Somerset Council

Notice of Meeting of

PENSION FUND BOARD

Friday, 7 July 2023 at 10.00 am

Luttrell Room - County Hall

To: The members of the Pension Fund Board

Chair: Councillor

Nigel Behan
Councillor Simon Carswell
Councillor Anne Hills (Chair)
Rod Bryant
Rachel Ellins
Anthony White

For further information about the meeting, including how to join the meeting virtually, please contact Democratic Services democraticservicesteam@somerset.gov.uk.

All members of the public are welcome to attend our meetings and ask questions or make a statement **by giving advance notice** in writing or by e-mail to the Monitoring Officer at email: democraticservicesteam@somerset.gov.uk by **5pm on Monday, 3 July 2023**.

This meeting will be open to the public and press, subject to the passing of any resolution under the Local Government Act 1972, Schedule 12A: Access to Information.

The meeting will be webcast and a recording made.

Issued by (the Proper Officer) on Thursday, 29 June 2023

AGENDA

Pension Fund Board - 10.00 am Friday, 7 July 2023

Public Guidance Notes contained in Agenda Annexe (Pages 5 - 6)

Click here to join the online meeting (Pages 7 - 8)

1 Apologies for Absence

To receive any apologies for absence.

2 Declarations of Interest

To receive and note any declarations of interests in respect of any matters included on the agenda for consideration at this meeting.

(The other registrable interests of Councillors of Somerset Council, arising from membership of City, Town or Parish Councils and other Local Authorities will, when appropriate, be automatically recorded in the minutes: City, Town & Parish Twin Hatters - Somerset Councillors 2023)

3 Minutes from the Previous Meeting (Pages 9 - 12)

To approve the minutes the meeting held on the 28 April 2023 as a correct record.

4 Public Question Time

The Chair to advise the Committee of any items on which members of the public have requested to speak and advise those members of the public present of the details of the Council's public participation scheme.

For those members of the public who have submitted any questions or statements, please note, a three minute time limit applies to each speaker and you will be asked to speak before Councillors debate the issue.

We are now live webcasting most of our committee meetings and you are welcome to view and listen to the discussion. The link to each webcast will be available on the meeting webpage, please see details under 'click here to join online meeting'.

5 Review of Pension Fund Committee Papers

To consider the papers provided to the Pension Fund Committee at their meeting of 16 June 2023.

6 Review of Pension Fund Risk Register (Pages 13 - 18)

To consider a report from the Funds & Investments Manager.

7 Business Plan Update (Pages 19 - 22)

To consider a report from the Funds & Investments Manager.

8 Review of Brunel Investment Performance Report (Pages 23 - 96)

To consider a report from the Funds & Investments Manager.

9 Review of Brunel's Climate Change Policy and Carbon Metrics (Pages 97 - 148)

To consider this report from the Funds & Investments Manager.

10 Any Other Business of Urgency

The Chair may raise any items of urgent business.

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Guidance notes for the meeting

Council Public Meetings
The legislation that governs Council meetings requires that committee meetings are held face-to-face. The requirement is for members of the committee and key supporting officers (report authors and statutory officers) to attend in person, along with some provision for any public speakers. Provision will be made wherever possible for those who do not need to attend in person including the public and press who wish to view the meeting to be able to do so virtually.
Inspection of Papers
Any person wishing to inspect minutes, reports, or the background papers for any item on the agenda should contact Democratic Services at democraticservicesteam@somerset.gov.uk or telephone 01823 357628.
They can also be accessed via the council's website on Committee structure - Modern Council (somerset.gov.uk)

Members' Code of Conduct requirements
When considering the declaration of interests and their actions as a councillor, Members are reminded of the requirements of the Members' Code of Conduct and the underpinning Principles of Public Life: Honesty; Integrity; Selflessness; Objectivity; Accountability; Openness; Leadership. The Code of Conduct can be viewed at: Code of Conduct

Minutes of the Meeting
Details of the issues discussed, and recommendations made at the meeting will be set out in the minutes, which the Committee will be asked to approve as a correct record at its next meeting.

Public Question Time
If you wish to speak or ask a question about any matter on the Committee's agenda please contact Democratic Services by 5pm providing 3 clear working days before the meeting. (for example, for a meeting being held on a Wednesday, the deadline will be 5pm on the Thursday prior to the meeting) Email democraticservicesteam@somerset.gov.uk or telephone 01823 357628.

Members of public wishing to speak or ask a question will need to attend in person or if unable can submit their question or statement in writing for an officer to read out, or alternatively can attend the meeting online.
A 20-minute time slot for Public Question Time is set aside near the beginning of the meeting, after the minutes of the previous meeting have been agreed. Each speaker will have 3 minutes to address the committee.

You must direct your questions and comments through the Chair. You may not take a direct part in the debate. The Chair will decide when public participation is to finish. If an item on the agenda is contentious, with many people wishing to attend the meeting, a representative should be nominated to present the views of a group.

Meeting Etiquette for participants

Only speak when invited to do so by the Chair.
Mute your microphone when you are not talking.
Switch off video if you are not speaking.
Speak clearly (if you are not using video then please state your name)
If you're referring to a specific page, mention the page number.
There is a facility in Microsoft Teams under the ellipsis button called turn on live captions which provides subtitles on the screen.

Exclusion of Press & Public

If when considering an item on the agenda, the Committee may consider it appropriate to pass a resolution under Section l00A (4) Schedule 12A of the Local Government Act 1972 that the press and public be excluded from the meeting on the basis that if they were present during the business to be transacted there would be a likelihood of disclosure of exempt information, as defined under the terms of the Act.
If there are members of the public and press listening to the open part of the meeting, then the Democratic Services Officer will, at the appropriate time, ask participants to leave the meeting when any exempt or confidential information is about to be discussed.

Recording of meetings

The Council supports the principles of openness and transparency. It allows filming, recording, and taking photographs at its meetings that are open to the public - providing this is done in a non-disruptive manner. Members of the public may use Facebook and Twitter or other forms of social media to report on proceedings. No filming or recording may take place when the press and public are excluded for that part of the meeting.

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Minutes of a Meeting of the Pension Fund Board held in the Luttrell Room - County Hall, Taunton TA1 4DY, on Friday, 28 April 2023 at 10.00 am

Present:

Cllr Councillor Anne Hills (Chair)

Cllr Simon Carswell
Nigel Behan
Rachel Ellins (virtually)
Rod Bryant
Anthony White

In attendance:

Anton Sweet	Funds & Investment Manager
Shirley Cuthbert	Peninsula Pensions (virtually)

1 **Apologies for Absence** - Agenda Item 1

None.

2 **Declarations of Interest** - Agenda Item 2

Cllr Simon Carswell declared that he was in receipt of a Somerset Council pension.

