

**LPP I Asset Pooling
Authorised Contractual Scheme**

Annual Report & Financial Statements
for the year ended 31 March 2018

LPP I Asset Pooling Authorised Contractual Scheme

Contents

ACS Manager's Report for the year ended 31 March 2018

About the Scheme	1
Report on Remuneration	1
Accounting and Distribution Policies	3
LPP I Global Equities Fund	9
LPP I Fixed Income Fund	32
Statement of Manager's Responsibilities	49
Statement of the Depositary's Responsibilities in Respect of the Scheme and Report of the Depositary to the Unitholders of the Scheme for the year ended 31 March 2018	50
Report of the Auditor	51
General Information	53

Annual Reports

The annual report of the Authorised Contractual Scheme ("the ACS") will normally be published within four 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 accounts is available on the ACS Manager's website at 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 Norwest Court, Guildhall Street, Preston, Lancashire, PR1 3NU:

- 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).

LPP I Asset Pooling Authorised Contractual Scheme ACS Manager's Report for the year ended 31 March 2018

About the Scheme

Local Pensions Partnership Investments ("LPP I") Asset Pooling Authorised Contractual Scheme (the "Scheme") is an authorised contractual scheme in co-ownership form authorised by the Financial Conduct Authority ("FCA") with effect from 8 September 2016. 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 31 March 2018, the following Sub-funds were available to investors:

LPP I Global Equities Fund
LPP I Fixed Income Fund

Securities Financing Transactions Regulation (Regulation (EU) 2015/2365) ("SFTR")

The European Regulation on reporting and transparency of securities financing transactions regulations ("SFTR"), which aims to improve the transparency and monitoring of the financial system, entered into force on 13 January 2016. The SFTR requires the Defined Manager to comply with a series of obligations. In particular, the ACS Manager will be required to provide investors with information on the use of securities financing transactions ("SFTs") and total return swaps ("TRS") by the Scheme in the annual reports for the Scheme published from 13 January 2017.

During the year from 1 April 2017 to 31 March 2018, the Sub-funds did not enter into any SFTs and/or TRS. Should this change in the future, the annual and interim reports for the Scheme will disclose all required information on the use of SFTs and TRS by the Scheme.

Please refer to the Prospectus for further details on SFTs and TRS.

Cross Sub-fund holdings within the Scheme:

As at 31 March 2018 there were no cross Sub-fund holdings within the Scheme.

The Alternative Investment Fund Managers Regulations 2013

Local Pensions Partnership Investments Ltd (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 Manager 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.

Report on Remuneration

The below disclosures are made in respect of the remuneration policies of the Local Pensions Partnership Limited group ("LPP"), as they apply to Local Pensions Partnership Investment Ltd (the "Manager"). The disclosures are made in accordance with the Alternative Investment Fund Managers Directive (the "AIFMD"), the European Commission Delegated Regulation supplementing the AIFMD (the "Delegated Regulation") and the "Guidelines on sound remuneration policies under the AIFMD" issued by the European Securities and Markets Authority and the Financial Conduct Authority ("FCA") Handbook SYSC 19B: The AIFM Remuneration Code, and FUND 3.3.5 R.

The amount of the total remuneration awarded by the Manager to its staff which has been attributed to the Scheme in respect of the Manager's financial period ending 31 March 2018 was £843k (2017 - £383k).

There were a total of 14 beneficiaries (6 Directors and 8 Others) of the remuneration described above.

The amount of the aggregate remuneration awarded by the Manager, which has been attributed to the Scheme in respect of the Manager's financial year ending 31 March 2018, to its senior management was £75k (2017 - £66k), and to members of its staff whose actions have a material impact on the risk profile of the Fund was £768k (2017 - £317k).

31 March 2018	Fixed	Variable
Directors	55,334	19,995
Other	645,082	122,803
Total	700,416	142,798

LPP I Asset Pooling Authorised Contractual Scheme
ACS Manager's Report for the year ended 31 March 2018

continued

Notice to unitholders in the LPP I Global Equities Fund (the "Sub-fund")

Changes to the Investment Managers of the Sub-fund:

Prior to 14 September 2017, MFS International (U.K.) ("MFS") and Robeco Institutional Asset Management B.V. ("Robeco") were Investment Managers of the Sub-fund. From and including 14 September 2017, MFS were no longer an Investment Manager. Instead three new Investment Managers have been appointed:

- Baron Capital Management, Inc. ("Baron");
- First Eagle Investment Management, LLC ("First Eagle");
- Wellington Management International Limited ("Wellington"); and

(together the "New Investment Managers").

Robeco shall remain as an Investment Manager to the Sub-fund. Local Pensions Partnership Investments Ltd also managed a portion of the Sub-fund's assets prior to 14 September 2017 and will continue to do so. During September, the funds managed by Magellan on behalf of the LPP I Global Equities Fund have been transitioned from a unitised fund structure to a fully delegated manager within the LPP I Global Equities Fund.

As with Robeco (and formerly MFS), the New Investment Managers are each appointed to manage a specific portion of the assets in the Sub-fund.

The New Investment Managers will be remunerated under the terms of separate investment management agreements with the ACS Manager. There will be no increase to the overall fee limit permitted in the Sub-fund. Further details of these fee arrangements are set out in the Prospectus of the ACS dated 14 September 2017 or available directly from the ACS Manager.

Wellington is authorised by the FCA (with reference number 208573), whilst Baron and First Eagle are authorised in the United States by the Securities Exchange Commission and Magellan is authorised in Australia by the Australian Securities Exchange.



Christopher Rule

On behalf of Local Pensions Partnership Investments Ltd

25 July 2018

LPP I Asset Pooling Authorised Contractual Scheme

Notes applicable to the Financial Statements

for the year ended 31 March 2018

1 Accounting and Distribution Policies

Accounting Policies

(a) 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.

(b) Dividends on quoted ordinary shares and preference shares are recognised when the securities are quoted ex-dividend. Where such securities are not quoted, dividends are recognised when they are declared.

Revenue from fixed interest securities is recognised on a straight line basis.

All distributions from Collective Investment Schemes ("CIS") are recognised when the securities are quoted ex-dividend. All distributions from holdings in CIS are treated as revenue with the exception of the equalisation element, which is treated as capital.

All revenue is recognised as a gross amount that takes account of any withholding taxes but excludes any other taxes such as attributable tax credits.

Any reported revenue from an offshore fund with reporting status from HMRC, in excess of any distribution received in the reporting period, is recognised as revenue no later than the date on which the reporting fund makes this information available. The equalisation element is treated as capital.

Bank interest is recognised on an accruals basis.

(c) Ordinary stock dividends are recognised wholly as revenue and are based on the market value of the shares on the date they are quoted ex-dividend. Where an enhancement is offered, the amount by which the market value of the shares (on the date they are quoted ex-dividend) exceeds the cash dividend is taken to capital.

(d) The underlying circumstances behind both special dividends and share buy backs are reviewed on a case by case basis in determining whether the amount is revenue or capital in nature. Amounts recognised as revenue form part of the distribution. Any tax treatment will follow the accounting treatment of the principal amount.

(e) Underwriting commission is wholly recognised as revenue when the issue takes place, except where the Scheme is required to take up some or all of the shares underwritten, in which case an appropriate proportion of the commission received is deducted from the cost of those shares.

(f) All expenses, except those relating to the purchase and sale of investments are charged against revenue. All expenses are recognised on an accruals basis.

(g) The investments of the Scheme have been valued at market value, defined as fair value, which is usually bid value at close of business New York time on the last business day of the accounting period. In the case of an investment which is not quoted, listed or dealt in on a recognised market, or in respect of which a listed, traded or dealt price or quotation is not available at the time of valuation, the fair value of such investment shall be estimated with care and in good faith by a competent professional person, body, firm or corporation including the Manager's pricing committee, and such fair value shall be determined on the basis of the probable realisation value of the investment. The Manager shall be entitled to adopt an alternative method of valuing any particular asset or liability if it considers that the methods of valuation set out above do not provide a fair valuation of a particular asset or liability.

Investments in dual priced Collective Investment Schemes have been valued at market values, defined as fair value, which is usually the latest available bid value at the 12 noon valuation point of the underlying fund on the last business day of the accounting period.

(h) Any transactions in foreign currencies are translated into Sterling at the rates of exchange ruling on the date of any such transaction. Assets and liabilities in foreign currencies are translated into Sterling at the exchange rates ruling at close of business New York time on the last business day of the accounting period. Revenue items in foreign currencies are translated into Sterling at the exchange rate when the revenue is received.

(i) Where appropriate, certain permitted financial instruments such as derivatives are used for both hedging and for the purpose of achieving the investment objective and policy of the Sub-funds. Where such financial instruments are used to protect or enhance revenue, the revenue and expenses derived therefrom are included in "Revenue" in the Statement of Total Return. Where such financial instruments are used to protect or enhance capital, the gains and losses derived therefrom are included in "Net capital gains/(losses)" in the Statement of Total Return.

(j) Cash and bank balances consist of deposits held on call with banks and cash held with clearing brokers and counterparties. Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Distribution Policies

(k) The ordinary element of stock dividends is treated as revenue but does not form part of the distribution.

(l) All of the net revenue available for distribution at the final accounting period end will be distributed to unitholders. Should expenses and taxation together exceed revenue, there will be no distribution and the shortfall will be met from capital.

LPP I Asset Pooling Authorised Contractual Scheme

Notes applicable to the Financial Statements

(continued)

2 Financial Instruments and Risks

The Scheme's investment activities expose it to the various types of risk which are associated with the financial instruments and markets in which it invests. The following information is not intended to be a comprehensive summary of all risks and investors should refer to the Prospectus for a more detailed discussion of the risks inherent in investing in the Scheme.

Risk management framework

The Manager has implemented a 'three lines of defence' model for managing risks within the Scheme as follows:

1. First line of defence (Portfolio Management) – responsible for identifying and assessing the risks faced in the Scheme and ensuring that appropriate controls are monitored and followed.

2. Second line of defence (Risk Management & Compliance) – responsible for establishing an effective policy and control framework for the risk faced by the Scheme and conducting compliance monitoring.

3. Third line of defence (Internal Audit) – provides independent and objective assurance on the effectiveness of risk management, control and governance processes.

The Manager has developed processes and procedures for the Portfolio Managers to manage the Scheme in line with the guidelines and limits as set out in the prospectus/offering document and for monitoring performance, regulatory and operational risk for the Scheme.

The Risk Management team of the Manager is an independent function from the business responsible for developing a policy and control framework that identifies, analyses, measures, monitors and reports the various risks faced by the Scheme.

Risks are identified using several approaches including, but not limited to:

- calculating risk and stress testing;
- monitoring performance measurement against agreed objectives;
- findings of internal and external risk management reports; and
- informal meetings of senior officers or other staff involved in the management of the Scheme/Partnership.

Once identified, risks are documented on the Manager's risk register, which is the primary control document for the subsequent analysis, control and monitoring of those risks.

a) Market risk

Market risk is the potential loss in the value of investments from movements in market prices such as interest rate, currency and equity price movements. The Scheme is primarily exposed to market risk from its investments in equity and fixed income markets across different countries.

A key metric used to measure the market risk of the Scheme is Value at Risk (VaR). VaR is a statistical risk measure that estimates the potential portfolio loss from adverse market moves in a normal market environment. The Scheme calculates its VaR using a Monte Carlo model to simulate possible future paths for asset returns over a one year time horizon, a 95% confidence level and a one year holding period.

	Highest VaR utilisation 31/3/2018	Lowest VaR utilisation 31/3/2018	Average VaR utilisation 31/3/2018
31 March 2018			
LPP I Global Equities Fund	17.2%	15.6%	16.2%
LPP I Fixed Income Fund*	2.9%	2.9%	2.9%
31 March 2017	31/3/2017	31/3/2017	31/3/2017
LPP I Global Equities Fund	6.1%	5.6%	5.8%

There are a number of limitations to the VaR methodology including using historical or expected distribution as a basis for estimating future events, which does not encompass all possible scenarios including those that are of an extreme nature, and that the use of a specified confidence level (e.g. 95%), which does not take into account losses that may occur beyond this level. Due to these limitations, the Scheme can neither guarantee that losses will not exceed the VaR amounts indicated, nor that losses greater than the VaR amount will not occur more frequently.

In addition to VaR, other tools are used to monitor the market risk of the funds including sensitivity analysis, stress and scenario testing. Used along with VaR, these provide a more comprehensive and broader measure of market risk than using VaR alone.

* LPP I Fixed Income Fund was launched at the end of February, 2018. The holding period was for month and VaR was calculated at the month-end, therefore, highest, lowest and average are the same.

i) Market risk arising from foreign currency risk

Exposure to foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Scheme is accounted for in Sterling and holds financial assets and liabilities denominated in Sterling and other international currencies. Therefore the Balance Sheet and Statement of Total Return may be affected by currency movements.

LPP I Asset Pooling Authorised Contractual Scheme

Notes applicable to the Financial Statements

(continued)

2 Financial Instruments and Risks (continued)

Management of foreign currency risk

The ACS Manager may utilise various instruments including, but not limited to: forward currency contracts, currency futures and currency swaps to seek to reduce, but not eliminate, the effect of exchange rate fluctuations between the currencies of the underlying investments of the Sub-funds.

ii) Market risk arising from other price risk

Exposure to other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting similar financial instruments traded in the market.

The Scheme is exposed to other price risk arising from its investments. The exposure of the Scheme to other price risk is the market value of the investments held as shown in the portfolio statement of the Scheme.

Management of other price risk

The Investment Managers manage the Scheme's other price risk on a daily basis in accordance with the individual Sub-fund's investment objective.

By diversifying the portfolio, where this is appropriate and consistent with the individual Sub-fund's objectives, the risk that a price change of a particular investment will have a material impact on the net asset value of the Sub-fund is minimised. The investment concentrations within the portfolio are disclosed in the portfolio statement by investment type.

iii) Market risk arising from interest rate risk

Exposure to interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Scheme is exposed to interest rate risk on its cash and bank balances held at The Bank of New York Mellon (International) Limited, its cash equivalent holdings and its investments in fixed and floating rate interest bearing securities where the value of these securities may fluctuate as a result of a change in interest rates. Cash held on deposit at The Bank of New York Mellon (International) Limited receives/incurs interest at the prevailing daily rate which may be negative depending on the currency in which the cash is held.

Management of interest rate risk

Interest rate risk exposure is managed by constantly monitoring the position for deviations outside of a pre-determined tolerance level and, when necessary rebalancing back to the original desired parameters.

b) Counterparty credit risk

Exposure to counterparty credit risk

Counterparty credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The Scheme is exposed to counterparty credit risk from the parties with which they trade and will bear the risk of settlement default.

Management of counterparty credit risk

The Manager maintains a list of approved counterparties. This list is regularly monitored and revised for the changes based on the counterparty's creditworthiness, market reputation and expectations of future financial performance. Transactions will only be opened with financial intermediaries on the approved counterparties list.

As at 31 March 2018 the LPP I Fixed Income Fund portfolio has 12.36% invested in securities which are not rated and 0.85% is invested in securities that are below investment grade.

i) Depositary and Custodian

The Scheme's Depositary is BNY Mellon Trust & Depositary (UK) Limited (the "Depositary"). The Depositary has delegated the function of custodian of the property of the Scheme to The Bank of New York Mellon (International) Limited (the "Custodian").

Substantially all of the investments other than financial derivative instruments of the Scheme are held by the Custodian at the year end. Investments are segregated from the assets of the Custodian's, with ownership rights remaining with the Scheme. Bankruptcy or insolvency of the Custodian may cause the Scheme's rights with respect to its investments held by the Custodian to be delayed or limited. The maximum exposure to this risk is the amount of long investments disclosed in the portfolio statement.

