

# **LPPI Real Estate ACS**

**Interim Report & Financial Statements (Unaudited)**  
for the period from 1 April 2023 to 30 September 2023

# LPPI Real Estate ACS

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### Annual Reports

The annual report of the Authorised Contractual Scheme (the "Scheme" or "ACS") will normally be published within six months from the end of each annual accounting period and the half yearly report will be published within two months of each interim accounting period. A report containing the full financial information is available on the Local Pensions Partnership Investments Ltd (the "ACS Manager") website at [www.localpensionspartnership.org.uk](http://www.localpensionspartnership.org.uk) to any person free of charge.

### Documents of the ACS

The following documents may be inspected by any Unitholder or potential Unitholder free of charge during normal business hours on any Business Day at the Principal Place of Business of the ACS Manager at 1 Finsbury Avenue, London, EC2M 2PF:

- the Prospectus;
- the most recent annual and half yearly reports of the ACS; and
- the ACS Deed (and any amending documents).

Unitholders may obtain copies of the above documents from the ACS Manager. The ACS Manager may make a charge at its discretion for copies of documents (apart from the most recent annual and half yearly reports of the ACS and the Prospectus which are available free of charge to any Unitholder or potential Unitholder).

## LPPI Real Estate ACS

### ACS Manager's Report for the period ended 30 September 2023

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#### About the Scheme

LPPI Real Estate ACS (the "Scheme" or "ACS") is an authorised contractual scheme in co-ownership form authorised by the Financial Conduct Authority ("FCA") with effect from 9 September 2019. The Scheme is a Qualified Investor Scheme under the FCA rules and is subject to the limits on investments set out in the FCA Collective Investment Schemes Sourcebook.

The Scheme is organised as an umbrella authorised contractual scheme comprising separate Sub-funds. As at 30 September 2023, the following Sub-fund was available to investors:

LPPI Real Estate Fund

#### The Alternative Investment Fund Managers Regulations 2013

The ACS Manager is authorised and regulated by the FCA with permission to carry on the activity of "managing an AIF" in the United Kingdom. As such, the ACS Manager has been appointed to be the alternative investment fund manager of the Scheme which is an alternative investment fund, or 'AIF', for the purposes of the Alternative Investment Fund Managers Directive ("AIFMD").

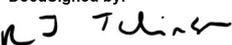
In this document the term "AIFMD" means, collectively, Directive 2011/61/EU, as implemented by Commission Delegated Regulation (EU) No. 231/2013 and transposed in the UK by SI 2013/1773 entitled 'Financial Services and Markets; The Alternative Investment Fund Managers Regulations 2013' and any other applicable UK national implementing measures, including (without limitation) the rules contained in the FCA handbook, each as may be amended or updated from time to time.

#### Significant Events

There have been no significant events in the period.

#### Cross Sub-fund holdings within the Scheme:

As at 30 September 2023 there were no cross Sub-fund holdings within the Scheme.

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**Richard J. Tomlinson**

Chief Investment Officer

On behalf of Local Pensions Partnership Investments Ltd

29 November 2023

## **LPPI Real Estate ACS**

### **Notes applicable to the Financial Statements**

for the period from 1 April 2023 to 30 September 2023

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#### **Accounting Policies**

The financial statements have been prepared in compliance with UK Financial Reporting Standard (“FRS”) 102 and in accordance with the Statement of Recommended Practice for Authorised Funds (the “SORP”) issued by the Investment Management Association (now known as the Investment Association) in May 2014 and as amended in June 2017.

All accounting and distribution policies used to prepare the interim financial statements are as per the audited financial statements for the year ended 31 March 2023.

## LPPI Real Estate Fund

### About the Sub-fund

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#### Investment Objective & Policy

The LPPI Real Estate Fund (the "Sub-fund") seeks a total return (comprising income and capital growth) exceeding that of the Consumer Prices Index by 3% to 5% each year measured over a rolling 10-year period net of all fees and expenses at portfolio level.

The Sub-fund invests in a diverse portfolio of real estate assets in the UK and globally. As well as investing directly, the Sub-fund's investment in real estate may be indirect, through collective investment schemes (including those managed by the ACS Manager), REITs and other transferable securities and derivatives.

The Sub-fund may invest in cash, money market instruments and collective investment schemes for cash management purposes and may also use derivatives for the purpose of Efficient Portfolio Management.