3 **Minutes from the Previous Meeting** - Agenda Item 3

Resolved that the minutes of the Somerset Pensions Board held on 20 January 2023 be confirmed as a correct record subject to the replacement of '*variation*' with '*valuation*' in minute no. 139.

4 **Public Question Time** - Agenda Item 4

No members of the public had registered to speak.

5 **Review of Pensions Committee Papers** - Agenda Item 5

The Board received a summary of the Pension Committee meeting on the 10 March

2023, with updates, and the following points were highlighted:

- The terms of reference for the new Pension Fund Committee had been agreed and the Committee membership had been increased from 8 to 10.
- The pension fund had been moved from the SAP system to Microsoft 365.
- The reduction in staff due to the formation od the unitary council was unlikely to have an impact on the pension fund.
- Investment performance had been reviewed.
- Admin performance had been reviewed and staff recruitment was a major topic. Peninsula Pensions currently interviewing for 7 vacancies, approximately 10% of their workforce.
- The Communications Strategy was being worked upon.
- Nothing had been received regarding the financial climate related disclosure reporting requirements for local government pension schemes.
- They were still awaiting the outcome of the McCloud case.
- Nothing formal had been received on changes to the pooling guidance or pooling regulations.
- The Annual Employers meeting would now likely be taking place in the Summer or Autumn.
- Whilst Brunel had approved their strategic objectives and budget there was currently an impasse over a proposed new remuneration policy that the majority believed was necessary to overcome their recruitment and retention issues. Consequently, their governance structure and voting requirements was being looked at.

6 **Review of Pension Fund Risk Register** - Agenda Item 6

The Board was advised that an informal joint session, involving members of both the Committee and the Board, was planned for later in the year to have an in-depth discussion on each risk and to see if the current scoring was appropriate.

In response to concerns raised by the Board it was agreed that tweaks would be made to the following risks:

- **PF - Admin5** – to reflect an increase in likelihood.
- **PF - Inv4** – to reflect the specific recruitment issues that they faced.

7 **Business Plan Update** - Agenda Item 7

The Board considered their business plan and agreed to add a review of Brunel's new Climate Change Strategy to the July 2023 meeting as it aligned with the already planned review of Brunel's Carbon Metrics Report.

The Chair also reminded everyone that at the October meeting there would be an election of a Chair for the Pension Board, and that after having served for two terms, she would be looking for another member to step up.

8 Review of Funding Strategy Statement - Agenda Item 8

The Board considered the Funding Strategy Statement and in response to questions about the RPI assumption of 3.2% it was explained that whilst inflation was currently running at a much higher rate, they were looking at what was expected over a 20 year period. In response to concerns that it was not just inflation but a succession of issues one after another, and whether there was anything pre-emptive that could be done the Officer confirmed that, as a fund, the only lever that they had was to request a fresh actuarial valuation as at the 31 March 2023 and that would take a year to do.

Whilst Somerset Council could put additional monies into the fund, it was highly unlikely considering the financial pressures that it was under. Cllr Liz Leyshon (Deputy Leader of the Council and Lead Member for Resources and Performance) confirmed that that was a fair summation and that putting more funding into the pension scheme was unlikely to find favour at the current time. The Board was advised that it was probably reasonable to wait until the next valuation.

In respect of the Funding Strategy Statement Members noted that the new proposed methodology would give a more prudent outcome over time and that it would be considered by the Committee before going out to the employers.

9 Review of Investment Performance Calculation and Monitoring - Agenda Item 9

The Board received an overview of investment performance and, after discussing a number of points, felt that it would be helpful to know how the various Brunel funds were performing against each other. They requested that Brunel's General Performance Report to be included within the Pension Board's papers.

10 Any Other Business of Urgency - Agenda Item 10

None.

(The meeting ended at 12.11 pm)

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CHAIR

Review of Pension Fund Risk Register

Lead Officer:	Jason Vaughan: Executive Director – Resources and Corporate Services (Section 151 Officer)
Author:	Anton Sweet: Funds and Investments Manager
Contact Details:	(01823) 359584 anton.sweet@somerset.gov.uk
Executive Portfolio Holder:	Not applicable
Division and Local Member:	Not applicable

1. Summary

1.1 In response to CIPFA guidance recommending the adoption and monitoring of a risk register for LGPS funds the Pension Board have requested that a review of the risk register is a standing item on the agenda for each meeting.

2. Issues for consideration

2.1 To monitor the risks contained on the risk register.

3. Changes since last meeting

3.1 The changes requested at the last Board meeting have been made.

3.2 The likelihood risk score for PF Inv2 has been reduced to reflect the better funding level achieved at the 2022 valuation.

3.2 There have been some tidying up with respect to old references to the County Council etc.

3.3 It is anticipated that a more in depth review of the risk register will take place in 2023, probably with a joint informal meeting of Board and Committee as part of that process.

4. Background

4.1 Risk management is central to the management of the Pension Fund as reflected by the coverage of risk in key documents such as the Funding Strategy Statement and the Statement of Investment Principals. The risk register allows for consideration of all of the fund's risks in a single document.

4.2 Guidance issued by CIPFA on the application of the Myner's Principles in the LGPS in 2010 indicated that the creation and adoption by Pensions Committees of a risk register was best practice.

4.3 The current risk register is attached as appendix A and has been prepared using the Somerset County Council risk framework and scoring methodology.

5. Consultations undertaken

None

6. Financial Implications

6.1 No direct implications

7. Background Papers

None

Note For sight of individual background papers please contact the report author.

1. Risk Ref No: 2. Senior Risk Owner:	Description of Risk	Control measures already in place	Current Risk Score (with known controls in place) L	I	Combined score	Additional mitigating actions/control measurers planned to achieve target score	Target Risk score L	I	combined score	Additional Control measure owner	Target Date	commentary following review, inc. date	Additional Information and explanation
1. PF - Gov 1 2. Pension Fund Committee	Failure of Pension Fund Committee to manage the fund effectively, particulalry as a result of insufficient knowledge and skills	Policies and procedures adopted by Pension Fund Committee, specifically the committee training policy	3	4	12 Amber	Undertake a review of Committee Knowledge and Skills. Follow up on Findings with revised training plan	2	4	8 Green		on-going with quarterly review		Current score is influenced by the collective experience and consistency of the Pension Fund Committee, which has had a number of changes over the last 4 years.
1. PF - Gov 2 2. Pension Fund Committee	Risk of Regulatory change: - Implementation of change risks - Consequences of change risks	Continuous engagement with DLUHC and other interested stakeholders	4	3	12 Amber		4	3	12 Amber		on-going with quarterly review		The dictated change to pooling of investment arrangements and implementation of this presents a significant risk to the scheme. The frequency of new regulation and the relatively new role of the Pensions Regulator are also factors.
1. PF - Inv1 2. Anton Sweet	The pension fund has insufficient available cash to meet its immediate (next 6 months) liabilities.	Cash flow forecasting of TM function Monthly review of asset allocation and cash levels	2	4	8 Green		2	4	8 Green		on-going with quarterly review		
1. PF - Inv2 2. Pension Fund Committee	The pension fund has insufficient available assets to meet its long term liabilities.	Funding Strategy Statement Investment Strategy Statement Regular reporting of current position to Committee	2	5	10 Amber	The triennial 2022 valuation includes provision for restoring the fund to full funding over 16 years. The current risk score partly reflects that the fund was 95% funded at the last valuation. An improvement in the funding level will reduce the likelihood of the risk occurring at some point in the future.	2	5	10 Amber		Review again at next Valuation - 2025	Likelyhood score reduced to reflect the better funding level reported as part of the 2022 valuation.	This risk encapsulates the purpose of the fund in trying to always have sufficient assets to meet uncertain future liabilities with a pool of assets with uncertain future investment performance There is also the need to balance the funding needs of the fund with the desire to keep contributions as low and constant as possible

