

Review of Investment Performance for the Quarter to 31st March 2022

1. Brunel - LGIM (Passive Global Equity)

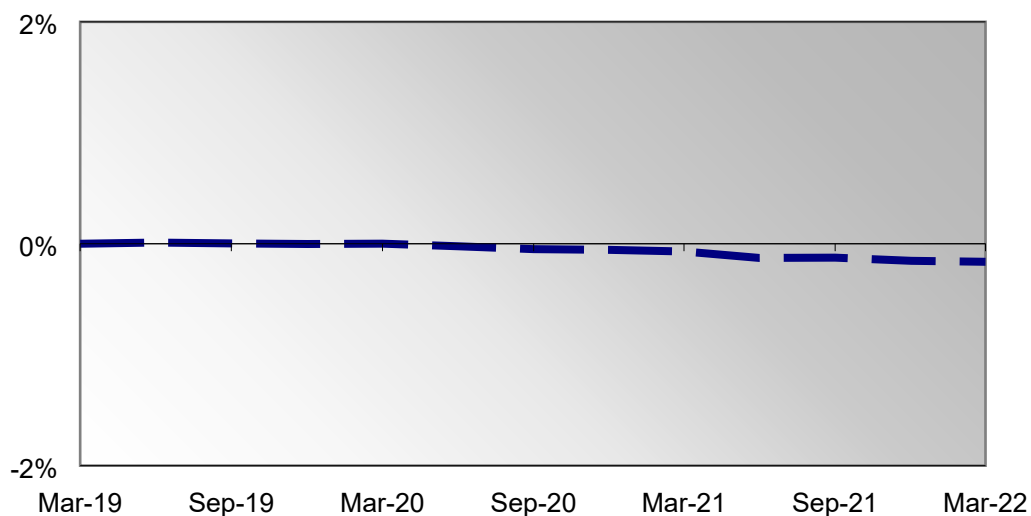
1.1 The performance for the quarter to 31st March 2022 is summarised in the following table:

Quarter to 31 March 2022				
Value as at 31 Mar £m		Fund for quarter %	Performance Benchmark for quarter %	Relative to Benchmark %
782.6	Global equities	-2.4	-2.4	+0.0

1.2 The LGIM passive fund matched the performance of the benchmark for the quarter. Absolute performance was positive.

1.3

Brunel (LGIM) performance Vs Benchmark



1.4 The table below shows annualised performance over a range of time periods:

	Fund % p.a.	Benchmark % p.a.	Relative to Benchmark % p.a.
1 year	14.8	14.8	+0.0
3 year	14.8	14.9	-0.1
5 years	Initial investment in July 2018		

2. Brunel - (Global High Alpha Equity)

2.1 The performance for the quarter to 31st March 2022 is summarised in the following table:

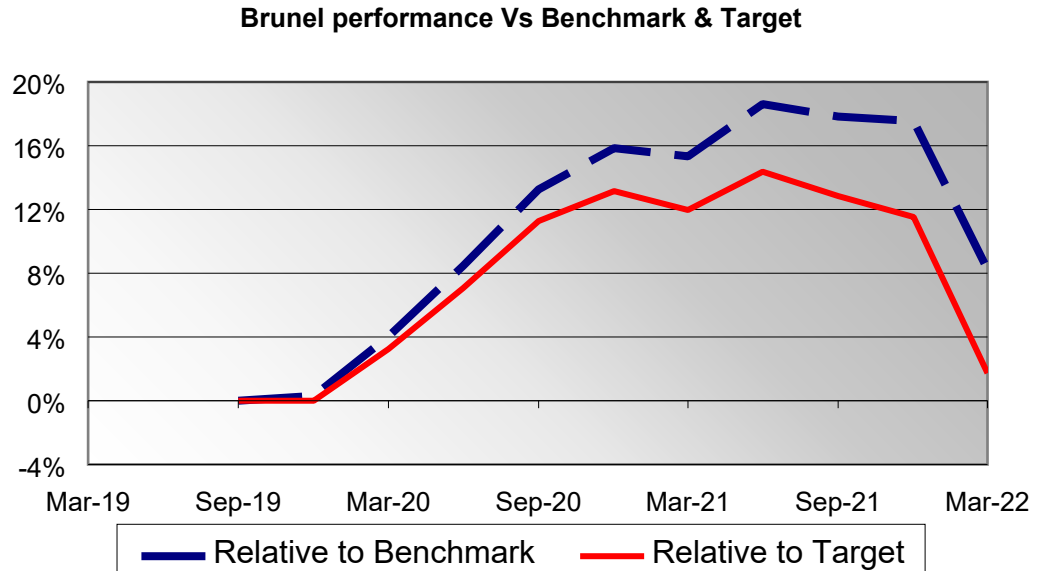
Quarter to 31 March 2022				
Value as at 31 Mar £m		Fund for quarter %	Performance Benchmark for quarter %	Relative to Benchmark %
392.5	Global equities	-8.0	-2.3	-6.7

2.2 The Brunel Global High Alpha portfolio is managed by a combination of Alliance Bernstein, Baillie Gifford, Fiera Capital, Harris Associates and Royal London Asset Management.

2.3 The fund significantly underperformed during the quarter. Absolute returns were strongly negative.

2.4

The Brunel GHA Fund's target is to outperform the benchmark by an annualised return of 2%-3% over continuous three to five-year periods after fees have been deducted. The graph below shows performance against 2%.