The Sub-fund may borrow up to 35% of its NAV for such purposes which include, but are not limited to, funding acquisitions, and/or redemptions or the repayment of other property related costs including, but not limited to, property development costs and property refurbishment costs and fees.

#### Performance Table

**1/4/2023  
to 30/9/2023**

**1/4/2022  
to 30/9/2022**

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#### Total Return

##### Unit Class I

LPPI Real Estate Fund

(2.00%)

5.6%\*

\*The prior year has been restated.

The Sub-fund figures quoted are based on single prices and are calculated net of fees. Performance returns are cumulative. All returns are in Sterling.

All financial investments involve an element of risk. Therefore, the value of the investment and the income from it will vary and the return of the initial investment amount cannot be guaranteed. Changes in exchange rates may cause the value of an investment to fluctuate.

Past performance is not a guide to future performance and should not be the sole factor of consideration when selecting a product.

## LPPI Real Estate Fund Investment Report

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### LPPI Real Estate Fund (“The Sub-fund”)

The Sub-fund was authorised by the FCA on 9 September 2019 and began trading on 1 October 2019. The period ending 30 September 2023 represents four years of operation.

### Summary of Performance over the period

The Sub-fund returned (2.0%) over the period from 1 April 2023 to 30 September 2023. Its benchmark (MSCI Quarterly UK Property Index) returned (0.5%) over the same period. From inception to 30 September 2023, the Sub-Fund has returned 2.7% per annum versus 0.9% for the benchmark over the same period.

### ACS Manager’s Commentary

Economic uncertainty, geopolitical tensions, and persistently high and increasing interest rates have continued to impact investor confidence with overall real estate transaction volumes having fallen globally. However, relatively weakened sterling along with recent market dislocation and the sharp real estate repricing experienced in the UK in the second half of 2022, made the UK attractive to overseas investors relative to other markets. Overseas capital made up over 50% of all investment into UK commercial real estate during calendar year to 30 September 2023, according to research from Colliers. The same research found that institutional domestic investment has remained subdued accounting for just 16% of investment activity over the same period.

Global real estate values in many sectors continue to fall albeit at a slower and more sustained pace compared to the UK. There continues to be a bifurcation both in terms of the sectors attracting inward investment, such as logistics and living, and within those sectors with prime assets remaining relatively stable versus secondary.

The MSCI Quarterly UK Property Index also remains polarised between Industrial and Logistics assets which are now showing positive returns versus Office assets, which have shown a slow and steady decline as market participants reflect the cost of refurbishment and valuers reflect negative sentiment via outward yield movements. Industrial components of the MSCI Quarterly UK Property Index experienced an increase of 1.18% for the calendar third quarter, mostly driven by income with offices reporting a decrease of 3.29% quarter-on-quarter driven mostly by a fall in capital values.

The Sub-fund’s performance over the period from 1 April 2023 to 30 September 2023 was driven predominantly via income return which has offset some of the capital value falls being experienced, most notably across the global fund holdings. Capital value falls were driven mostly by cap rate expansion applied by valuers to reflect negative market sentiment given transaction volumes remain low, primarily at the prime end of the markets, meaning comparable evidence is still limited.

During the period, several of the Sub-fund’s direct UK Industrial and Logistics assets experienced positive returns following the sharp repricing at the end of 2022, with performance being driven mostly by strong income returns and uplifts. The Sub-fund retains a high weighting to the Industrial and Logistics sector, both via directly held UK real estate assets (managed by Knight Frank Investment Management), and via global funds which should enable it to remain defensive going forward.

Detractors during the same period were some of the Sub-fund’s Office assets on which the cost of refurbishment and enhanced energy efficiency has been reflected in the valuations. There has also been a drag versus the UK benchmark from the slower, incremental repricing of global holdings versus the sharp correction in the UK.

During the six-months to 30 September 2023, the Sub-fund completed its inaugural GRESB submission which included direct UK assets. Work continues more broadly to enhance the reporting and measurement of ESG metrics across the portfolio. The Sub-fund has also set its interim net zero targets for UK direct assets and continues engagement with its external managers in this area.

Going forward, the Sub-fund continues to assess opportunities to deploy capital into re-priced direct UK real estate as pressure increases on market participants to provide liquidity and satisfy redemptions. In addition, global opportunities are being pursued in both offensive and defensive positions including those seeking to take advantage of market dislocation and stable, income producing assets with a preference for investments that provide an element of explicit or implicit inflation linkage.