1. Risk Ref No: 2. Senior Risk Owner:	Description of Risk	Control measures already in place	Current Risk Score (with known controls in place)		Combined score	Additional mitigating actions/control measurers planned to achieve target score	Target Risk score		combined score	Additional Control measure owner	Target Date	commentary following review, inc. date	Additional Information and explanation
			L	I			L	I					
1. PF - Inv3 2. Pension Fund Committee	Under performance of pension investments due to ESG factors, including climate change.	ESG Policy within Investment Strategy Statement requiring ESG factors to be considered in all investment decisions.	2	4	8 Green		2	4	8 Green		on-going with quarterly review		Moving all assets to the management of Brunel, which has a greater focus on ESG and climate change than the majority of our legacy investment managers, has considerably improved our management of these risks.
1. PF - Inv4 2. Pension Fund Committee	Failure of Brunel to deliver either Fee savings or investment performance	Representation on the Brunel Client Group and Oversight Board	2	4	8 Green		2	4	8 Green		on-going with quarterly review	There was a proposal at April Pension Fund Board meeting to increase the score of this but due to subsequent developments this is no longer necessary.	
1. PF - Inv5 2. Anton Sweet	Insolvency of the fund's Global Custodian	Fund's assets held in client accounts not as assets of the custodian Additional oversight of custodian provided by Brunel for the assets they manage Review of credit worthiness and inherent business risk of custodian at tender phase	2	4	8 Green		2	4	8 Green		on-going with quarterly review		The designation of the fund's assets as client assets ensures that they cannot be appropriated by creditors of the Custodian bank in the case of that entity going into administration. As a result we should be able to recover substantially all of the assets of the fund held in custody but there would be considerable administrative and liquidity disruption.

1. Risk Ref No: 2. Senior Risk Owner:	Description of Risk	Control measures already in place	Current Risk Score (with known controls in place) L	Current Risk Score I	Combined score	Additional mitigating actions/control measurers planned to achieve target score	Target Risk score L	Target Risk score I	combined score	Additional Control measure owner	Target Date	commentary following review, inc. date	Additional Information and explanation
1. PF - Admin1 2. Stephen Morton	Failure of Benefits Administration to perform their tasks, specifically leading to incorrect or untimely benefits payment.	Regular reporting to Committee Internal processes and proceedures Regular review by Internal and External audit	2	3	6 Green		2	3	6 Green		on-going with quarterly review		The greater resiliance gained from the Peninsula Pensions shaed service has been balanced by greater complexity coming into the sceme benefits.
1. PF - Admin2 2. Stephen Morton	Legal challenge to fund, particularly in respect of the payment of pension benefits	Internal processes and proceedures Regular review by Internal and External audit	3	3	9 Amber	Receipt of revised regulations in respect of the exit cap, McCloud and Goodwin	2	3	6 Green		on-going with quarterly review		
1. PF - Admin3 2. Stephen Morton	Fraud, corruption, or error either within investment assets or benefits administration	Internal controls and processes Regular review of controls, processes and outputs by internal and external audit	2	4	8 Green		2	4	8 Green		on-going with quarterly review		Brunel provides an extra layer of scrutiny and control with respect to the activities of external fund managers and related third parties
1. PF - Admin4 2. Stephen Morton	The insolvency of an employer places additional liabilities on the fund and ultimately the remaining employers.	Admission agreements Guarantee bonds or other similar security	2	3	6 Green		2	3	6 Green		on-going with quarterly review		To ensure the on-going suitability of the guarantees in place a review should be undertaken after each formal valuation.

1. Risk Ref No: 2. Senior Risk Owner:	Description of Risk	Control measures already in place	Current Risk Score (with known controls in place)		Combined score	Additional mitigating actions/control measurers planned to achieve target score	Target Risk score		combined score	Additional Control measure owner	Target Date	commentary following review, inc. date	Additional Information and explanation
			L	I			L	I					
1. PF - Admin5 2. SC Section 151 Officer	Vulnerability to long-term staff sickness and/or retention and recruitment issues, especially for higher graded posts, within Somerset Council and Peninsula Pensions.	None, other than experience of other staff within the sections	3	3	9 Amber		2	3	6 Green		on-going with quarterly review	Risk clarified and liklihood score increased following discussion at April Pension Fund Board meeting.	Size and depth of staff resources at Peninsula Pensions helps to mitigate the risk Brunel provides some extra mitigation with respect to investment asset management Additional use of consultants and advisors could be used to manage loss of internal staff
1. PF - Admin6 2. SC Section 151 Officer	Resiliance of IT including a breach of cyber security	SCC and DCC internal IT security measures Additional cyber security and resiliance provided by hosting of benefits administration database and investment accounting database by outside parties	2	4	8 Green		2	4	8 Green		on-going with quarterly review		
1. PF - Admin7 2. SC Section 151 Officer	Civil Contingency Event	SCC and Peninsula would follow their established business continuity plans	3	2	6 Green		3	2	6 Green		on-going with quarterly review		Amended from COVID risk December 2022 at Board's request.

Somerset Council
Pension Fund Board

Business Plan Update

Lead Officer:	Jason Vaughan: Executive Director – Resources and Corporate Services (Section 151 Officer)
Author:	Anton Sweet: Funds and Investments Manager
Contact Details:	(01823) 359584 anton.sweet@somerset.gov.uk
Executive Portfolio Holder:	Not applicable
Division and Local Member:	Not applicable

1. Summary

1.1 To update the Board's forward work-plan and agree topics for consideration at future meetings.

2. Issues for consideration

2.1 Board dates have been agreed with a general pattern of Board meetings taking place 1 month after Pensions Committee meetings.

2.2 The Board should indicate what they would like to consider at meetings during 2023 and 2024 beyond standard items.

3. Background

3.1 To help manage the workload of the Board and allow officers to properly plan for and produce the necessary papers it is a practical necessity for the Board to adopt and populate a work-plan.

4. Consultations undertaken

None

5. Financial Implications

None

6. Background Papers

None

Note For sight of individual background papers please contact the report author.