2.5

The table below shows annualised performance over a range of time periods:

	Fund % p.a.	Benchmark % p.a.	Relative to Benchmark % p.a.
1 year	8.8	15.9	-7.1
3 years	Initial investment in November 2019		

3. Aberdeen Standard Investments (UK Equities)

3.1 The performance for the quarter to 31st March 2022 is summarised in the following table:

Quarter to 31 March 2022			
Value as at 31 Mar £m	Fund for quarter %	Performance Benchmark for quarter %	Relative to Benchmark %
13.3 UK	-18.2	0.5	-17.7

3.2 The transfer of the majority of this mandate to the equivalent Brunel offering took place in November 2018. The residual holding is in a smaller companies fund and will be used as a source of cash as necessary.

3.3 Aberdeen Standard had a very poor quarter relative to their benchmark. Absolute returns were strongly negative. Smaller companies underperformed during the quarter, and the Aberdeen Standard fund underperformed the smaller companies' benchmark.

4. Brunel (UK Equities)

4.1 The performance for the quarter to 31st March 2022 is summarised in the following table:

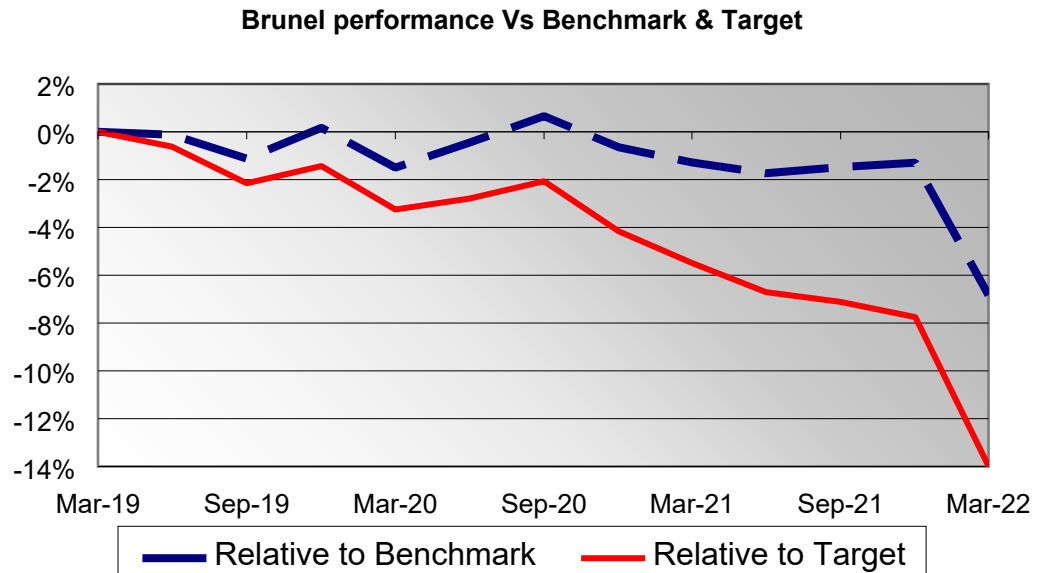
Quarter to 31 March 2022			
Value as at 31 Mar £m	Fund for quarter %	Performance Benchmark for quarter %	Relative to Benchmark %
489.0 UK	-3.7	1.2	-2.5

4.2 The Brunel UK portfolio is managed by a combination of Invesco and Baillie Gifford.

4.3 The portfolio significantly underperformed the benchmark during the quarter. Absolute performance was negative.

4.4

The Brunel UK Fund's target is to outperform the benchmark by an annualised return of 2% over continuous three to five-year periods after fees have been deducted.



4.5

The table below shows annualised performance over a range of time periods:

	Fund % p.a.	Benchmark % p.a.	Relative to Benchmark % p.a.
1 year	8.5	13.8	-5.3
3 years	3.5	5.6	-2.1
5 years	Initial investment in November 2018		

5. Brunel (Global Smaller Companies Equity)

5.1 The performance for the quarter to 31st March 2022 is summarised in the following table:

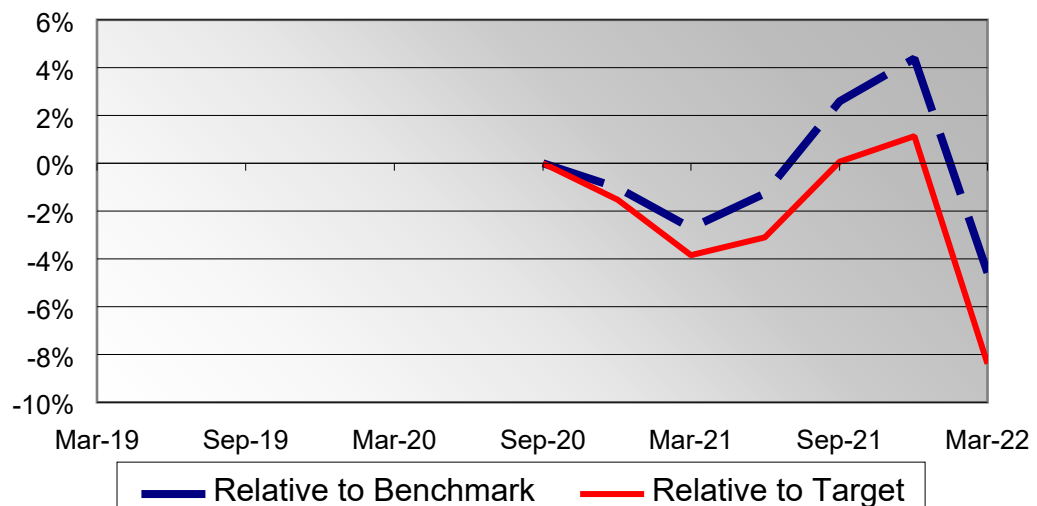
Quarter to 31 March 2022			
Value as at 31 Mar £m	Fund for quarter %	Performance Benchmark for quarter %	Relative to Benchmark %
189.1 Smaller Companies	-10.0	-3.8	-6.2