## LPPI Real Estate Fund Statistics

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### Net Asset Value History by Unit Class

<b>Unit Class I as at</b>	<b>Net Asset Value (£000's)</b>	<b>£ per unit</b>	<b>Units in issue</b>
31/3/2020	1,386,720	10,018.45	138,417
31/3/2021	1,584,077	9,588.41	165,208
31/3/2022	1,815,652	10,990.13	165,208
31/3/2023	1,748,195	10,202.91	171,343
30/9/2023	1,749,434	10,391.23	168,357

### Operating Charges Figure

<b>Unit Class</b>	<b>30/9/2023</b>	<b>31/3/2023</b>
Unit Class I	0.67%	0.76%

The Operating Charges figure represents the annual operating expenses of the Sub-fund expressed as a percentage of the average net assets for the period - it does not include initial charges. The Operating Charges figure includes the ACS Manager's periodic charge and all charges which are deducted directly from the Sub-fund. The Operating Charges figure is expressed as an annual percentage rate.

**LPPI Real Estate Fund**  
**Portfolio Statement**  
as at 30 September 2023

<b>Nominal Value (£000's)</b>	<b>Investment</b>	<b>Market Value (£000's)</b>	<b>% of Total Net Assets</b>
	<b>Investment Property 51.52% (52.51%)</b>		
24,117	B & Q, Tangent Link, Gallows Corner, Romford, RM3 8GZ	23,650	1.35%
17,609	Bath Road, Chippenham, SN14 0AT	15,450	0.88%
24,063	Beacon Retail Park, Watling Street, Bletchley, MK1 1BN	22,900	1.31%
29,325	Broadbridge Heath Retail Park, Horsham, RH12 3TQ	21,600	1.24%
8,500	Cala Trading Estate, Ashton Vale Road, Ashton Vale, Bristol, BS3 2HA	9,350	0.53%
36,819	8-18 Clarence St, 22 Church St & The Cloisters, Kingston, KT1 1NX	12,700	0.73%
15,708	Collingham House/Lime Tree House, Russell Road & Gladstone Road, Wimbledon, SW19 1QT	10,400	0.59%
8,708	Crown Road, Unit C, Crown Road, Enfield, EN1 1TH	17,150	0.98%
20,803	DC 1 Apex Park, Nasmyth Road, Daventry, NN11 8NF	23,200	1.33%
7,551	DC 2 Apex Park, Nasmyth Road, Daventry, NN11 8NF	12,300	0.70%
10,250	DC 6 Apex Park, Nasmyth Road, Daventry, NN11 8NF	11,850	0.68%
16,825	Dolphin Square, Weston Super Mare, BS23 1TT	7,300	0.42%
33,779	Dufferin Street, 1-3 Dufferin Street, London, EC1Y 8NA	23,200	1.33%
17,881	Eastgate Court, High Street, Guildford, GU1 3DE	9,900	0.57%
16,945	Effra Road Retail Park, Effra Road, Brixton, London, SW2 1BZ	17,500	1.00%
16,555	Gemini Retail Park, 92 Europa Boulevard, Warrington, WA5 7TY	15,600	0.89%
19,900	35-38 George Street, Richmond Upon Thames, TW9 1HY	9,900	0.57%
16,000	41-53 Goswell Road, London, EC1V 7EH	11,750	0.67%
15,834	Guiseley Retail Park, Leeds Road, Leeds, LS20 8QH	10,900	0.62%
9,058	GWR Building, 1 Passage Street, Bristol, BS2 0JF	5,500	0.31%
21,000	James Street, 8-10 Lower James Street, London, W1F 9EL	18,500	1.06%
13,121	Kingsland Trading Estate, St Philips Road, Bristol, BS2 0JZ	14,000	0.80%