Management of counterparty credit risk related to the Depositary and Custodian

The Scheme will be exposed to the credit risk of the Custodian, or any depositary used by the Depositary regarding cash balances held in accounts with same. In the event of insolvency or bankruptcy of the Custodian or any depositary used by the Depositary, the Scheme will be treated as a general creditor of the Depositary.

To mitigate the Scheme's credit risk with respect to the Depositary, the Investment Managers of the Scheme employ specific procedures to ensure that the Depositary employed is a reputable institution and that the associated credit risk is acceptable to the Scheme. The Scheme only transacts with counterparties that are regulated entities subject to prudential supervision or with high credit-ratings assigned by international credit-rating agencies.

The long-term credit rating of the parent company of the Depositary and Custodian, The Bank of New York Mellon Corporation as at 31 March 2018 was A-1+ (Standard & Poor's rating) Source: Bloomberg.

LPP I Asset Pooling Authorised Contractual Scheme

Notes applicable to the Financial Statements

(continued)

2 Financial Instruments and Risks (continued)

ii) Counterparties

All transactions in listed securities are settled/paid for upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker. The trade will fail if either party fails to meet its obligation.

Counterparty credit risk arising on transactions with brokers relates to transactions awaiting settlement. Risk relating to unsettled transactions is considered small due to the short settlement period involved and the high credit quality of the brokers used.

Management of counterparty credit risk related to Counterparties

The Manager monitors the credit rating and financial position of the brokers used to further mitigate this risk.

The table below details the number of counterparties the Fund is exposed to and the maximum exposure (which is calculated on a net basis) to any one counterparty.

31 March 2018	Forwards £000's	Swaps £000's	Options £000's	Total Exposure £000's
LPP I Fixed Income Fund				
Australia & New Zealand Banking Group Ltd	38	—	—	38
Bank of America	7	—	—	7
Barclays PLC	360	—	—	360
BNP Paribas SA	(12)	53	(8)	33
Canadian Imperial Bank of Commerce	109	—	—	109
Chicago Mercantile Exchange Inc	—	1,731	—	1,731
Goldman Sachs	1	—	—	1
Intercontinental Exchange Holdings	—	526	—	526
LCH Ltd	—	(81)	—	(81)
Morgan Stanley	(13)	—	—	(13)
Toronto-Dominion Bank	183	—	—	183
Total	673	2,229	(8)	2,894

Counterparty exposure has not been disclosed for exchange traded derivatives as the exchange requirements in respect of collateral mean that, in the opinion of the Manager, the counterparty risk is mitigated.

Collateral received from these counterparties in respect of derivative contracts was £3,442,000 (31 March 2017 - Nil) in the form of cash is shown in note 11 of the respective fund.

Collateral pledged to these counterparties in respect of derivative contracts was £2,240,000 (31 March 2017 - Nil) in the form of cash and is shown in note 9 of the respective fund.

Within the Fund, there is no right of re-use of collateral or any guarantees granted under the leveraging arrangement.

As at 31 March 2017, there was no counterparty credit risk.

Exposure to liquidity risk

Liquidity risk is the risk that the Scheme will encounter difficulties in meeting its obligations associated with financial liabilities.

Liquidity risk to the Scheme arises from the redemption requests of investors and the liquidity of the underlying investments the Scheme is invested in. The Scheme's unitholders may redeem their units on the close of any daily dealing deadline for cash equal to a proportionate share of the Scheme's Net Asset Value. The Scheme is therefore potentially exposed to the liquidity risk of meeting the unitholders' redemptions and may need to sell assets at prevailing market prices to meet liquidity demands.

The Scheme invests primarily in companies based in the UK, Asia, Europe and US, which are typically considered to be territories operating with high levels of liquidity. From time to time, however, market liquidity may be affected by economic events.

All financial liabilities held by the Scheme as at 31 March 2018, based on contractual maturities, fall due within one to three months. (31 March 2017: Same).

As at 31 March 2018, there are no assets which are subject to special arrangements due to their illiquid nature. (31 March 2017: Same).

c) Liquidity risk

Management of liquidity risk

The Manager is responsible for managing the liquidity risk of the ACS. To manage and monitor liquidity risk the Manager maintains liquidity risk management policies and procedures.

The liquidity risk management policies and procedures include the management implementation and maintaining of appropriate liquidity limits and monitoring and assessing the policies and procedures of the Investment Managers in managing the Scheme's liquidity limits.

Liquidity risk management policies also include the periodic stress testing of the Scheme and the procedures of each Investment Manager under both normal and exceptional liquidity conditions to ensure that anticipated redemption requests can be met.

In determining its risk management policies, the Manager has taken into account the nature, scale and complexity of its activities including those of the delegated Investment Managers, and has liquidity risk profiles that are consistent with those required for a well-functioning and robust system including the requirement to meet redemption requests from unitholders on each dealing day.

LPP I Asset Pooling Authorised Contractual Scheme
Notes applicable to the Financial Statements
(continued)

2 Financial Instruments and Risks (continued)

c) Liquidity risk (continued)

In exceptional circumstances, if there is insufficient liquidity in the Scheme to meet the redemption requests, the Manager may ultimately need to temporarily suspend dealing in the Scheme.

There were no new arrangements for managing the liquidity of the Fund from those disclosed in the Investor Information Document.

d) Valuation of financial instruments

The Scheme classifies financial instruments measured at fair value using a fair value hierarchy. The fair value hierarchy has the following categories:

Level 1 – Quoted prices for identical instruments in active markets

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available and those prices represent actual and regularly occurring market transactions on an arm's length basis. The Scheme does not adjust the quoted price for these instruments.

Level 2 – Valuation techniques using observable inputs

This category includes instruments valued using quoted prices in active markets for similar instruments; quoted prices for similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

Valuation techniques used for non-standardised financial instruments such as OTC derivatives, include the use of comparable recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants making the maximum use of market inputs and relying as little as possible on entity determined inputs.

Level 3 – Valuation techniques using significant unobservable inputs

This category includes all instruments where the valuation techniques used include inputs not based on market data and these inputs could have a significant impact on the instrument's valuation.

This category also includes instruments that are valued based on quoted prices for similar instruments where significant entity determined adjustments or assumptions are required to reflect differences between the instruments and instruments for which there is no active market.

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a level 3 measurement.

Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability. The determination of what constitutes 'observable' inputs requires significant judgement by the Investment Managers. The Investment Managers consider observable inputs to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

The table below is an analysis of the Sub-fund's investments and liabilities measured at fair value at the Balance Sheet date.

	Level 1 £000's	Level 2 £000's	Level 3 £000's	Total £000's
31 March 2018				
LPP I Global Equities Fund				
Investment assets	5,475,106	9,431	—	5,484,537
Investment liabilities	(121)	—	—	(121)
Total	5,474,985	9,431	—	5,484,416
LPP I Fixed Income Fund				
Investment assets	250	334,252	—	334,502
Investment liabilities	(541)	(558)	—	(1,099)
Total	(291)	333,694	—	333,403
31 March 2017				
LPP I Global Equities Fund				
Investment assets	5,414,325	—	—	5,414,325
Investment liabilities	—	—	—	—
Total	5,414,325	—	—	5,414,325

LPP I Asset Pooling Authorised Contractual Scheme

Notes applicable to the Financial Statements

(continued)

2 Financial Instruments and Risks (continued)

e) Leverage

The Scheme may employ leverage and borrow cash in accordance with the stated investment policy or investment strategy of each Sub-fund. The Scheme may employ leverage in its investment programmes through various means including the use of financial derivative instruments (FDIs).

The ACS Manager is required to calculate and monitor the level of leverage of the Scheme, expressed as a ratio between the exposure of the Sub-fund and its Net Asset Value, under both the gross and commitment methods (in accordance with articles 7 and 8 of The Alternative Investment Fund Managers Regulations 2013). For a scheme with no borrowing or derivative usage the leverage ratio would be 1:1 under the commitment method. The gross method calculation excludes cash and cash equivalents which are highly liquid.

The LPP I Global Equities Fund has small, but negligible derivatives exposure but has a cash holding. Hence its Gross Leverage is less than 1 and the Commitment Leverage is 1.

The LPP I Fixed Income Fund has significantly more futures, forward fx contracts and derivatives, hence it has a higher leverage result than LPP I Global Equities Fund.

	Gross method 31 March 2018	Commitment method 31 March 2018
Sub-Fund		
LPP I Global Equities Fund	0.92	1.00
LPP I Fixed Income Fund	2.06	1.11

The table below shows the maximum level of leverage each fund is allowed to employ.

	Gross method 31 March 2018	Commitment method 31 March 2018
Sub-Fund		
LPP I Global Equities Fund	3.00	2.50
LPP I Fixed Income Fund	4.00	2.50

During the period from 31 October 2016 to 31 March 2017, no FDIs were held by the Scheme and as such no leverage was employed.

LPP I Global Equities Fund

About the Sub-fund

Investment Objective & Policy

The investment objective of the LPP I Global Equities Fund (the "Sub-fund") is to achieve long term capital growth predominantly through investment in global equity markets.

The Sub-fund will invest across global equity markets in a benchmark agnostic manner. Investment will be through a combination of direct investments made by the ACS Manager and by one or more delegated sub-advisors and other collective investment schemes. The ACS Manager will select the sub-advisors and determine allocations and investment parameters for each. These may change throughout the life of the Sub-fund.

The Sub-fund may invest in other regulated and unregulated collective investment schemes (which may include collective investment schemes operated by the ACS Manager). There is no limit on the proportion of the Sub-fund that may be invested into other collective investment schemes.

The Sub-fund may also invest in other transferable securities, warrants, money market instruments, deposits, cash and near cash.

The Sub-fund may enter into derivatives for hedging and efficient portfolio management and for investment purposes. The Sub-fund may enter into borrowing for the purposes of short term liquidity and settlement.

Performance Table

	1/4/2017 to 31/3/2018	Since launch to 31/3/2017*
Total Return (with net income reinvested)		
Unit Class I		
LPP I Global Equities Fund	1.50%	6.60%
MSCI All Country Index [^]	2.40%	7.45%

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

* The Sub-fund launched on 31 October 2016.

[^] Figures from LPP I.

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.

LPP I Global Equities Fund

Investment Report

Summary of Performance over the year

The Sub-fund returned 1.5%* (net of fees) over the period from 1st April 2017 to 31st March 2018, underperforming the benchmark, the MSCI All Country Index which returned 2.4%, by 0.9%.

Fund Manager's Commentary

2017 was another strong year for global equities, with the strong returns across most regions – the MSCI ACWI returned 14% in GBP, trailing the MSCI EM which returned 26%. Developed markets returned 12%. What made 2017 even more impressive was that the world index did not post a single significant correction (in excess of 5%) during the 12 months. This is a very rare occurrence indeed and was characteristic of the markets attention focussing on tax cuts and global synchronised economic growth whilst paying little attention to potential market risks (escalating aggressive rhetoric between the US and North Korea to name just one).

Equity markets began 2018 with the same optimism exhibited at the end of 2017, with remarkably low levels of volatility – the first three weeks of January saw the US market rally by more than it did in the last three months of 2017. However, during Q1 a number of different factors catalysed an abrupt return of asset-price volatility, with fears surrounding how many more times the Fed will increase interest rates in 2018 and what that will do to the yield curve (a better than expected wage growth number in February fuelled concerns that inflation might be getting out of hand, which could cause the Fed to increase rates at a more rapid pace), concerns over Trump trade wars, and data privacy issues for “FANG” stocks causing the S&P 500 to suffer its first 10% correction since January 2016, ending its streak of ten straight months gains and losing 0.8% for the first quarter of 2018.

Overall, despite the volatility, the outlook for global growth continues to look positive, with the removal of monetary policy accommodation still gradual. In the US, growth remains healthy: Consumer confidence is elevated, jobless claims remain low and job openings are the highest on record. House prices continue to rise and building permits for new homes are still rising, though not at an excessive pace. Business investment intentions are also strong.

The road ahead may well be bumpier but arguably we have not reached the end of the cycle just yet and even though the volatility in the markets is likely to persist (the past several months' behaviour is more normal than the past few years when market volatility was subdued), fundamentals are still strong.

During the month of September 2017, we fully redeemed our allocation to MFS and trimmed that of Robeco in order to bring three additional managers to the LPP I Global Equities Fund. These changes were predicated on introducing further Equity Risk Factor (style) diversification into the LPP Active Equity pool. The LPP Equities Pool still maintains a strong bias towards the Quality risk factor but now introduces meaningful exposure to the Value factor through First Eagle (15% of the LPP I Global Equities Fund) and diversifies the source of Quality by allocating to a smaller cap Quality strategy via Wellington (10% of the LPP I Global Equities Fund) and to an Emerging Market manager via Baron (5% of the LPP I Global Equities Fund).

The table below provides an overview of the performance of the underlying managers within the LPP I Global Equities Fund during the financial year.

Manager	Net Return 1 April 2017 - 31 March 2018
LPPI Internal Portfolio	2.1%
Magellan	2.4%
Robeco	-2.0%
First Eagle**	-2.3%
Wellington**	-1.6%
Baron**	1.3%
LPPI Global Equities Fund	1.5%
MSCI ACWI	2.4%

Even though underlying global fundamentals are healthy, there are plenty of unknowns in the market place and the remainder of 2018 is set to be an eventful period: escalating international tensions with Russia, Syria and North Korea, heightening trade conflicts with China that could escalate to a trade war, geopolitical instability in the US and interest rates weighing too meaningfully on economic activity could potentially disrupt economic growth and lead to a recession.

Since inception (1st November 2016), the LPP I Global Equities Fund has returned 8.2% (cumulative, net of fees) versus 10.0% for MSCI ACWI. Whilst we believe that the ACS's absolute return since inception is satisfactory, underperforming the Global Index is never a pleasant sight to see. However, we maintain our belief that our deliberate bias towards managers who exhibit a significant tilt towards Quality stocks, with largely stable and durable business models, will provide superior risk adjusted returns versus the wider global equity indices over the longer-term market cycle.

We would like to thank our clients for their continued support for the LPP I Global Equity Fund.

25 July 2018

* Performance figures quoted are based on mid-to-mid prices. Performance is calculated net of fees and reported for the Fund's Unit Class I.

** From 1st October 2017.

¹ Movements in the indices are in sterling terms.

LPP I Global Equities Fund
Comparative table

For the year/period:	1/4/2017 to 31/3/2018	31/10/2016 to 31/3/2017
Unit Class I	pounds per unit	pounds per unit [^]
Change in net assets per unit		
Opening net asset value per unit	10,634.62	10,000.00
Return before operating charges	195.91	691.63
Operating charges	(35.10)	(9.35)
Return after operating charges	160.81	682.28
Distributions	(183.11)	(47.66)
Closing net asset value per unit	10,612.32	10,634.62
*After transaction costs of	(6.90)	—
Performance		
Return after charges†	1.51%	6.82%
Other information		
Closing net asset value (£000's)	5,512,531	5,429,897
Closing number of units	519,446	510,587
Operating charges#	0.32%	0.22%
Direct transaction costs*	0.06%	0.03%
Performance fee ^Ø	(0.04%)	0.43%
Prices		
Highest unit price	11,438.22	10,877.14
Lowest unit price	10,350.74	9,535.83

[^] The launch date of the Sub-fund.

† The return after charges figure is based on the net asset value reported for financial statement purposes and is not the same as the performance returns figure in the Performance Table which is based on mid-to-mid dealing prices (the price at which units are sold).