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SOMERSET COUNCIL PENSION FUND

PENSION FUND BOARD

MEETING WORKPLAN - 2023-2024

Date	Proposed Items of Business	Lead Officer
6th October 2023	**<u>FORMAL MEETING</u>**	
	1. Electection of a Chair of the Pension Board	
	2. Business Plan Update To consider progress against the Board's approved work-plan.	**AS**
	3. Review of Pension Fund Risk Register To review the risks within the fund and form an approriate risk register for the fund.	**AS**
	4. Review of Pensions Committee papers To consider the most recent pensions committee papers and any arising matters.	**AS**
12th January 2024	**<u>FORMAL MEETING</u>**	
	1. Business Plan Update To consider progress against the Board's approved work-plan.	**AS**
	2. Review of Pension Fund Risk Register To review the risks within the fund and form an approriate risk register for the fund.	**AS**
	3. Review of Pensions Committee papers To consider the most recent pensions committee papers and any arising matters	**AS**

SOMERSET COUNCIL PENSION FUND

PENSION FUND BOARD

MEETING WORKPLAN - 2023-2024

Date	Proposed Items of Business	Lead Officer
12th April 2024	**FORMAL MEETING**	
	1. Business Plan Update To consider progress against the Board's approved work-plan.	**AS**
	2. Review of Pension Fund Risk Register To review the risks within the fund and form an approriate risk register for the fund.	**AS**
	3. Review of Pensions Committee papers To consider the most recent pensions committee papers and any arising matters.	**AS**
July 2024 TBC	**FORMAL MEETING**	
	1. Business Plan Update To consider progress against the Board's approved work-plan.	**AS**
	2. Review of Pension Fund Risk Register To review the risks within the fund and form an approriate risk register for the fund.	**AS**
	3. Review of Pensions Committee papers To consider the most recent pensions committee papers and any arising matters.	**AS**

Somerset Council
Pension Fund Board

Review of Brunel Investment Performance Report

Lead Officer: Jason Vaughan: Executive Director – Resources and Corporate Services (Section 151 Officer)

Author: Anton Sweet: Funds and Investments Manager

Contact Details: (01823) 359584
anton.sweet@somerset.gov.uk

Executive Portfolio Holder: Not applicable

Division and Local Member: Not applicable

1. Summary

1.1 Board requested at their April 2023 meeting that the attached report become part of their formal agenda.

2. Issues for consideration

2.1 The report is for information only unless the board deems that action is necessary having reviewed the report.

3. Background

3.1 None

4. Consultations undertaken

None

5. Financial Implications

5.1 Over time the performance of the pension fund investments will impact the amount that Somerset Council and other sponsoring employers have to pay into the fund to meet their liabilities. The fund actuary calculates these amounts every three years and sets payments for the intervening periods.

6. Background Papers

None

Note For sight of individual background papers please contact the report author.

BOB Performance Report

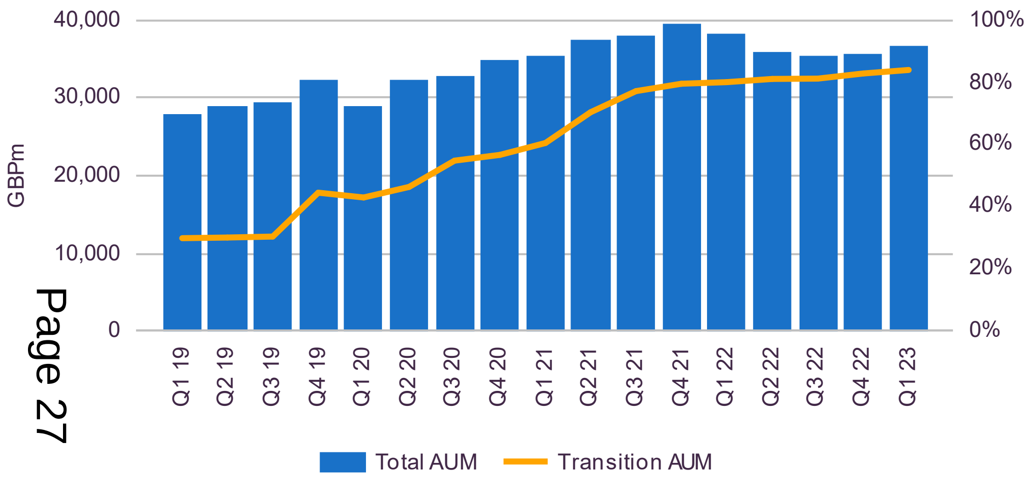
Quarter ending 31 March 2023

BRUNEL
Pension Partnership

Contents

Asset summary

Transitioned assets



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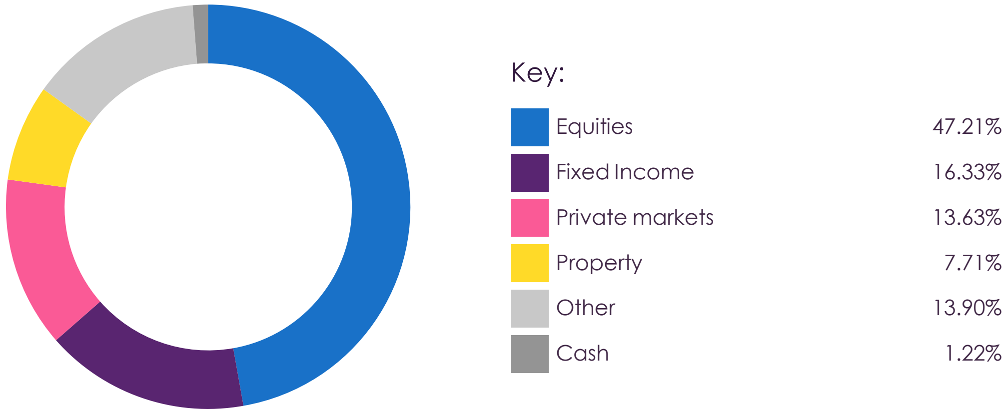
Asset allocation



Source: State Street Global Services. Net of all fees.
Data includes legacy assets

Total valuation (Brunel plus legacy assets)

	Total (GBPm)
31 December 2022	**35,459**
31 March 2023	**36,601**
Net cash inflow (outflow)	**9**

Key events

Overall, the first quarter was positive for listed asset markets - this was despite the volatility that was created by the collapse of Silicon Valley Bank in the USA and the takeover of Credit Suisse by UBS.

Private markets had more of a struggle, reflecting the delayed impact of higher global interest rates on valuations.

Client inflows were seen for Passive Paris-aligned funds, Multi Asset Credit and Sterling Corporate Bonds. Meanwhile, net redemptions were focused on Low Volatility Equities and Passive Developed (non-Paris aligned).

Overall transitioned assets have continued to creep up and now stand at around 84%.

