



HILLINGDON  
LONDON



**Quarterly  
Investment Review  
- Private Markets**

30 June 2024

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Hillingdon

## Introduction

This report is confidential. It has been prepared for information purposes only and does not constitute investment advice. Whilst reasonable care has been taken to ensure that the information and opinions expressed as part of this report were considered and valid at the time the report was published no representation or warranty as to the accuracy or completeness of this information is given.

## London CIV Fund Range

Please see below a summary of your investments in London CIV private market funds as at 30 June 2024, showing drawn and undrawn commitments and current valuation.

	Commitments	Invested Since Inception	Undrawn Commitment	NAV
Active Investments	£	£	£	£
<b>EUUT</b>				
LCIV Infrastructure Fund	55,000,000	43,541,544	11,458,456	52,914,286
LCIV Private Debt Fund	70,000,000	47,050,161	22,949,839	56,765,160
<b>Total</b>	<b>125,000,000</b>	<b>90,591,705</b>	<b>34,408,295</b>	<b>109,679,446</b>

Please see below a summary of the London CIV Private Market funds, including both those in which you are invested, and those you are not.

Private Markets	30 June 2024 Total Commitment	Drawn to Date	% Drawn	Undrawn Commitments	30 June 2024 Fund Value	% Available for Investment	Inception Date	No. of Investors
EUUT	£'000	£'000		£'000	£'000			
LCIV Infrastructure Fund	475,000	315,874	66%	159,126	383,869	21%	31/10/2019	6
LCIV Real Estate Long Income Fund	213,000	213,000	100%	n/a	155,484	-	11/06/2020	3
LCIV Renewable Infrastructure Fund	1,108,500	481,149	43%	627,351	553,484	23%	29/03/2021	16
LCIV Private Debt Fund	625,000	420,091	67%	204,909	506,832	8%	29/03/2021	8
LCIV UK Housing Fund	450,000	73,200	16%	376,800	71,889	40%	31/03/2023	8
SLP	£'000	£'000		£'000	£'000			
The London Fund	250,000	104,026	42%	145,974	105,821	37%	15/12/2020	4
	3,121,500	1,607,340		1,514,160	1,777,379			

Source: London CIV as at 30 June 2024.

## LCIV Infrastructure Fund

### Quarterly Summary as at 30 June 2024

**Total Fund Value:**  
**£383.9m**

Inception date:	31/10/2019
Total Fund commitments:	£475.0m
Total contributed since inception:	£315.9m
Total contributed in the quarter:	-
Total distributed since inception:	£8.8m
Total distributed in the quarter:	£1.4m

#### Investment Objective

The Fund's long term objective is to seek to achieve a net return of 8-10% per annum and a cash yield of 4-6% per annum.

#### Key Dates and Timelines:

The Fund is open ended, it does not have an investment period and is permitted to make new investments throughout its term. Each commitment is subject to a lock-up period of five years from the relevant close.

**Hillingdon Valuation:**  
**£52.9m**

Hillingdon commitment date:	31/10/2019
Hillingdon commitment:	£55.0m
Total contributed since inception:	£43.5m
Total contributed in the quarter:	-
Total distributed since inception:	£1.2m
Total distributed in the quarter:	£0.2m

**This is equivalent to 13.78% of the Fund**

## Executive Summary

The LCIV Infrastructure Fund (the "Fund") NAV increased to £383.9m in Q2 2024, from £371.4m in Q1 2024. The increase in NAV was mainly driven by a significant unrealised gain over the quarter totalling £13.9m, relating to Macquarie Green Renewable Energy Fund 2 ("MGREF 2"), Arcus European Infrastructure Fund 2 ("AEIF 2") and Capital Dynamics Clean Energy and Infrastructure VIII ("CE VIII").

AEIF 2 saw the largest movement, accounting for c. 50% of the unrealised gain, as one portfolio company's carrying value was updated to reflect the exit valuation finalised over the quarter, which is expected to close in H2 2024, resulting in a gross realised IRR of 33%. MGREF 2 and CE VIII movements were related to underlying assets moving through key construction milestones and hence marked up from cost to a DCF valuation.

The unrealised gain was offset slightly by the Fund's third income distribution totalling £1.4m, with the rolling three quarters yield in line with the Fund's annual yield target albeit towards the lower end as the portfolio continues to ramp-up. Subsequent to quarter end,

the fourth distribution was confirmed and is due to be paid out to investors at the end of September.

Note, there was capital call activity from three investments during the quarter however this did not impact the NAV as i) cash reserves were used for AEIF 2 and Brookfield Global Transition Fund ("BGTF") and ii) the cash was received subsequent to quarter end for KKR Global Infrastructure Investors IV ("KKR IV"). The largest and most notable capital call was for KKR IV, a new secondary fund investment that closed after quarter end, which totalled £17.2m and was used to fund the transaction - more details will follow in the Q3 2024 commentary.

The Fund remains 80% committed across eight fund investments and is 67% drawn, following new investor commitments over Q1 2024. StepStone, the delegated Investment Manager of the Fund, continue to seek new opportunities to deploy the uncommitted capital with a focus on minimising deployment dilution and yield. More details are included

within the Investment Activity section below. The Fund's net IRR since inception is tracking in line with the Fund's investment objective at 9%, with each underlying investment performing in line with expectations. The Fund's 1-year yield is also tracking in line with the investment objective, noting the Fund only began distributing income at the end of the initial four-year ramp-up period. Further detail can be found within the Performance section below.



## Current Investments

Investments	Abbreviation	Investment Date	Vintage	Total Commitments (Local)	LCIV Fund Commitments (Local '000)	Unfunded GBP (£ '000)
<b>Primary</b>						
Macquarie Green Renewable Energy Fund 2	MGREF 2	Dec-19	2020	€1,634m	€75,000	10,020
Arcus European Infrastructure Fund 2	AEIF 2	Mar-20	2018	€1,217m	€50,000	6,396
Equitix Fund VI	EF VI	Mar-20	2020	£1,471m	£50,000	359
Basalt Infrastructure Partners III	BIP III	May-20	2020	\$2,750m	\$50,000	7,085
European Diversified Infrastructure Fund III	EDIF III	Jul-20	2020	€4,156m	€75,000	0
Capital Dynamics Clean Energy and Infrastructure VIII	CE VIII	Dec-20	2019	£300m	£40,000	3,532
Brookfield Global Transition Fund	BGTF	Dec-21	2021	\$12,964m	\$50,000	20,093
<b>Secondary</b>						
Meridiam Infrastructure North America II <sup>1</sup>	MINA II	Aug-22	2010	\$873m	\$43,998	51
KKR Global Infrastructure Investors IV	KKR	Jun-24	2021	\$17,000m	\$33,997	10,325
<b>Total Committed to Investments</b>						<b>57,861</b>
Drawn Capital						315,874
Funds available for investment						101,265
<b>Total Fund Commitments</b>						<b>475,000</b>

<sup>1</sup> The original commitment was \$22.67m.

Source: London CIV as at 30 June 2024.

LCIV Fund GBP Commitment is calculated as GBP cost plus undrawn commitments multiplied by FX rate as at 30 June 2024.

## Cashflow Activity

During the quarter ended 30 June 2024, the Fund made no capital calls to investors. A capital call was made after quarter end (2 July 2024) for £17.2m to fund the KKR IV investment. Cash reserves and distributions received were used to pay the call notices received by the Fund.

The cash flows to/from the underlying investments were as follows:

Investment	Amount	Due Date	Comments
BGTF	(\$0.7m)	09 April 2024	Capital call - Investments and management fee and expenses
MGREF 2	€17k	10 April 2024	Distribution - Fee rebate
EDIF III	€34k	15 April 2024	Distribution - Fee rebate
EDIF III	€0.7m	21 June 2024	Distribution - Income
AEIF 2	(€0.5m)	24 June 2024	Capital call – Repayment of senior bridge facility
CE VIII	£0.13m	25 June 2024	Distribution - Income
KKR IV	(\$20.9m)	27 June 2024	Capital call - investment
MINA II	\$0.5m	28 June 2024	Distribution – Return of capital and interest income

## Investment Activity

During the quarter, there were no new investments made by the Fund, however, the Fund did call capital to fund a new secondary transaction that closed just after quarter end, detailed further below.

As referenced in the Executive Summary, StepStone are seeking to invest the uncommitted capital following the close in Q1 2024 in line with the return objectives and investment restrictions of the Fund, with a particular focus on yield and deployment. LCIV remains actively engaged with them on a pipeline of suitable opportunities across primary funds, secondaries, and co-investments, there are currently three live opportunities covered below.

Over the quarter, StepStone progressed investment due diligence on a unique secondary fund opportunity that would enable c. £15m of instant deployment and a further c. 15m as the fund progresses through its investment period. StepStone received their IC approval on a low double-digits discount and closed on the secondary transaction just after quarter end. The underlying fund is managed by KKR and is the fourth flagship fund targeting global infrastructure opportunities in OECD countries with a focus on Europe and North America. KKR IV is well progressed after raising \$17bn, closing on 14 underlying investments across transport, communications, and renewable subsectors.

Alongside the secondary opportunity, StepStone progressed investment due diligence on a c. £30m primary fund opportunity that also received their IC approval and again closed on the investment just after quarter end. The fund is focused on ready-to-build solar PV assets within the UK - more details will follow in the Q3 2024 commentary.

StepStone have also sourced a new GP-led secondary opportunity and progressed investment due diligence over the quarter. The opportunity is a high-quality infrastructure manager seeking liquidity and further funding for one asset within their flagship fund series, as they seek to execute on a delayed business plan. It is well subscribed from existing investors and StepStone are currently negotiating an allocation, which would fit well in the Fund. Given this is one asset, StepStone will size the allocation accordingly at c. £10m which would be deployed instantly. Subsequent to quarter end, StepStone secured an allocation for the Fund and closed on the investment – more details will follow in the Q3 2024 commentary.

## Performance

	Current Quarter %	One Year %	Three Years p.a. %	5 Years Years p.a. %	ITD p.a. %
Net Return - IRR	3.7%	13.1%	10.5%	N/A	9.2%
Investment Objective	1.9%	8.0%	8.0%	8.0%	8.0%
Yield	0.5%	2.8%	N/A	N/A	N/A
Investment Objective	1.0%	4.0%	4.0%	4.0%	4.0%

Source: London CIV as at 30 June 2024

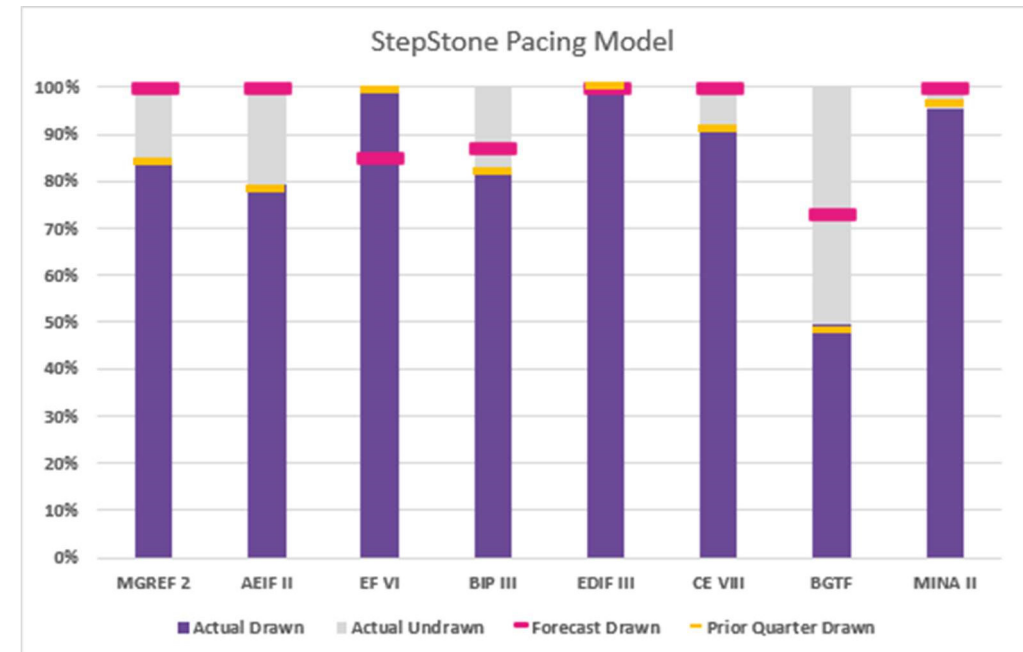
The Fund's net IRR since inception is 9%, tracking in line with the Fund's investment objective of 8% - 10%. It is still relatively early in the life of the Fund and as the remainder of the development/construction assets move to operations and are marked up from cost, performance is expected to move towards the higher end of the investment objective.

AEIF 2 is an early strong performer, recording an underlying gross IRR of 28.5% to date as it benefits from two early exits at extremely attractive valuations. CEI VIII and Equitix VI are initial underperformers, however mainly due to the underlying assets still moving through development/construction. StepStone are happy with how the underlying portfolio is progressing and have no concerns around performance.

The Fund began distributing income at the end of the ramp-up period in Q4 2023, where the majority of the portfolio was now operational. Since, the Fund has distributed £8.8m and the yield is tracking in line with the 1-year investment objective of 4% - 6%. The yield is expected to be towards the lower end of the objective as it is the first-year post ramp-up period, noting that the secondary transaction into Meridiam Infrastructure North America II ("MINA II") has significantly benefited the income generation of the portfolio.

## Fund Monitoring

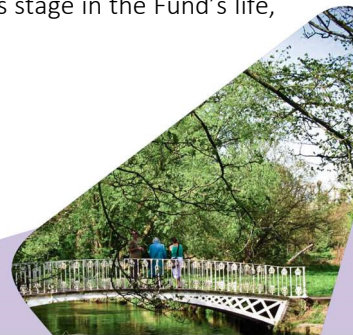
As the Fund is no longer fully committed and out of its ramp-up period, dialogue between London CIV and StepStone is focused on pipeline (as covered in the Investment Activity section above) and performance / ongoing portfolio management.



Approximately 80% of the Fund is committed to primaries and secondaries as of Q2 2024, with the remainder unallocated at the end of the quarter. Post quarter-end, an additional 13% of the Fund was committed to primaries and secondaries (across the opportunities referenced in the Investment Activity section above) with the remaining uncommitted reserves to be invested in a manner such that all compliance restrictions are met with reasonable headroom.