The Operating Charges figure represents the annual operating expenses of the Sub-fund expressed as a percentage of the average net assets for the year – it does not include initial charges. The Operating Charges figure includes the 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.

* Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Unitholders should note that additionally there are other transaction costs such as dealing spread and underlying costs with regard to Collective Investment Scheme holdings which will also have reduced the Sub-fund and unit class returns before operating charges. For details of the direct transaction costs incurred please see page 30.

Ø Following the discontinuation of MFS investment manager the Sub-Fund has over-accrued the performance fee as per the calculation methodology outlined in the previous Prospectus. The impact of this is to reduce expenses in the current period.

LPP I Global Equities Fund

Distribution Tables

for the year ended 31 March 2018

Final Distribution in pounds per unit

Group 1 – Units purchased prior to 1 January 2018

Group 2 – Units purchased 1 January 2018 to 31 March 2018

Unit Class I	Net Revenue (£ per unit)	Equalisation* (£ per unit)	Amount payable on 31/5/2018 (£ per unit)	Amount payable on 31/5/2017 (£ per unit)
Group 1	40.7384	—	40.7384	47.6620
Group 2	18.4054	22.3330	40.7384	47.6620

Third Interim Distribution in pounds per unit

Group 1 – Units purchased prior to 1 October 2017

Group 2 – Units purchased 1 October 2017 to 31 December 2017

Unit Class I	Net Revenue (£ per unit)	Equalisation* (£ per unit)	Amount paid on 28/2/2018 (£ per unit)	Amount paid on 28/2/2017 (£ per unit)
Group 1	34.2029	—	34.2029	n/a
Group 2	8.1499	26.0530	34.2029	n/a

Second Interim Distribution in pounds per unit

Group 1 – Units purchased prior to 1 July 2017

Group 2 – Units purchased 1 July 2017 to 30 September 2017

Unit Class I	Net Revenue (£ per unit)	Equalisation* (£ per unit)	Amount paid on 30/11/2017 (£ per unit)	Amount payable on 30/11/2016 (£ per unit)
Group 1	43.8755	—	43.8755	n/a
Group 2	16.3475	27.5280	43.8755	n/a

First Interim Distribution in pounds per unit

Group 1 – Units purchased prior to 1 April 2017

Group 2 – Units purchased 1 April 2017 to 30 June 2017

Unit Class I	Net Revenue (£ per unit)	Equalisation* (£ per unit)	Amount paid on 31/8/2017 (£ per unit)	Amount paid on 31/8/2016 (£ per unit)
Group 1	64.2887	—	64.2887	n/a
Group 2	10.7377	53.5510	64.2887	n/a

* Equalisation applies only to units purchased during the distribution period (Group 2 units). It is the average amount of revenue included in the purchase price of all Group 2 units and is refunded to holders of these units as a return of capital. Being capital, it is not liable to income tax but must be deducted from the cost of units for capital gains tax purposes.

LPP I Global Equities Fund

Portfolio Statement

as at 31 March 2018

Holding or Nominal Value	Investment	Market Value (£000's)	% of Total Net Assets
BONDS 0.17% (0.00%)			
ASIA PACIFIC 0.08% (0.00%)			
Malaysia 0.02% (0.00%)			
MYR 4,520,000	Malaysia Government Bond 3.66% 15/10/2020	838	0.02
		838	0.02
Singapore 0.06% (0.00%)			
SGD 5,665,000	Singapore Government Bond 3.25% 01/09/2020	3,176	0.06
		3,176	0.06
EUROPE 0.02% (0.00%)			
Poland 0.02% (0.00%)			
PLN 5,836,000	Republic of Poland Government Bond 3.25% 25/07/2019	1,244	0.02
		1,244	0.02
NORTH AMERICA 0.07% (0.00%)			
Mexico 0.07% (0.00%)			
MXN 45,780,000	Mexican Bonos 5.00% 11/12/2019	1,723	0.03
MXN 64,000,000	Mexican Bonos 6.50% 10/06/2021	2,450	0.04
		4,173	0.07
EQUITIES 88.37% (83.39%)			
AFRICA 0.28% (0.00%)			
Nigeria 0.01% (0.00%)			
2,792,200	Lekoil	493	0.01
		493	0.01
South Africa 0.27% (0.00%)			
210,164	Bid	3,259	0.06
357,329	Bidvest	4,818	0.09
757,725	FirstRand	3,044	0.06
89,936	Sasol	2,182	0.04
49,029	Sasol ADR	1,189	0.02
		14,492	0.27
ASIA PACIFIC 8.33% (2.19%)			
Australia 0.60% (0.91%)			
1,337,199	Ausnet	1,225	0.02
186,858	Australia & New Zealand Banking	2,744	0.05
188,106	Australian Stock Exchange	5,766	0.10
93,964	Commonwealth Bank of Australia	3,715	0.07
2,044,084	Harvey Norman	4,113	0.08
296,639	Insurance Australia Group	1,213	0.02
88,258	National Australia Bank	1,375	0.02
440,873	Newcrest Mining	4,711	0.09
102,947	Suncorp	751	0.01
900,611	Telstra	1,546	0.03
270,639	Wesfarmers	6,149	0.11
		33,308	0.60
China 1.04% (0.00%)			
8,251,045	China Construction Bank	6,040	0.11
1,740,000	China Mengniu Dairy	4,251	0.08
2,075,999	CSPC Pharmaceutical	3,932	0.07
2,029,600	Haitong Securities	1,910	0.03
744,862	Hangzhou Hikvision Digital Technology	3,502	0.06
241,992	Han's Laser Technology	1,450	0.03
4,961,118	Industrial & Commercial Bank of China	3,033	0.05
1,149,992	Kangde Xin	2,575	0.05
3,788,264	Kingdee International Software	2,704	0.05

LPP I Global Equities Fund

Portfolio Statement

(continued)

Holding or Nominal Value	Investment	Market Value (£000's)	% of Total Net Assets
China (continued)			
594,924	Midea	3,726	0.07
431,000	Shenzhou International	3,236	0.06
953,600	Sinopharm	3,404	0.06
197,561	Sunny Optical Technology	2,598	0.05
306,000	Tencent	11,384	0.21
292,832	Yunnan Baiyao	3,306	0.06
		57,051	1.04
Hong Kong 1.15% (0.43%)			
2,100,000	BOC Hong Kong	7,286	0.13
1,518,000	China Everbright	2,267	0.04
553,000	China Mobile	3,611	0.07
141,175	CK Asset	843	0.02
500,500	CLP	3,628	0.07
8,291,740	Guangdong Investment	9,294	0.17
2,568,000	Hang Lung Properties	4,264	0.08
221,700	Hang Seng Bank	3,657	0.07
5,051,000	HKT Trust	4,519	0.08
425,000	Hysan Development	1,600	0.03
124,500	Jardine Matheson (Singapore quote)	5,469	0.10
12,100	Jardine Strategic (Singapore quote)	331	0.01
3,126,400	Man Wah	1,769	0.03
3,411,000	Sino Biopharmaceutical	4,771	0.09
683,500	Techtronic Industries	2,831	0.05
9,833,881	Tongda	1,331	0.02
240,848	Tongda Hong Tai	34	0.00
109,800	Vtech	988	0.02
5,422,000	WH	4,112	0.07
		62,605	1.15
India 1.01% (0.00%)			
61,320	Britannia Industries	3,330	0.06
988,103	Coal India	3,039	0.06
219,456	Divi's Laboratories	2,616	0.05
696,693	Edelweiss	1,813	0.03
875,033	Exide Industries	2,128	0.04
253,987	Housing Development Finance	5,055	0.09
1,609,013	JM Financial	2,264	0.04
917,848	JSW Steel	2,881	0.05
328,505	Kotak Mahindra Bank	3,765	0.07
622,544	Manpasand Beverages	2,511	0.05
45,032	Maruti Suzuki India	4,358	0.08
404,868	Max India	2,001	0.04
455,742	Motherson Sumi Systems	1,548	0.03
59,648	PVR	793	0.01
405,000	SBI Life Insurance	3,010	0.05
320,394	Sun TV Network	2,977	0.05
156,123	Tata Chemicals	1,158	0.02
339,360	Tata Communications	2,300	0.04
1,463,000	Tata Global Beverages	4,141	0.08
152,000	Titan	1,543	0.03
268,692	Vakrangee	650	0.01
242,790	Zee Entertainment Enterprises	1,537	0.03
		55,418	1.01
Indonesia 0.04% (0.00%)			
2,643,200	Bank Negara Indonesia	1,180	0.02
795,779	Sarana Menara Nusantara	144	0.00
4,711,500	Tower Bersama Infrastructure	1,354	0.02
		2,678	0.04

LPP I Global Equities Fund

Portfolio Statement

(continued)

Holding or Nominal Value	Investment	Market Value (£000's)	% of Total Net Assets
Japan 2.97% (0.36%)			
310,000	Astellas Pharmaceuticals	3,358	0.06
281,100	Canon	7,254	0.13
83,400	Fanuc	14,853	0.27
50,610	Hirose Electric	4,933	0.09
164,500	Hoya	5,854	0.11
98,300	Japan Airlines	2,826	0.05
1,097,300	KDDI	19,899	0.36
19,800	Keyence	8,693	0.16
22,300	Lawson	1,082	0.02
406,000	Matsumotokiyoshi	12,137	0.22
620,900	Mitsubishi Estate	7,283	0.13
214,600	Mitsui	2,604	0.05
191,800	MS&AD Insurance	4,212	0.08
559,900	Nippon Telegraph & Telephone	18,397	0.33
41,300	Nissin Food Products	2,032	0.04
473,000	NTT DOCOMO	8,527	0.15
182,200	Secom	9,563	0.17
40,500	Shimano	4,140	0.08
13,600	SMC	3,882	0.07
351,900	Sompo	10,004	0.18
937,877	Sony Financial	12,083	0.22
		163,616	2.97
Malaysia 0.07% (0.00%)			
7,595,700	MY E.G. Services Berhad	3,962	0.07
		3,962	0.07
New Zealand 0.02% (0.16%)			
536,521	Air New Zealand	883	0.02
		883	0.02
Philippines 0.11% (0.00%)			
4,867,800	Ayala Land	2,730	0.05
1,362,670	BDO Unibank	2,586	0.05
11,172,000	Metro Pacific Investments	798	0.01
		6,114	0.11
Singapore 0.30% (0.33%)			
1,675,900	SATS	4,674	0.08
118,900	Singapore Airlines	698	0.01
1,432,300	Singapore Press	1,962	0.04
1,859,700	StarHub	2,325	0.04
469,000	Venture	7,167	0.13
		16,826	0.30
South Korea 0.57% (0.00%)			
10,263	Hyundai Mobis	1,743	0.03
158,221	KB Financial	6,518	0.12
331,851	Kia Motors	7,069	0.13
85,769	KT&G	5,736	0.10
4,229	Samsung Electronics	6,935	0.13
28,913	Samsung Life Insurance	2,233	0.04
29,961	Shinhan Financial	904	0.02
		31,138	0.57
Taiwan 0.32% (0.00%)			
543,000	Delta Electronics	1,719	0.03
185,320	Eclat Textile	1,541	0.03
1,491,167	Far EasTone Telecommunications	2,807	0.05
234,198	Ginko International	1,237	0.02
448,788	Makalot Industrial	1,503	0.03
1,145,000	Taiwan Mobile	3,037	0.06
175,000	Taiwan Semiconductor Manufacturing	5,458	0.10
		17,302	0.32

LPP I Global Equities Fund

Portfolio Statement

(continued)

Holding or Nominal Value	Investment	Market Value (€000's)	% of Total Net Assets
Thailand 0.13% (0.00%)			
1,521,300	Bangkok Bank	6,921	0.13
		6,921	0.13
EUROPE 18.17% (24.45%)			
Austria 0.04% (0.00%)			
63,815	Oesterreichische Post	2,259	0.04
		2,259	0.04
Belgium 1.63% (1.30%)			
46,195	Ackermans & Van Haaren	5,759	0.10
952,588	Anheuser-Busch InBev	74,545	1.35
96,478	Groupe Bruxelles Lambert	7,847	0.14
98,794	Proximus	2,183	0.04
		90,334	1.63
Denmark 0.17% (0.11%)			
179,370	Danske Bank	4,764	0.09
56,446	ISS	1,483	0.03
169,964	Tryg	2,799	0.05
		9,046	0.17
Finland 1.31% (1.50%)			
1,920,803	KONE class 'B' shares	68,387	1.24
103,446	Sampo series 'A' shares	4,094	0.07
		72,481	1.31
France 1.72% (2.96%)			
109,262	Bouygues	3,900	0.07
119,570	Carrefour	1,766	0.03
139,387	Danone	8,032	0.15
27,692	Legrand	1,546	0.03
7,910	LVMH	1,735	0.03
57,961	M6 Metropole Television	1,062	0.02
225,264	Rexel	2,716	0.05
338,838	Rubis	17,423	0.32
131,501	Saint-Gobain	4,938	0.09
287,614	Sanofi	16,471	0.30
120,012	SCOR	3,495	0.06
55,201	Sodexo	3,964	0.07
140,859	Total	5,697	0.10
287,768	Vinci	20,158	0.37
15,498	Wendel Investissement	1,720	0.03
		94,623	1.72
Germany 0.77% (1.88%)			
344,948	Brenntag	14,619	0.27
61,422	Freenet	1,329	0.02
115,037	HeidelbergCement	8,030	0.15
19,672	Linde	2,951	0.05
19,934	Muenchener Rueckversicherung	3,300	0.06
163,886	SAP	12,232	0.22
		42,461	0.77
Ireland 4.12% (6.06%)			
1,378,643	Accenture	147,948	2.68
90,970	CRH	2,201	0.04
1,275,187	Medtronic	72,904	1.32
39,800	Willis Towers Watson	4,318	0.08
		227,371	4.12

LPP I Global Equities Fund

Portfolio Statement

(continued)

Holding or Nominal Value	Investment	Market Value (£000's)	% of Total Net Assets
Italy 0.06% (0.05%)			
30,772	ERG	523	0.01
693,016	Terna	2,885	0.05
		3,408	0.06
Luxembourg 0.03% (0.04%)			
29,831	RTL	1,758	0.03
		1,758	0.03
Netherlands 0.22% (0.97%)			
111,022	DSM	7,843	0.14
164,000	Yandex class 'A' shares	4,612	0.08
		12,455	0.22
Norway 0.13% (0.14%)			
217,935	Gjensidige Forsikring	2,842	0.05
591,031	Orkla	4,511	0.08
		7,353	0.13
Portugal 0.07% (0.13%)			
1,359,463	EDP Energias	3,676	0.07
		3,676	0.07
Russia 0.16% (0.00%)			
364,715	Gazprom	1,279	0.02
571,747	Sberbank of Russia	7,597	0.14
		8,876	0.16
Spain 0.16% (0.00%)			
174,797	Viscofan	8,597	0.16
		8,597	0.16
Sweden 1.68% (1.52%)			
4,785,834	Assa Abloy	73,449	1.33
288,514	Hufvudstaden	3,035	0.06
194,054	Investor series 'B' shares	6,118	0.11
277,131	Svenska Cellulosa series 'B' shares	2,087	0.04
309,132	Swedbank series 'A' shares	4,943	0.09
309,877	Tele2 series 'B' shares	2,632	0.05
		92,264	1.68
Switzerland 5.90% (7.79%)			
13,534	Allreal	1,584	0.03
6,000	Banque Cantonale Vaudoise (Registered)	3,453	0.06
1,201,633	Compagnie Financiere Richemont	76,714	1.39
164,900	Garmin	6,927	0.13
6,880	Mobimo	1,296	0.02
2,901,337	Nestlé	163,326	2.96
552,788	Novartis	31,793	0.58
15,130	Partners	7,991	0.14
1,409	Sika	7,846	0.14
96,009	Swiss Prime Site	6,608	0.12
68,785	Swiss Re	4,981	0.09
14,175	Swisscom	4,996	0.09
117,996	TE Connectivity	8,400	0.15
		325,915	5.90
LATIN AMERICA 1.77% (0.74%)			
Argentina 0.19% (0.00%)			
43,877	Banco Macro	3,377	0.06
165,415	Loma Negra	2,508	0.05
280,800	YPF Sociedad Anonima	4,338	0.08
		10,223	0.19