**LPPI Real Estate Fund**  
**Portfolio Statement**  
as at 30 September 2023

<b>Nominal Value (£000's)</b>	<b>Investment</b>	<b>Market Value (£000's)</b>	<b>% of Total Net Assets</b>
	<b>Investment Property (continued)</b>		
13,752	London Road Retail Park, London Road, Hemel Hempstead, HP3 9AA	9,300	0.53%
27,902	Manchester Stay City, Mason Street, Manchester, M1 2GH	28,800	1.65%
20,750	Menzies Distribution Wakefield Distribution Centre, Wakefield Europort, Normanton, Wakefield, WF6 2UA	25,100	1.43%
26,000	Mitre House, 223-237 Borough High Street, London, SE1 4XW	21,400	1.22%
19,365	Norfolk House, 7 Norfolk Street, Manchester, M2 1DW	12,100	0.69%
24,382	Oxonian Park, 1-12 Oxonian Park, Kidlington, OX5 1FP	27,875	1.59%
18,323	Riverside House, Riverside Walk, Windsor, SL4 1NA	11,900	0.68%
14,900	Scimitar Park, Roydon Road, Harlow, M19 5GU	16,350	0.94%
12,100	Slyfield Industrial Estate, Guildford, GU1 1SQ	12,700	0.73%
28,800	Spectrum West, 20/20 Business Park, St Lawrence Avenue/St Barnabus Close, Maidstone, ME16 0LL	32,250	1.84%
18,500	St Edmundsbury Retail Park, Easlea Road, Bury St Edmunds, IP32 7BT	18,000	1.03%
23,188	51-57 St Peters Street, St Albans, AL1 3DY	23,000	1.32%
19,600	71-77a St Peters Street, St Albans, AL1 3ED	17,000	0.97%
13,000	Stukeley Road Retail Park, Stukeley Road, Huntingdon, PE29 6DA	12,850	0.73%
9,050	The Whitehouse, Units 2 and 6 Belvedere Road, London, SE1 8GA	6,250	0.36%
11,429	Units 1 & 2, Kelvin Lane, Crawley, GU10 9EZ	10,800	0.62%
23,548	Victoria Square, 4 Victoria Square, St Albans, AL1 3TF	17,100	0.98%
13,600	Waitrose Food Store, Tuttlés Lane, Wymondham, NR18 0NS	9,300	0.53%
17,450	Waitrose, Station Road, Cheadle Hulme, SK8 5AE	13,900	0.79%
10,270	Warren Retail Park, Simone Weil Avenue, Ashford, TN24 8XH	6,800	0.39%
16,000	Wates House, Station Approach, Leatherhead, Surrey, KT22 7SQ	10,450	0.60%
61,123	1-7 Weir Rd & 15 Endeavour Way, Units 1-6 Weir Rd, Wimbledon, SW19 8UG	80,150	4.58%
37,539	33 Wellington Street, Leeds, LS1 4JP	34,300	1.96%

**LPPI Real Estate Fund**  
**Portfolio Statement**  
as at 30 September 2023

<b>Nominal Value (£000's)</b>	<b>Investment</b>	<b>Market Value (£000's)</b>	<b>% of Total Net Assets</b>
	<b>Investment Property (continued)</b>		
9,500	Wickes Retail Warehouse, Vincent Lane, Dorking, RH4 3HQ	8,600	0.49%
19,350	1-2 Woodbridge Meadows, Guildford, GU1 1BD	16,700	0.96%
31,543	Wolf Pack, Hilton Cross Business Park, Wolverhampton, WV10 7QZ	27,185	1.55%
29,344	Woodside Business Park, Foster Avenue, Dunstable, LU5 5TA	40,200	2.30%
23,804	XPO - Tuscany Way, Wakefield Westport, Normanton, Wakefield, WF6 2UA	26,300	1.50%
		<b>901,260</b>	<b>51.52%</b>
	<b>Collective Investment Schemes 40.79% (42.31%)</b>		
46,419	Blackstone BioMed Life Science Real Estate	45,649	2.61%
-	Brookfield Brazil AgriLand Fund*	66	0.00%
177,043	CBRE GIP London Limited Partnership	165,604	9.47%
44,293	Charter Hall Prime Industrial Fund	43,025	2.46%
6,682	DnB NOR FCP-SIF Vital Scandinavian Property Unleveraged Fund	6,226	0.36%
60,164	DOOR S.L.P	58,126	3.32%
15,792	European Student Housing Fund II	5,731	0.33%
25,857	Gatefold Hayes LP	23,277	1.33%
25,943	Goodman Australia Industrial Partnership	25,331	1.45%
10,828	GPT Wholesale Office Fund	9,882	0.56%
35,941	Harrison Street Core Property Fund A LP	35,166	2.01%
2,431	Hunter UK Retail Unit Trust	2,469	0.14%
9,435	Invesco Real Estate - European Hotel Fund FCP-RAIF	9,310	0.53%
2,029	LaSalle Investors Global Fund of Funds	1,999	0.11%
16,893	Morgan Stanley Prime Property Fund	16,349	0.94%
57,345	Multiply Logistics North LP**	58,389	3.34%