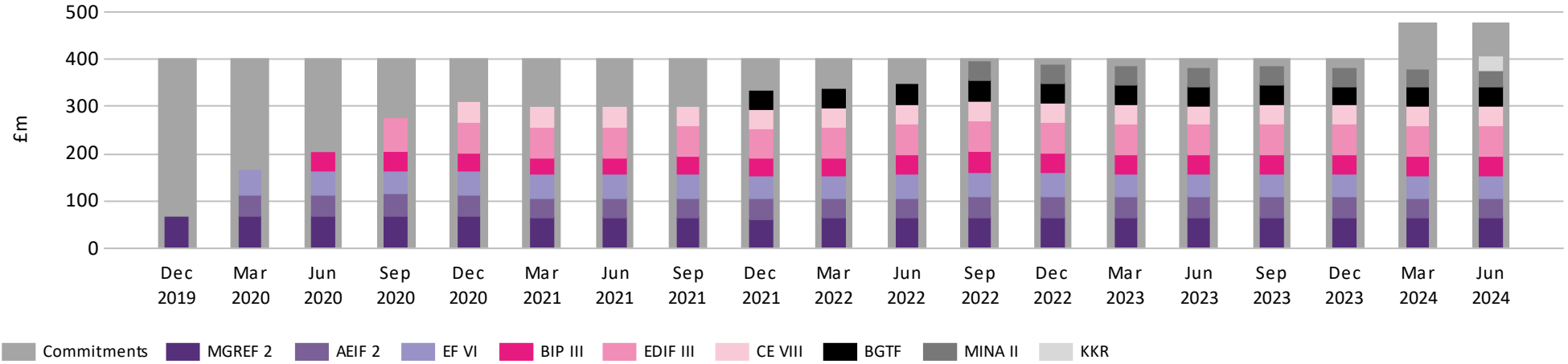
During Q2 2024, capital calls from all primary funds totalled £1.0 million, primarily in relation to Arcus and Brookfield, with the drawdown rate tracking slightly ahead of StepStone's pacing model. BGTF is the notable lagging investment, as the final investment collapsed after it did not receive regulatory approvals.

StepStone are happy with the development of the portfolio at this stage in the Fund's life, reflected in the performance figures to date.

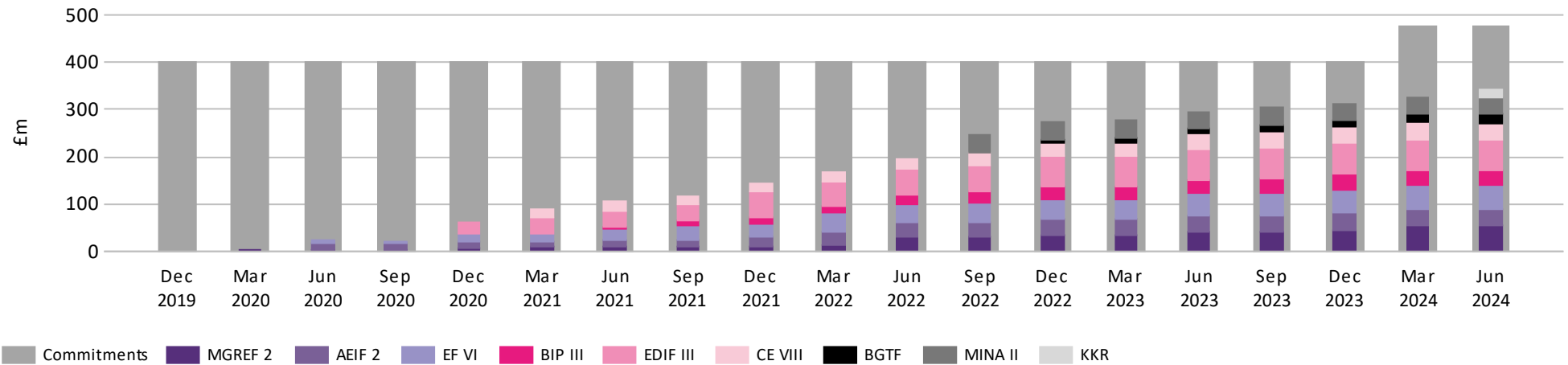




Commitment Review



Funding Review



Source: London CIV as at 30 June 2024.

## Quarterly Investment Reconciliation

				Movements in the quarter				Realisations		Performance Metrics		
	Current Cost	30 Jun 24 Fair Value	31 Mar 24 Fair Value	Capital Calls	Capital Returns	FX Gain/Loss	Unrealised Gain/Loss	Realised Gains	Income Distributions	Target Net IRR	Target Yield	Current Net IRR
	(£ '000)	(£ '000)	(£ '000)	(£ '000)	(£ '000)	(£ '000)	(£ '000)	(£ '000)	(£ '000)	%	%	%
<b>Primary</b>												
MGREF 2	54,453	60,782	58,755	-	-	(521)	2,548	-	-	8.5	10.0	7.5
AEIF 2	34,104	52,833	44,755	416	-	(396)	8,058	-	-	13.0	5.0	27.7
EF VI	49,641	51,597	51,974	-	-	-	(377)	-	-	8.5	6.0	3.8
BIP III	32,096	38,369	37,820	-	-	(66)	614	-	-	11.5	5.0	8.7
EDIF III	66,129	81,321	81,334	-	-	(721)	707	-	606	8.5	5.0	10.7
CE VIII	36,468	38,418	36,508	-	-	-	1,909	-	123	11.0	3.0	6.0
BGTF	20,369	21,503	20,437	604	(59)	(34)	555	-	-	10.0	4.0	5.4
<b>Secondary</b>												
MINA II	35,584	35,181	34,499	-	(348)	(60)	1,090	-	69	10.1	8.2	0.6
KKR	16,563	16,560	-	16,563	-	(3)	-	-	-	14.0	-	-
<b>Investment Total</b>	<b>345,408</b>	<b>396,564</b>	<b>366,083</b>	<b>17,583</b>	<b>(407)</b>	<b>(1,801)</b>	<b>15,106</b>	<b>-</b>	<b>798</b>			

Source: London CIV as at 30 June 2024.

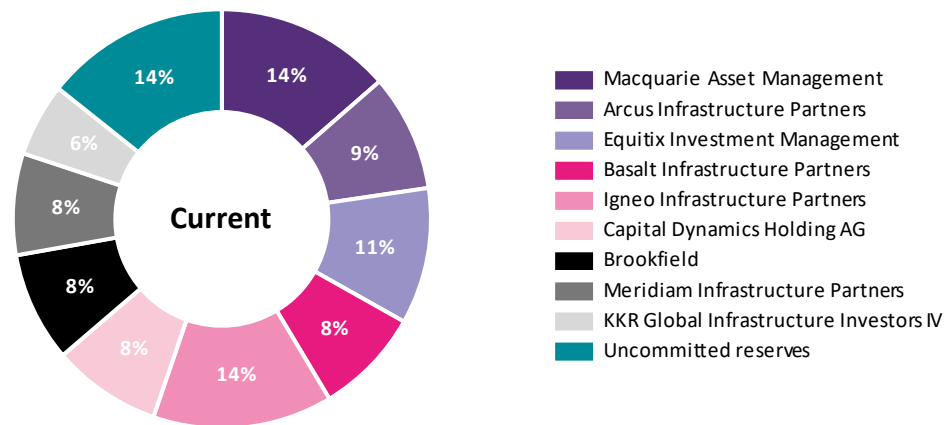
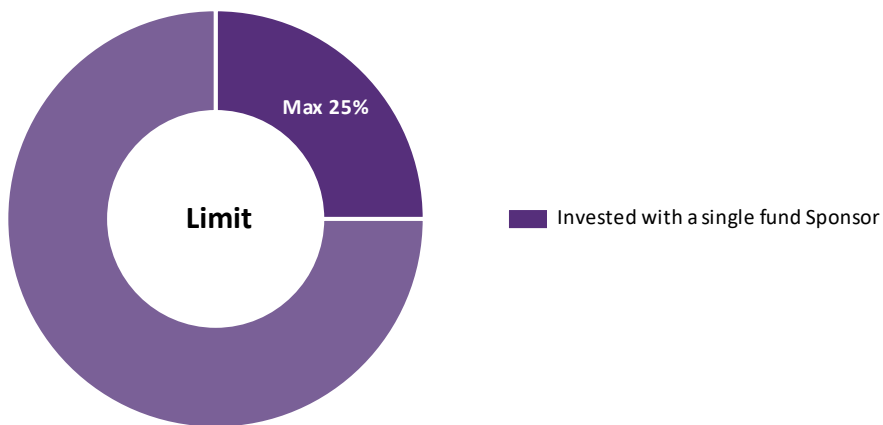
Performance Metric data is provided by Stepstone as at 30 June 2024.

Performance data is net of manager fees but gross of LCIV fees.

	QTD
	(£ '000)
Opening NAV	371,356
Drawdowns	0
Distributions	(1,436)
Gains/Losses	13,949
Closing NAV	383,869

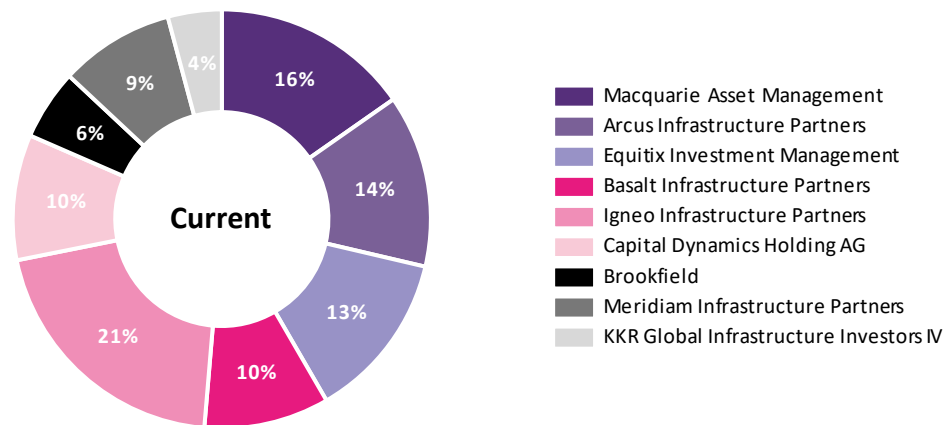
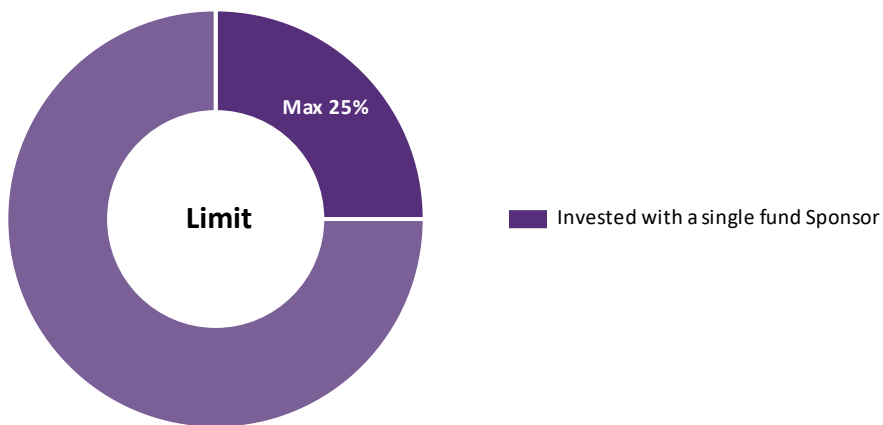
# Mandate Design Review

## Fund Allocation of Commitments



- Macquarie Asset Management
- Arcus Infrastructure Partners
- Equitix Investment Management
- Basalt Infrastructure Partners
- Igneo Infrastructure Partners
- Capital Dynamics Holding AG
- Brookfield
- Meridiam Infrastructure Partners
- KKR Global Infrastructure Investors IV
- Uncommitted reserves

## Fund Allocation of NAV



- Macquarie Asset Management
- Arcus Infrastructure Partners
- Equitix Investment Management
- Basalt Infrastructure Partners
- Igneo Infrastructure Partners
- Capital Dynamics Holding AG
- Brookfield
- Meridiam Infrastructure Partners
- KKR Global Infrastructure Investors IV

Note where an allocation is below 3% the data label is not shown.

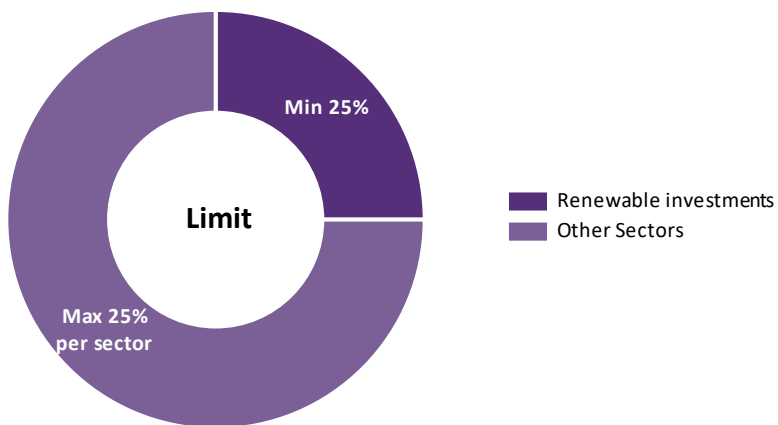
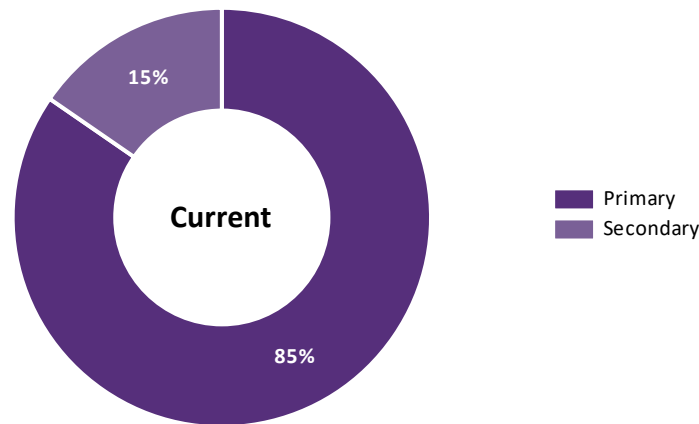
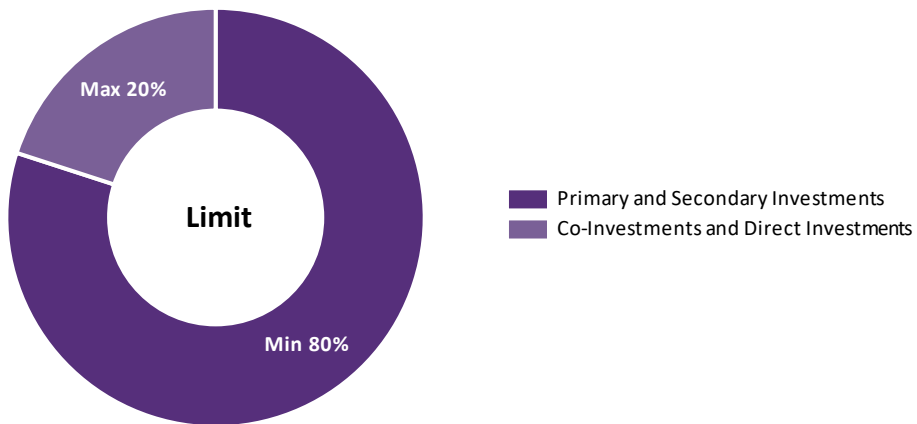
The Manager considers the investment restrictions at the time of each initial investment made after December 2023, being the fourth anniversary of the initial investment.