LPP I Global Equities Fund

Portfolio Statement

(continued)

Holding or Nominal Value	Investment	Market Value (£000's)	% of Total Net Assets
Bermuda 0.34% (0.63%)			
6,359	Arch Capital	388	0.01
80,676	Enstar	12,066	0.22
26,411	Everest Re	4,835	0.09
51,947	Genpact	1,184	0.02
		18,473	0.34
Brazil 0.37% (0.00%)			
612,300	B3	3,505	0.06
701,188	Cielo	3,111	0.06
444,154	Kroton Educacional	1,294	0.02
452,419	Petroleo Brasileiro	4,557	0.08
1,159,517	Rumo	3,268	0.06
269,000	Smiles	4,010	0.07
168,317	Totvs	1,035	0.02
		20,780	0.37
Cayman Islands 0.48% (0.11%)			
85,700	Alibaba	11,215	0.20
35,259	Baidu	5,610	0.10
38,497	Bitauto	580	0.01
60,725	Momo	1,618	0.03
150,650	Pagseguro Digital	4,112	0.07
152,300	TAL Education	4,027	0.07
		27,162	0.48
Curacao 0.21% (0.00%)			
246,875	Schlumberger	11,401	0.21
		11,401	0.21
Panama 0.18% (0.00%)			
148,787	Carnival	6,956	0.13
31,300	Copa class 'A' shares	2,870	0.05
		9,826	0.18
MIDDLE EAST 0.13% (0.18%)			
Israel 0.13% (0.18%)			
896,165	Bank Hapoalim	4,367	0.08
2,071,376	Bezeq Israeli Telecommunication	1,883	0.03
354,015	Israel Chemicals	1,062	0.02
		7,312	0.13
NORTH AMERICA 48.37% (42.09%)			
Canada 3.36% (3.27%)			
121,800	Agnico Eagle Mines	3,647	0.07
147,800	Bank of Montreal	7,948	0.14
195,000	Bank of Nova Scotia	8,548	0.16
402,600	Barrick Gold	3,573	0.06
105,304	BCE	3,228	0.06
118,500	Canadian Imperial Bank of Commerce	7,444	0.14
285,692	Canadian National Railway	14,868	0.27
46,300	Canadian Natural Resources	1,037	0.02
301,000	Cenovus Energy	1,830	0.03
198,445	CI Financial	3,023	0.05
306,100	Enercare	2,979	0.05
43,005	Fairfax Financial	15,504	0.28
436,500	First Capital Realty	4,904	0.09
49,419	Franco Nevada	2,402	0.04
149,700	Genworth	3,386	0.06
410,700	Goldcorp	4,049	0.07
192,447	Imperial Oil	3,629	0.07

LPP I Global Equities Fund

Portfolio Statement

(continued)

Holding or Nominal Value	Investment	Market Value (£000's)	% of Total Net Assets
Canada (continued)			
444,888	Intact Financial	23,812	0.43
219,165	National Bank of Canada	7,347	0.13
245,431	Nutrien	8,269	0.15
203,600	Rogers Communications class 'B' shares	6,467	0.12
173,497	Royal Bank of Canada	9,545	0.17
154,400	Shaw Communications class 'B' shares	2,116	0.04
67,000	Suncor Energy	1,647	0.03
72,200	Thomson Reuters	1,986	0.04
233,783	Toronto-Dominion Bank	9,449	0.17
92,600	Transcontinental	1,301	0.02
354,572	Waste Connections	18,138	0.33
261,523	Wheaton Precious Metals	3,799	0.07
		185,875	3.36
Mexico 0.33% (0.00%)			
58,518	Fomento Economico Mexicano	3,815	0.07
349,990	Fresnillo	4,436	0.08
192,580	Gruma class 'B' shares	1,565	0.03
1,186,600	Grupo LALA	1,146	0.02
37,320	Industrias Penoles	535	0.01
999,502	Infraestructura Energetica Nova	3,463	0.06
1,722,139	Wal-Mart de Mexico	3,105	0.06
		18,065	0.33
United States of America 44.68% (38.82%)			
503,134	3M	78,766	1.43
8,100	Alleghany	3,571	0.06
86,000	Allstate	5,820	0.11
107,264	Alphabet class 'A' shares	79,244	1.44
72,528	Alphabet class 'C' shares	53,334	0.97
134,600	Altria	5,980	0.11
53,552	Ameren	2,162	0.04
75,482	American Electric Power	3,691	0.07
168,900	American Express	11,272	0.20
87,600	American Water Works	5,129	0.09
295,454	AMETEK	15,994	0.29
85,899	Amphenol	5,275	0.10
36,931	Anthem	5,784	0.11
337,283	Apple	40,364	0.73
443,200	AT&T	11,263	0.20
1,037,383	Automatic Data Processing	83,919	1.52
141,043	AutoZone	65,175	1.18
511,579	Avangrid	18,639	0.34
614,692	Ball	17,396	0.32
261,777	Bank of New York Mellon	9,616	0.17
167,767	Baxter International	7,780	0.14
234,200	BB&T	8,690	0.16
21	Berkshire Hathaway class 'A' shares	4,485	0.08
202,713	BlackRock	78,253	1.42
50,336	Broadridge Financial Solutions	3,935	0.07
206,400	Brown & Brown	3,742	0.07
82,200	C.H. Robinson Worldwide	5,490	0.10
472,004	Capitol Federal Financial	4,155	0.08
125,414	Cincinnati Financial	6,638	0.12
184,859	Cintas	22,464	0.41
62,460	Cisco System	1,902	0.03
402,884	Clean Harbors	14,018	0.25
45,900	Clorox	4,354	0.08
114,056	CNA Financial	4,016	0.07
2,693,880	Colgate-Palmolive	137,671	2.50
447,900	Comcast class 'A' shares	10,904	0.20

LPP I Global Equities Fund

Portfolio Statement

(continued)

Holding or Nominal Value	Investment	Market Value (£000's)	% of Total Net Assets
United States of America (continued)			
140,400	ConocoPhillips	5,935	0.11
81,383	Consolidated Edison	4,522	0.08
145,031	Costco Wholesale	19,418	0.35
27,000	Cummins	3,120	0.06
97,365	Darden Restaurants	5,916	0.11
61,300	Deere	6,768	0.12
64,700	Devon Energy	1,467	0.03
109,219	Dish Network class 'A' shares	2,950	0.05
91,600	DTE Energy	6,816	0.12
128,500	Duke Energy	7,096	0.13
813,837	Ebay	23,345	0.42
192,423	Edison International	8,732	0.16
112,700	Entergy	6,329	0.11
233,658	Exxon Mobil	12,429	0.23
413,845	Facebook	47,143	0.86
49,277	Federated Investors	1,173	0.02
179,802	Fidelity National Information Services	12,343	0.22
115,141	First American Financial	4,819	0.09
163,000	Flowserve	5,034	0.09
37,600	General Dynamics	5,920	0.11
79,900	H&R Block	1,447	0.03
32,779	Hawaiian Electric	803	0.01
685,212	HCA	47,361	0.86
265,764	Hologic	7,078	0.13
82,000	Home Depot	10,407	0.19
695,326	Honeywell International	71,634	1.30
73,294	Illinois Tool Works	8,186	0.15
332,588	Intel	12,276	0.22
828,929	Johnson & Johnson	75,725	1.37
24,419	Kohl's	1,140	0.02
755,714	Kraft Heinz	33,551	0.61
32,400	Lockheed Martin	7,805	0.14
633,141	Lowe's	39,605	0.72
273,823	MasterCard class 'A' shares	34,177	0.62
33,265	Maxim Integrated	1,428	0.03
50,800	McCormick & Co	3,852	0.07
277,711	McDonald's	31,390	0.57
70,612	McKesson	7,091	0.13
230,000	Merck & Co	8,931	0.16
643,590	Microsoft	41,855	0.76
130,308	Middleby	11,499	0.21
303,428	Motorola Solutions	22,774	0.41
347,500	National Oilwell Varco	9,121	0.17
88,909	Newmont Mining	2,477	0.04
1,703,690	Nike	80,424	1.46
33,493	Northrop Grumman	8,332	0.15
47,118	Northwest Natural Gas	1,936	0.04
115,484	Now	841	0.02
28,703	Occidental Petroleum	1,329	0.02
230,200	Old Republic International	3,518	0.06
196,209	Omnicom	10,166	0.18
1,433,022	Oracle	46,746	0.85
28,327	Orbital Atk	2,675	0.05
265,895	Packaging Corporation of America	21,364	0.39
130,800	PepsiCo	10,177	0.18
455,825	Pfizer	11,535	0.21
58,100	Pinnacle West Capital	3,305	0.06
40,854	PNC Financial Services	4,403	0.08
115,400	PPL	2,328	0.04
22,700	Praxair	2,334	0.04

LPP I Global Equities Fund

Portfolio Statement

(continued)

Holding or Nominal Value	Investment	Market Value (£000's)	% of Total Net Assets
United States of America (continued)			
130,563	Procter & Gamble	7,379	0.13
38,967	Public Service Enterprise	1,396	0.03
80,139	Quest Diagnostics	5,728	0.10
52,300	Raytheon	8,024	0.15
71,300	Reinsurance Group of America	7,829	0.14
156,467	Republic Services	7,387	0.13
534,081	Rockwell Automation	66,642	1.21
25,500	Royal Gold	1,561	0.03
57,531	Safety Insurance	3,148	0.06
31,711	Scotts Miracle-Gro	1,938	0.04
287,865	Service Corporation International	7,742	0.14
2,759,036	Starbucks	113,839	2.07
217,931	Synchrony Financial	5,209	0.09
80,251	Synopsys	4,762	0.09
183,200	Sysco	7,831	0.14
72,988	T. Rowe Price	5,618	0.10
298,286	TD Ameritrade	12,590	0.23
1,165,418	Texas Instruments	86,285	1.57
48,200	Tiffany	3,355	0.06
201,194	Torchmark	12,071	0.22
6,300	Travelers	624	0.01
94,700	UGI	2,998	0.05
76,800	Union Pacific	7,358	0.13
173,340	Universal Health Services class 'B' shares	14,630	0.27
184,800	US Bancorp	6,653	0.12
7,200	Valero Energy	476	0.01
23,700	Varex Imaging	605	0.01
147,200	Varian Medical Systems	12,870	0.23
222,180	Vector	3,228	0.06
316,200	Verizon Communications	10,779	0.20
2,211,692	Visa	188,580	3.42
62,500	Vista Outdoor	727	0.01
71,504	Wal-Mart Stores	4,534	0.08
141,700	Waste Management	8,498	0.15
52,400	Waters	7,420	0.13
85,900	WEC Energy	3,839	0.07
976,985	Wells Fargo	36,501	0.66
126,300	WR Berkley	6,540	0.12
117,300	Xcel Energy	3,802	0.07
113,100	Xilinx	5,824	0.11
506,363	Yum Brands	30,729	0.56
		2,462,741	44.68
UNITED KINGDOM 11.32% (13.74%)			
Guernsey 0.08% (0.08%)			
91,300	Amdocs	4,341	0.08
		4,341	0.08
Isle of Man 0.09% (0.11%)			
557,632	GVC	5,125	0.09
		5,125	0.09
Jersey 0.01% (0.00%)			
8,500	Randgold Resources	504	0.01
		504	0.01

LPP I Global Equities Fund

Portfolio Statement

(continued)

Holding or Nominal Value	Investment	Market Value (£000's)	% of Total Net Assets
United Kingdom 11.14% (13.55%)			
841,820	3i	7,231	0.13
180,692	Admiral	3,332	0.06
790,565	Aon class 'A' shares	79,333	1.44
118,019	Bellway	3,598	0.07
267,462	Berkeley	10,134	0.18
1,724,674	British American Tobacco	71,246	1.29
3,136,245	Diageo	75,646	1.37
4,637,677	Experian	71,304	1.29
283,366	GlaxoSmithKline	3,950	0.07
1,610,941	HSBC	10,718	0.19
396,898	Lancashire Holdings	2,302	0.04
110,810	Liberty Global class 'B' shares	2,402	0.04
13,481,649	Lloyds Banking	8,717	0.16
2,079,677	London Stock Exchange	85,808	1.56
690,547	National Grid	5,540	0.10
259,561	Persimmon	6,564	0.12
96,144	Reckitt Benckiser	5,799	0.11
81,512	Royal Mail	441	0.01
2,660,925	RPC	20,558	0.37
165,982	SSE	2,118	0.04
304,780	Steris	20,277	0.37
289,600	TechnipFMC	6,082	0.11
11,129,401	Tesco	22,927	0.42
1,409,463	Tullow Oil	2,758	0.05
1,956,630	Unilever	78,685	1.43
1,207,910	Vodafone	2,344	0.04
237,467	WH Smith	4,624	0.08
8,126	WPP	92	0.00
		614,530	11.14
COLLECTIVE INVESTMENT SCHEMES 8.77% (15.03%)			
Ireland 0.00% (15.03%)			
United States of America 8.77% (0.00%)			
638,034	SPDR Gold Shares	57,199	1.04
597,717,071	Morgan Stanley USD Liquidity Fund	426,089	7.73
		483,288	8.77
REAL ESTATE INVESTMENT TRUSTS 2.18% (1.29%)			
ASIA PACIFIC 0.60% (0.64%)			
Australia 0.44% (0.52%)			
823,269	Cromwell Property	475	0.01
1,209,809	Dexus Property	6,165	0.11
855,074	GPT	2,212	0.04
1,812,601	Investa Office Fund	4,272	0.08
4,985,247	Mirvac	5,861	0.11
2,323,573	Stockland Trust	5,120	0.09
		24,105	0.44
Hong Kong 0.13% (0.12%)			
1,165,000	Link Real Estate Investment Trust	7,084	0.13
		7,084	0.13
Singapore 0.03% (0.00%)			
1,404,400	Mapletree Greater China Commercial Trust	878	0.02
470,200	Mapletree Industrial Trust	519	0.01
		1,397	0.03

LPP I Global Equities Fund

Portfolio Statement

(continued)

Holding or Nominal Value	Investment	Market Value (£000's)	% of Total Net Assets
NORTH AMERICA 1.58% (0.65%)			
Canada 0.22% (0.36%)			
172,900	Canadian Real Estate Investment Trust	4,791	0.09
77,900	Granite Real Estate	2,184	0.04
396,200	RioCan Real Estate Investment Trust	5,174	0.09
		12,149	0.22
United States of America 1.36% (0.29%)			
258,828	American Tower	26,803	0.49
341,010	Crown Castle International	26,638	0.48
224,635	Gaming and Leisure Properties	5,358	0.10
103,600	National Health Investors	4,967	0.09
451,900	Weyerhaeuser	11,275	0.20
		75,041	1.36
DERIVATIVES 0.00% (0.00%)			
Futures 0.00% (0.00%)			
63	Euro Stoxx 50 Future Expiry June 18	(18)	0.00
27	E-Mini S&P 500 Future (CME) Expiry June 18	(103)	0.00
		(121)	0.00
Portfolio of investments		5,484,416	99.49
Net other assets		28,115	0.51
Net assets		5,512,531	100.00

Unless otherwise stated, all securities are either listed on a recognised exchange or traded on an eligible securities market.