5.2 The Brunel Smaller Companies Market portfolio is managed by a combination of Montanaro Asset Management, American Century and Kempen Capital Management.

5.3 The portfolio significantly underperformed the benchmark during the quarter. Absolute performance was strongly negative.

5.4 The Brunel Smaller Companies Fund's target is to outperform the benchmark by an annualised return of 2% over continuous three to five-year periods after fees have been deducted.

Brunel performance Vs Benchmark & Target



5.5 The table below shows annualised performance over a range of time periods:

	Fund % p.a.	Benchmark % p.a.	Relative to Benchmark % p.a.
1 year	2.2	3.6	-1.4
3 years	Initial investment in September 2020		

6. Brunel (Emerging Market Equity)

6.1 The performance for the quarter to 31st March 2022 is summarised in the following table:

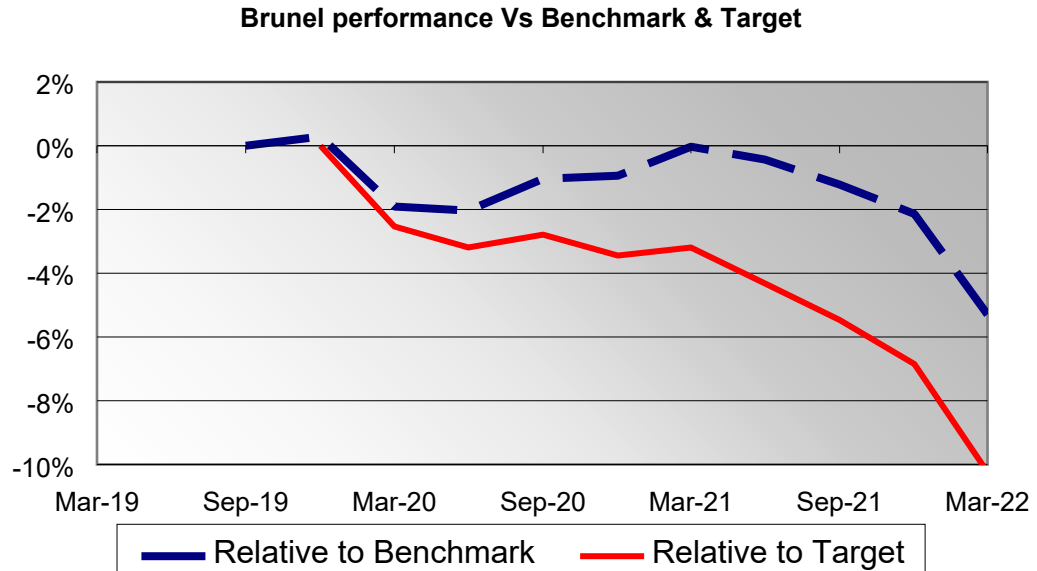
Quarter to 31 March 2022				
Value as at 31 Mar £m		Fund for quarter %	Performance Benchmark for quarter %	Relative to Benchmark %
108.1	Emerging Market	-7.1	-4.3	-2.8

6.2 The Brunel Emerging Market portfolio is managed by a combination of Genesis Investment Management, Wellington Management and Investec Asset Management.

6.3 The Brunel portfolio underperformed during the quarter. Absolute performance was strongly negative.

6.4

The Brunel Emerging Market Fund’s target is to outperform the benchmark by an annualised return of 2%-3% over continuous three to five-year periods after fees have been deducted. The graph below shows performance against 2%.



6.5

The table below shows annualised performance over a range of time periods:

	Fund % p.a.	Benchmark % p.a.	Relative to Benchmark % p.a.
1 year	-11.5	-7.1	-4.3
3 years	Initial investment in October 2019		