The above information is a summary and does not represent the full fund terms. For further information please contact your Client Relations Manager.

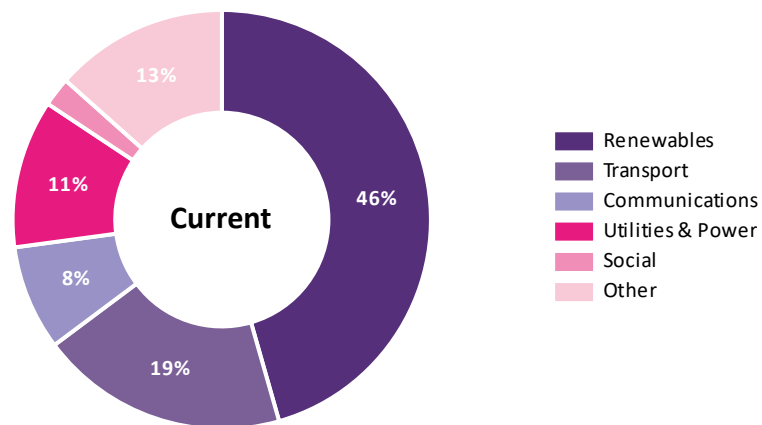
Source: London CIV based on Stepstone information as at 30 June 2024.

# Mandate Design Review

## Eligible Investments Review



## Sector breakdown



Note where an allocation is below 3% the data label is not shown.

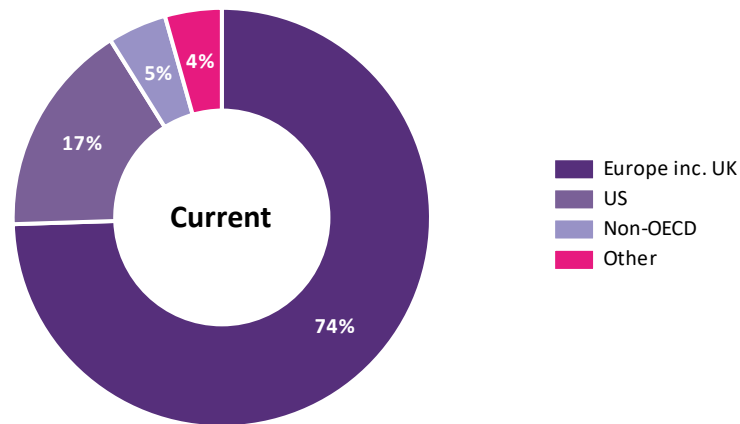
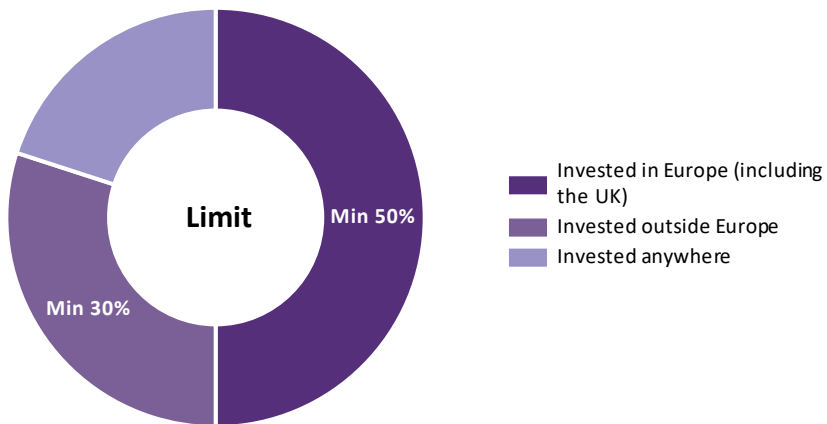
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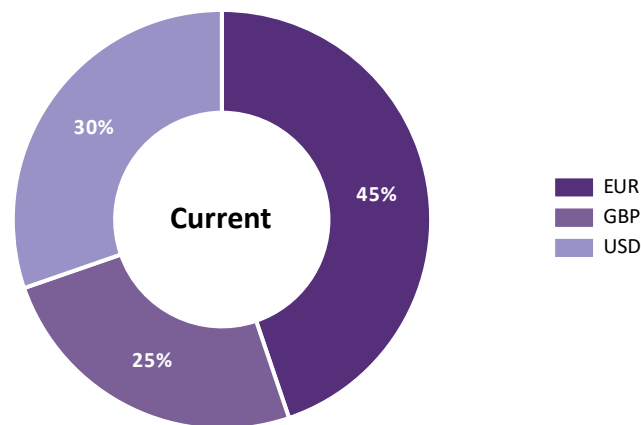
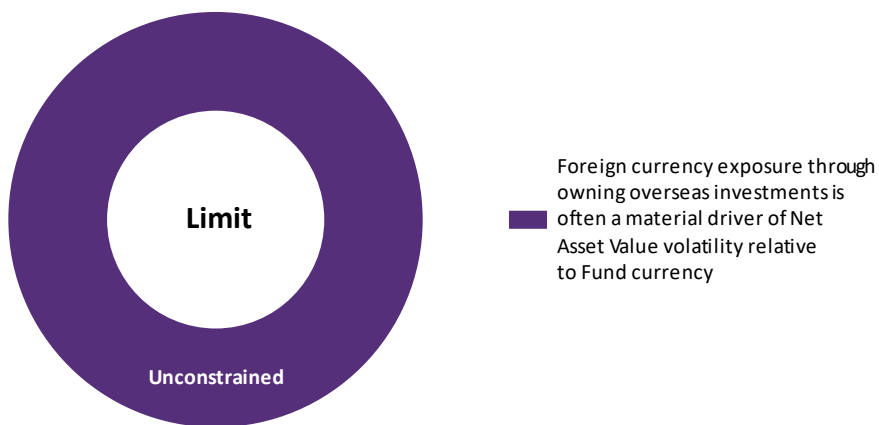
Source: London CIV based on Stepstone information as at 30 June 2024.

# Mandate Design Review

## Geography breakdown



## Currency of Drawn Capital



Note where an allocation is below 3% the data label is not shown.

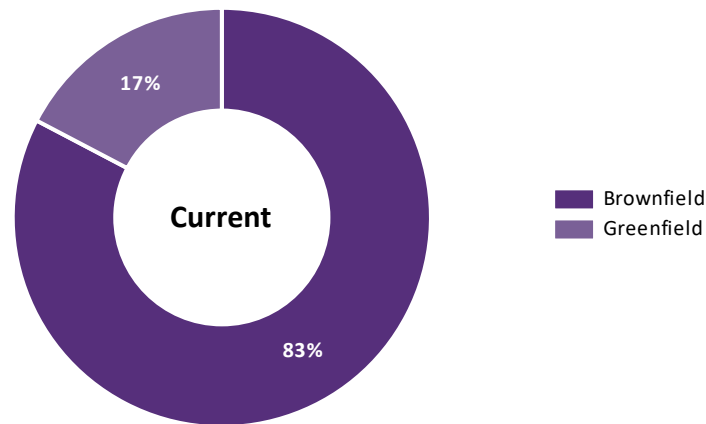
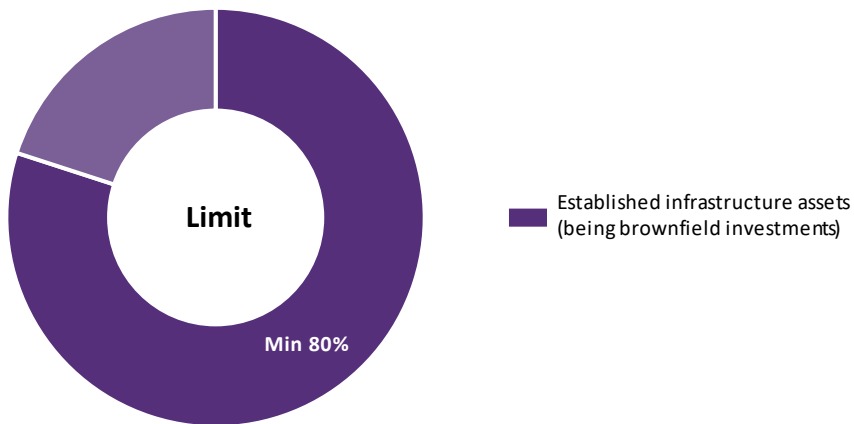
The Manager considers the investment restrictions at the time of each initial investment made after December 2023, being the fourth anniversary of the initial investment.

The above information is a summary and does not represent the full fund terms. For further information please contact your Client Relations Manager.

Source: London CIV based on Stepstone information as at 30 June 2024.

# Mandate Design Review

## Development Stage



Note where an allocation is below 3% the data label is not shown.

The Manager considers the investment restrictions at the time of each initial investment made after December 2023, being the fourth anniversary of the initial investment.

The above information is a summary and does not represent the full fund terms. For further information please contact your Client Relations Manager.

Source: London CIV based on Stepstone information as at 30 June 2024.

## Macquarie Green Renewable Energy Fund 2 (MGREF 2)

### Summary

Vintage:	2020	Fund Size:	€1.6 billion
Sponsor:	Macquarie Asset Management	Currency:	EUR
Sector:	Renewables	Geography:	Europe (80%), North America and Australia (20%)
Investment Period End:	December 2023	Term End:	December 2044
IP Extension:	n/a	Term:	2 (GP) + 2 (LP Consent)
		Extension:	

### Investment Overview

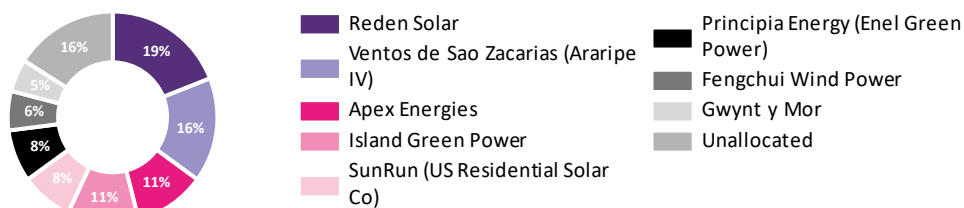
Macquarie will target control-oriented equity investments with an allocation of 50-75% of commitments to construction and 25-50% to operational projects. MGREF 2 is targeting a net IRR of 8% to 9%, underpinned by an annual 10% to 12% cash yield following the construction period.

### Investment Diversification

#### Sector



#### Portfolio



Source: MIRA, Stepstone as at 30 June 2024

### Key Developments

- As of 30 June 2024, MGREF 2 has invested 84% of commitments across eight investments.
  - One further investment is expected to be made in the second half of 2024.
- On a fund life-to-date basis, MGREF 2 has generated a net IRR of 8.3%.
- Notable portfolio activity during the quarter includes:
  - The first stage in the repair of Gwynt y Môr's failed export cable is expected to be completed in August 2024, which will allow the cable to return to service with a curtailment that will result in an export capacity limit of 87.5%.
  - Apex Energies saw a 59.3% increase in energy production compared to Q2 2023, mainly driven by higher volumes commissioned and in operation, which increased by 72 MW to a total of 177 MW YoY.
  - Reden's sale of up to ~1 GW of French greenfield projects is currently in advanced stages of negotiation with a preferred bidder and targeting a close by the end of 2024.
  - Island Green Power is in the process of preparing several assets for sale, with a combined capacity of ~550 MWp solar and ~300 MWp battery, which are expected to begin later in 2024. In the UK, Project Cottam, with net capacity of ~780 MWp solar and 240 MWp battery, has progressed to the final stage of the planning process and development consent is expected in Q3 2024.
  - Ventos de Sao Zacarias has completed the construction of 59 turbines and, of those, 41 have been commissioned. The project remains on track to reach its Commercial Operations Date on schedule.
- Overall, the net asset value of the fund increased by 2.6% in Q2 2024 to €1,563.1m.

### ESG Activity

- During Q2 Macquarie assisted Apex Energies in reviewing and refining its Net Zero 2040 targets and action plans. The company's final Map to Net Zero 2024 targets a ~50 per cent emissions cut by 2030, with the remaining emissions cut in the following decade.
- Macquarie also worked with Reden's management team to finalise its 2040 Net Zero business plan. The business plan has been under development since 2023 and includes an interim target of a 42 per cent reduction in scope 1 and 2 emissions by 2030.

## Arcus European Infrastructure Fund 2 (AEIF 2)

### Summary

Vintage:	2018	Fund Size:	€1.2 billion
Sponsor:	Arcus Infrastructure Partners	Currency:	EUR
Sector:	Diversified	Geography:	Europe
Investment Period End:	April 2023	Term End:	April 2030
IP Extension:	n/a	Term Extension:	1 + 1 (Board Approved) + 1 (LP Consent)

### Investment Overview

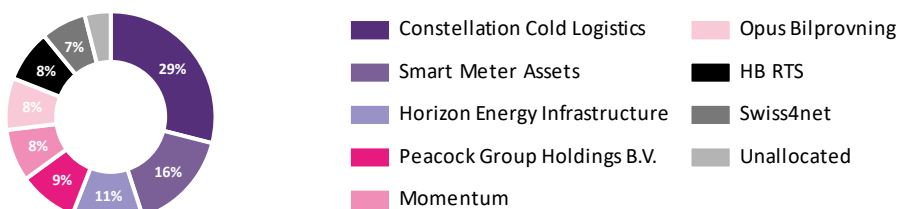
AEIF 2 seeks to build a portfolio of 8 to 10 investments, making equity investments of EUR100-250 million, and will target a net IRR of 12% to 14% on a whole fund basis and a net yield of 5% p.a. after the investment period.