Note: Comparative figures shown in brackets relate to 31 March 2017.

LPP I Global Equities Fund

Statement of Total Return

for the year ended 31 March 2018

	Notes	£000's	31/3/2018 £000's	31/10/2016 to 31/3/2017* £000's	£000's
Income					
Net capital (losses)/gains	3		(14,903)		324,265
Revenue	4	111,425		42,442	
Expenses	5	(15,698)		(14,097)	
Interest payable and similar charges	7	—		(4)	
Net revenue before taxation		95,727		28,341	
Taxation	6	(1,350)		(3,963)	
Net revenue after taxation			94,377		24,378
Total return before distributions			79,474		348,643
Distributions	8		(94,205)		(24,378)
Change in net assets attributable to Unitholders from investment activities			(14,731)		324,265

Statement of Change in Net Assets Attributable to Unitholders

for the year ended 31 March 2018

	£000's	31/3/2018 £000's	31/10/2016 to 31/3/2017* £000's	£000's
Opening net assets attributable to Unitholders		5,429,897		—
Amounts received on issue of units	97,365		5,245,577	
Amounts paid on cancellation of units	—		(139,945)	
		97,365		5,105,632
Change in net assets attributable to Unitholders from investment activities (see above)		(14,731)		324,265
Closing net assets attributable to Unitholders		5,512,531		5,429,897

* As the Sub-fund launched on 31 October 2017, the prior year numbers are not comparable.

LPP I Global Equities Fund

Balance Sheet

as at 31 March 2018

	Notes	£000's	31/3/2018 £000's	£000's	31/3/2017 £000's
ASSETS					
Fixed assets					
Investment assets			5,484,537		5,414,325
Current assets					
Debtors	9	26,780		9,621	
Cash and bank balances	10	7,104		45,439	
Cash equivalents	10	32,390		—	
Total other assets			66,274		55,060
Total assets			5,550,811		5,469,385
LIABILITIES					
Investment liabilities			121		—
Creditors					
Bank overdrafts		—		941	
Distribution payable	11	21,161		24,336	
Other creditors	11	16,998		14,211	
Total other liabilities			38,159		39,488
Total liabilities			38,280		39,488
Net assets attributable to Unitholders			5,512,531		5,429,897



Christopher Rule
Managing Director (Investments)
and Chief Investment Officer
On behalf of Local Pensions
Partnership Investments Ltd

25 July 2018



Thomas Richardson
Chief Risk Officer
On behalf of Local Pensions
Partnership Investments Ltd

25 July 2018

LPP I Global Equities Fund
Notes to the Financial Statements
for the year ended 31 March 2018

1. Accounting and Distribution Policies

The accounting and distribution policies are set out on page 3.

2. Financial Instruments and Risks

The financial instruments and risks are set out on pages 4 to 8.

3 Net capital (losses)/gains

The net capital (losses)/gains on investments during the year/period comprise:

	31/3/2018 £000's	31/10/2016 to 31/3/2017 £000's
Gains on non-derivative securities	2,213	446,990
Currency losses	(17,174)	(122,725)
Derivative securities	60	—
Transaction expenses	(2)	—
Net capital (losses)/gains	(14,903)	324,265

Net losses listed above of £(14,901,000) comprise net realised gains of £180,607,000 and net unrealised losses of £(195,508,000) (2017 - Net gains listed above of £324,265,000 comprise net unrealised gains of £318,791,000 and net realised gains of £5,474,000).

4 Revenue

	31/3/2018 £000's	31/10/2016 to 31/3/2017 £000's
Bank interest	726	1
Interest from overseas debt securities	67	18
Money Market Deposits	1,137	—
Non-taxable overseas dividends	91,764	35,538
Non distributable non-taxable overseas stock dividends	172	—
Overseas REIT dividends	881	1,773
UK dividends	16,678	5,112
Total revenue	111,425	42,442

LPP I Global Equities Fund
Notes to the Financial Statements
(continued)

5 Expenses

	31/3/2018 £000's	31/10/2016 to 31/3/2017 £000's
Payable to the Manager or Associate of the Manager:		
Manager's charge	15,843	4,012
General administration charges	472	180
Performance fees [^]	(2,129)	9,408
	14,186	13,600
Other expenses		
Audit fee*	45	85
Depositary's fees	579	185
Insurance expense	100	—
FCA fee	75	31
Legal fees	100	41
Professional fees	150	62
Registration fees	2	—
Risk monitoring fee	80	33
Transfer agency fees	59	11
Other expenses	65	49
Safe custody fees	257	—
	1,512	497
Total expenses	15,698	14,097

[^] A performance fee was payable with regards to any outperformance as per the calculation methodology outlined in the Prospectus. In the current year a time apportioned rebate was recognised following MFS no longer being an Investment Manager.

* The Audit fee net of VAT for 2018 is £30,000 (31/03/17: £78,000).

LPP I Global Equities Fund
Notes to the Financial Statements
(continued)

6 Taxation

	31/3/2018 £000's	31/10/2016 to 31/3/2017 £000's
a) Analysis of tax charge		
Irrecoverable overseas tax	1,350	3,963
Total tax charge	1,350	3,963

b) Factors affecting the tax charge

As an Authorised Contractual Scheme the Fund is tax transparent for UK tax purposes and not subject to corporation tax.

A reconciliation between the total tax charge and the corporation tax is shown below:

Net revenue before taxation	95,727	28,341
Corporation tax @ 0%	—	—
Effects of:		
Irrecoverable overseas tax	1,350	3,963
Total tax charge (see note 6a)	1,350	3,963

7 Interest payable and similar charges

	31/3/2018 £000's	31/10/2016 to 31/3/2017 £000's
Interest paid	—	4
Total interest	—	4

8 Distributions

The distributions take account of amounts added on the issue of units and amounts deducted on the cancellation of units and comprise:

	31/3/2018 £000's	31/10/2016 to 31/3/2017 £000's
First interim distribution	32,968	—
Second interim distribution	22,631	—
Third interim distribution	17,711	—
Final distribution	21,161	24,336
	94,471	24,336
Add: Amounts deducted on cancellation of units	—	55
Less: Amounts received on issue of units	(266)	(13)
Distributions	94,205	24,378

Net movement between revenue after taxation and distributions

	31/3/2018 £000's	31/10/2016 to 31/3/2017 £000's
Net revenue after taxation	94,377	24,378
Non distributable non-taxable overseas stock dividend	(172)	—
Total distribution	94,205	24,378

Details of the interim and final distributions per unit are set out in the tables on page 12.

LPP I Global Equities Fund
Notes to the Financial Statements
(continued)

9 Debtors

	31/3/2018 £000's	31/3/2017 £000's
Accrued revenue	9,432	7,405
Foreign currency contracts awaiting settlement	4,505	—
Income tax recoverable	4	—
Overseas tax recoverable	7,643	2,216
Sales awaiting settlement	5,196	—
Total debtors	26,780	9,621

10 Cash, bank balances & Cash equivalents

	31/3/2018 £000's	31/3/2017 £000's
Amount held at futures clearing houses and brokers	714	—
Cash held at bank	6,390	45,439
Cash held in Morgan Stanley GBP Liquidity Fund	32,390	—
Total Cash, bank balances & Cash equivalents	39,494	45,439

11 Other creditors

	31/3/2018 £000's	31/3/2017 £000's
Net distribution payable	21,161	24,336
	21,161	24,336
Accrued manager's charge	6,336	4,012
Accrued performance fees	—	9,408
Accrued safe custody fees	9	11
Accrued other expenses	741	666
Foreign currency contracts awaiting settlement	4,516	—
Purchases awaiting settlement	5,396	114
Total other creditors	16,998	14,211

12 Contingent Assets and Liabilities

There were no contingent assets or liabilities at the Balance Sheet date (2017 - Nil).

LPP I Global Equities Fund
Notes to the Financial Statements
(continued)

13 Related parties

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions.

The following entity was a related party of the Sub-fund during the year ended 31 March 2018:

ACS Manager: Local Pensions Partnership Investments Limited

The following investors held more than 20% of the voting units in issue in the Sub-fund and as a result are considered to be related parties of the Sub-fund:

As at 31 March 2018:

Held by:	% of voting units in issue	No. of units held
Lancashire County Council	58%	301,676
London Pensions Fund Authority	42%	217,770

As at 31 March 2017:

Held by:	% of voting units in issue	No. of units held
Lancashire County Council	58%	296,531
London Pensions Fund Authority	42%	214,056

The Manager acts as either principal or agent for the Depositary in respect of all transactions of units of the Sub-fund. The aggregate monies received through issue and paid through cancellation of units are disclosed in the Statement of Change in Net Assets Attributable to Unitholders and note 8. Any amounts due to or from the Manager at the year end are disclosed in notes 9 and 11. Management fees and registration fees paid to Local Pensions Partnership Investments Limited are shown in note 5. The balances due at the year end in respect of these fees are shown in note 11.

14 Portfolio transaction costs

For the year ending 31 March 2018

Purchases (excluding derivatives)	Transaction		%	Taxes	
	Value £000's	Commissions £000's		£000's	%
Equity instruments (direct)	2,805,285	1,173	0.04	1,006	0.04
Debt instruments (direct)	296,554	—	—	—	—
Money market instruments (direct)	585,630	—	—	—	—
Collective investment schemes	155,772	42	0.03	2	0.00
Total purchases	3,843,241	1,215		1,008	
Total purchases including transaction costs	3,845,464				

Sales (excluding derivatives)	Transaction		%	Taxes	
	Value £000's	Commissions £000's		£000's	%
Equity instruments (direct)	2,470,766	1,185	0.05	117	0.00
Debt instruments (direct)	286,452	—	—	—	—
Money market instruments (direct)	127,202	—	—	—	—
Collective investment schemes	855,708	25	0.00	2	0.00
Total sales	3,740,128	1,210		119	
Total sales net of transaction costs	3,738,799				

Derivative transaction costs	—	—
Total transaction costs	2,425	1,127
Total transaction costs as a % of average net assets	0.04%	0.02%

LPP I Global Equities Fund
Notes to the Financial Statements
(continued)

14 Portfolio transaction costs (continued)

For the period from 31 October 2016 to 31 March 2017

Purchases (excluding derivatives)	Transaction Value £000's	Commissions £000's	%	Taxes £000's	%
Equity instruments (direct)	4,977,831	246	0.00	43	0.00
Debt instruments (direct)	1,099,240	—	—	—	—
Money market instruments (direct)	45,405	—	—	—	—
Collective investment schemes	844,636	183	0.02	—	—
Total purchases	6,967,112	429		43	
Total purchases including transaction costs	6,967,584				

Sales (excluding derivatives)	Transaction Value £000's	Commissions £000's	%	Taxes £000's	%
Equity instruments (direct)	701,379	257	0.04	6	0.00
Debt instruments (direct)	1,099,170	—	—	—	—
Money market instruments (direct)	45,433	—	—	—	—
Collective investment schemes	32,275	—	—	—	—
Total sales	1,878,257	257		6	
Total sales net of transaction costs	1,877,994				

Derivative transaction costs	—	—
Total transaction costs	686	49
Total transaction costs as a % of average net assets	0.01%	0.00%

The above analysis covers direct transaction costs incurred by the Sub-fund during the year. However it is important to understand the nature of other transaction costs associated with different investment asset classes and instruments types.

For the Sub-fund's investment transactions in debt and money market instruments any applicable transaction charges form part of the dealing spread for these instruments.

For the Sub-fund's investment in collective investment scheme holdings there will potentially be dealing spread costs applicable to purchases and sales. However additionally there are indirect transaction costs suffered in those underlying funds, throughout the holding period for the instruments, which are not separately identifiable and do not form part of the analysis above.

Separately identifiable direct transaction costs (such as commissions and taxes) are attributable to the Sub-fund's purchase and sale of equity instruments. Additionally for equity shares there is a dealing spread cost (the difference between the buying and selling prices) which will be incurred on purchase and sale transactions.

At the Balance Sheet date the average portfolio dealing spread (difference between bid and offer prices of all investments expressed as a percentage of the offer price value) was 0.04% (2017 - 0.00%).

15 Units in issue

The movement in units in issue for the year ending 31 March 2018 is as follows:

	Unit Class I
Balance at the beginning of the year	510,587
Issued during the year	8,859
Cancelled during the year	—
Converted during the year	—
Balance at the end of the year	519,446

16 Post Balance Sheet Events

There have been no significant events subsequent to the year end, which, in the opinion of the ACS Manager have had an impact on the financial statements for the year ended 31 March 2018.

LPP I Fixed Income Fund

About the Sub-fund

Investment Objective & Policy

The investment objective of the LPP I Fixed Income Fund (the "Sub-fund") is to seek to provide investors with income and capital preservation.

The Sub-fund will invest in a diverse portfolio which can include fixed income bonds, floating rate bonds, exchange traded funds, money market instruments (including treasury bills, bank deposits, certificates of deposit, commercial paper and near cash) and asset backed securities (such as mortgage backed securities).

Investment will be through a combination of direct investments made by one or more delegated Investment Advisors or Investment Managers and indirectly through other regulated and unregulated collective investment schemes (including those managed by the ACS Manager, Wellington and PIMCO). The ACS Manager will select the Investment Advisors or Investment Managers and determine allocations and investment parameters for each. These may change throughout the life of the Sub-fund. The ACS Manager may also invest directly and indirectly in the asset classes listed.

The Sub-fund may enter into derivatives for hedging and efficient portfolio management and for investment purposes.

Performance Table

	Since launch to 31/3/2018*
Total Return (with net income reinvested)	
Unit Class I	
LPP I Fixed Income Fund	-0.11%
Barclays Global Aggregate Bond Index GBP Hedged^	0.66%

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

* The Sub-fund launched on 28 February 2018.

^ Figures from LPP I.

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.

LPP I Fixed Income Fund Investment Report

Summary of Performance over the period

The Sub-fund returned -0.11%* (net of fees) over the period from 28 February 2018 to 31 March 2018, -0.77% versus the benchmark, the Benchmark, Barclays Global Aggregate Bond Index GBP Hedged, which returned 0.66%.

Fund Manager's Commentary

The Fund was launched on 28 February 2018.

The Fund has a performance objective targeted at GBP 1mo LIBOR + 200bps (net of fees).

Consequently, given that the two delegate managers have been constructing their portfolios during the past month, there are only incremental returns in this End of Year Summary.

The delegate managers, PIMCO and Wellington, are each managing 50% of the AUM allocated to Fixed Income Fund. During the course of March 2018, the portfolio managers are both constructing their portfolios to be in line with the desired Investment Strategy and LPP I Investment Guidelines.

To reiterate: portfolios remained in "construction phase" during the entire month of March 2018 and performance numbers are not representative.

- As of March 31st:

The PIMCO portfolio had a yield to maturity of 2.16%

The overall duration of the portfolio was an estimated 1.63 years.

From a sector standpoint, the PIMCO portfolio was 35% invested in Short Duration Instruments, 25% exposure to Government Related assets, 16% exposure to Corporate Credit assets, and 14% exposure to Securitised assets.

The remaining 10% was invested in Inflation Linked and Emerging Markets instruments.

The Wellington portfolio had a yield to maturity of 1.69%

The overall duration of the portfolio was an estimated 1.48 years.

From a sector standpoint, the Wellington portfolio was 29% invested in UK T-bills, 50% exposure to corporate credit assets, 11% in subordinated credit, 5% in Emerging Markets.

The remaining 5% investments were in US mortgages and Collateralised Loan Obligation's (CLO's).