Finally, Brunel issued its new Climate Policy, and this can be found on our website.

Overview of assets

Detailed asset allocation

Equities	£17,280.61m	47.21%
Global High Alpha Equities	£4,006.01m	10.94%
Global Sustainable Equities	£3,320.58m	9.07%
PAB Passive Global Equities	£1,620.09m	4.43%
UK Active Equities	£1,356.33m	3.71%
Emerging Markets Equities	£1,088.47m	2.97%
Global Small Cap Equities	£896.53m	2.45%
Passive Developed Equities	£887.32m	2.42%
PAB Passive Global Equities (Hedged)	£796.60m	2.18%
CTB Passive Global Equities	£640.62m	1.75%
Low Volatility Global Equities	£614.53m	1.68%
Passive Developed Equities (Hedged)	£518.08m	1.42%
CTB Passive UK Equities	£373.18m	1.02%
Passive Smart Beta	£159.41m	0.44%
Passive Smart Beta (Hedged)	£147.85m	0.40%
Passive UK Equities	£125.12m	0.34%
CTB Passive Global Equities (Hedged)	£54.27m	0.15%
Legacy Assets	£675.64m	1.85%

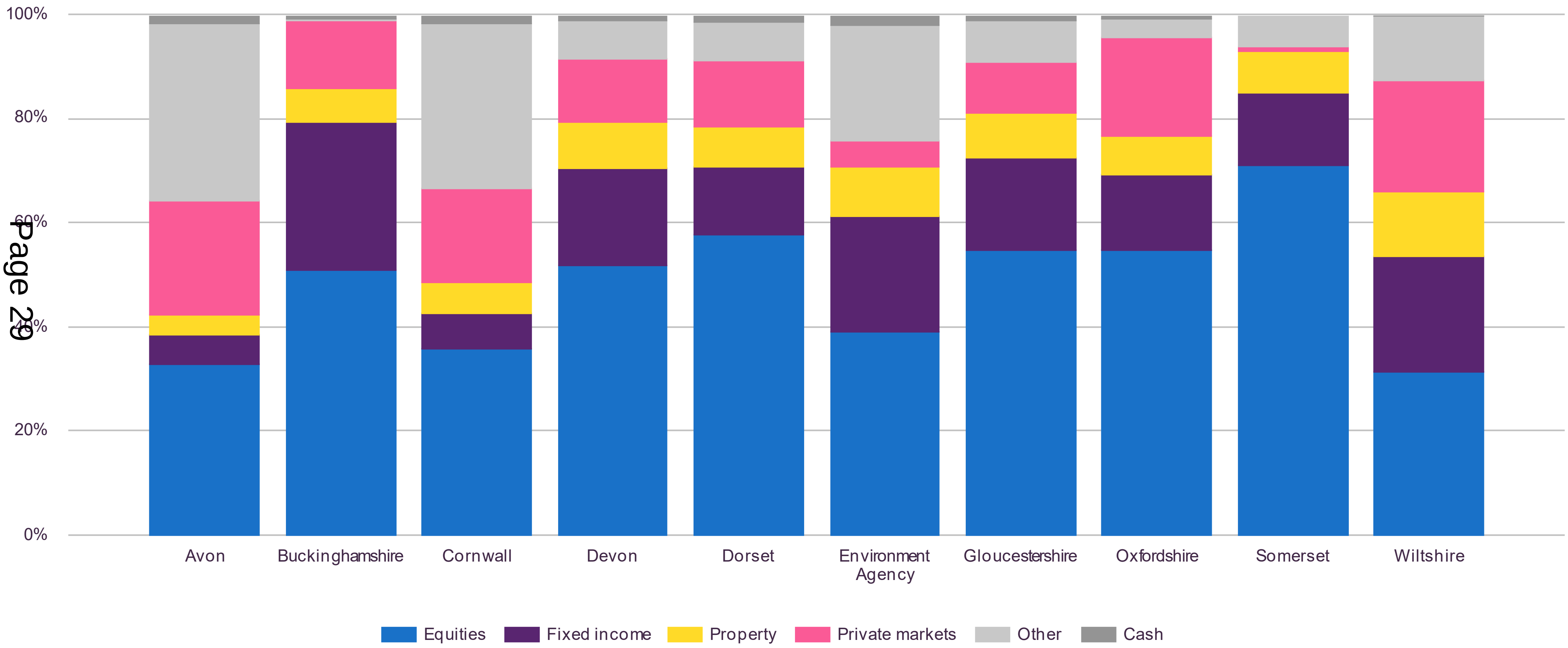
Fixed income	£5,976.02m	16.33%
Multi-Asset Credit	£2,599.10m	7.10%
Sterling Corporate Bonds	£2,017.02m	5.51%
Passive Index Linked Gilts over 5 years	£744.22m	2.03%
Passive Gilts over 15 years	£43.76m	0.12%
Legacy Assets	£571.92m	1.56%

Private markets (incl. property)	£7,809.39m	21.34%
UK Property	£1,746.34m	4.77%
Private Debt Cycle 2	£440.03m	1.20%
Secured Income Cycle 1	£436.81m	1.19%
Infrastructure Cycle 1	£429.80m	1.17%
Secured Income Cycle 2	£383.08m	1.05%
International Property	£369.19m	1.01%
Infrastructure (General) Cycle 2	£306.52m	0.84%
Infrastructure (Renewables) Cycle 2	£282.27m	0.77%
Private Equity Cycle 2	£224.99m	0.61%
Private Equity Cycle 1	£211.17m	0.58%
Infrastructure Cycle 3	£94.88m	0.26%
Private Debt Cycle 3	£77.42m	0.21%
Cornwall Local Impact (Elective)	£24.71m	0.07%
Private Equity Cycle 3	£0.00m	0.00%
Legacy Assets	£2,782.19m	7.60%

Other	£5,088.14m	13.90%
Blackrock Risk Management	£2,355.17m	6.43%
Diversifying Returns Fund	£1,373.49m	3.75%
Legacy Assets	£1,359.48m	3.71%