### Investment Diversification

#### Sector



#### Portfolio



Source: Arcus, Stepstone as at 30 June 2024

### Key Developments

- As of 30 June 2024, AEIF 2 had invested c. 94% across nine assets.
- Since inception, AEIF 2 has generated a net IRR of 25.1% driven by two attractive realisations.
- The portfolio showed steady performance over the quarter:
  - Constellation Cold Logistics: During the quarter, AEIF 2 entered definitive transaction documentation for the sale of Constellation to EQT Infrastructure VI, the expected proceeds to the fund are expected to result in a gross TVM/IRR for Constellation of 2.7x/33%.
  - Horizon Energy Infrastructure: Horizon added 48k meters to its portfolio during the quarter, in line with budget. Revenue was ~10% above budget, and EBITDA was ~12% above budget for one-off terminations. During the quarter, Horizon was selected by Octopus Energy to deliver an initial 100k meters into the German market.
  - Smart Meter Assets: During the quarter, both revenues and EBITDA outperformed budget by 2% and 1%, respectively. SMA has signed an agreement with Utilita to deliver 478k SMETS2 meters over three years. The buyout of GLIL's preferred equity stake in SMA was completed in July 2024 providing Arcus with 100% ownership.
  - Momentum Clean Energy Solutions: During the quarter, energy generation was ~12.6% below budget, primarily the result of lower wind yields across the Danish portfolio. Revenue was below budget by 7% while EBITDA was 31% behind.
- Overall, the net asset value of the fund rose from €1,279m to €1,524m over the quarter.

### ESG Activity

- Opus B has been chosen as one of the pilot companies for the net zero project led by Arcus, aiming to create a decarbonisation roadmap and systematic transition plan to achieve net zero by 2050. Smart meter asset provider Horizon have now completed a full EU taxonomy alignment assessment. The company is fully aligned with the economic activity "Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings".



## Equitix Fund VI (EF VI)

### Summary

Vintage:	2020	Fund Size:	£1.5 billion
Sponsor:	Equitix Investment Management	Currency:	GBP
Sector:	Diversified	Geography:	UK, North and South America, Australia
Investment Period End:	March 2025	Term End:	March 2045
IP Extension:	n/a	Term Extension:	2 (LP Consent) + 2 (Manager)

### Investment Overview

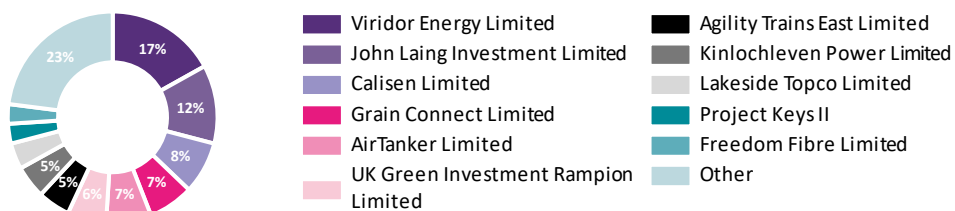
EF VI will invest predominantly in the social/PPP, utilities, renewables, transportation, and telecom sectors. EF VI is seeking to build a diversified portfolio of 40-50 assets that require average ticket sizes of c.£15-25 million to generate a gross/net IRR of 10.5%/8.5% and cash yield of 6% p.a.

### Investment Diversification

#### Sector



#### Portfolio



Source: Equitix, Stepstone as at 30 June 2024

### Key Developments

- Equitix VI's Q2 2024 commentary has not been received and hence the commentary on this page is as of Q1 2024 – an update will be provided in the next quarterly commentary.
- Equitix VI is c. 99% invested as of March 31, 2024, and is currently four years into its five-year investment period which runs to March 2025. The Fund has 51 assets across Australia, Colombia, the UK, and the US.
- At the end of Q1 2024, the fund's gross IRR was 9.7%.
- Notable updates over Q1 2024 include:
  - Clinitek: is a clinical waste facility, located in Tunstall, Stoke-on-Trent, whose construction was completed in 2022. Following evaluation of change of use scenarios against a divestment of the project, management concluded that a divestment was preferable. The asset was sold on February 5, 2024 for £17.9 million, equal to the Q4 2023 valuation.
  - Equitix Proton Cancer Centre: is a cancer centre constructed in 2017, located in South Wales. This was leased to Rutherford Estates until May 2046. The project is making progress on recovery options after the liquidation of Rutherford Health and a new operator has been identified and commercial negotiations are progressing.
  - Beatrice Offshore Windfarm: is a 588MW offshore wind farm offshore of Scotland. Production and availability were below budget for 2023, somewhat anticipated due to planned downtime. Availability underperformance was driven by grid downtime in H2 2023 due to the connection of a neighbouring windfarm and various repair works. Due to a government-mandated repayment of previously received balancing revenues, distributions are not expected during 2024.
  - Alder Hey Hospital: is a 30 year operating availability based PPP hospital concession in Liverpool, UK. During the quarter, the project demonstrated improved performance, with financial performance penalties being passed to the facilities management contractor however, a commercial settlement is expected to be required given the construction and operational interface between the systems.

**ESG Activity**

- In Q4 Hornsea One supported a heavy lift cargo drone trial which sought to eliminate the health and safety risks faced by technicians related to dropped objects and strain injuries. Drone use allows turbines to stay offline for shorter periods during transfers, allowing more renewable production and fewer boat journeys reducing GHG emissions.
- Lakeside TopCo is developing a social value strategy across three key themes: Delivering Quality Employment and Inspiring Young People, Promoting Wellbeing in the Workplace, and Community and Supporting Environmental Sustainability. The strategy is being formulated based on a Local Needs Assessment so that initiatives target outcomes which are most beneficial to the community

## Basalt Infrastructure Partners III (BIP III)

### Summary

Vintage:	2020	Fund Size:	\$2.8 billion
Sponsor:	Basalt Infrastructure Partners	Currency:	USD
Sector:	Diversified	Geography:	North America, Europe
Investment Period End:	February 2025	Term End:	February 2030
IP Extension:	n/a	Term Extension:	2

### Investment Overview

BIP III aims to deliver attractive inflation-linked and cash-yielding returns across a portfolio of 10-12 assets, deploying US\$125-250 million per investment. BIP III will target a 14%-15% gross IRR (11-12% net), underpinned by a gross yield of 5%-6%.

### Investment Diversification

#### Sector



#### Portfolio



Source: Basalt, Stepstone as at 30 June 2024

### Key Developments

- As of Q2 2024, the fund has committed 93% across eight investments, tracking at a gross IRR / TVM of 12% / 1.3x. During the quarter, BIP III invested follow-on capital into Freyja LNG, Goetel and Iris, taking drawn capital to 82% of the fund size.
- Since inception net IRR and TVPI stand at 8% and 1.2x respectively, in line with the target.
- The four largest investments are discussed below:
  - Skyway Towers:** Skyway is a portfolio of 442 macro cell towers in the US. The company leases space on its towers under long-term contracts to major wireless carriers. Q2 2024 EBITDA was ~14% below budget due to lower tower cashflows and co-location revenue. Post quarter-end, Skyway agreed to an amendment to the T-Mobile Build to Suit agreement, providing a price reduction following a recent unsuccessful RfP.
  - Freyja:** Freyja is engaged in the construction of a state-of-the-art LNG gas carrier (with an additional six operational). Q2 2024 EBITDA outperformed budget by ~3% due to 100% availability rates and lower opex. During the quarter, a sixth vessel became operational, in-line with its construction schedule.
  - Goetel:** Goetel is a rural German fiber platform. As of Q2 2024, the platform reached ~83,000 homes passed. The fiber roll-out has been slower than expected YTD 2024 due to Goetel replacing underperforming construction partners.
  - Unilode:** Unilode is an aviation leasing business, owning and managing a fleet of ~145,000-unit load devices as of Q2 2024. As of Q2 2024, EBITDA is ~16% behind budget, driven by delays in maintenance repair and overhaul ("MRO") contract wins. The division is undergoing a strategic review to improve efficiencies and synergies.
- Overall, the net asset value of the fund grew from \$2,660m in Q1 2024 to \$2,704m in Q2 2024.

**ESG Activity**

- Basalt published its annual ESG report during Q2 which revealed that total emissions across all funds decreased by 14.5% from 2022 to 2023, from 129,165 tCO<sub>2</sub>e to 110,456 tCO<sub>2</sub>e.
- In addition, Basalt engaged with an independent adviser to understand the process of setting a net zero target under the Net Zero Investment Framework (NZIF) guidance.

## European Diversified Infrastructure Fund III (EDIF III)

### Summary

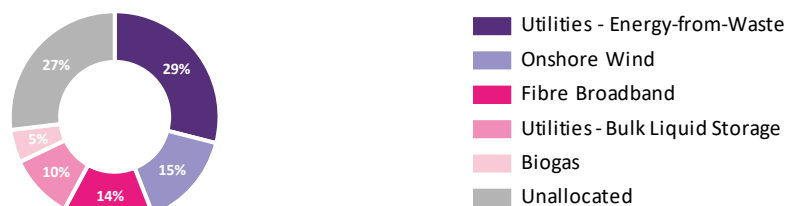
Vintage:	2020	Fund Size:	€4.2 billion
Sponsor:	Igneo Infrastructure Partners	Currency:	EUR
Sector:	Diversified	Geography:	Europe
Investment Period End:	November 2023	Term End:	November 2030
IP Extension:	n/a	Term Extension:	5 (LP Consent each time) + 2 (Manager)

### Investment Overview

EDIF III will seek to make 10 to 15 investments of EUR300-400 million in gas, water and electricity networks, ports, rail and toll roads, and telecommunication networks. EDIF III is targeting a gross IRR of 10% and a cash yield of 5%.

### Investment Diversification

#### Sector



#### Portfolio



Source: Igneo Infrastructure Partners, Stepstone as at 30 June 2024

### Key Developments

- As of 30 June 2024, EDIF III has invested €2,690m (65% of total fund commitments) across five investments to date tracking at a 11.5% gross IRR since inception:
  - DAH: Operational performance YTD through April 2024 was below target, with biomethane utilisation rate at 98.5% (v. 99.0% target) and electricity utilisation at 80.2% (v. 87.4% target), due to technical issues at four electricity-producing sites and biological issues at the Schöllnitz plant, which are now resolved.
  - enfinium: Partnered with Hitachi Zosen Inova to install the UK's first Energy-from-Waste carbon capture pilot project at the Ferrybridge 1 facility. The trial will run for at least 12 months and will be operational from July 2024, capturing up to one tonne of CO<sub>2</sub> a day.
  - Evos: Value creation plan is on schedule and YTD through May 2024 the EBITDA gain is in line with expectations. Overall, 55% of the total targeted run-rate incremental EBITDA increases have been secured thanks to commercial improvements, organisational changes and terminal clustering which seeks to better integrate overlapping functions between closely located terminals.
  - Finerge: On June 6, 2024, Finerge closed the acquisition of the minority stakes in existing assets owned by Local Pensions Partnership Investments ("LPPI") in eight operational wind farms in Portugal. The projects are regulated under the Feed-in-Tariff ("FIT") regime and the acquired capacity amounts to 164 MW of a total capacity of 548 MW.
  - Westconnect: Entered into a wholesale agreement with the local utility provider in Bielefeld to roll-out and market fibre to over 100,000 households
- Igneo expects to launch a final Series 4 of fundraising, aiming to reach the hard cap of EUR 5 bn.
- Overall, the net asset value of the fund increased from €3,316.5m in Q1 2024 to €3,346m in Q2 2024.

### ESG Activity

- In May 2024, enfinium launched its Net Zero Transition Plan. The Company will target "Net Zero" by 2033 for Scope 1 and 2 emissions, as it seeks to subsequently become a net carbon removals business.
- At the Evos leadership conference, ambitious sustainability goals were presented to employees with specific targets for health and safety, carbon dioxide emission reduction and the use and generation of renewable energy for each of 2025, 2030, and 2045 in line with the United Nations Sustainable Development Goals.

## Capital Dynamics Clean Energy and Infrastructure VIII (CE VIII)

### Summary

Vintage:	2019	Fund Size:	£0.3 billion
Sponsor:	Capital Dynamics Holding AG	Currency:	GBP
Sector:	Renewables	Geography:	Europe
Investment Period End:	December 2024	Term End:	December 2034
IP Extension:	1 (Manager) + 1 (Board)	Term Extension:	1 (Manager) + 1 + 1 (both LP Consent)

### Investment Overview

CE VIII will focus on renewable energy infrastructure opportunities, primarily consisting of greenfield solar and onshore wind energy assets. CE VIII intends to generate a gross IRR of 12-15%, underpinned by a mid-single digit cash yield for operational assets.

### Investment Diversification

#### Sector



#### Portfolio



Source: Capital Dynamics, Stepstone as at 30 June 2024

### Key Developments

- As of 30 June 2024, 91% of the £300m total committed capital has been invested.
  - The fund's net IRR increased to 6.1% as the fund continues to ramp-up.
- Distributions of £1.1m were made in the quarter from operational assets.
- Notable activity during the quarter includes:
  - Operational solar PV assets benefited from good irradiance across Europe in Q2 2024 even though the revenues were negatively affected by lower than budgeted merchant power prices. Grid constraints in Northern Ireland have remained at record high levels in Q2 negatively affecting the revenues generated by the Keane portfolio assets.
  - Longhill project is now operational and is exporting energy under the PPA. Therefore, the valuation of Longhill in Q2 has been updated to reflect the fair market value on the basis of discounted cash flows instead of valuing at cost. Since the full takeover under the TSA is still pending, additional risk premium has been applied to the discount rate used in Q2 which is expected to be removed once the full takeover occurs.
  - The construction of Strathorry wind farm has commenced in May 2024 and is progressing well.
  - Due to the summer holiday season in Italy, ECG plant in Italy is still waiting to be energised with the other two plants still waiting for the final approval of the executive designs.
  - The fund continued working on the sale of Castlegore wind project with the transaction expected to close by the end of 2024.
- Overall, the net asset value rose from £273.9m to £288.3m over the quarter.