The table below provides an overview of the performance of the underlying managers within the LPP I Fixed Income Fund.

Manager	Net Return 28 February 2018 - 31 March 2018
PIMCO	0.00%
Wellington	-0.17%
LPP I Fixed Income Fund	-0.11%
Barclays Global Aggregate Bond Index GBP Hedged	0.66%

25 July 2018

* Performance figures quoted are based on mid-to-mid prices. Performance is calculated net of fees and reported for the Sub-fund's Unit Class I.

¹ Movements in the indices are in sterling terms.

LPP I Fixed Income Fund
Comparative table

For the period:	28/2/2018 [^] to 31/3/2018
Unit Class I	pounds per unit
Change in net assets per unit	
Opening net asset value per unit	10,000.00
Return before operating charges	(12.28)
Operating charges	(4.41)
Return after operating charges	(16.69)
Distributions	(7.68)
Closing net asset value per unit	9,975.63
*After transaction costs of	—
Performance	
Return after charges [†]	(0.17)%
Other information	
Closing net asset value (£000's)	319,220
Closing number of units	32,000
Operating charges [#]	0.52%
Direct transaction costs [*]	0.00%
Prices	
Highest unit price	10,000.00
Lowest unit price [‡]	9,974.18

[^] The launch date of the Sub-fund.

[†] The return after charges figure is based on the net asset value reported for financial statement purposes and is not the same as the performance returns figure in the Performance Table which is based on mid-to-mid dealing prices (the price at which units are sold).

[#] The Operating Charges figure represents the annual operating expenses of the Sub-fund expressed as a percentage of the average net assets for the year – it does not include initial charges. The Operating Charges figure includes the 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.

^{*} Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Unitholders should note that additionally there are other transaction costs such as dealing spread and underlying costs with regard to Collective Investment Scheme holdings which will also have reduced the Sub-fund and unit class returns before operating charges. For details of the direct transaction costs incurred please see page 47.

LPP I Fixed Income Fund

Distribution Tables

for the period from 28 February 2018 to 31 March 2018

Final Distribution in pounds per unit

Group 1 – Units purchased prior to 28 February 2018

Group 2 – Units purchased 1 March 2018 to 31 March 2018

Unit Class I	Net Revenue (£ per unit)	Equalisation* (£ per unit)	Amount payable on 31/5/2018 (£ per unit)
Group 1	7.6791	—	7.6791
Group 2	7.6791	0.0000	7.6791

* Equalisation applies only to units purchased during the distribution period (Group 2 units). It is the average amount of revenue included in the purchase price of all Group 2 units and is refunded to holders of these units as a return of capital. Being capital, it is not liable to income tax but must be deducted from the cost of units for capital gains tax purposes.

LPP I Fixed Income Fund

Portfolio Statement

as at 31 March 2018

Holding or Nominal Value	Investment	Market Value (£000's)	% of Total Net Assets
BONDS 84.49%			
UK Government Bonds 4.38%			
£8,000,000	UK Treasury 0% 30/7/2018	7,988	2.50
£6,000,000	UK Treasury 1.25% 22/7/2018	6,013	1.88
		14,001	4.38
Overseas Government Bonds 23.42%			
EUR 400,000	Argentine Republic Government International Bond 3.875% 15/1/2022	360	0.11
EUR 400,000	Autonomous Community Of Catalonia 4.9% 15/9/2021	383	0.12
ARS 35,000,000	Bills of exchange issued by Banco Central de Argentina	1,186	0.37
EUR 700,000	Colombia Government International Bond 3.875% 22/3/2026	704	0.22
EUR 600,000	Indonesia Government International Bond 3.375% 30/7/2025	577	0.18
\$450,000	Kuwait 2.75% 20/3/2022	314	0.10
EUR 400,000	Macedonia Government International Bond 3.975% 24/7/2021	376	0.12
\$700,000	Qatar Government Bonds 4.5% 20/1/2022	515	0.16
\$22,000,000	US Treasury 0% 19/4/2018	15,671	4.91
\$7,999,446	US Treasury 0.375% 15/1/2027	5,557	1.74
\$4,720,398	US Treasury 0.5% 15/1/2028	3,305	1.04
\$9,400,000	US Treasury 1.5% 15/8/2026	6,082	1.90
\$450,000	US Treasury 1.75% 15/5/2023	308	0.10
\$56,400,000	US Treasury 2.375% 15/5/2027	39,007	12.22
\$600,000	US Treasury 2.75% 15/2/2028	428	0.13
		74,773	23.42
Sterling Denominated Corporate Bonds 17.81%			
£600,000	AT&T 5.50% 15/3/2027	726	0.23
£700,000	Aviva 6.625% European Medium Term Notes 03/6/2041	780	0.24
£500,000	Bank of America 6.125% 15/9/2021	572	0.18
£500,000	Bank of America 8.125% 02/6/2028	705	0.22
£600,000	Banque Federative du Credit Mutuel 0.875% 08/6/2020	592	0.19
£800,000	Barclays 14% Perpetual	902	0.28
£1,000,000	Barclays 3.125% 17/1/2024	1,013	0.32
£400,000	Barclays 7% Perpetual	419	0.13
£550,000	BAT International Finance 7.25% 12/3/2024	696	0.22
£400,000	BPCE 5.25% 16/4/2029	471	0.15
£765,482	Bumper 0.81799% FRN 20/11/2027	766	0.24
£746,553	Compartment Driver UK Three 1.00663% FRN 25/1/2024	747	0.23
£600,000	CPUK Finance 7.239% 28/2/2042	747	0.23
£800,000	Delamare Cards FRN 19/5/2021	802	0.25
£600,000	Deutsche Bank 1.75% 16/12/2021	585	0.18
£1,000,000	Discovery Communications 2.5% 20/9/2024	981	0.31
£400,000	E.ON International Finance 6% 30/10/2019	428	0.13
£771,171	E-CARAT 8 0.63138% FRN 18/3/2024	771	0.24
£400,000	FCE Bank 3.25% 19/11/2020	413	0.13
£775,000	Fidelity National Information Services 1.7% 30/6/2022	766	0.24
£400,000	Friends Life 8.25% 21/4/2022	493	0.15
£400,000	G4S 7.75% 13/5/2019	427	0.13
£400,000	GE Capital 5.625% 25/4/2019	417	0.13
£1,000,000	GE Capital 6.25% 29/9/2020	1,108	0.35
£714,768	Globaldrive 0.73281% FRN 20/9/2024	715	0.22
£750,000	Goldman Sachs 7.125% 07/8/2025	976	0.31
£400,000	Heathrow Funding 6% 20/3/2020	433	0.14
£1,450,000	Heathrow Funding 6.75% 03/12/2028	1,907	0.60
£1,500,000	HSBC 5.75% 20/12/2027	1,806	0.57
£600,000	Imperial Brands Finance 5.5% 28/9/2026	718	0.22
£400,000	Imperial Brands Finance 7.75% 24/6/2019	430	0.13
£300,000	Innogy Finance 6.5% 20/4/2023	342	0.11
£12,000,000	Lloyds Bank 0.933% 27/3/2023	11,997	3.76
£800,000	Lloyds Banking 7% Perpetual	837	0.26
£400,000	Nationwide Building Society 6.875% FRN Perpetual	416	0.13
£600,000	Petrobras Global Finance 6.25% 14/12/2026	640	0.20
£1,000,000	RAC 4.565% 06/5/2046	1,037	0.32

LPP I Fixed Income Fund

Portfolio Statement

(continued)

Holding or Nominal Value	Investment	Market Value (£000's)	% of Total Net Assets
Sterling Denominated Corporate Bonds (continued)			
£1,000,000	Royal Bank of Scotland 2.875% 19/9/2026	998	0.31
£12,000,000	Santander UK 0.75525% FRN 16/11/2022	11,994	3.76
£600,000	Santander UK 1.875% 17/2/2020	605	0.19
£400,000	Sky 2.875% 24/11/2020	413	0.13
£200,000	TP ICAP 5.25% 26/1/2024	208	0.07
£800,000	Tritax Big Box REIT 2.625% 14/12/2026	794	0.25
£600,000	UBS AG/London 1.25% 10/12/2020	596	0.19
£382,500	Virgin Media Secured Finance 5.5% 15/1/2025	391	0.12
£400,000	Volkswagen 1.75% 17/4/2020	401	0.13
£600,000	Wells Fargo 2.125% 22/4/2022	602	0.19
£800,000	Wells Fargo 5.25% 01/8/2023	910	0.29
£350,000	William Hill 4.25% 05/6/2020	362	0.11
		56,855	17.81
Non-Sterling Denominated Corporate Bonds 38.88%			
\$1,025,000	ABN AMRO 4.75% 28/7/2025	749	0.23
\$750,000	ADCB Finance 4% 29/3/2023	534	0.17
\$300,000	AIA 3.9% 06/4/2028	214	0.07
\$1,100,000	Air Lease 2.625% 01/7/2022	757	0.24
\$500,000	Aircastle 5.125% 15/3/2021	365	0.11
\$100,000	Ally Financial 3.6% 21/5/2018	71	0.02
\$300,000	Ally Financial 3.75% 18/11/2019	215	0.07
\$100,000	Ally Financial 4.75% 10/9/2018	72	0.02
\$500,000	Ally Financial 5.75% 20/11/2025	367	0.11
\$100,000	Ally Financial 7.5% 15/9/2020	77	0.02
\$100,000	Ally Financial 8% 15/3/2020	77	0.02
\$475,000	Altria 9.25% 06/8/2019	367	0.11
\$300,000	American Electric Power 2.15% 13/11/2020	209	0.07
\$500,000	American International 4.2% 01/04/2028	361	0.11
\$915,000	Anheuser-Busch InBev 2.5% 12/1/2024	657	0.21
\$600,000	Anheuser-Busch InBev 4% 13/4/2028	433	0.14
\$1,350,000	Apple 1.8% 11/5/2020	947	0.30
\$1,075,000	Aviation Capital 2.875% 20/1/2022	751	0.24
EUR 1,000,000	AXA 5.25% 16/4/2040	958	0.30
\$1,000,000	Babson CLO FRN 20/7/2028	716	0.22
EUR 200,000	Barclays 6.5% Perpetual	186	0.06
\$1,200,000	Barclays 7.625% 21/11/2022	939	0.29
EUR 600,000	BAWAG P.S.K. 8.125% 30/10/2023	707	0.22
\$1,050,000	BNP Paribas 4.375% 12/5/2026	746	0.23
\$1,200,000	Boston Scientific 6% 15/1/2020	898	0.28
\$1,000,000	BPCE 5.15% 21/7/2024	744	0.23
\$675,000	Braskem Finance 5.375% 02/5/2022	497	0.16
EUR 800,000	Cairn CLO FRN 20/10/2028	696	0.22
EUR 400,000	CaixaBank 2.75% 14/7/2028	367	0.11
\$1,075,000	Capital One Financial 4.2% 29/10/2025	759	0.24
\$3,350,000	Carbone CLO FRN 20/1/2031	2,398	0.75
\$1,100,000	Cardinal Health 3.079% 15/6/2024	748	0.23
\$1,050,000	CC 3.849% 15/4/2023	752	0.24
\$500,000	CF Industries 7.125% 01/5/2020	381	0.12
\$400,000	Charter Communications Operating 4.464% 23/7/2022	291	0.09
\$500,000	CIT 4.125% 09/3/2021	358	0.11
\$525,000	CNO Financial 5.25% 30/5/2025	372	0.12
\$1,300,000	Coca-Cola 3.15% 15/11/2020	934	0.29
\$962,927	Commercial Mortgage Pass-Trough Certificates 2.322% 15/11/2054	677	0.21
\$900,000	Commerzbank 8.125% 19/9/2023	747	0.23
\$1,275,000	Cooperatieve Rabobank 4.75% 15/1/2020	936	0.29
EUR 400,000	Cooperatieve Rabobank 5.5% 31/12/2049	378	0.12
\$1,050,000	Crédit Agricole 4.375% 17/3/2025	746	0.23
\$250,000	Credit Suisse Funding 5.3% 13/8/2019	184	0.06
\$1,025,000	Credit Suisse New York 5.4% 14/1/2020	757	0.24
\$600,000	CSC 7.625% 15/7/2018	435	0.14

LPP I Fixed Income Fund

Portfolio Statement

(continued)

Holding or Nominal Value	Investment	Market Value (£000's)	% of Total Net Assets
Non-Sterling Denominated Corporate Bonds (continued)			
\$785,000	CVS Health 4.1% 25/3/2025	563	0.18
\$1,350,000	Daimler Finance North America 2.45% 18/5/2020	949	0.30
EUR 500,000	Deutsche Annington Finance 1.5% 22/3/2026	440	0.14
\$1,075,000	Deutsche Bank 3.7% 30/5/2024	740	0.23
\$500,000	Dignity Health 3.812% 01/11/2024	363	0.11
\$1,075,000	Discover Bank 3.2% 09/8/2021	757	0.24
\$300,000	DISH DBS 7.875% 01/9/2019	224	0.07
\$575,000	District of Columbia 4.673% 01/12/2020	432	0.14
\$1,075,000	Dominion Energy 2.579% 01/7/2020	757	0.24
\$1,025,000	eBay 3.8% 09/3/2022	742	0.23
\$575,000	Ecopetrol 7.625% 23/7/2019	433	0.14
EUR 800,000	Electricite De France 5.375% 31/12/2049	768	0.24
\$500,000	EMC 2.65% 01/6/2020	344	0.11
\$475,000	Energy Transfer Equity 7.5% 15/10/2020	365	0.11
EUR 200,000	Erste Bank 8.875% Perpetual	213	0.07
\$100,000	Exelon 2.85% 15/6/2020	71	0.02
\$2,150,031	Federal National Mortgage Association 2.39% 01/10/2022	1,503	0.47
\$750,000	Federal National Mortgage Association 2.67% 01/7/2022	530	0.17
\$994,492	Federal National Mortgage Association 3% 25/2/2043	704	0.22
\$706,162	Federal National Mortgage Association 3.33% 01/11/2021	511	0.16
\$24,900,000	Federal National Mortgage Association 3.5% 01/5/2048	17,761	5.56
\$845,000	Federal National Mortgage Association 3.94% 01/7/2021	622	0.19
\$990,495	Federal National Mortgage Association 4% 01/11/2047	728	0.23
\$534,783	Federal National Mortgage Association Connecticut Avenue Securities 2.4707% FRN 25/11/2029	383	0.12
\$729,740	Federal National Mortgage Association Connecticut Avenue Securities 3.1715% FRN 25/4/2029	525	0.16
\$1,680,348	Fieldstone Mortgage Investment 2.2371% 04/25/2047	904	0.28
\$1,500,000	Flatiron CLO 'A' FRN 15/5/2030	1,075	0.34
\$1,000,000	Flatiron CLO 'B' FRN 15/5/2030	716	0.22
\$751,102	Freddie Mac Multifamily Structured Pass Through Certificates 2.3707% 25/3/2030	537	0.17
\$537,251	Freddie Mac Multifamily Structured Pass Through Certificates 2.8207% 25/7/2029	386	0.12
\$250,000	Freddie Mac Multifamily Structured Pass Through Certificates 2.9707% 25/3/2029	181	0.06
\$1,000,000	Galaxy CLO FRN 16/7/2028	715	0.22
EUR 750,000	Gaz Capital 4.364% 21/3/2025	739	0.23
EUR 300,000	GLG Euro CLO FRN 15/4/2028	264	0.08
\$1,000,000	Goldentree Loan Opportunities XI 2.80408% FRN 18/1/2031	718	0.22
\$132,961	Government National Mortgage Association 2.5% 20/8/2039	94	0.03
\$801,779	Government National Mortgage Association 6% 20/3/2032	627	0.20
\$1,047,456	GSR Mortgage Loan Trust 6% 25/1/2037	696	0.22
EUR 600,000	Harvest CLO 0.63% 18/11/2029	525	0.16
EUR 400,000	Harvest CLO 0.63% FRN 18/11/2029	352	0.11
\$100,000	HCA 4.25% 15/10/2019	72	0.02
\$100,000	HCA 6.5% 15/2/2020	75	0.02
\$1,075,000	HCP 3.875% 15/8/2024	760	0.24
\$1,050,000	Hewlett Packard Enterprise 3.6% 15/10/2020	755	0.24
\$550,000	Hilton Domestic 4.25% 01/9/2024	380	0.12
\$800,000	HSBC 6.25% FRN 31/12/2049	583	0.18
\$500,000	HSBC 4.125% 12/8/2020	364	0.11
\$525,000	IHS Markit 4.75% 15/2/2025	380	0.12
\$200,000	ING Bank 5% 09/6/2021	150	0.05
\$950,000	ING Bank 5.8% 25/9/2023	732	0.23
\$1,075,000	Intesa Sanpaolo SpA 3.375% 12/1/2023	748	0.23
EUR 400,000	Intrum Justitia AB 2.75% 15/7/2022	343	0.11
\$1,350,000	JPMorgan Chase 1.65% 23/9/2019	949	0.30
\$1,025,000	Kraft Heinz Foods 4.875% 15/2/2025	762	0.24
\$1,000,000	L'Anse Creuse Public Schools 2.159% 01/5/2020	708	0.22
\$500,000	Lloyds Bank 5.8% 13/1/2020	373	0.12
\$800,000	Lloyds Bank 4.375% 22/3/2028	576	0.18
\$975,000	Lyondellbasell Industries 6% 15/11/2021	750	0.23
\$1,350,000	Macquarie 3.642% 27/3/2024	972	0.30