**LPPI Real Estate Fund**  
**Portfolio Statement**  
as at 30 September 2023

Nominal Value (£000's)	Investment	Market Value (£000's)	% of Total Net Assets
<b>Collective Investment Schemes (continued)</b>			
11,251	Northern Horizon Nordic Aged Care SCSp SICAV-SIF	9,884	0.57%
66,455	Prologis Targeted US Logistics Fund	63,332	3.62%
7,556	Ribston UK Industrial Property Unit Trust	7,580	0.43%
7,434	Savills Japan Value Fund II	6,164	0.35%
10,200	Schroder Residential Land Partnership	11,058	0.63%
23,558	Sodor London Bridge Co-invest Limited	23,511	1.34%
5,668	Standard Life European Property Growth Fund (Aberdeen Standard)	5,441	0.31%
19,135	Tishman Speyer European Core Fund-SIF	17,112	0.98%
65,389	Vesta Limited Partnership**	63,011	3.60%
		<b>713,692</b>	<b>40.79%</b>
<b>Portfolio of investments</b>		<b>1,614,952</b>	<b>92.31%</b>
<b>Net other assets</b>		<b>134,483</b>	<b>7.69%</b>
<b>Net assets</b>		<b>1,749,435</b>	<b>100.00%</b>

\* This fund is being wound down and the Scheme's holding has been redeemed with only a small residual amount being left.

\*\* Multiply Logistics North LP and Vesta Limited Partnership are jointly controlled entities where the Scheme holds 80% of each entity.

Note: Comparative figures shown in brackets relate to 31 March 2023.

## LPPI Real Estate Fund

### Statement of Total Return

for the period from 1 April 2023 to 30 September 2023

	1/4/2023 to 30/9/2023		1/4/2022 to 30/9/2022	
	£000's	£000's	£000's	£000's
Income				
Net capital (losses)/gains		(68,765)		70,743
Revenue	34,998		36,330	
Expenses	(7,594)		(6,219)	
Interest payable and similar charges	(168)		(259)	
Net revenue before taxation	27,236		29,852	
Taxation	-		-	
Net revenue after taxation		27,236		29,852
<b>Total return before distributions</b>		<b>(41,529)</b>		<b>100,595</b>
Distributions		(27,231)		(19,902)
<b>Change in net assets attributable to Unitholders from investment activities</b>		<b>(68,760)</b>		<b>80,693</b>

### Statement of Changes in Net Assets Attributable to Unitholders

for the period from 1 April 2023 to 30 September 2023

	1/4/2023 to 30/9/2023		1/4/2022 to 30/9/2022	
	£000's	£000's	£000's	£000's
<b>Opening net assets attributable to Unitholders</b>		1,748,195		1,815,652
Amounts receivable on issue of units	100,000		70,000	
Amounts payable on cancellation of units	(30,000)		-	
		1,818,195		1,885,652
Change in net assets attributable to Unitholders from investment activities (see above)		(68,760)		80,693
<b>Closing net assets attributable to Unitholders</b>		<b>1,749,435</b>		<b>1,966,345</b>

The opening net assets attributable to Unitholders for the current period do not equal the closing net assets attributable to Unitholders for the comparative period as they are not consecutive periods.

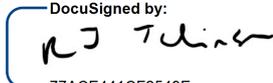
## LPPI Real Estate Fund

### Balance Sheet

as at 30 September 2023

		30/9/2023		31/3/2023
	£000's	£000's	£000's	£000's
<b>ASSETS</b>				
Fixed assets				
Investments		1,614,952		1,657,645
Current assets				
Debtors	106,713		9,557	
Cash and bank balances	57,844		118,736	
Total other assets		164,557		128,293
Total assets		1,779,509		1,785,938
<b>LIABILITIES</b>				
Creditors				
Distribution payable	(11,199)		(17,360)	
Other creditors	(18,875)		(20,383)	
Total liabilities		(30,074)		(37,743)
<b>Net assets attributable to Unitholders</b>		<b>1,749,435</b>		<b>1,748,195</b>