### ESG Activity

- Capital Dynamics estimates that the environmental benefits generated by the Fund's assets in Q2 2024 are equivalent to:
  - Avoided CO2 emissions from electricity otherwise used to power 9,114 homes for one year – avoiding approximately 17,417 metric tons of greenhouse gas emissions per year.
  - Avoided greenhouse gas emissions from 8,079 passenger vehicles.
  - Avoided CO2 emissions from 2,207,401 gallons of gasoline otherwise consumed.
  - Avoided CO2 emissions from 52,557 barrels of oil otherwise consumed.

### Brookfield Global Transition Fund (BGTF)

#### Summary

Vintage:	2021	Fund Size:	\$13 billion
Sponsor:	Brookfield	Currency:	USD
Sector:	Renewables	Geography:	Global
Investment Period End:	June 2027	Term End:	June 2035
IP Extension:	n/a	Term Extension:	1 + 1

#### Investment Overview

BGTF is an energy-transition fund, with a dual mandate to maximize investor returns and reduce greenhouse gas emissions. BGTF will invest globally, where Brookfield has a presence, namely North America, Europe, South America, and Asia Pacific. BGTF will target a gross IRR of 13%+ and a net IRR of 10%+.

#### Investment Diversification

##### Sector



##### Portfolio



Source: Brookfield, Stepstone as at 30 June 2024

#### Key Developments

- As of 30 June 2024, BGTF has committed 77% of total fund commitments and invested 25% across nine platforms.
- The fund’s investments had a fair value of \$7.9 billion with a gross IRR of 17%.
- Key portfolio developments in Q2 2024 are discussed below:
  - Avaada: Commissioned two projects (200 MW) during the quarter and won bids related to c. 5.9 GW of wind and solar opportunities, increasing its development pipeline.
  - Carbon TerraVault JV: Completed the second of three instalment payments of US\$ 46 million, following receipt of a draft permit for a reservoir project in California.
  - Entropy: FID was reached on Glacier Phase 2, a ~160k ton per annum project, backed by a 15-year fixed-price offtake from the Canada Growth Fund.
  - InterEnergy: Brookfield invested the remaining commitment of US\$173 million.
  - Scout Clean Energy: Received equipment and secured debt for a 209 MW solar project expected to COD in 2024; acquired a 104 MW wind project in California; and executed a 12-year PPA contract for the remaining capacity of a 180 MW operating asset.
  - Standard Solar: Commissioned four projects in the quarter, totalling 14 MW, is expecting an additional ~172 MW to COD by the end of the year, and closed five agreements to acquire 26MW of development projects.
  - Leap Green Energy: In July 2024, Brookfield acquired 74% of the Indian wind-focused renewable platform for US\$89 million. Brookfield has the opportunity to invest an additional \$121 million over the next four years to acquire a total interest of 98%.
- Overall, the net asset value increased from \$6,808m to \$7,235m over the quarter.

#### ESG Activity

- BGTF are on track to deliver over 10,000 megawatts of renewable energy capacity by the end of 2026, resulting in 13.3 million tonnes of CO2 emissions avoided annually, or enough to power over 1.6 million homes in the U.S. annually

## Meridiam Infrastructure North America II (MINA II)

### Summary

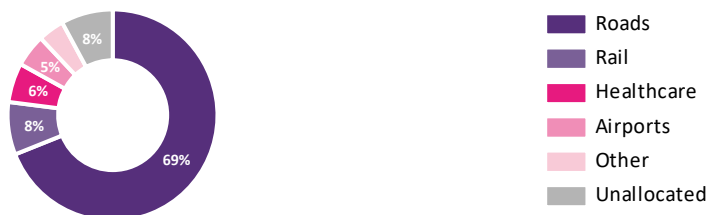
Vintage:	2010	Fund Size:	\$873 million
Sponsor:	Meridiam Infrastructure Partners	Currency:	USD
Sector:	Transportation	Geography:	North America
Investment	n/a	Term End:	December 2035
Period End:		Term	1 (GP) + 1 (LP Consent)
IP Extension:	n/a	Extension:	

### Investment Overview

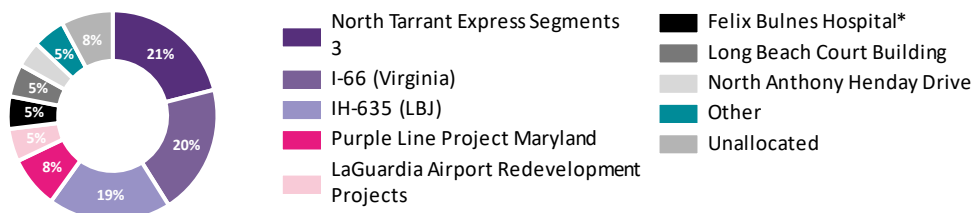
MINA II, which was acquired via a secondary tender, targets greenfield investments in North America and is now invested in 13 projects in the transport and social infrastructure sectors. The investment is expected to return a net IRR and yield of 9.7% and 8% p.a. respectively.

### Investment Diversification

#### Sector



#### Portfolio



Source, Meridiam, Stepstone as at 30 June 2024

### Key Developments

- As of 30 June 2024, MINA II has invested \$794m across 13 investments. The five largest investments commentaries are as below:
  - North Tarrant Express Segment 3: Q2 2024 revenue was US\$80.7 million, above forecast and mainly driven by the ramp-up in performance of Segment C.
  - IH-635: Higher than forecasted capture rates have positively impacted performance, with toll revenue reaching US\$457.5 million, representing 14% Y/Y growth. In H1 2024, MINA II investors received a US\$6 million distribution, exceeding the forecast.
  - I-66: Q2 2024 average daily traffic was 20% above Q2 2023, and revenue was US\$60.5 million, or 55% above the same period last year. The project company paid down TIFIA debt service ahead of schedule, enabling distributions to be paid in Q4 2024 versus 2027 as forecast in the original bid case.
  - Purple Line: The project has made significant progress on the Operations & Maintenance facility and the light rail tunnel, alongside the production of 28 light rail vehicles.
  - Felix Bulnes: In April 2024, the project company executed an amendment with the grantor to increase the availability payment until the end of the contract due to higher number of beds and occupancy than concession agreement requirements. In May 2024 a claim to recover compensation for previous hospital overutilization was submitted.
- Overall, the net asset value increased from \$2,356.6m to \$2,424.6m over the quarter driven by shifts in the discount rate and asset-level updates.

### ESG Activity

- SDG 3 (Good Health and Wellbeing) – Both CRCHUM and Felix Bulnes Hospital have a high collaborative engagement with domestic and international health bodies for early warning, risk reduction and management of health risks.
- SDG 7 (Affordable and Clean Energy) - 77% of assets in portfolio have obtained a sustainability-related certification, including the LEED Gold certification, and EMS certified ISO 14001.



**LCIV Infrastructure Fund**

- SDG 8 (Decent Work and Economic Growth) – 92% of assets have a strong level of contractually binding obligations to ensure suppliers' and subcontractors' ESG compliance.
- SDG 11 (Sustainable Cities and Communities) – 57% of road assets have a pricing policy or lane availability policy that contributes to the promotion of cleaner/lighter vehicles or more efficient mobility.

[Summary](#)[Update](#)[Funds](#)[Appendices](#)

## KKR Global Infrastructure Investors IV (KKR)

### Summary

Vintage:	2021	Fund Size:	\$17 billion
Sponsor:	KKR	Currency:	USD
Sector:	Diversified	Geography:	Global
Investment Period End:	June 2024	Term End:	January 2033
IP Extension:	n/a	Term Extension:	1+1+1 (GP+LP Consent)

### Investment Overview

KKR IV is a 2021 vintage fund established to invest in global infrastructure opportunities, predominantly across transport, communications and renewables, in OECD countries with a focus on Europe and North America, targeting a net IRR of 14% and a low single-digits cash yield.

### Key Developments

- The Fund formally closed on this investment subsequent to quarter end and hence reporting will commence from next quarter.

### Underlying Portfolio Summary

The following table provides a summary of the underlying assets as shown in the portfolio diversification pie charts on previous pages.

Underlying Fund	Asset	Sector	Location	Investment Stage	Fund estimated exposure £'000
MGREF 2	Reden Solar	Solar	France	Operational	13,816
MGREF 2	Ventos de Sao Zacarias (Araripe IV)	Wind	Brazil	Development	11,285
MGREF 2	Apex Energies	Solar	France	Operational	8,007
MGREF 2	Island Green Power	Solar	United Kingdom	Construction	7,820
MGREF 2	SunRun (US Residential Solar Co)	Solar	United States	Operational	6,109
MGREF 2	Principia Energy (Enel Green Power)	Diversified Renewables	Greece	Operational	5,814
MGREF 2	Fengchui Wind Power	Wind	Taiwan	Operational	4,394
MGREF 2	Gwynt y Mor	Wind	United Kingdom	Operational	3,492
AEIF 2	Constellation Cold Logistics	Logistics and Storage	Luxembourg	Operational	19,045
AEIF 2	Smart Meter Assets	Energy Infrastructure	United Kingdom	Operational	9,853
AEIF 2	Horizon Energy Infrastructure	Energy Infrastructure	United Kingdom	Operational	7,009
AEIF 2	Peacock Group Holdings B.V.	Rail Leasing	Netherlands	Operational	5,636
AEIF 2	Momentum	Wind	Denmark	Operational	5,147
AEIF 2	Opus Bilprovning	Logistics and Storage	Sweden	Operational	5,136

Underlying Fund	Asset	Sector	Location	Investment Stage	Fund estimated exposure £'000
AEIF 2	HB RTS	Logistics and Storage	Netherlands	Operational	4,833
AEIF 2	Swiss4net	Fiber	Switzerland	Operational	4,168
AEIF 2	eFiber	Fiber	Netherlands	Development	0
EF VI	Viridor Energy Limited	Environmental Services	UK	Operational	9,431
EF VI	John Laing Investment Limited	Portfolio	UK, Americas, Australia	Portfolio	6,675
EF VI	Calisen Limited	Network Utilities	UK	Operational	4,315
EF VI	Grain Connect Limited	Network Utilities	UK	Operational	3,755
EF VI	AirTanker Limited	Social Infrastructure	UK	Operational	3,658
EF VI	UK Green Investment Rampion Limited	Renewable Power	UK	Operational	3,353
EF VI	Agility Trains East Limited	Transportation	UK	Operational	2,906
EF VI	Kinlochleven Power Limited	Renewable Power	UK	Operational	2,863
EF VI	Lakeside Topco Limited	Environmental Services	UK	Operational	1,932
EF VI	Project Keys II	Transportation	UK	Operational	1,741
EF VI	Freedom Fibre Limited	Network Utilities	UK	Operational	1,740
EF VI	Triton Knoll OFTO Limited	Renewable Power	UK	Operational	1,288
EF VI	Beatrice Offshore Windfarm Limited	Renewable Power	UK	Operational	1,247

## LCIV Infrastructure Fund

Underlying Fund	Asset	Sector	Location	Investment Stage	Fund estimated exposure £'000
EF VI	Hornsea 1 Holdings Limited	Renewable Power	UK	Operational	1,245
EF VI	Gigaclear Limited	Network Utilities	UK	Operational	876
EF VI	Bio Capital 2 Limited	Environmental Services	UK	Operational	860
EF VI	Crail Meters Limited	Network Utilities	UK	Operational	827
EF VI	Equitix Proton Cancer Centre LLP	Social Infrastructure	UK	Operational	802
EF VI	Capital Hospitals Limited	Social Infrastructure	UK	Operational	728
EF VI	Equitix Nexus 2021 LLP	Social Infrastructure	UK	Operational	725
EF VI	Clinitek (Stoke) LLP	Environmental Services	UK	Operational	632
EF VI	Equitix Cheetah 2021 LLP	Social Infrastructure	UK	Operational	546
EF VI	Diagnostic Centre (Taunton) LLP	Social Infrastructure	UK	Operational	451
EF VI	Project Keys Yorkshire Learning Partnership Projectco. Limited	Transportation	UK	Operational	395
EF VI	Pritchatts Park Village LLP	Social Infrastructure	UK	Construction	351

Underlying Fund	Asset	Sector	Location	Investment Stage	Fund estimated exposure £'000
EF VI	Equitix Rosebery 2022 LLP	Social Infrastructure	UK	Operational	298
EF VI	North West Priority Schools	Social Infrastructure	UK	Operational	271
EF VI	Equitix Cheylesmore 2021 LLP	Social Infrastructure	UK	Operational	265
EF VI	Westfield Energy Recovery Limited	Environmental Services	UK	Construction	97
BIP III	Skyway	Communications	North America	Operational	6,815
BIP III	Unilode	Transport	Global	Operational	6,672
BIP III	Freyja LNG	Transport	Global	Operational	6,470
BIP III	Nobina	Transport	Europe	Operational	5,450
BIP III	Goetel	Communications	Europe	Construction	4,702
BIP III	Iris Platform	Communications	Europe	Construction	4,472
BIP III	Xpress Natural Gas	Utilities	North America	Operational	3,667
BIP III	Habitat Solar FX Hedges & Other (Basalt Infra)	Power (Renewable)	North America	Operational	2,531
BIP III	Other (Basalt Infra)	Other	North America	Operational	86
EDIF III	enfinium	Utilities - Energy-from- Waste	UK	Operational	23,901
EDIF III	Finerge	Onshore Wind	Portugal / Spain	Operational	12,066
EDIF III	Westconnect	Fibre Broadband	Germany	Operational	11,770
EDIF III	Evos	Utilities - Bulk Liquid Storage	Netherlands	Operational	7,905