LPP I Fixed Income Fund

Portfolio Statement

(continued)

Holding or Nominal Value	Investment	Market Value (£000's)	% of Total Net Assets
Non-Sterling Denominated Corporate Bonds (continued)			
\$525,000	MAD Mortgage Trust 2017-330M 3.2944% 15/8/2034	371	0.12
\$1,350,000	Massmutual Global Funding II 1.95% 22/9/2020	938	0.29
\$500,000	MGIC Investment 5.75% 15/8/2023	373	0.12
\$100,000	MGM Resorts International 6.75% 01/10/2020	76	0.02
\$1,300,000	Microsoft 4.2% 01/6/2019	949	0.30
\$1,100,000	Mississippi Power 2.942% 27/3/2020	784	0.25
\$1,100,000	Mizuho Bank 2.4% 26/3/2020	773	0.24
\$1,050,000	Morgan Stanley 4.1% 22/5/2023	759	0.24
\$1,025,000	Nasdaq 5.55% 15/1/2020	762	0.24
\$200,000	Navient 5.5% 15/1/2019	144	0.05
\$500,000	Navient 6.625% 26/7/2021	370	0.12
\$200,000	Navient 8.45% 15/6/2018	144	0.05
\$725,000	NBK SPC 2.75% 30/5/2022	497	0.16
\$975,000	New Jersey Economic Development Authority 3.882% 15/6/2019	701	0.22
\$2,000,000	New York 3.55% 01/3/2027	1,442	0.45
\$1,350,000	New York Life Global Funding 1.95% 11/2/2020	946	0.30
\$1,000,000	Newmont Mining 5.125% 01/10/2019	734	0.23
\$550,000	Nokia 3.375% 12/6/2022	378	0.12
\$600,000	Nordea Bank 4.875% 27/1/2020	442	0.14
\$1,275,000	Novartis Capital 4.4% 24/4/2020	939	0.29
\$1,309,479	Novastar Mortgage 2.0765 25/9/2046	486	0.15
\$570,000	Obx Trust 2018-1 FRN 25/6/2057	406	0.13
\$2,910,000	OCP CLO 2015-8 2.58133% FRN 17/4/2027	2,078	0.65
\$3,000,000	OCP CLO FRN 15/7/2027	2,141	0.67
\$1,500,000	OCP CLO FRN 17/4/2027	1,072	0.34
\$100,000	OneMain Financial Issuance Trust 7.25% 15/12/2021	74	0.02
\$600,000	Ooredoo International Finance 4.75% 16/2/2021	440	0.14
\$1,168,318	Option One Mortgage Loan Trust 2.037% 25/2/2037	627	0.20
\$200,000	Park Aerospace 5.25% 15/8/2022	140	0.04
\$1,075,000	Penske Truck Leasing 3.375% 01/2/2022	762	0.24
\$800,000	Pernod Ricard 4.45% 15/1/2022	592	0.19
EUR 400,000	Petrobras Global Finance 5.875% 07/3/2022	400	0.13
\$900,000	Petrobras Global Finance 5.999% 27/1/2028	635	0.20
EUR 800,000	Petroleos Mexicanos 3.75% 21/2/2024	745	0.23
\$1,050,000	QVC 4.375% 15/3/2023	749	0.23
\$525,000	Radian 4.5% 01/10/2024	366	0.11
\$675,000	Reliance 5.4% 14/2/2022	508	0.16
\$1,325,000	Roche 2.25% 30/9/2019	940	0.29
\$500,000	Rockies Express Pipeline 5.625% 15/4/2020	369	0.12
\$1,075,000	Rockwell Collins 2.8% 15/3/2022	747	0.23
\$200,000	Royal Bank of Scotland 8.625% Perpetual	155	0.05
\$825,000	RWJ Barnabas Health 2.954% 01/7/2026	561	0.18
\$100,000	Ryder System 2.65% 01/3/2020	71	0.02
\$1,080,000	Sacramento County California Pension 7.25% 01/8/2025	926	0.29
\$80,000	San Diego Tobacco Settlement 3.069% 01/6/2021	57	0.02
\$1,075,000	Santander Holdings 3.4% 18/1/2023	749	0.23
EUR 1,000,000	SCOR 3% 08/6/2046	918	0.29
\$1,275,000	Shell International Finance 4.375% 25/3/2020	936	0.29
\$500,000	Sprint Capital 6.9% 01/5/2019	367	0.11
\$200,000	Sprint Communications 7% 15/8/2020	148	0.05
\$400,000	Sprint Nextel 9% 15/11/2018	294	0.09
\$600,000	Sprint Spectrum 4.738% 20/9/2029	429	0.13
\$875,000	State Board of Administration Finance 2.995% 01/7/2020	627	0.20
\$580,000	State of Illinois 5.877% 01/3/2019	422	0.13
\$1,020,000	Sutter Health 3.695% 15/8/2028	731	0.23
\$525,000	Teck Resources 4.75% 15/1/2022	379	0.12
EUR 400,000	Telefonica Europe 3.75% Perpetual	365	0.11
\$525,000	Televisa 6.625% 18/3/2025	428	0.13
\$300,000	Teva Pharmaceutical Finance Netherlands 6% 15/4/2024	208	0.07
EUR 500,000	Tikehau CLO FRN 04/8/2028	438	0.14
\$1,100,000	Time Warner 3.6% 15/7/2025	763	0.24

LPP I Fixed Income Fund

Portfolio Statement

(continued)

Holding or Nominal Value	Investment	Market Value (£000's)	% of Total Net Assets
Non-Sterling Denominated Corporate Bonds (continued)			
\$875,000	Time Warner 8.375% 15/3/2023	740	0.23
\$1,325,000	Toronto-Dominion Bank 2.25% 05/11/2019	937	0.29
\$450,000	Total Capital International 2.1% 19/6/2019	319	0.10
\$1,325,000	Toyota Motor Credit 3.3% 12/1/2022	955	0.30
\$1,350,000	U.S. Bank National Association 2% 24/1/2020	949	0.30
EUR 500,000	VCL MULTI-COMPARTMENT S.A. FRN 21/2/2024	440	0.14
\$1,025,000	Ventas Realty 4.25% 01/3/2022	751	0.24
\$1,000,000	Venture CLO FRN 15/1/2031	721	0.23
EUR 1,000,000	Volksbank Wien 2.75% 06/10/2027	879	0.28
EUR 1,000,000	Volkswagen International Finance 3.75% Perpetual	931	0.29
\$200,000	Volkswagen of America Finance 2.45% 20/11/2019	141	0.04
\$200,000	Vrio Finco 6.25% 04/4/2023	145	0.05
\$320,000	Vrio Finco 6.25% 04/4/2023	230	0.07
\$1,350,000	Walmart 1.75% 09/10/2019	952	0.30
\$280,075	Wells Fargo 1.321% 15/8/2049	194	0.06
\$725,000	Wells Fargo 2.4% 15/1/2020	513	0.16
\$525,000	Western Digital 4.75% 15/2/2026	373	0.12
\$350,000	ZF North America Capital 4.5% 29/4/2022	253	0.08
		124,113	38.88
COLLECTIVE INVESTMENT SCHEMES 19.11%			
UNITED KINGDOM 19.11%			
599,500	Pimco Fixed Income	60,987	19.11
		60,987	19.11
DERIVATIVES 0.84%			
Credit Default Swaps 0.20%			
1,000,000	Argentine Republic 5.00% 20/6/2023	75	0.02
1,600,000	CDX.HY-29 5-Year Index	142	0.04
12,300,000	CDX.IG-29 5-Year Index	243	0.08
9,200,000	CDX.IG-30 5-Year Index	111	0.04
2,300,000	CDX-NAHYS30V1 5-Year Index	102	0.03
1,100,000	Federative Republic of Brazil 1.00% 20/6/2022	(23)	(0.01)
800,000	Kingdom Of Saudi Arabia 1.00% 20/6/2023	4	0.00
800,000	Republic of Colombia 1.00% 20/6/2023	(2)	0.00
800,000	United Mexican States 1.00% 20/6/2023	(2)	0.00
		650	0.20
Futures -0.09%			
(53)	Euro-Bobl Future Expiry June 18	(41)	(0.01)
(63)	Euro-Btp Future Expiry June 18	(137)	(0.04)
(20)	Euro-Bund Future Expiry June 18	(35)	(0.01)
(11)	Euro-Schatz Future Expiry June 18	(1)	0.00
(100)	Long Gilt Future Expiry June 18	(168)	(0.05)
154	US 10 Year Note Future (CBT) Expiry June 18	104	0.03
664	US 5 Year Note (CBT) Expiry June 18	146	0.04
(145)	US Long Bond (CBT) Expiry June 18	(159)	(0.05)
		(291)	(0.09)
Interest Rate Swaps 0.52%			
9,100,000	Pay EURIBOR EUR 6 months Receive 0.5% 19/9/2023	—	0.00
30,600,000	Pay MXN TIIE 28-Day Receive 7.35% 30/9/2027	(25)	(0.01)
1,800,000	Receive EURIBOR EUR 6 months Pay 1.5% 19/9/2048	9	0.00
13,200,000	Receive LIBOR GBP 6 Months Pay 1.5% 19/9/2023	(55)	(0.01)
1,190,000,000	Receive LIBOR JPY 6 months Pay 0.3% 20/3/2028	(35)	(0.01)
52,700,000	Receive LIBOR USD 3 months Pay 2.25% 20/3/2028	1,756	0.55
		1,650	0.52
Options 0.00%			
(2,231,404)	BRL/USD Spot Option Call 12/4/2018	(8)	0.00
		(8)	0.00

LPP I Fixed Income Fund

Portfolio Statement

(continued)

Holding or Nominal Value	Investment	Market Value (£000's)	% of Total Net Assets
Open Forward Currency Contracts 0.21%			
ARS 9,091,980	Bought ARS 9,091,980 : Sold USD 434,192	4	0.00
BRL 1,822,807	Bought BRL 1,822,807 : Sold USD 559,573	(8)	0.00
EGP 14,316,900	Bought EGP 14,316,900 : Sold USD 780,000	—	0.00
EUR 280,000	Bought EUR 280,000 : Sold GBP 245,515	1	0.00
£86,439	Bought GBP 86,439 : Sold EUR 98,000	—	0.00
£97,780	Bought GBP 97,780 : Sold EUR 110,000	1	0.00
£161,807	Bought GBP 161,807 : Sold EUR 184,000	—	0.00
£242,391	Bought GBP 242,391 : Sold EUR 277,000	(1)	0.00
£401,405	Bought GBP 401,405 : Sold EUR 458,000	(1)	0.00
£617,022	Bought GBP 617,022 : Sold EUR 705,000	(2)	0.00
£1,035,051	Bought GBP 1,035,051 : Sold EUR 1,168,000	10	0.00
£1,113,787	Bought GBP 1,113,787 : Sold EUR 1,270,000	(1)	0.00
£2,627,630	Bought GBP 2,627,630 : Sold EUR 2,970,000	17	0.00
£8,954,800	Bought GBP 8,954,800 : Sold EUR 10,000,000	166	0.05
£72,901	Bought GBP 72,901 : Sold JPY 10,900,000	—	0.00
£259,471	Bought GBP 259,471 : Sold JPY 38,300,000	3	0.00
£380,339	Bought GBP 380,339 : Sold USD 530,000	3	0.00
£431,719	Bought GBP 431,719 : Sold USD 614,000	(5)	0.00
£772,077	Bought GBP 772,077 : Sold USD 1,096,000	(8)	0.00
£1,054,077	Bought GBP 1,054,077 : Sold USD 1,482,000	(1)	0.00
£1,144,180	Bought GBP 1,144,180 : Sold USD 1,624,000	(12)	0.00
£1,233,340	Bought GBP 1,233,340 : Sold USD 1,729,000	3	0.00
£1,419,761	Bought GBP 1,419,761 : Sold USD 2,015,000	(14)	0.00
£1,815,450	Bought GBP 1,815,450 : Sold USD 2,559,000	(6)	0.00
£2,044,898	Bought GBP 2,044,898 : Sold USD 2,860,000	10	0.00
£2,084,197	Bought GBP 2,084,197 : Sold USD 2,920,000	6	0.00
£2,427,080	Bought GBP 2,427,080 : Sold USD 3,432,000	(15)	(0.01)
£6,138,124	Bought GBP 6,138,124 : Sold USD 8,571,000	39	0.01
£10,090,094	Bought GBP 10,090,094 : Sold USD 14,061,000	84	0.03
£10,505,909	Bought GBP 10,505,909 : Sold USD 14,632,000	109	0.03
£22,619,626	Bought GBP 22,619,626 : Sold USD 32,121,000	(204)	(0.06)
£39,701,298	Bought GBP 39,701,298 : Sold USD 55,919,000	(93)	(0.03)
£64,512,106	Bought GBP 64,512,106 : Sold USD 90,000,000	563	0.18
KRW 1,644,650,750	Bought KRW 1,644,650,750 : Sold USD 1,549,000	1	0.00
RUB 127,297,748	Bought RUB 127,297,748 : Sold USD 2,230,418	(15)	0.00
RUB 127,297,748	Bought RUB 127,297,748 : Sold USD 2,233,000	(15)	0.00
\$557,971	Bought USD 557,971 : Sold BRL 1,822,807	8	0.00
\$558,000	Bought USD 558,000 : Sold BRL 1,822,807	7	0.00
\$4,375,283	Bought USD 4,375,283 : Sold EUR 3,520,000	24	0.01
\$723,000	Bought USD 723,000 : Sold GBP 506,390	7	0.00
\$1,563,000	Bought USD 1,563,000 : Sold KRW 1,669,299,630	(7)	0.00
\$2,233,686	Bought USD 2,233,686 : Sold RUB 127,297,748	15	0.00
		673	0.21
Total Portfolio of Investments		333,403	104.44
Net Current Liabilities		(14,183)	(4.44)
Total Net Assets		319,220	100.00

Unless otherwise stated, all securities are either listed on a recognised exchange or traded on an eligible securities market.