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**Richard J. Tomlinson**

Chief Investment Officer

On behalf of Local Pensions Partnership Investments Ltd

29 November 2023

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**Christopher Rule**

Chief Executive Officer

On behalf of Local Pensions Partnership Investments Ltd

29 November 2023

**LPPI Real Estate Fund****Cash Flow Statement**

for the period from 1 April 2023 to 30 September 2023

	30/9/2023	30/9/2022
	£000's	£000's
<b>Cash flow from operating activities</b>		
Reconciliation from net revenue before taxation to net cash flows from operating activities		
Net revenue before taxation	27,236	29,852
Interest receivable and other charges	168	166*
Amortisation of loan arrangement fees	-	93
Effect of foreign exchange movements	(1,016)	(200)
Amounts due from investors	100,000	-
Finance income	(7,050)	(12,874)*
Increase in debtors	(99,819)	(2,226)*
(Decrease)/Increase in creditors	(1,508)	2,906
Net cash flows from operating activities	18,011	17,717*
<b>Cash flows used in investment activities</b>		
Purchase of investment properties and development costs	-	(29,039)
Subsequent expenditure on investment properties	(10,831)	(2,362)
Proceeds from sale of investment properties	-	17,382
Amounts invested in collective investment schemes	(14,225)	(33,466)
Net cash flows used in investment activity	(25,056)	(47,485)
<b>Cash flows from financing activities</b>		
Amounts received on creation of units	-	70,000
Amounts paid on cancellation of the units	(30,000)	-
Finance income received	9,714	12,576*
Repayment of borrowings	-	(22,000)
Interest and other charges paid	(168)	(242)
Distribution paid	(33,393)	(26,886)
Net cash flows from financing activity	(53,847)	33,448*
Net (decrease)/increase in cash and bank balances	(60,892)	3,680
Cash and bank balances at the beginning of the period	118,736	69,729
<b>Cash and bank balances at the end of the period</b>	<b>57,844</b>	<b>73,409</b>

\*Comparative figures have been restated due to the change in presentation of finance income as a separate line within Cash flows from financing activities.

## LPII Real Estate Fund

### Distribution Tables

for the period from 1 April 2023 to 30 September 2023

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#### First Interim Distribution in £ per unit

Units purchased prior to 30 June 2023

<b>Unit Class I</b>	<b>Net Revenue (£ per unit)</b>	<b>Amount paid on 31/8/2023 (£ per unit)</b>	<b>Amount paid on 31/8/2022 (£ per unit)</b>
Group 1	93.57	93.57	78.55

#### Second Interim Distribution in £ per unit

Units purchased prior to 30 September 2023

<b>Unit Class I</b>	<b>Net Revenue (£ per unit)</b>	<b>Amount payable on 30/11/2023 (£ per unit)</b>	<b>Amount paid on 30/11/2022 (£ per unit)</b>
Group 1	66.52	66.52	40.42

\* Income from each Sub-fund will normally be distributed within two months of the accounting dates but no later than four months after the accounting date. For this Sub-fund, income equalisation does not apply and therefore there are no Group 2 units, as per Appendix 1 of Scheme's Prospectus.

## **LPPI Real Estate ACS**

### **Statement of ACS Manager's Responsibilities**

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The ACS Manager is required by the rules of the FCA Collective Investment Schemes Sourcebook and the FCA Investment Funds Sourcebook (COLL) to prepare the financial statements for each financial period. These financial statements must be prepared in accordance with generally accepted accounting standards in the United Kingdom to give a true and fair view of the state of affairs of the Scheme at period end and of the net revenue for the year.

The financial statements should comply with the disclosure requirements of the UK Financial Reporting Standard ("FRS") 102 and with the Statement of Recommended Practice (the "SORP") for Authorised Funds issued by the Investment Association, compliance with this SORP is required by the Financial Conduct Authority's (FCA's) Regulations.

In preparing the financial statements the ACS Manager is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- comply with the disclosure requirements of the SORP relating to Financial Statements of Authorised Funds as well as in accordance with FRS 102;
- follow applicable accounting standards; and
- keep proper accounting records which enable it to demonstrate that the financial statements as prepared comply with the above requirements.

The ACS Manager is responsible for the management of the Scheme in accordance with the Prospectus which has been prepared in accordance with the FCA Collective Investment Schemes Sourcebook and the FCA Investment Funds Sourcebook.

The ACS Manager is responsible for managing and administering the Scheme's affairs in compliance with the COLL Sourcebook. The ACS Manager may delegate its management and administration functions, but not responsibility, to third parties subject to the rules in the COLL Sourcebook.