Underlying Fund	Asset	Sector	Location	Investment Stage	Fund estimated exposure £'000
EDIF III	DAH Gruppe	Biogas	Germany	Operational	4,369
CE VIII	Longhill	Onshore wind	Scotland	Operational	11,060
CE VIII	Pines Burn	Onshore wind	Scotland	Construction	7,633
CE VIII	Fenix	Solar	Spain	Operational	4,138
CE VIII	Sorbie	Onshore wind	Scotland	Operational	3,054
CE VIII	Nemesis	Solar	Spain	Operational	1,636
CE VIII	Crockandun	Onshore wind	Northern Ireland	Operational	1,604
CE VIII	ACME	Solar	Italy	Construction	1,432
CE VIII	Strathroy	Onshore wind	Scotland	Construction	1,356
CE VIII	Antrim	Onshore wind	Northern Ireland	Operational	1,310
CE VIII	Tyrone	Onshore wind	Northern Ireland	Operational	1,094
CE VIII	Alzo	Solar	Italy	Operational	990
CE VIII	Seegronan	Onshore wind	Northern Ireland	Operational	885
CE VIII	Castlegore	Onshore wind	Northern Ireland	Pre Construction	487
CE VIII	Econtaminazio ni	Solar	Italy	Operational	152
CE VIII	Basic	Solar	Italy	Pre Construction	145
CE VIII	ECG	Solar	Italy	Construction	123
BGTF	Westinghouse	Nuclear	United States	Operational	5,051
BGTF	Scout Clean Energy, LLC	Diversified Renewables	United States	Development	4,191
BGTF	Urban Grid	Solar	United States	Development	3,340
BGTF	Standard Solar, Inc.	Solar	United States	Development	2,291
BGTF	InterEnergy Holdings Ltd.	Diversified Power	Mexico	Operational	1,803

Underlying Fund	Asset	Sector	Location	Investment Stage	Fund estimated exposure £'000
BGTF	Global Renewable Development Portfolio	Diversified Renewables	United States	Development	1,269
BGTF	Avaada Energy Private Limited	Solar	India	Operational	1,052
BGTF	Circular Services	Waste Management	United States	Operational	976
BGTF	Clean Max Enviro Energy Solutions Private Limited	Solar	India	Construction	857
BGTF	Biofuels (CalBio)	Biofuels	United States	Construction	714
BGTF	Toehold and Other Investments	Diversified	United States	Operational	479
BGTF	Powen	Solar	United States	Development	439
BGTF	Carbon TerraVault JV (CRC)	Carbon Capture	United States	Development	406
BGTF	Sunovis	Solar	Germany	Development	369
BGTF	Enegea	Solar	Brazil	Construction	253
BGTF	Cambridge Power	Energy Storage	United Kingdom	Development	223
BGTF	Solarity	Solar	Chile	Development	153
BGTF	Entropy	Carbon Capture	Canada	Development	119
MINA II	North Tarrant Express Segments 3	Roads	USA	Operational	17,327
MINA II	I-66 (Virginia)	Roads	USA	Operational	16,179
MINA II	IH-635 (LBJ)	Roads	USA	Operational	15,866

Underlying Fund	Asset	Sector	Location	Investment Stage	Fund estimated exposure £'000
MINA II	Purple Line Project Maryland	Rail	USA	Under Construction	6,214
MINA II	LaGuardia Airport Redevelopment	Airports	USA	Operational	4,279
MINA II	Felix Bulnes Hospital*	Healthcare	Chile	Operational	4,113
MINA II	Long Beach Court Building	Other	USA	Operational	3,696
MINA II	North Anthony Henday Drive	Roads	Canada	Operational	2,952
MINA II	Presidio Parkway	Roads	USA	Operational	1,988
MINA II	Central 70	Roads	USA	Operational	1,655
MINA II	CRCHUM	Healthcare	Canada	Operational	743
MINA II	Southwest Calgary Ring Road	Roads	Canada	Operational	572
MINA II	Waterloo LRT	Rail	Canada	Operational	281

Source: London CIV based on underlying reports as at 30 June 2024.

## LCIV Private Debt Fund

Quarterly Summary as at 30 June 2024

**Total Fund Value:**  
**£506.8m**

Inception date:	29/03/2021
Total Fund commitments:	£625.0m
Total contributed since inception:	£420.1m
Total contributed in the quarter:	-
Total distributed since inception:	-
Total distributed in the quarter:	-

### Investment Objective

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

### Key Dates and Timelines:

The Fund has a fixed life, the investment period will end four years after the first close on 29 March 2025 and the trust period will continue for eight years after the final close (plus two successive one year extensions at discretion of the manager).

**Note:** Total contributed amounts include equalisation payments/receipts.

**Hillingdon Valuation:**  
**£56.8m**

Hillingdon commitment date:	29/10/2021
Hillingdon commitment:	£70.0m
Total contributed since inception:	£47.1m
Total contributed in the quarter:	-
Total distributed since inception:	-
Total distributed in the quarter:	-

**This is equivalent to 11.20% of the Fund**

## Executive Summary

The LCIV Private Debt Fund (the "Fund") NAV increased to £506.8m in Q2 2024 from £498.0m in Q1 2024. This is due to income distributions of £7.2m. There were capital calls of £11.5m, distributions of £23.5m and an FX loss of (£2.2m) due to Sterling appreciation in Q2. Income distributions into the Fund are used to offset capital calls.

The performance of the Fund is not formally assessed against its objective until after the fourth year of the investment period. However, the inception to date IRR is 8.4% above the target of 6-8% and the Fund valuation is ahead of the total contributed capital since inception of £420.1m, reflecting the initial strong performance from the portfolio.

The fund's investment period runs until March 2025, there is approximately £120 million in uncommitted capital reserves after netting capital calls with distributions during the ramp-up phase. We plan to commit an additional £80 million to the Pemberton Mid-Market Debt Fund IV and £80 million to the Churchill Middle Market Senior Loan Fund V, maintaining a 50:50 regional split between European and US markets.



## Current Investments

Investments	Abbreviation	Investment Date	Vintage	Total Commitments (Local)	LCIV Fund Commitments (Local '000)	Unfunded GBP (£ '000)
<b>Primary</b>						
Churchill Middle Market Senior Loan Fund IV	MSF IV	Mar-21	2021	\$1,934m	\$355,000	63,682
Pemberton Mid-Market Debt Fund III	MDF III	Jun-21	2020	€3,800m	€298,000	49,019
Pemberton Mid-Market Debt Fund IV	MDF IV	Sep-22	2022	€2,006m	€68,172	39,632
<b>Total Committed to Investments</b>						<b>152,333</b>
Drawn Capital						420,091
Funds available for investment						52,576
<b>Total Fund Commitments</b>						<b>625,000</b>

Source: London CIV as at 30 June 2024.

LCIV Fund GBP Commitment is calculated as GBP cost plus undrawn commitments multiplied by FX rate as at 30 June 2024.



## Cashflow Activity

During the quarter ended 30 June 2024, the Fund made no capital calls to investors.

During the quarter, the Fund received three distributions and one capital call, which was funded by cash in bank.

The cash flows from the underlying investments were as follows:

Investment	Amount	Due Date	Comments
MDF IV	(€4.6m)	22 April 2024	Net capital call – Rebalancing contribution and capital call, return of capital call, income distribution equalisation amount
MSF IV	\$9.0m	22 April 2024	Distribution – Return of capital (recallable)
MSF III	\$9.4m	7 May 2024	Net Distribution – Return of capital (recallable), call for investments and income distribution
MSF IV	\$7.9m	17 May 2024	Distribution – income

## Investment Activity

During the quarter ended 30 June 2024, there were no new investments made by the Fund. However, in H2 we plan to commit an additional £80m to the Pemberton Mid-Market Debt Fund IV and £80m to the Churchill Middle Market Senior Loan Fund V, maintaining a 50:50 regional split between European and US markets.

The Fund is now closed to new commitments. However further investments are permitted during the investment period to 29 March 2025.

## Fund Monitoring

Throughout the second quarter stabilisation of interest rates and improved economic clarity spurred increased deal flow in the middle market. Although the LBO market has not fully rebounded, private equity funds are eager to make distributions and capture solid exits. Whilst deal flow has remained slower, refinancings and add-on acquisitions from scaled portfolios at both Churchill and Pemberton have provided uninterrupted access to robust deal flow.

The Churchill platform closed or committed \$4.8 billion across 124 transactions, up 63% year-over-year. This resulted in a record first half in 2024. Sponsored middle-market direct lending volume surged by 90% year-over-year. Churchill's traditional middle-market senior lending business closed or committed \$3.8 billion across 53 different investments, marking a 125% increase from the previous year.

Credit quality remains strong amongst the holdings despite the higher-for-longer rate environment. While spreads compressed modestly during the quarter, the focus on the core middle market enables us to remain insulated from the pricing pressure, increased volatility, and weaker terms seen in the upper middle and Broadly Syndicated Loan markets.

Both managers continue to see investors gravitate towards private capital as it offers income generation, risk adjusted total returns, and diversification away from public market volatility. This makes it a compelling and attractive investment opportunity, especially in the current economic environment.

The U.S. economic environment remains healthy and resilient, and this is set to continue in the near term. There is no evidence in the core middle market portfolio of an imminent recession or pullback in spending and capex investment. The liquidity of borrowers in the underlying manager portfolios are monitored daily and they have been pleased to see how companies have navigated the higher rate environment quite well. Moreover, they believe interest coverage is going to be a tailwind going into the back half of the year as the Fed move to reduce interest rates as inflation pressures subside.

In Europe, the opportunities from the core mid-market remain attractive with yield premia at 250-300bps over equivalent rated loans in the syndicated markets. European mid-market companies have outperformed their US equivalents this year, with average revenue growth

of 13.3% and EBITDA growth of 10.6%, compared with 6.6% and 5.6% percent respectively in the US (based on a study by Lincoln International).

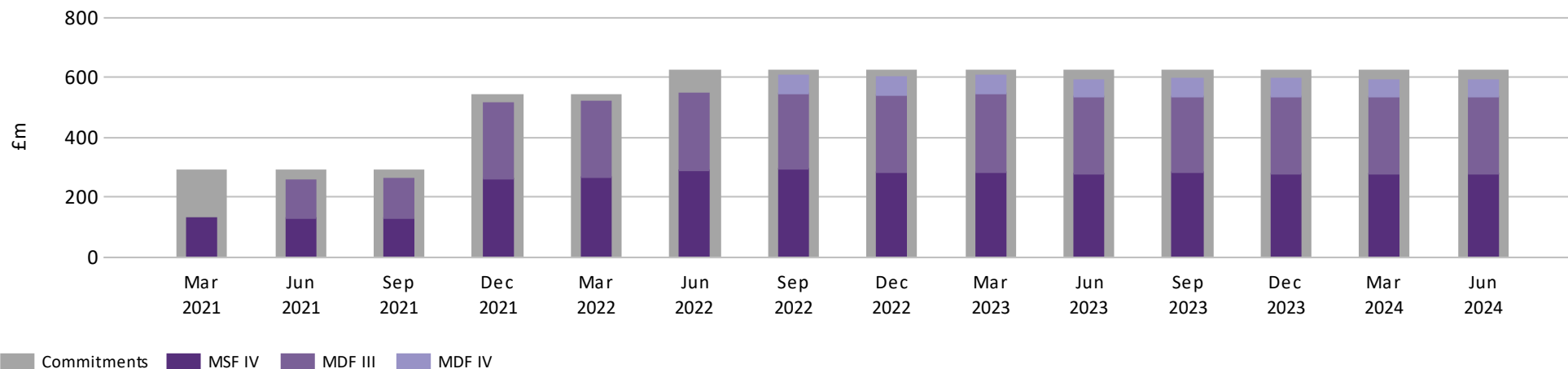
The Fund focuses on achieving its objective by investing in middle-market direct lending funds across Europe and the U.S. At the quarter-end date of 30 June 2024, the Fund's NAV had a 51/49 split between Europe and the U.S. Due to currency fluctuations and cashflows, an immaterial divergence from the initial 50/50 split occurred over time.

### Performance

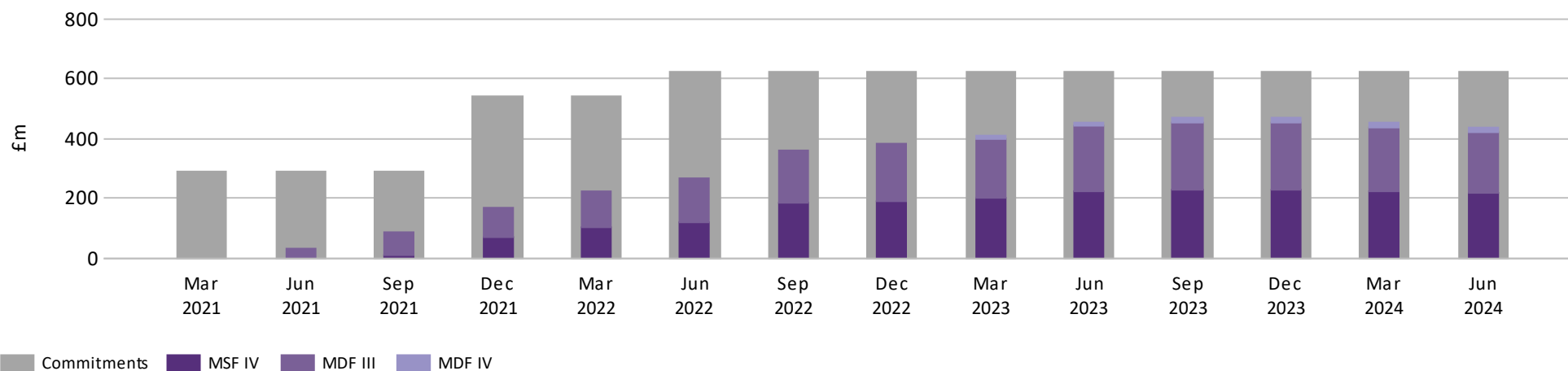
	Current Quarter %	One Year %	Three Years p.a. %	5 Years Years p.a. %	ITD %
<b>Net Return - IRR</b>	<b>1.8%</b>	<b>9.2%</b>	<b>8.5%</b>	<b>N/A</b>	<b>8.4%</b>
<b>Investment Objective</b>	1.5%	6.0%	6.0%	6.0%	6.0%
<b>Yield</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
<b>Investment Objective</b>	N/A	N/A	N/A	N/A	N/A

Source: London CIV as at 30 June 2024

### Commitment Review



### Funding Review



Source: London CIV as at 30 June 2024.