7. Brunel (Passive Gilts)

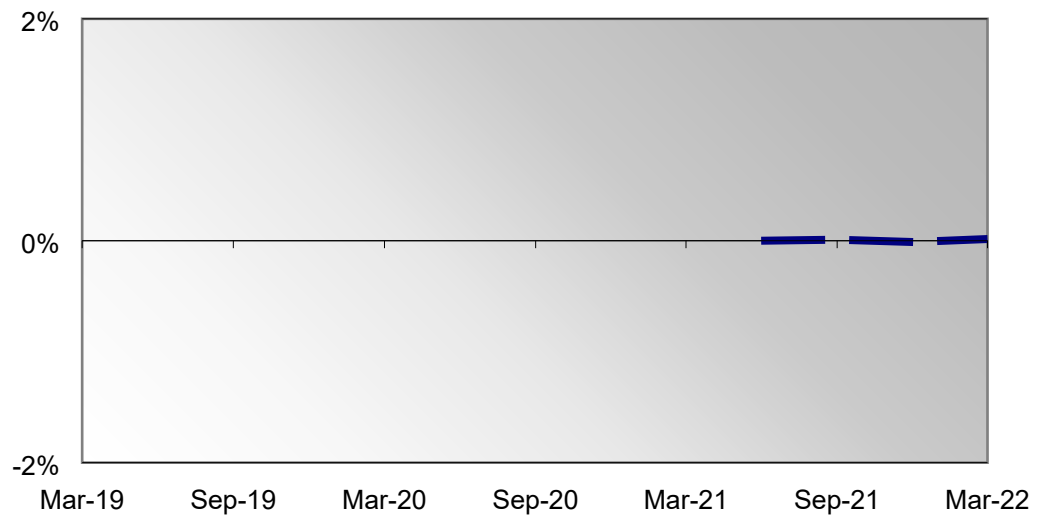
7.1 The performance for the quarter to 31st March 2022 is summarised in the following table:

Quarter to 31 March 2022			
Value as at 31 Mar £m	Fund for quarter %	Performance Benchmark for quarter %	Relative to Benchmark %
62.3 UK Gilts	-12.3	-12.3	+0.0

7.2 The Blackrock managed passive UK Gilts Fund matched the performance of the benchmark for the quarter. Absolute performance was negative.

7.3

Brunel (Blackrock) performance Vs Benchmark



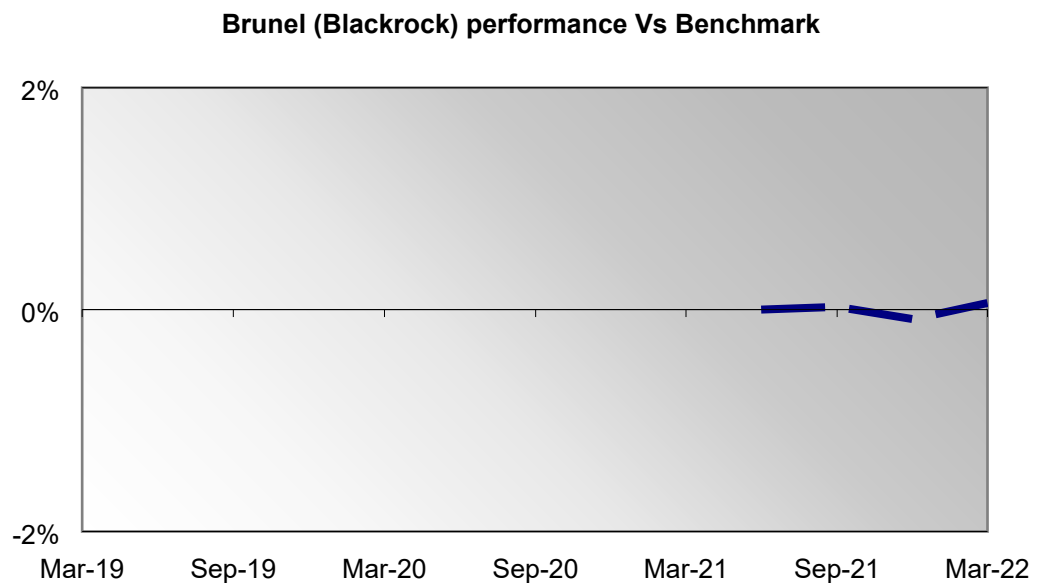
8. Brunel (Passive (index-Linked Gilts))

8.1 The performance for the quarter to 31st March 2022 is summarised in the following table:

Quarter to 31 March 2022			
Value as at 31 Mar £m	Fund for quarter %	Performance Benchmark for quarter %	Relative to Benchmark %
80.9 UK Index-Linked Gilts	-6.3	-6.4	+0.1

8.2 The Blackrock managed passive UK Index-Linked Gilts Fund slightly outperformed against the benchmark for the quarter. Absolute performance was negative.

8.3



9. Brunel (Sterling Corporate Bonds)

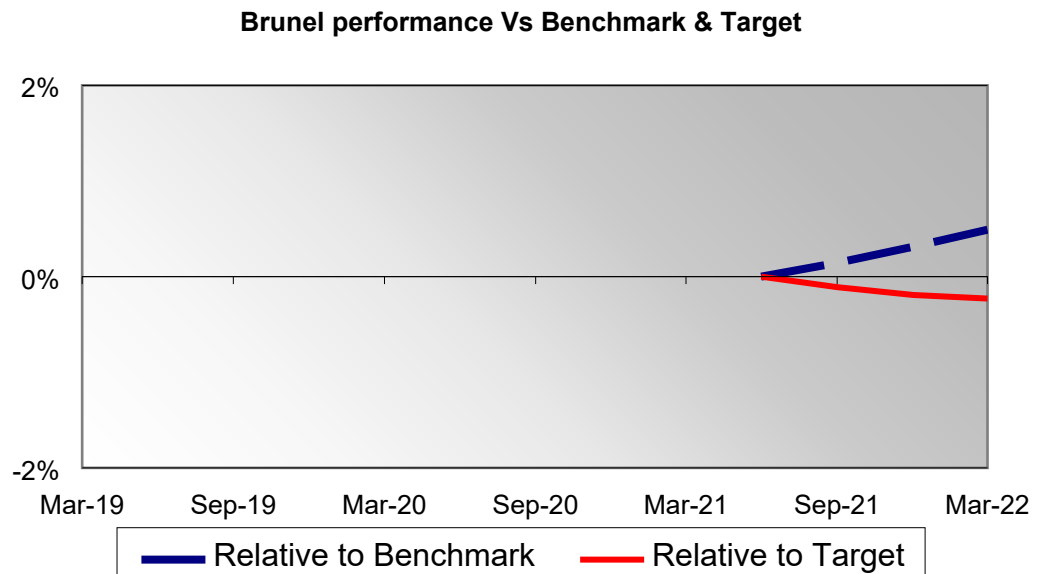
9.1 The performance for the quarter to 31st March 2022 is summarised in the following table:

Quarter to 31 March 2022			
Value as at 31 Mar £m	Fund for quarter %	Performance Benchmark for quarter %	Relative to Benchmark %
196.8 £ Corporate Bonds	-6.0	-6.2	+0.2

9.2 The Brunel Sterling Corporate Bond portfolio is managed by Royal London Asset Management.

9.3 The portfolio outperformed the benchmark during the quarter. Absolute performance was strongly negative.

9.4



10. Brunel (Multi Asset Credit)

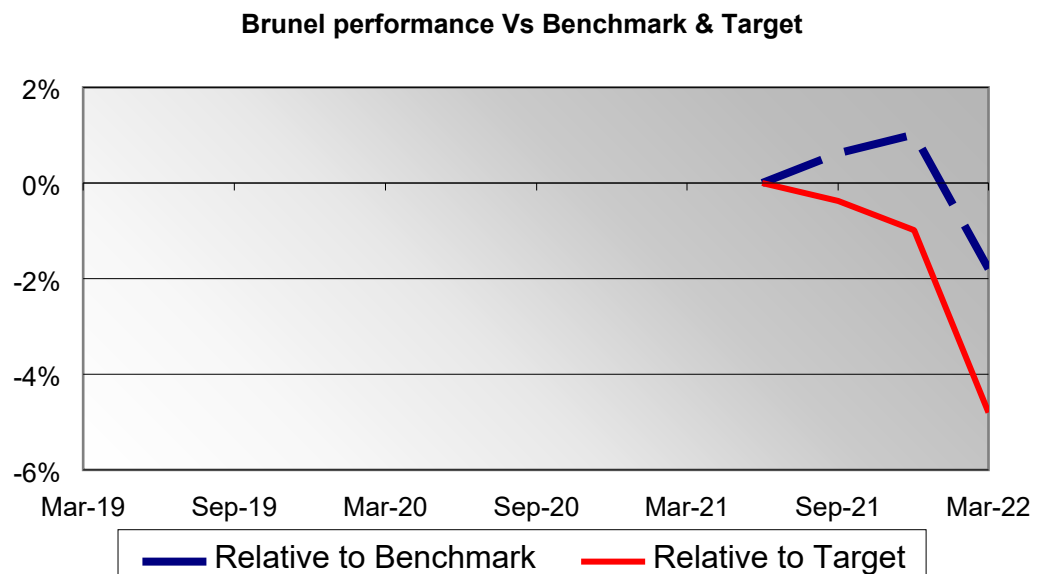
10.1 The performance for the quarter to 31st March 2022 is summarised in the following table:

Quarter to 31 March 2022				
Value as at 31 Mar £m		Fund for quarter %	Performance Benchmark for quarter %	Relative to Benchmark %
77.7	Multi Asset Credit	-2.7	0.1	-2.8

10.2 The Brunel Sterling Corporate Bond portfolio is managed by a combination of CQS, Neuberger Berman and Oaktree.

10.3 The portfolio underperformed the benchmark during the quarter. Absolute performance was negative.

10.4



11. LaSalle/Brunel (Property Fund of Funds)

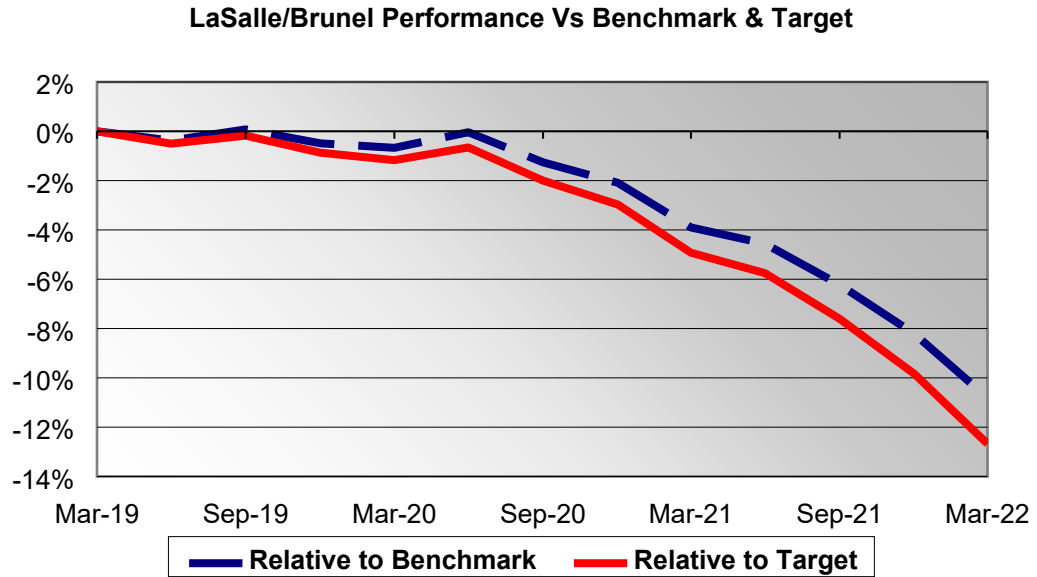
11.1 The performance for the quarter to 31st March 2022 is summarised in the following table:

Quarter to 31 March 2022				
Value as at 31 Mar £m		Fund for quarter %	Performance Benchmark for quarter %	Relative to Benchmark %
227.9	UK Property	3.9	5.6	-1.7
18.1	Cash			
246.0	Total	3.7	5.6	-1.9

11.2 Management of the property portfolio moved from LaSalle to Brunel on 1st November 2020. Unlike other asset classes Brunel simply took over management with no underlying change in holdings. Going forward performance records will report the full history of this portfolio.

11.3

Brunel's target is to outperform the benchmark by an annualised return of 0.5% over continuous five to seven year periods after all fees have been deducted.



11.4

The table below shows annualised performance over a range of time periods:

	Fund % p.a.	Benchmark % p.a.	Relative to Benchmark % p.a.
1 year	17.0	23.1	-6.1
3 years	4.9	8.0	-3.2
5 years	5.7	7.8	-2.1
10 years	6.2	8.2	-2.0

12. Neuberger Berman (Global Private Equity)

12.1 The performance for the quarter to 31st March 2022 is summarised in the following table:

Quarter to 31 March 2022			
Value as at 31 Mar £m	Fund for quarter %	Performance Benchmark for quarter %	Relative to Benchmark %
73.1 Private Equity	2.9	0.1	+2.8

12.2 The return indicated above is significantly affected by currency movements, specifically the change in the value of the US dollar against GBP.

12.3 There is a delay in the reporting of returns on private equity of about a quarter and this needs to be considered when looking at returns.

12.4 The table below shows annualised performance over a range of time periods, unlike in the table above a broad global equity index has been used as the benchmark as over long time periods this is more appropriate:

	Fund % p.a.	Benchmark % p.a.	Relative to Benchmark % p.a.
1 year	27.9	14.8	+13.1
3 years	20.4	14.9	+5.5
5 years	17.0	11.6	+5.4
10 years	16.8	13.5	+3.3

13. Brunel (Global private equity)

13.1 The performance for the quarter to 31st March 2022 is summarised in the following table:

Quarter to 31 March 2022			
Value as at 31 Mar £m	Fund for quarter %	Performance Benchmark for quarter %	Relative to Benchmark %
10.2 Private Equity	7.3	0.1	+7.2

13.2 Brunel have invested in a number of private equity funds on the Fund's behalf and just over 20% of our commitment has been drawn. The portfolio is still very immature but appears to be making good progress at generating positive returns.

13.3 The table below shows annualised performance over a range of time periods, unlike in the table above a broad global equity index has been used as the benchmark as over long time periods this is more appropriate:

	Fund % p.a.	Benchmark % p.a.	Relative to Benchmark % p.a.
1 year	22.9	14.8	+8.1
3 years	Initial investment in December 2020		

14. South West Ventures Fund

14.1 The fund continues to make reasonable progress.

15. Combined Fund

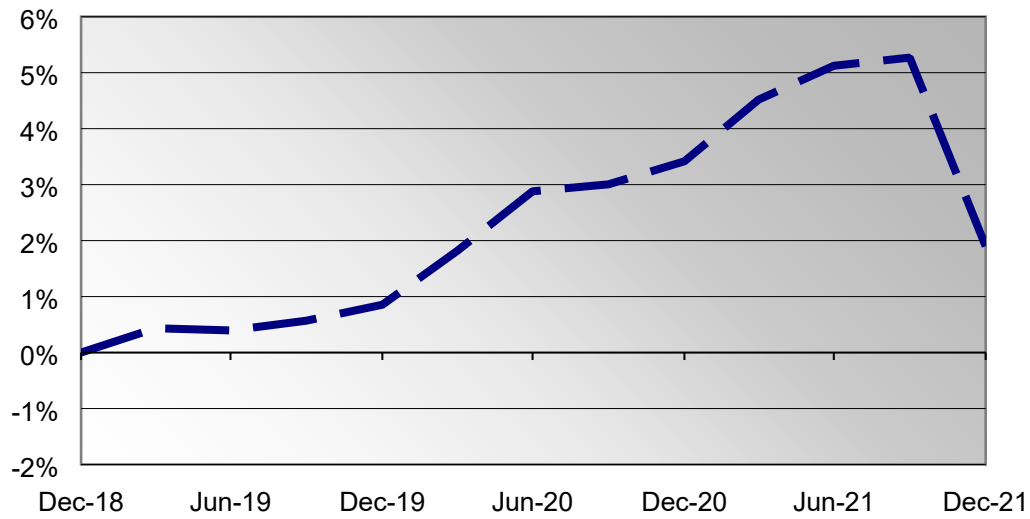
15.1 The performance for the quarter to 31st March 2022 is summarised in the following table:

Quarter to 31 March 2022				
Value as at 31 Mar £m		Fund for quarter %	Performance Benchmark for quarter %	Relative to Benchmark %
782.6	Brunel (Passive GI Eq)	-2.4	-2.4	+0.0
392.5	Brunel (GHA Eq)	-8.0	-2.3	-6.7
13.3	ASI (UK Eq)	-18.2	0.5	-17.7
489.0	Brunel (UK Eq)	-3.7	1.2	-2.5
189.1	Brunel (Small Cap Eq)	-10.0	-3.8	-6.2
108.1	Brunel (EM Eq)	-7.1	-4.3	-2.8
62.3	Brunel (Passive Gilts)	-12.3	-12.3	+0.0
80.9	Brunel (Passive I-L)	-6.3	-6.4	+0.1
196.8	Brunel (£ Corporate)	-6.0	-6.2	+0.2
77.7	Brunel (MAC)	-2.7	0.1	-2.8
246.0	Brunel (Prop)	3.7	5.6	-1.9
1.6	SWRVF	0.0	0.1	-0.1
73.1	Neuberger Berman	2.9	0.1	+2.8
10.2	Brunel (Private Eq)	7.3	0.1	+7.2
0.8	Brunel (holding in Co)	0.0	0.0	+0.0
113.3	Cash	0.1	0.1	+0.0
2,837.3	Whole Fund	-4.1	-1.7	-2.4

15.2 The fund, as a whole, underperformed its benchmark during the quarter. The level of absolute return was negative.

15.3 A asset allocation was flat for the quarter, so the underperformance was entirely due to underperformance of the underlying fund managers.

Whole Fund Performance Vs Benchmark



15.4

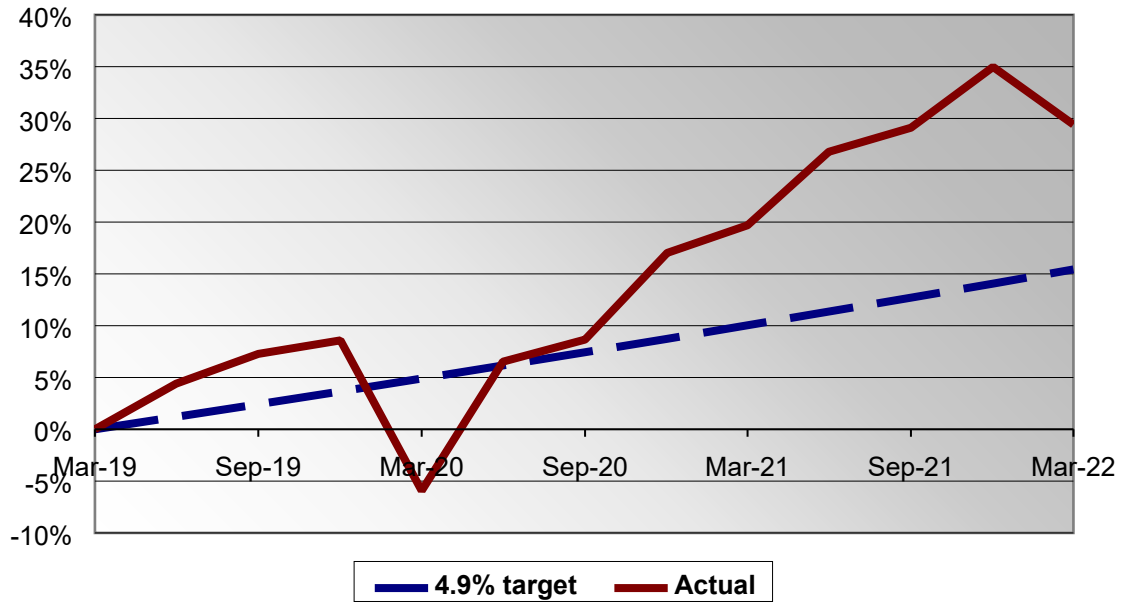
The table below shows annualised performance over a range of time periods:

	Fund % p.a.	Benchmark % p.a.	Relative to Benchmark % p.a.
1 year	8.1	9.7	-1.6
3 years	9.0	8.4	+0.6
5 years	7.2	7.1	+0.1
10 years	9.2	9.0	+0.2

15.5

At the June 2020 committee meeting the committee adopted an absolute return target of 4.9% for the fund as this is consistent with the fund becoming fully funded within the timescales indicated by the actuary as part of the 2019 valuation. Progress against this target for the 2019 to 2022 actuarial cycle is shown in the graph below.