The ACS Manager is responsible for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## LPPI Real Estate ACS

### Statement of the Depositary's Responsibilities in Respect of the Scheme and Report of the Depositary to the Unitholders of the LPPI Real Estate ACS (the "Scheme") for the period ended 30 September 2023

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The Depositary must ensure that the Scheme is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook, the Investment Funds Sourcebook, the Financial Services and Markets Act 2000, as amended, the Collective Investment in Transferable Securities (Contractual Scheme) Regulations 2013 (together "the Regulations"), and the Contractual Scheme Deed and Prospectus (together "the Scheme documents") as detailed below.

The Depositary must in the context of its role act honestly, fairly, professionally, independently and in the interests of the Scheme and its investors.

The Depositary is responsible for the safekeeping of all the Scheme Property (other than tangible moveable property) of the ACS and has a duty to take reasonable care to ensure that the ACS is managed in accordance with the ACS Deed and the provisions of the COLL Sourcebook relating to the pricing of, and dealing in, Units and relating to the income and the investment and borrowing powers of the Sub-funds. In order for the depositary to safeguard property assets, the property is put in the name of a nominee controlled by the depositary, thus assuring the depositary of control over title.

The Depositary must ensure that:

- the Scheme's cash flows are properly monitored and that cash of the Scheme is booked in cash accounts in accordance with the Regulations;
- the sale, issue, repurchase, redemption and cancellation of units are carried out in accordance with the Regulations;
- the value of units of the Scheme are calculated in accordance with the Regulations;
- any consideration relating to transactions in the Scheme's assets is remitted to the Scheme within the usual time limits;
- the Scheme's income is applied in accordance with the Regulations; and
- the instructions of the Alternative Investment Fund Manager ("the AIFM") are carried out (unless they conflict with the Regulations).

The Depositary also has a duty to take reasonable care to ensure that the Scheme is managed in accordance with the Scheme documents and the Regulations in relation to the investment and borrowing powers applicable to the Scheme.

Having carried out such procedures as we considered necessary to discharge our responsibilities as Depositary of the Scheme, it is our opinion, based on the information available to us and the explanations provided, that in all material respects the Scheme, acting through the AIFM:

- (i) has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Scheme's units and the application of the Scheme's income in accordance with the Regulations and the Scheme documents; and
- (ii) has observed the investment and borrowing powers and restrictions applicable to the Scheme in accordance with the Regulations and the Scheme documents.

**NatWest Trustee and  
Depositary Services Limited**  
29 November 2023

## LPPI Real Estate ACS

### General Information

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**ACS Manager:**

Local Pensions Partnership Investments Ltd

Registered Office and Principal Place of Business:

1<sup>st</sup> Floor  
1 Finsbury Avenue,  
London  
EC2M 2PF

Authorised and regulated by the Financial Conduct Authority.

**Depository:**

NatWest Trustee and Depository Services Limited  
Drummond House  
1 Redheughs Avenue  
Edinburgh  
EH12 9JN

Authorised and regulated by the Financial Conduct Authority.

**Fund Accounting, Registrar and Transfer Agent:**

Langham Hall UK LLP  
8th Floor  
1 Fleet Place  
London  
EC4M 7RA

**Legal Advisors:**

Eversheds Sutherland LLP  
One Wood Street  
London  
EC2V 7WS

**Auditors:**

Grant Thornton UK LLP  
30 Finsbury Square  
London  
EC2A 1AG

**Custodian:**

The Bank of New York Mellon  
One Canada Square  
London  
E14 5AL

Authorised by the Prudential Regulation Authority Limited and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

**Directors of the ACS Manager:**

Margaret Ammon - Director\*  
Sally Bridgeland - Chair of LPPI Board\* (resigned on 31 July 2023)  
Malcolm Cooper – Director\*  
Louise Jack – Chief Operating Officer (appointed on 10 November 2023)  
Sarah Laessig - Director\*  
Jonathan Little – Chair of LPPI Board\* (appointed on 1 August 2023)  
Thomas Richardson - Chief Risk Officer  
Christopher Rule - Chief Executive Officer  
Adrian Taylor - Chief Financial Officer (resigned 30 April 2023)  
Richard J. Tomlinson - Chief Investment Officer  
Martin Tully - Director\*  
\* Non-executive Director.

**Investment Managers:**

Knight Frank Investment Management LLP  
55 Baker Street  
London  
W1U 8AN

Local Pensions Partnership Investments Ltd  
1<sup>st</sup> Floor  
1 Finsbury Avenue,  
London  
EC2M 2PF