Cash not included

Client asset allocation



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Data includes legacy assets

Client Exposure

Portfolio	AUM	Avon	Bucking-hamshire	Cornwall	Devon	Dorset	Environment Agency	Gloucestershire	Oxfordshire	Somerset	Wiltshire
Global High Alpha Equities	4,006,001,958	13.0%	17.0%	13.7%	5.6%	7.7%	-	13.5%	10.7%	28.5%	8.1%
Global Sustainable Equities	3,320,703,685	14.7%	-	13.6%	9.8%	9.9%	8.8%	13.1%	9.9%	-	8.3%
UK Active Equities	1,356,312,629	-	-	-	-	5.3%	-	11.7%	15.8%	11.3%	-
Emerging Markets Equities	1,088,428,234	-	4.5%	7.3%	4.5%	4.0%	-	6.2%	2.6%	3.7%	-
Global Small Cap Equities	896,544,616	-	4.8%	1.1%	5.3%	6.4%	-	-	-	6.6%	-
Diversifying Returns Fund	1,373,461,079	6.3%	-	8.1%	7.0%	6.7%	-	7.9%	-	-	-
Low Volatility Global Equities	614,515,542	-	7.3%	-	-	-	8.0%	-	-	-	-
Multi-Asset Credit	2,599,094,850	5.7%	9.3%	6.7%	12.0%	6.6%	7.6%	7.2%	4.3%	3.4%	4.9%
Sterling Corporate Bonds	2,017,020,058	-	9.6%	-	6.6%	2.0%	14.6%	10.7%	3.0%	7.0%	-
Passive Gilts over 15 years	43,760,199	-	-	-	-	-	-	-	-	1.6%	-
Passive Index Linked Gilts over 5 years	744,217,616	-	8.3%	-	-	-	-	-	4.5%	2.0%	7.8%
PAB Passive Global Equities	1,620,086,657	5.2%	-	-	9.1%	1.5%	-	10.2%	15.8%	-	-
PAB Passive Global Equities (Hedged)	796,597,023	-	-	-	-	1.5%	6.6%	-	-	-	15.0%
CTB Passive Global Equities	640,617,453	-	-	-	-	1.5%	-	-	-	21.0%	-
CTB Passive Global Equities (Hedged)	54,265,917	-	-	-	-	1.5%	-	-	-	-	-
CTB Passive UK Equities	373,175,457	-	-	-	7.0%	-	-	-	-	-	-
Passive Developed Equities	887,317,467	-	17.4%	-	2.6%	2.9%	-	-	-	-	-

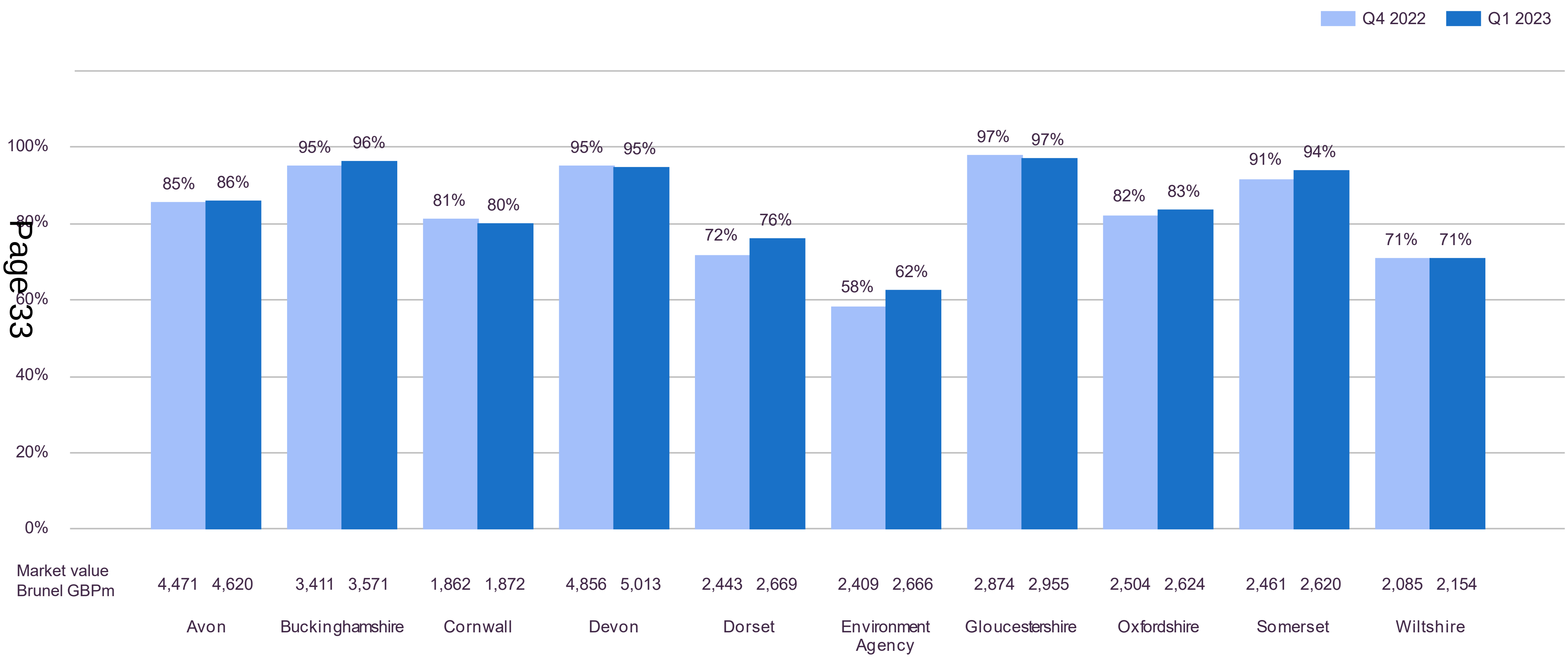
Client Exposure

Portfolio	AUM	Avon	Bucking-hamshire	Cornwall	Devon	Dorset	Environment Agency	Gloucestershire	Oxfordshire	Somerset	Wiltshire
Passive Developed Equities (Hedged)	518,077,141	-	-	-	7.9%	2.8%	-	0.0%	-	-	-
Passive UK Equities	125,123,915	-	-	-	-	3.6%	-	-	-	-	-
Passive Smart Beta	159,406,967	-	-	-	-	4.5%	-	-	-	-	-
Passive Smart Beta (Hedged)	147,853,737	-	-	-	-	4.2%	-	-	-	-	-
Private Equity Cycle 1	211,165,871	-	1.5%	-	-	1.3%	-	1.1%	2.4%	-	-
Private Equity Cycle 2	224,993,697	-	1.2%	0.8%	0.8%	-	-	0.8%	0.8%	0.6%	1.7%
Private Equity Cycle 3	-	-	0.0%	0.0%	0.0%	0.0%	-	0.0%	-	-	0.0%
Private Debt Cycle 2	440,027,545	2.1%	1.6%	2.0%	0.9%	-	-	1.8%	1.0%	-	2.7%
Private Debt Cycle 3	77,420,131	0.3%	0.4%	0.1%	0.3%	-	0.1%	0.1%	0.2%	-	0.5%
Infrastructure Cycle 1	429,801,449	1.8%	1.7%	2.1%	2.7%	-	-	1.1%	1.3%	-	-
Infrastructure (General) Cycle 2	306,516,542	-	2.4%	0.6%	2.1%	-	-	1.5%	0.5%	-	0.9%
Infrastructure (Renewables) Cycle 2	282,265,429	1.1%	1.6%	1.2%	1.4%	-	-	1.0%	0.3%	-	0.6%
Infrastructure Cycle 3	94,882,464	0.1%	0.9%	0.3%	0.3%	0.3%	0.3%	0.1%	0.3%	-	-
Secured Income Cycle 1	436,804,658	6.0%	-	-	-	1.6%	-	-	1.8%	-	-
Secured Income Cycle 2	383,084,273	2.1%	-	-	-	-	-	-	1.2%	-	7.7%
Secured Income Cycle 3	-	-	-	-	-	-	-	-	-	-	-
Cornwall Local Impact (Elective)	24,706,832	-	-	1.1%	-	-	-	-	-	-	-