## Quarterly Investment Reconciliation

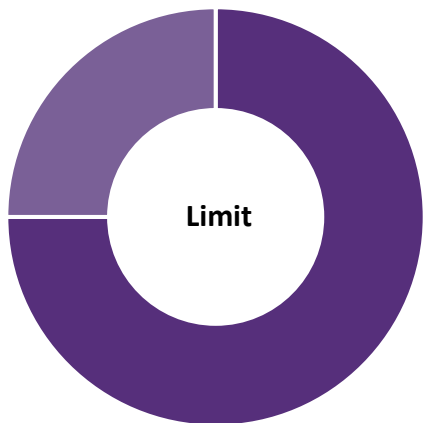
				Movements in the quarter				Realisations				
	Current Cost	30 Jun 24 Fair Value	31 Mar 24 Fair Value	Capital Calls	Capital Returns	FX Gain/Loss	Unrealised Gain/Loss	Realised Gains	Income Distributions	Target Net IRR	Target Yield	Current Net IRR
	(£ '000)	(£ '000)	(£ '000)	(£ '000)	(£ '000)	(£ '000)	(£ '000)	(£ '000)	(£ '000)	%	%	%
<b>Primary</b>												
MSF IV	216,568	219,217	227,481	-	(7,284)	(226)	(754)	-	6,232	6.0	-	9.4
MDF III	205,143	203,206	214,492	6,854	(15,799)	(1,771)	(571)	-	5,868	6.0	-	9.2
MDF IV	18,758	19,503	15,316	4,699	(386)	(213)	88	-	227	6.0	-	9.1
<b>Investment Total</b>	<b>440,469</b>	<b>441,925</b>	<b>457,289</b>	<b>11,552</b>	<b>(23,470)</b>	<b>(2,210)</b>	<b>(1,236)</b>	<b>-</b>	<b>12,327</b>			

Source: London CIV as at 30 June 2024.

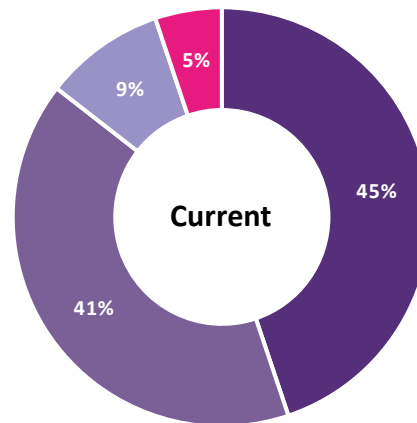
	QTD
	(£ '000)
Opening NAV	498,034
Drawdowns	0
Distributions	-
Gains/Losses	8,798
Closing NAV	506,832

# Mandate Design Review

## Fund Allocation of Commitments

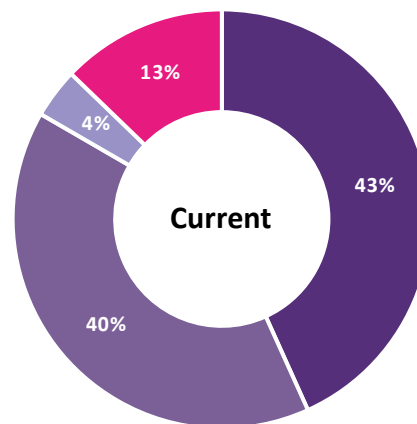


The Fund will seek to invest substantially all of its assets into at least two underlying funds investing principally in European and North American direct lending



- Churchill Middle Market Senior Loan Fund IV (MSF IV)
- Pemberton Middle Market Debt Fund III (MDF III)
- Pemberton Mid-Market Debt Fund IV SCSp (MDF IV)
- Uncommitted Reserves

## Fund Allocation of NAV



- Churchill Middle Market Senior Loan Fund IV (MSF IV)
- Pemberton Middle Market Debt Fund III (MDF III)
- Pemberton Mid-Market Debt Fund IV SCSp (MDF IV)
- Other

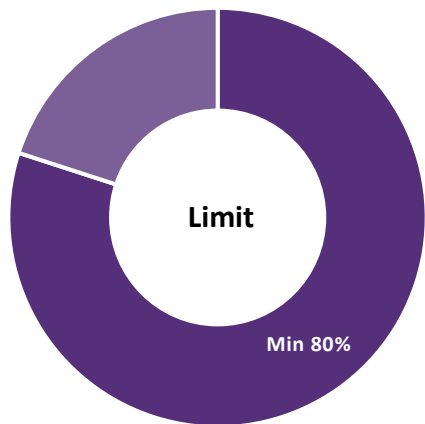
Note where an allocation is below 3% the data label is not shown.

The above information is a summary and does not represent the full fund terms. For further information please contact your Client Relations Manager.

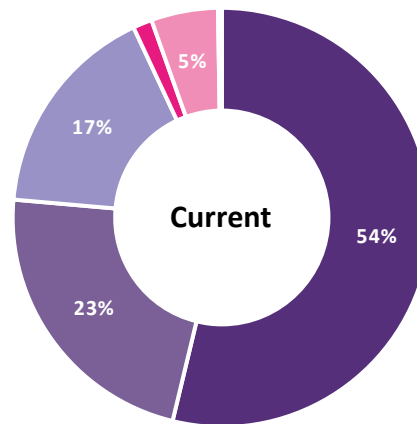
Source: London CIV as at 30 June 2024.

# Mandate Design Review

## Portfolio Investment Type of Commitments

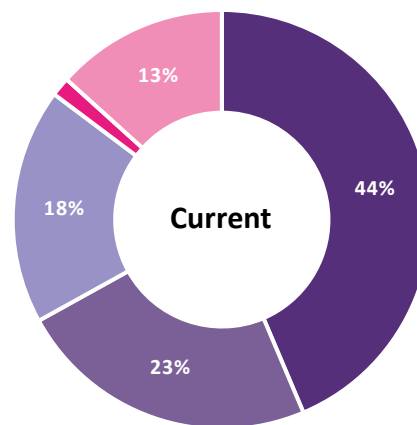


- Senior Secured debt / Unitranche
- Mezzanine / Second lien/PIK



- Senior First Lien
- First Lien
- Unitranche
- Senior Second Lien
- Uncommitted Reserves
- Other

## Portfolio Investment Type of NAV



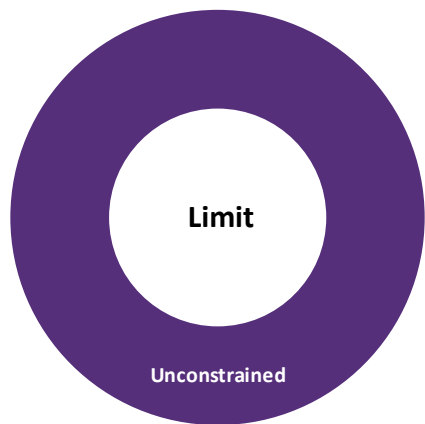
- Senior First Lien
- First Lien
- Unitranche
- Senior Second Lien
- Other

Note where an allocation is below 3% the data label is not shown.

The above information is a summary and does not represent the full fund terms. For further information please contact your Client Relations Manager.

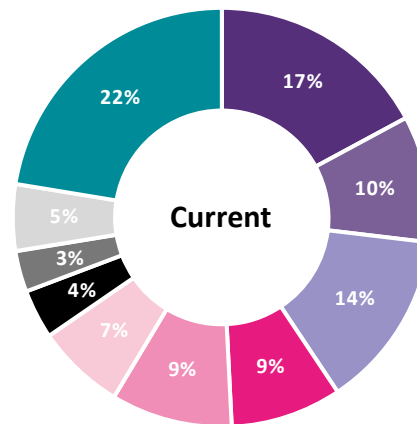
Source: London CIV as at 30 June 2024.

# Mandate Design Review



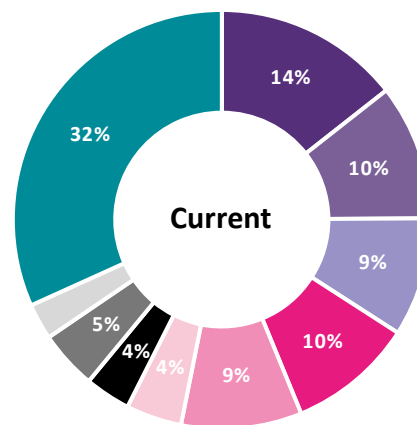
The Fund is unconstrained to sector allocation

## Sector Allocation of Commitments



- Services: Business
- High Tech Industries
- Healthcare & Pharmaceuticals
- Wholesale
- Banking, Finance, Insurance, Real Estate
- Capital Equipment
- Construction & Building
- Consumer Goods: Non-durable
- Uncommitted Reserves
- Other

## Sector Allocation of NAV



- Services: Business
- High Tech Industries
- Wholesale
- Healthcare & Pharmaceuticals
- Banking, Finance, Insurance, Real Estate
- Construction & Building
- Consumer Goods: Non-durable
- Capital Equipment
- Beverage, Food & Tobacco
- Other

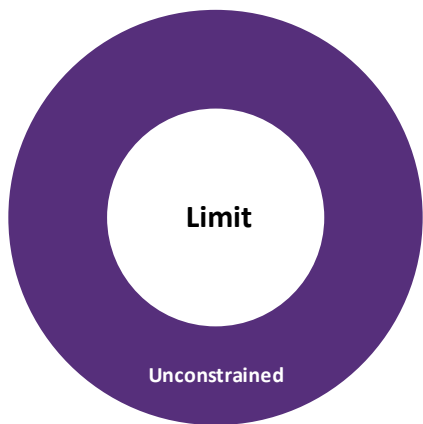
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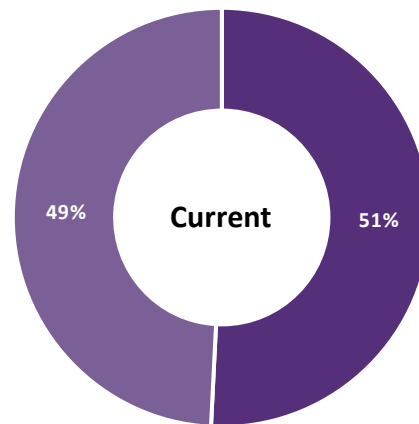
Source: London CIV as at 30 June 2024.

# Mandate Design Review

## Currency of Drawn NAV



Foreign currency exposure through owning overseas investments is often a material driver of Net Asset Value volatility relative to Fund currency



Note where an allocation is below 3% the data label is not shown.

The above information is a summary and does not represent the full fund terms. For further information please contact your Client Relations Manager.

Source: London CIV as at 30 June 2024.



## Churchill Middle Market Senior Loan Fund IV (MSF IV)

### Summary

Vintage:	2021	Fund Size:	\$1.9 billion
Sponsor:	Churchill Asset Management	Currency:	USD
Sector:	Diversified	Geography:	North America
Investment	13 September 2025	Term End:	13 September 2028
Period End:			
IP Extension:	n/a	Term	2
		Extension:	

### Investment Overview

Churchill seeks to build a portfolio of 50 to 100 senior secured loans to primarily sponsor-backed US mid-market companies with EBITDA of \$10m - \$50m and will target a net IRR of 6% to 7% and quarterly income distributions.

### Investment Diversification

Commitments by Industry



Source: London CIV based upon MSF IV quarterly report as at 30 June 2024

### Key Developments

- As of 30 June 2024, MSLF IV had total capital commitments of \$1.93bn. To date they have made total loan commitments of \$1.64bn across 141 investments representing 85% of committed capital.
- The Fund realised four investments in Q2 totalling \$37m. The total realised asset level IRR stands at 10.06% with a MOIC of 1.14x.
- The Fund closed on 12 new investments and six add-ons in Q1, totalling \$96.9m.
- The investment team reviewed 303 deals from 158 different sponsors and closed on 12 (4%) of them in the period. Over the last twelve months the manager reviewed over 1095 opportunities from more than 282 sponsors, investing in only 3%. This selectivity kept the investment size at only 0.7% of the total portfolio.
- Investment volume increased from last quarter, and spreads continued to tighten. Churchill acted as lead or co-lead agent on 83% of the new investments.
- The portfolio has a weighted average risk rating of 4.3 on Churchill's internal scale (4.0 being the initial rating assigned to investments at origination), with approx. 93% of investments rated 5 or better.
- There are currently 11 investments on watch in the portfolio, 7 requiring low, 2 medium and 1 high maintenance. The remaining on watch investment is set to experience a probable loss.
- The fund net IRR inception to date was 9.07% ahead of the target.
- The NAV (Lux RAIF) fell from \$1.291bn in Q1 2024 to \$1.246bn in Q1 2024.
- There are two investments in the portfolio with a risk rating of 8 or higher (out of 10)
- New You Bariatric Group – \$26.7M Outstanding – Risk Rating: 8

**LCIV Private Debt Fund**

- The largest bariatric platform in the US, the company was impacted by a major payer rate cut and competition from new weight loss drugs. In April 2024, an amendment saw new capital from the sponsor and management, with lenders agreeing to PIK interest until year-end. Lenders also received minority equity, a board seat, increased reporting, and the right to appoint a financial advisor. Since then, liquidity and performance have stabilised. Lenders are monitoring key metrics, such as new patient visits, ahead of the April 2025 maturity.
- JEGS Automotive – \$9.5M Outstanding – Risk Rating: 10 – Non-Accrual
- A leading e-commerce platform for automotive aftermarket parts, JEGS encountered demand, working capital, and management issues post-2021. Despite management changes and cost-cutting measures, the company faced cash shortfalls, with the sponsor making equity contributions. Lenders and the company are now in restructuring discussions, with potential new investment from the sponsor and partial debt equitisation by 1st lien lenders. The loan went into non-accrual as of 30 June 2024.

**ESG Activity**

- The Churchill 2023 Sustainability Report, titled "Advancing Transparent and Sustainable Investment Practices," was released in Q2. It highlights the company's commitment to responsible investment, corporate sustainability, diversity, and community engagement. Here is a summary of the key sections:

## 1. Responsible Investing:

- ESG Integration: Churchill integrates Environmental, Social, and Governance (ESG) principles into their investment processes to mitigate risks and drive sustainability.
- Proprietary ESG Rating Tool: They developed a new tool that combines ESG data to better assess investment opportunities.
- Transparency: Churchill advocates for improved disclosure standards in private markets through collaborations like the ESG Integrated Disclosure Project.

## 2. Corporate Sustainability:

- Carbon Emissions: The report notes the second year of measuring operational emissions (2,079 tCO<sub>2</sub>e), including Scope 1, 2, and 3 emissions.
- Sustainability Leadership: The firm focuses on transparency, operational improvements, and sustainable practices, aiming for net-zero carbon goals by 2050.
- Workplace Culture: Recognized as a "Great Place to Work" for the fourth year in a row with a low employee turnover rate (2.6%).

