updated, as at December 2023). As the fund is a closed-ended vehicle, neither the number of investors nor Camden's rank will change over time.
Partners 2017 fund*	266	Fund NAV	11 (in the USD D LP sleeve)	3rd	46.76	17.57%	£119m decrease in AUM (Annually updated, as at December 2023). As the fund is a closed-ended vehicle, neither the number of investors nor Camden's rank will change over time.
Harbourvest	114	Fund NAV	8	2nd	38.00	33.20%	As the fund is a closed-ended vehicle, neither the number of investors nor Camden's rank will change over time.
CQS / PIMCO	2,421	Fund	18	Not provided by London CIV	362.40	14.97%	£45m increase in AUM. The number of investors remain unchanged
Stepstone	474	Fund	6	Not provided by London CIV	135.00	28.46%	£7m increase in AUM. The number of investors remains unchanged.
Aviva	154	Fund	6	Not provided by London CIV	67.60	43.90%	£1m decrease in AUM. The number of investors remain unchanged.
Baillie Gifford Diversified Growth	265	Fund	3	Not provided by London CIV	105.70	39.83%	£1m increase in AUM. The number of investors remain unchanged.
Cash/Other	N/A	N/A	N/A	N/A	41.00	N/A	N/A

This appendix details Camden's exposure to the overall fund or strategy managed by Investment Managers. Where Camden represents more than 5% of each fund and there is a material increase, due to client outflows, this will be reported to the Committee on an exceptions basis.

*AUM and Portfolio figures given in local currency and converted using exchange rates at the date of the data.

**LGIM changed how they report this data in Q3 2023, for details on methodology see the Q3 2023 report.