Client Exposure

Portfolio	AUM	Avon	Bucking-hamshire	Cornwall	Devon	Dorset	Environment Agency	Gloucestershire	Oxfordshire	Somerset	Wiltshire
UK Property	1,746,338,929	3.4%	6.5%	6.0%	6.7%	-	-	6.7%	5.2%	8.1%	7.8%
International Property	369,190,633	-	-	0.0%	2.1%	-	-	2.0%	1.7%	-	4.7%
Blackrock Risk Management	2,355,170,438	24.2%	-	15.0%	-	-	16.2%	0.3%	-	-	-
Legacy and cash	5,836,535,809	14.2%	4.0%	20.1%	5.4%	24.1%	37.8%	3.2%	16.8%	6.3%	29.4%
	36,601,486,900	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Assets transitioned by client



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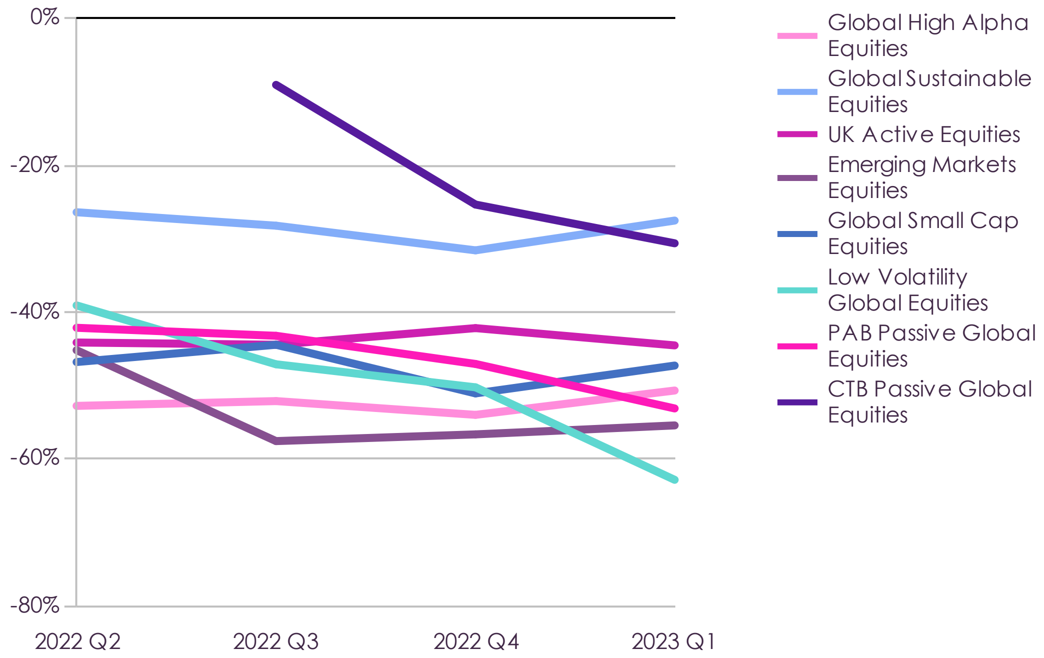
Stewardship and climate metrics

Portfolio	WACI		Extractives revenues[1]		Extractives reserves[2]	
	2022 Q4	2023 Q1	2022 Q4	2023 Q1	2022 Q4	2023 Q1
Global High Alpha Equities	**89**	**82**	**1.3**	**1.2**	**3.3**	**3.6**
MSCI World*	193	166	2.8	3.3	7.8	9.2
Global Sustainable Equities	**152**	**140**	**2.6**	**2.6**	**3.1**	**5.6**
MSCI ACWI*	222	193	2.8	3.3	7.8	9.1
UK Active Equities	**93**	**84**	**3.5**	**5.0**	**15.9**	**11.3**
FTSE All Share ex Inv Tr*	160	152	4.9	6.3	21.7	19.5
Emerging Markets Equities	**196**	**186**	**0.8**	**1.1**	**5.0**	**4.1**
MSCI Emerging Markets*	453	418	3.3	3.6	7.3	7.8
Global Small Cap Equities	**115**	**109**	**1.4**	**3.0**	**3.0**	**3.2**
MSCI Small Cap World*	234	207	2.9	3.2	5.0	5.9
Low Volatility Global Equities	**111**	**72**	**2.1**	**2.4**	**4.8**	**3.8**
MSCI ACWI*	222	193	2.8	3.3	7.8	9.1
PAB Passive Global Equities	**102**	**79**	**0.9**	**0.6**	**1.7**	**3.4**
FTSE Dev World TR UKPD*	194	168	2.7	3.1	7.7	9.4
CTB Passive Global Equities	**145**	**117**	**2.7**	**1.6**	**4.9**	**6.2**
FTSE Dev World TR UKPD*	194	168	2.7	3.1	7.7	9.4
CTB Passive UK Equities	**142**	**161**	**1.3**	**6.8**	**7.9**	**19.5**
Passive Developed Equities	**193**	**169**	**2.6**	**2.7**	**7.6**	**9.4**
Passive UK Equities	**158**	**151**	**3.6**	**5.1**	**21.3**	**19.2**
Passive Smart Beta	**329**	**308**	**3.2**	**2.9**	**7.8**	**12.6**

*Benchmark. [1] Extractive revenue exposure as share (%) of total revenue. [2] Value of holdings (VOH) - companies who derive revenues from extractives. Source: Trucost

Weighted Average Carbon Intensity relative to benchmark



Stewardship reporting links

Engagement records
www.brunelpensionpartnership.org/stewardship/engagement-records/