## 3. Diversity, Equity, and Inclusion (DEI):

- Churchill has a dedicated DEI program, committing to fostering a diverse and inclusive work environment.
- Diverse Managers Program: The Private Equity team invested in firms owned by women and people of colour, with 85% of allocations committed to 12 general partners across 13 funds.

## 4. Community Engagement:

- The firm is engaged in various community-focused initiatives, including partnering with educational nonprofits like Teach for America and environmental groups like the National Forest Foundation.

- Overall, the report emphasizes Churchill's dedication to advancing sustainability in its investment practices while promoting diversity, transparency, and community involvement.

## Pemberton Mid-Market Debt Fund III (MDF III)

### Summary

Vintage:	2020	Fund Size:	€3.8 billion
Sponsor:	Pemberton Asset Management	Currency:	EUR
Sector:	Diversified	Geography:	Europe
Investment Period End:	22 December 2024	Term End:	22 December 2029
IP Extension:	n/a	Term Extension:	1+1

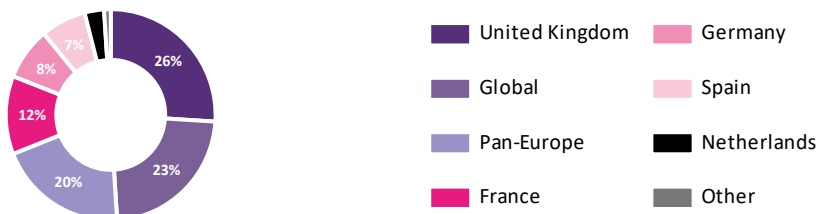
### Investment Overview

Pemberton seeks to build a portfolio of 30 to 40 senior secured loans to European midmarket companies with EBITDA EUR15m - EUR75m and will target a net IRR of 6% to 7% (EUR) and quarterly income distributions.

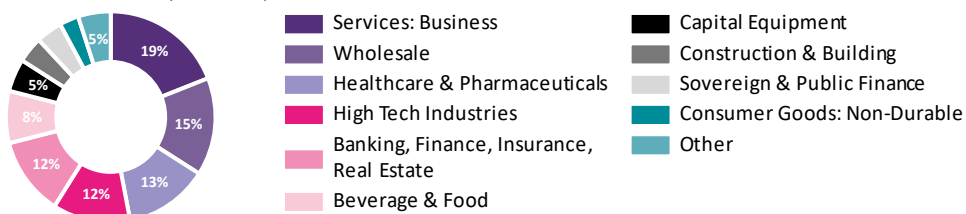
Note: allocated commitments are higher than total commitments due to FX changes and capital returns during the investment period being retained for new investment.

### Investment Diversification

Commitments by Geographical Area of Risk



Commitments by Industry



Source: London CIV based upon MDF III quarterly report as at 30 June 2024

### Key Developments

- As of 30 June 2024, MDF III (across co-mingled and parallel funds) had €2.9bn in unrealised commitments across 37 investments.
- There was one realisation in Q2 - Exosens (fka Photonis) which was realised with a gross IRR of 10.1% and a gross MOIC of 1.2x. There have been six realisations to date, totalling €702m, with a weighted average Gross IRR of 14.2%.
- There were four new commitments and one new funding and in the period. The portfolio is highly diversified across regions and sectors, and Pemberton was the Sole and Lead Arranger on 88% of the investments.
- Summary portfolio statistics are displayed below:
  - Average leverage: 5x
  - Average LTV: 42%
  - Average margin (excl. base rate): 6.59%
  - Average upfront fee: 3.28%
- The current fund net IRR is 9.3%. The expected estimated lifetime net IRR is 9.4%, ahead of the Fund's target of 6-7% net.
- The NAV (Compartment A) reduced from €622.9m in Q1 2024 to €595.2m in Q2 2024.
- There is one underperforming credit in the portfolio –Neolith
  - A global leader in sintered stone slabs for premium markets, is progressing with Wave 2 of its turnaround plan. This includes pricing optimisation, commercial strategy, factory efficiency (SKU trimming, OEE), purchasing, and workforce adjustments, targeting a €11.2m EBITDA boost, partly reflected in the FY24 budget. As of YTD Feb-24, revenue was 7.7% ahead of budget but 6.5% below the previous year, showing varied geographical performance. By Jun-24, Neolith's cash stood at €43.8m, bolstered by a €25m equity injection from sponsor CVC and senior debt interest PIKing.

### ESG Activity

17 of 37 (46%) active investments include ESG margin ratchets.

### Pemberton Mid-Market Debt Fund IV (MDF IV)

#### Summary

Vintage:	2022	Fund Size:	€2.0 billion
Sponsor:	Pemberton Asset Management	Currency:	EUR
Sector:	Diversified	Geography:	Europe
Investment Period End:	4 years from final close	Term End:	8 years after final close
IP Extension:	n/a	Term Extension:	1+1

#### Investment Overview

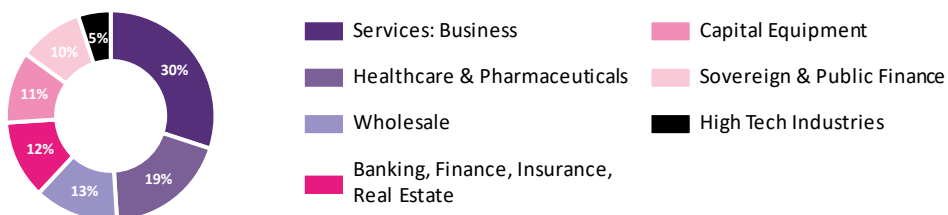
The strategy is a continuation of the previous vintages whereby Pemberton aim to provide senior debt to sponsor-backed European companies with EBITDA of EUR15m - EUR75m, targeting a return of 6.5% to 8% net IRR (EUR), which is in line with the previous vintage and similar funds in the market.

#### Investment Diversification

Commitments by Geographical Area of Risk



Commitments by Industry



Source: London CIV based upon MDF IV quarterly report as at 30 June 2024

### Key Developments

- MDF IV is still in the fundraising stage and has raised €2.0bn, with a final close in October 2024. As of 30 June 2024, €902m has been committed to 19 investments (across co-mingled and parallel funds).
- There were five new commitments and one new funding and in the period.
- There have been no realisations.
- Summary portfolio statistics are displayed below:
  - Average leverage: 4.5x
  - Average LTV: 43%
  - Average margin (excl. base rate): 6.34%
  - Average upfront fee: 3.42%
- IRR data for the fund is not yet available due to it being early in the fund life.
- The NAV (EUR Compartment) grew from €136.8m in Q1 2024 to €223.6m in Q2 2024 as the portfolio continued to invest through the ramp up period.
- All credits in the portfolio are performing.

### ESG Activity

- 10 of the 19 (53%) investments include ESG margin ratchets.



## Glossary of Terms

- **APAC** Asia-Pacific is the part of the world near the western Pacific Ocean.
- **Asset-backed lending (ABL)** is a type of financing where a borrower obtains a loan using their assets as collateral.
- **BESS** Battery Energy Storage System
- **BREEAM** is the world's leading sustainability assessment method for master planning projects, infrastructure and buildings. It recognises and reflects the value in higher performing assets across the built environment lifecycle, from new construction to in-use and refurbishment. BREEAM does this through third party certification of the assessment of an asset's environmental, social and economic sustainability performance, using standards developed by BRE. This means BREEAM-rated developments are sustainable environments that enhance the well-being of the people who live and work in them, help protect natural resources and make for more attractive property investments.
- **Brownfield** in the context of property these are assets that are built on land that has previously been developed. In the context of infrastructure these are projects which are operational.
- **Cash Yield** The return of an investment's net cash flow as a percentage of the amount invested
- **C&I** commercial and industrial
- **Called Amount** The part of a unitholder's commitment that has been drawn/called.
- **Closed Ended Fund** A closed-end fund raises a fixed amount of capital through one or more closings and will have a limited life after which the fund is wound up.
- **Commitment** The total amount a unitholder has irrevocably committed to invest in the Sub-fund and includes both drawn ("called") and undrawn commitments and may include commitments made by a single unitholder at different closings (each a "Separate Commitment").
- **CPI** Consumer Price Index
- **Delayed draw term loan (DDTL)** is a special feature in a term loan that lets a borrower withdraw predefined amounts of a total pre-approved loan amount.
- **Distribution** The money paid out to LPs of a fund
- **Distribution to Paid In "DPI"** The ratio of money distributed to LPs relative to total contributions of the LPs into the fund
- **Drawdown** A Called Amount that London CIV requires to be paid against the unitholder's Commitment.
- **EBITDA** earnings before interest, taxes, depreciation, and amortization, is a measure of a company's overall financial performance.
- **EPC** Engineering, procurement, and construction
- **ESG** Environmental, Social, and Governance
- **EUUT** Exempt Unauthorized Unit Trust
- **EV** Electric Vehicle
- **Evergreen fund** is a type of investment fund that has an indefinite life and is designed to reinvest its returns into the fund rather than distributing them to investors.
- **First Closing Date** is the first date on which the GP accepts Commitments to a Fund.
- **Final Closing Date** is the last date on which the GP accepts Commitments to a Closed Ended Fund.
- **GHG** Greenhouse Gas
- **GP** General Partner
- **GRESB** The Global ESG Benchmark for Real Assets. GRESB is a mission driven and investor led organization providing standardized and validated Environmental, Social and Governance (ESG) data to the capital markets. Established in 2009, GRESB has become a leading ESG benchmark for real estate and infrastructure investments across the world.
- **GW** Gigawatt
- **LP** Limited Partner
- **Greenfield** in the context of property these are assets that are built on land that has not previously been developed. In the context of infrastructure this means a project which is either in development or construction

## Glossary of Terms

- **Income Strip** A type of real estate transaction whereby an investor acquires a property asset which is then sold back to the occupier at the end of the lease term, typically for a nominal amount
- **Inflation** A general increase in prices of goods and services, typically measured by CPI and RPI
- **Infrastructure** An asset class that encompasses investments in facilities, services, and installations considered essential to the functioning and economic productivity of a society
- **Initial Subscription Period** is the period starting on the first closing date and ending on the date that falls a specified period after the first closing date, provided that the manager may, in its discretion, be permitted to extend such a period.
- **Internal Rate of Return “IRR”** is the rate of return at which the net present value of the investment is equal to zero.
- **Investment** This refers to investments, including the sub definitions of Primary Investment, Secondary Investment, Co-investment, and Direct Investment, into private market assets.
- **Investment Period** The period of time in which the GP can source and make investments
- **J-curve** The typical returns of a fund which shows an initial loss immediately followed by a dramatic gain
- **JV** A joint venture is a business arrangement in which two or more parties agree to pool their resources for the purpose of accomplishing a specific task.
- **Lock-Up Period** is the period of time in respect of a Commitment made by a unitholder at a closing, when they cannot request redemption.
- **LPAC** A Limited Partner Advisory Committee of a primary fund which gives views to the GP on specified matters related to the operation of the primary fund
- **MW** Megawatt
- **Net Asset Value “NAV”** The value of an entity's assets minus the value of its liabilities
- **Net Invested Capital** The cost basis of the relevant Investments, less distributions constituting return of capital (as determined in good faith by the Investment Manager) and write-offs with respect to such Investments, plus unfunded commitments to such investments.
- **Original Issue Discount** Discount in price from a bond's face value at a time a bond or other debt instrument is first issued.
- **PPA** power purchase agreement, is a contract between a government agency and a private utility company. The private company agrees to produce electricity, or some other power source, for the government agency over a long period of time.
- **PPP** Public Private Partnership
- **Primary Fund** A fund which to London CIV has made a commitment and which will draw down amounts to invest.
- **Private Debt** The investment of capital to acquire debt of private companies
- **Real Estate Long Income** A real estate investment strategy that involves generating secure and inflation-linked income through investments in properties with long leases, strong tenants, and annual inflation-linked uplifts
- **Renewable Infrastructure** A sub-sector of Infrastructure specifically focusing on the Renewables sector
- **Residual Value to Paid In “RVPI”** The ratio of the current value of all remaining investments to the total contributions of LPs into the fund
- **Ramp Up Period** A time period from the First Closing Date over which the Fund should be fully invested.
- **RPI** Retail Price Index
- **Sale and Leaseback** A type of real estate transaction whereby an investor acquires a property asset which is then leased back to the original owner
- **Senior Debt** is borrowed money that a company must repay first if it goes out of business. Each type of financing has a different priority level in being repaid if the company goes out of business. If a company goes bankrupt, the issuers of senior debt, are most likely to be repaid.
- **SLP** Scottish Limited Partnership

## Glossary of Terms

- **Sponsor** Typically the manager, or general partner of a private equity or venture capital firm. In project finance, the sponsor is the entity (or entities) that owns the ultimate equity interest in the project
- **Subscription Price** is the price in respect of which units will be issued.
- **Subsequent Closing Date** means a date on which the Manager admits Unitholders to the Fund or allows existing Unitholders to increase their Commitments, which date(s) shall take place after the First Closing Date.
- **TL** A term loan is a loan from a bank for a specific amount that has a specified repayment schedule and a fixed or floating interest rate.
- **Trust Deed** A legal document that lists the terms of the contract between a fund and its investors
- **TVM** Time Value of Money or as present discounted value
- **Total Value to Paid In “TVPI”** The ratio of the current value of remaining investments plus the total value of all distributions to date, relative to total contributions of LPs into the fund
- **Undrawn Commitment** a unitholder’s undrawn commitment is the amount of its Commitment which, at the relevant time, remains available for Drawdown.
- **Unitholder** a person who is registered as the unitholder of units of a fund in the register and includes persons registered as joint unitholders.
- **Unitranche** is a flexible form of financing often used by mid-sized companies to help fund acquisitions or ownership transitions. It combines different types of secured and unsecured debt in a single loan with a blended interest rate and a predictable repayment schedule that gives a business maximum flexibility.
- **UN’s Sustainable Development Goals** Collection of 17 interlinked global goals designed to be a "blueprint to achieve a better and more sustainable future for all" which were set up in 2015 by the United Nations and are intended to be achieved by the year 2030
- **Unallocated Commitments** are amounts committed by a London CIV Fund to a Primary Fund which have not been allocated to an investment
- **Uncommitted Reserves** are amounts committed to a London CIV Fund which have not been committed to a Primary Fund or an investment
- **UNPRI** is the United Nations Principle for Responsible Investing
- **Vintage** The year in which a fund began making investments
- **WAULT** Weighted Average Unexpired Lease Term

## Disclaimer

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