Of the portfolio above, 12.36% is invested in securities which are not rated and 0.85% is invested in securities that are below investment grade.

Note: As the Sub-fund launched on 28 February 2018, no comparatives have been presented.

LPP I Fixed Income Fund

Statement of Total Return

for the period from 28 February 2018 to 31 March 2018

	Notes	28/2/2018 to 31/3/2018	
		£000's	£000's
Income			
Net capital losses	3		(780)
Revenue	4	387	
Expenses	5	(141)	
Interest payable and similar charges	7	—	
Net revenue before taxation		246	
Taxation	6	—	
Net revenue after taxation			246
Total return before distributions			(534)
Distributions	8		(246)
Change in net assets attributable to Unitholders from investment activities			(780)

Statement of Change in Net Assets Attributable to Unitholders

for the period from 28 February 2018 to 31 March 2018

	28/2/2018 to 31/3/2018	
	£000's	£000's
Opening net assets attributable to Unitholders		—
Amounts received on issue of units	320,000	
Amounts paid on cancellation of units	—	
		320,000
Change in net assets attributable to Unitholders from investment activities (see above)		(780)
Closing net assets attributable to Unitholders		319,220

Note: As the Sub-fund launched on 28 February 2018, no comparatives have been presented.

LPP I Fixed Income Fund

Balance Sheet

as at 31 March 2018

	Notes	£000's	31/3/2018 £000's
ASSETS			
Fixed assets			
Investment assets			334,502
Current assets			
Debtors	9	4,200	
Cash and bank balances	10	9,403	
Total other assets			13,603
Total assets			348,105
LIABILITIES			
Investment liabilities			1,099
Creditors			
Amounts due to futures clearing houses and brokers		98	
Distribution payable	11	246	
Other creditors	11	27,442	
Total other liabilities			27,786
Total liabilities			28,885
Net assets attributable to Unitholders			319,220

Note: As the Sub-fund launched on 28 February 2018, no comparatives have been presented.



Christopher Rule
Managing Director (Investments)
and Chief Investment Officer
On behalf of Local Pensions
Partnership Investments Ltd

25 July 2018



Thomas Richardson
Chief Risk Officer
On behalf of Local Pensions
Partnership Investments Ltd

25 July 2018

LPP I Fixed Income Fund

Notes to the Financial Statements

for the period from 28 February 2018 to 31 March 2018

1. Accounting and Distribution Policies

The accounting and distribution policies are set out on page 3.

2. Financial Instruments and Risks

The financial instruments and risks are set out on pages 4 to 8.

3 Net capital losses

The net capital losses on investments during the period comprise:

	28/2/2018 to 31/3/2018 £000's
Losses on non-derivative securities	(1,403)
Losses on derivative securities	(290)
Forward currency contracts gains	673
Currency gains	240
Net capital losses	(780)

Net losses listed above of £(780,000) comprise net unrealised losses of £(964,000) and net realised gains of £184,000.

4 Revenue

	28/2/2018 to 31/3/2018 £000's
Bank interest	8
Derivative Income	82
Interest from overseas debt securities	155
Interest from UK debt securities	127
Money Market Deposits	15
Total revenue	387

LPP I Fixed Income Fund
Notes to the Financial Statements
(continued)

5 Expenses

	28/2/2018 to 31/3/2018 £000's
Payable to the Manager or Associate of the Manager:	
Manager's charge	65
General Administration charge	12
	77
Other expenses	
Audit fee*	18
Depository's fees	3
FCA fee	3
Insurance Expense	8
Legal fees	8
Professional fees	13
Other expenses	11
	64
Total expenses	141

* The Audit fee net of VAT for 2018 is £15,000.

6 Taxation

	28/2/2018 to 31/3/2018 £000's
a) Analysis of tax charge	
Total tax charge	—
b) Factors affecting the tax charge	
As an Authorised Contractual Scheme the Fund is tax transparent for UK tax purposes and not subject to corporation tax.	
A reconciliation between the total tax charge and the corporation tax is shown below:	
Net revenue before taxation	246
Corporation tax @ 0%	—
Total tax charge (see note 6a)	—

7 Interest payable and similar charges

	28/2/2018 to 31/3/2018 £000's
Interest paid	—
Total interest	—

LPP I Fixed Income Fund
Notes to the Financial Statements
(continued)

8 Distributions

The distributions take account of amounts added on the issue of units and amounts deducted on the cancellation of units and comprise:

	28/2/2018 to 31/3/2018 £000's
Final distribution	246
	246
Add: Amounts deducted on cancellation of units	—
Less: Amounts received on issue of units	—
Distributions	246

Net movement between revenue after taxation and distributions

	28/2/2018 to 31/3/2018 £000's
Net revenue after taxation	246
Total distribution	246

Details of the final distribution per unit is set out in the table on page 35.

9 Debtors

	31/3/2018 £000's
Accrued revenue	1,855
Amounts receivable from counterparties in respect of collateral on derivatives	2,240
Sales awaiting settlement	105
Total debtors	4,200

10 Cash and bank balances

	31/3/2018 £000's
Amount held at futures clearing houses and brokers	703
Cash and bank balances	8,700
Total cash and bank balances	9,403

11 Creditors

	31/3/2018 £000's
Net distribution payable	246
	246
Accrued manager's charge	74
Accrued other expenses	66
Amounts payable to counterparties in respect of collateral on derivatives	3,442
Purchases awaiting settlement	23,860
Total other creditors	27,442

LPP I Fixed Income Fund

Notes to the Financial Statements

(continued)

12 Contingent Assets and Liabilities

There were no contingent assets or liabilities at the Balance Sheet date.

13 Related parties

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions.

The following entity was a related party of the Sub-fund during the period ended 31 March 2018:

ACS Manager: Local Pensions Partnership Investments Limited

The following investors held more than 20% of the voting units in issue in the Sub-fund and as a result are considered to be related parties of the Sub-fund:

As at 31 March 2018:

Held by:	% of voting units in issue	No. of units held
Lancashire County Council	57.5%	18,400
London Pensions Fund Authority	42.5%	13,600

The Manager acts as either principal or agent for the Depositary in respect of all transactions of units of the Sub-fund. The aggregate monies received through issue and paid through cancellation of units are disclosed in the Statement of Change in Net Assets Attributable to Unitholders and note 8. Any amounts due to or from the Manager at the period end are disclosed in notes 9 and 11. Management fees and registration fees paid to Local Pensions Partnership Investments Limited are shown in note 5. The balances due at the period end in respect of these fees are shown in note 11.

14 Portfolio transaction costs

For the period from 28 February 2018 to 31 March 2018

	Transaction Value £000's	Commissions £000's	%	Taxes £000's	%
Purchases (excluding derivatives)					
Debt instruments (direct)	380,386	—	—	—	—
Money market instruments (direct)	58,010	—	—	—	—
Collective investment schemes	61,029	3	0.00	—	—
Total purchases	499,425	3			
Total purchases including transaction costs	499,428				
	Transaction Value £000's	Commissions £000's	%	Taxes £000's	%
Sales (excluding derivatives)					
Debt instruments (direct)	114,468	—	—	—	—
Money market instruments (direct)	49,902	—	—	—	—
Total sales	164,370				
Total sales net of transaction costs	164,370				
Derivative transaction costs		—		—	
Total transaction costs		3		—	
Total transaction costs as a % of average net assets		0.00%		0.00%	

The above analysis covers direct transaction costs incurred by the Sub-fund during the period. However it is important to understand the nature of other transaction costs associated with different investment asset classes and instruments types.

For the Sub-fund's investment transactions in debt and money market instruments any applicable transaction charges form part of the dealing spread for these instruments.

LPP I Fixed Income Fund

Notes to the Financial Statements

(continued)

14 Portfolio transaction costs (continued)

For the Sub-fund's investment in collective investment scheme holdings there will potentially be dealing spread costs applicable to purchases and sales. However additionally there are indirect transaction costs suffered in those underlying funds, throughout the holding period for the instruments, which are not separately identifiable and do not form part of the analysis above.

Separately identifiable direct transaction costs (such as commissions and taxes) are attributable to the Sub-fund's purchase and sale of equity instruments. Additionally for equity shares there is a dealing spread cost (the difference between the buying and selling prices) which will be incurred on purchase and sale transactions.

At the Balance Sheet date the average portfolio dealing spread (difference between bid and offer prices of all investments expressed as a percentage of the offer price value) was 0.14%.

15 Units in issue

The movement in units in issue for the period from 28 February 2018 to 31 March 2018 is as follows:

	Unit Class I
Balance at the beginning of the period	—
Issued during the period	32,000
Cancelled during the period	—
Converted during the period	—
Balance at the end of the period	32,000

16 Post Balance Sheet Events

There have been no significant events subsequent to the period end, which, in the opinion of the ACS Manager have had an impact on the financial statements for the period ended 31 March 2018.

LPP I Asset Pooling Authorised Contractual Scheme

Statement of ACS Manager's Responsibilities

Statement of ACS Manager's Responsibilities

The ACS Manager is required by the rules of the Sourcebook 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 the year 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 accounts 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 Statement of Recommended Practice relating to Financial Statements of Authorised Funds as well as in accordance with Financial Reporting Standard (FRS) 102.
- follow applicable accounting standards; and
- keep proper accounting records which enable it to demonstrate that the accounts as prepared comply with the above requirements.

The ACS Manager is responsible for the management of the ACS 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 ACS'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.

LPP I Asset Pooling Authorised Contractual Scheme

Statement of the Depositary's Responsibilities in Respect of the Scheme and Report of the Depositary to the Unitholders of the LPP I Asset Pooling Authorised Contractual Scheme (the "Scheme") for the year ended 31 March 2018

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 custodial assets and maintaining a record of all other assets of the Scheme in accordance with the Regulations.

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.

BNY Mellon Trust & Depositary London
(UK) Limited

25 July 2018

LPP I Asset Pooling Authorised Contractual Scheme

Independent Auditor's Report to the Unitholders of LPP I Asset Pooling Authorised Contractual Scheme

Opinion

We have audited the financial statements of LPP I Asset Pooling Authorised Contractual Scheme (the 'Scheme') for the year ended 31 March 2018. These financial statements comprise together the statement of accounting policies, and the individual financial statements of each of the following sub-funds (the 'sub-funds') of the Scheme.

- LPP I Global Equities Fund
- LPP I Fixed Income Fund

The individual financial statements for each of the Scheme's sub-funds comprise the statement of total return, the statement of change in net assets attributable to unitholders, the balance sheet and notes to the financial statements and the distribution tables.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice) and the Statement of Recommended Practice 'Financial Statements of UK Authorised Funds' issued by the Investment Association in May 2014.

In our opinion the financial statements:

- give a true and fair view of the financial position of the Scheme and each of the sub-funds as at 31 March 2018 and of the net revenue and net capital gains/(losses) on the Scheme property of the Scheme and each of the sub-funds for the year then ended, and
- have been properly prepared in accordance with the Statement of Recommended Practice 'Financial Statements of UK Authorised Funds' issued by the Investment Association in May 2014, the Collective Investment Schemes sourcebook, and the Contractual Scheme Deed.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Scheme in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Who we are reporting to

This report is made solely to the Scheme's unitholders, as a body, in accordance with Rule 4.5.12 of the Collective Investment Schemes sourcebook. Our audit work has been undertaken so that we might state to the Scheme's unitholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Scheme and the Scheme's unitholders as a body, for our audit work, for this report, or for the opinions we have formed.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the ACS Manager's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the ACS Manager has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Scheme or a sub-fund's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

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

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Collective Investment Schemes sourcebook

In our opinion:

- we have been given all the information and explanations, which, to the best of our knowledge and belief, are necessary for the purposes of our audit, and
- the information given in the ACS Manager's Report (which comprises the Cross Sub-fund holdings within the Scheme contained in the ACS Manager's report on page 1, the Investment Reports and the Portfolio Statements) is consistent with the financial statements.

LPP I Asset Pooling Authorised Contractual Scheme

Independent Auditor's Report to the Unitholders of LPP I Asset Pooling Authorised Contractual Scheme (continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Collective Investment Schemes sourcebook requires us to report to you if in our opinion:

- proper accounting records for the Scheme or a sub-fund have not been kept, or
- the financial statements are not in agreement with those accounting records.

Responsibilities of the ACS Manager

As explained more fully in the Statement of the ACS Manager's Responsibilities on page 49, the ACS Manager is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the ACS Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the ACS Manager is responsible for assessing the Scheme's and each of the sub-funds' ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the ACS Manager either intends to terminate a sub-fund, wind up the Scheme or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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



Grant Thornton UK LLP
Statutory Auditor,
Chartered Accountants
London

25 July 2018

LPP I Asset Pooling Authorised Contractual Scheme

General Information

ACS Manager:

Local Pensions Partnership Investments Ltd

Registered Office:

Local Pensions Partnership Investments Ltd
County Hall,
Fishergate,
Preston,
Lancashire
PR1 8XJ

Principal Place of Business:

Local Pensions Partnership Investments Ltd
Norwest Court
Guildhall Street
Preston
Lancashire
PR1 3NU

Authorised and regulated by the Financial Conduct Authority.

Depositary:

BNY Mellon Trust & Depositary (UK) Limited

Registered Office:

The Bank of New York Mellon Centre
160 Queen Victoria Street
London
EC4V 4LA

Principal place of business:

One Canada Square
London
E14 5AL

Authorised and regulated by the Financial Conduct Authority.

Registrar and Transfer Agent:

The Bank of New York Mellon (International) Limited
One Canada Square
London
E14 5AL

Legal Advisers to the ACS:

Eversheds Sutherland LLP
One Wood Street,
London
EC2V 7WS

Auditors:

Grant Thornton UK LLP
30 Finsbury Square
London
EC2P 2YU

Custodian:

The Bank of New York Mellon SA/NV
London Branch
The Bank of New York Mellon Centre
160 Queen Victoria Street
London
EC4V 4LA

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

Directors of the ACS Manager:

Sally Bridgeland - Chair of LPP I Board*
Michael O'Higgins - Director*
Robert Vandersluis - Chair of LPP I Risk Committee*
Christopher Rule - Managing Director (Investments) and Chief Investment Officer
Susan Martin - Executive Director (appointed 5/1/2018)
Michael Jensen - Co-Chief Investment Officer (resigned 30/9/2017)
Thomas Richardson - Chief Risk Officer

*Non-executive Director.

Investment Managers of the ACS ("the Investment Managers"):

Local Pensions Partnership Investments Ltd
County Hall,
Fishergate,
Preston,
Lancashire
PR1 8XJ

Baron Capital Management, Inc.

767 Fifth Avenue,
49th Floor
New York,
NY 10153
United States

First Eagle Investment Management, LLC

1345 Avenue of the Americas,
New York,
NY 10105
United States

PIMCO Europe Limited

11 Baker Street,
London,
W1U 3AH

MFS International (UK) Limited (Discontinued)

One Carter Lane,
London,
EC4V 5ER

Magellan Asset Management Limited

MLC Centre Level 36,
19 Martin Place,
Sydney,
NSW 2000,
Australia

Robeco Institutional Asset Management B.V.

Weena 850,
3014 DA,
Rotterdam,
The Netherlands

Wellington Management International Limited

Cardinal Place,
80 Victoria Street,
London,
SW1E 5JL

For further information on the changes to the 'Investment Managers of the ACS' please refer to the 'Notice to unitholders in the LPP I Global Equities Fund' section on page 2.