Performance of Fund Vs. 4.9% absolute return target



15.6

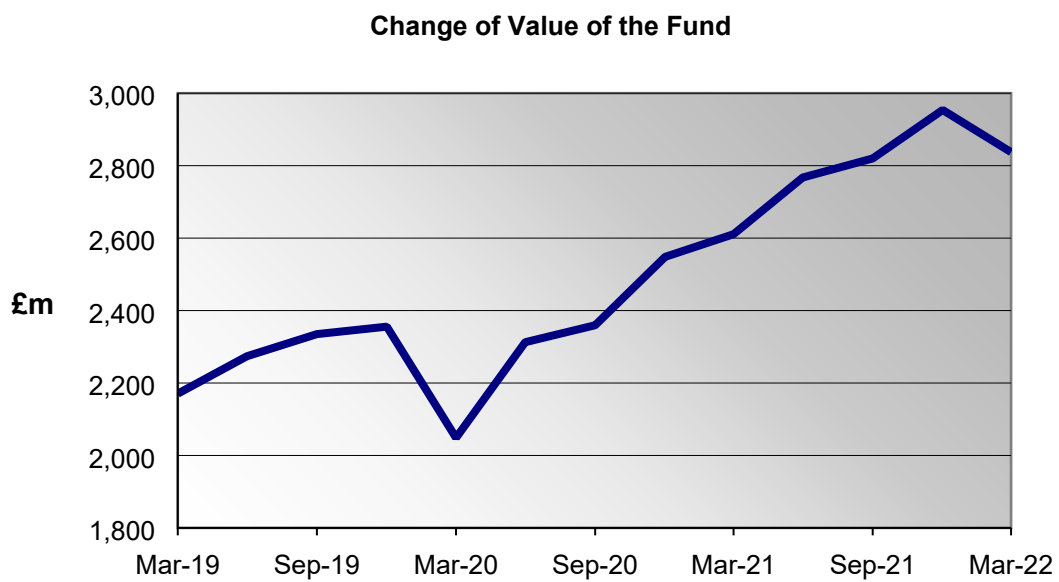
The movement in the value of the fund over the quarter is summarised in the table below.

	Value as at 31 Dec		Value as at 31 Mar		Strategic
	£m	%	£m	%	Weighting
Brunel (Passive GI Eq)	802.0	27	782.6	28	25
Brunel (GHA Eq)	426.4	14	392.5	14	10
ASI (UK Eq)	16.2	1	13.3	0	0
Brunel (UK Eq)	507.5	17	489.0	17	20
Brunel (Small Cap Eq)	210.2	7	189.1	7	5
Brunel (EM Eq)	116.4	4	108.1	4	5
Brunel (Passive Gilts)	71.0	2	62.3	2	4
Brunel (Passive I-L)	86.3	3	80.9	3	4
Brunel (Corp bonds)	209.4	7	196.8	7	8
Brunel (MAC)	79.9	3	77.7	3	3
Brunel/LaSalle (Prop)	236.7	8	246.0	9	10
SWRVF	1.6	0	1.6	0	0
Neuberger Berman	76.8	3	73.1	2	0
Brunel (Private Eq)	7.7	0	10.2	0	5
Brunel (holding in Co)	0.8	0	0.8	0	0
Cash	104.8	4	113.3	4	1
Whole Fund	2,953.7	100	2,837.3	100	100

15.7 During the quarter the following movements of cash between funds took place:

- £5.4m was withdrawn from the Neuberger Berman's Private equity mandate as cash was returned to us by these funds.
- £1.8m was added to the Brunel private equity fund as the underlying investments continued to drawdown on commitments.

15.8 The change in the value of the investment fund over the last three years can be seen in the graph below.

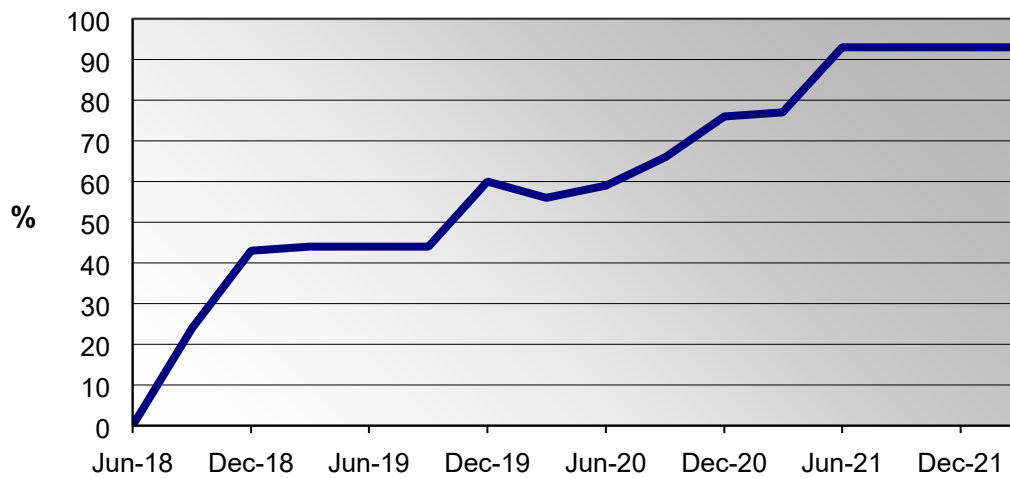


15.9

Progress on moving to pooling can be seen in the table and graph below

	Value as at 31 Dec		Value as at 31 Mar	
	£m	%	£m	%
Pooled assets	2,753.5	93	2,635.2	93
Retained assets	200.2	7	202.1	7
Whole Fund	2,953.7	100	2,837.3	100

% of Fund managed within Brunel Pool



15.10

The Fund's Actuary, Barnett Waddingham, provided the following update to December 2021. We would not expect a further update until the valuation results are provided to committee in the autumn.

"The results of our assessment indicate that:

- The current projection of the smoothed funding level as at 31 December 2021 is 89.0% and the average required employer contribution would be 28.5% of payroll assuming the deficit is to be paid by 2039.
- This compares with the reported (smoothed) funding level of 85.7% and average required employer contribution of 24.3% of payroll at the 2019 funding valuation.

It should be borne in mind that the nature of the calculations is approximate and so the results are only indicative of the underlying position."