Holdings records
www.brunelpensionpartnership.org/stewardship/holdings-records/

Voting records
www.brunelpensionpartnership.org/stewardship/voting-records/

Portfolio overview

Portfolio	Benchmark	Outperformance target	AUM (GBPm)	Perf. 3 month	Excess 3 month	Perf. 1 year	Excess 1 year	Perf. 3 year	Excess 3 year	Perf. SII*	Excess SII*	Initial investment
Equities (45.37%)			**16,605.03**									
Global High Alpha Equities	MSCI World	+2-3%	4,006.0	7.1%	2.1%	0.4%	0.9%	17.9%	0.8%	12.7%	2.2%	06 Dec 2019
Global Sustainable Equities	MSCI ACWI	+2%	3,320.7	5.5%	0.9%	-1.3%	-0.3%	-	-	5.8%	-3.3%	20 Oct 2020
UK Active Equities	FTSE All Share ex Inv Tr	+2%	1,356.3	2.3%	-1.1%	2.3%	-1.6%	12.3%	-1.8%	4.2%	-1.4%	01 Dec 2018
Emerging Markets Equities	MSCI Emerging Markets	+2-3%	1,088.4	2.4%	1.2%	-5.2%	-0.7%	7.0%	-1.3%	-0.4%	-1.7%	08 Nov 2019
Global Small Cap Equities	MSCI Small Cap World	+2%	896.5	5.0%	3.4%	-2.8%	0.2%	-	-	8.2%	-1.6%	02 Oct 2020
Low Volatility Global Equities	MSCI ACWI	> Benchmark	614.5	0.4%	-4.1%	1.1%	2.0%	12.2%	-3.9%	7.3%	-3.2%	14 Mar 2019
PAB Passive Global Equities	FTSE Dev World PAB	Match	1,620.1	6.7%	-	0.7%	-0.1%	-	-	0.4%	-0.1%	23 Nov 2022
PAB Passive Global Equities (Hedged)	FTSE Dev World PAB	Match	796.6	9.2%	-	-5.6%	-0.2%	-	-	-5.9%	-0.2%	01 Nov 2022
CTB Passive Global Equities	FTSE Dev World CTB	Match	640.6	6.5%	-	-	-	-	-	4.6%	-	15 Dec 2022
CTB Passive Global Equities (Hedged)	FTSE Dev World CTB	Match	54.3	9.0%	-	-	-	-	-	4.3%	-0.2%	15 Dec 2022
CTB Passive UK Equities	FTSE All-Share ex Inv Tr CTB	Match	373.2	5.4%	-0.2%	0.9%	-0.1%	-	-	-1.7%	-0.4%	31 Jan 2022
Passive Developed Equities	FTSE Developed	Match	887.3	4.8%	-	-0.6%	-	16.7%	-0.1%	9.5%	-	11 Jul 2018
Passive Developed Equities (Hedged)	FTSE Developed	Match	518.1	7.4%	-	-6.2%	-0.1%	16.1%	-0.1%	7.3%	-0.1%	18 Jul 2018
Passive UK Equities	FTSE All Share	Match	125.1	3.1%	-	3.0%	0.1%	14.0%	0.2%	3.3%	0.1%	11 Jul 2018

Portfolio overview

Portfolio	Benchmark	Outperformance target	AUM (GBPm)	Perf. 3 month	Excess 3 month	Perf. 1 year	Excess 1 year	Perf. 3 year	Excess 3 year	Perf. SII*	Excess SII*	Initial investment
Equities (45.37%)			**16,605.03**									
Passive Smart Beta	SciBeta Multifactor Composite	+0.5-1%	159.4	1.4%	0.1%	2.2%	0.5%	16.2%	0.5%	8.1%	0.3%	25 Jul 2018
Passive Smart Beta (Hedged)	SciBeta Multifactor Hedged Composite	+0.5-1%	147.9	3.9%	0.2%	-3.5%	0.6%	15.7%	0.6%	6.5%	0.2%	25 Jul 2018
Fixed income (14.76%)			**5,404.09**									
Multi-Asset Credit	SONIA +4%	0% to +1.0%	2,599.1	2.7%	0.8%	-3.4%	-9.8%	-	-	-3.0%	-8.4%	01 Jun 2021
Sterling Corporate Bonds	iBoxx Sterling Non Gilt x	+1%	2,017.0	2.7%	0.3%	-10.7%	-0.5%	-	-	-9.7%	0.1%	02 Jul 2021
Passive Gilts over 15 years	FTSE-A UK Gilts >15Y	Match	43.8	2.8%	-	-29.7%	-	-	-	-21.5%	-	07 Jun 2021
Passive Index Linked Gilts over 5 years	FTSE-A UK ILG >5Y	Match	744.2	5.4%	0.5%	-30.4%	-	-	-	-18.4%	-	09 Jun 2021
Other (3.75%)			**1,373.46**									
Diversifying Returns Fund	SONIA +3%	0% to +2.0%	1,373.5	0.1%	-1.6%	-2.8%	-8.2%	-	-	1.9%	-2.1%	13 Aug 2020
Private markets (incl. property) (13.73%)			**5,027.20**									
Private Equity Cycle 1 [1]	MSCI ACWI	+3%	211.2	-3.3%	-7.9%	12.9%	13.9%	19.4%	3.4%	19.1%	8.4%	26 Mar 2019
Private Equity Cycle 2 [1]	MSCI ACWI	+3%	225.0	-2.2%	-6.7%	-1.1%	-0.2%	-	-	7.3%	0.5%	05 Jan 2021
Private Debt Cycle 2 [1]	SONIA	+4%	440.0	-4.2%	-6.1%	2.9%	-3.4%	-	-	2.8%	-2.8%	17 Sep 2021
Private Debt Cycle 3 [1]	SONIA	+4%	77.4	5.1%	3.1%	-	-	-	-	5.1%	2.9%	20 Dec 2022

Portfolio overview

Portfolio	Benchmark	Outperformance target	AUM (GBPm)	Perf. 3 month	Excess 3 month	Perf. 1 year	Excess 1 year	Perf. 3 year	Excess 3 year	Perf. SII*	Excess SII*	Initial investment
Private markets (incl. property) (13.73%)			**5,027.20**									
Infrastructure Cycle 1 [1]	CPI	+4%	429.8	-0.8%	-2.1%	14.4%	4.4%	9.8%	3.9%	9.4%	4.9%	02 Jan 2019
Infrastructure (General) Cycle 2 [1]	CPI	+4%	306.5	5.2%	3.8%	14.6%	4.5%	-	-	11.1%	4.0%	19 Oct 2020
Infrastructure (Renewables) Cycle 2 [1]	CPI	+4%	282.3	1.0%	-0.3%	21.1%	11.1%	-	-	14.3%	7.3%	12 Oct 2020
Infrastructure Cycle 3 [1]	n/a - absolute return target	net 8% IRR	94.9	-0.9%	-2.2%	-	-	-	-	-3.2%	-7.3%	13 Oct 2022
Secured Income Cycle 1 [1]	CPI	+2%	436.8	-1.2%	-2.6%	-11.9%	-22.0%	-0.5%	-6.3%	-0.5%	-5.0%	15 Jan 2019
Secured Income Cycle 2 [1]	CPI	+2%	383.1	-0.8%	-2.1%	-7.8%	-17.9%	-	-	-1.3%	-8.9%	01 Mar 2021
Cornwall Local Impact (Elective) [1]	n/a - absolute return target	Net 5.0% p.a.IRR over a rolling 7 –10	24.7	3.3%	2.1%	-	-	-	-	2.1%	-2.3%	20 May 2022
UK Property [1 2]	MSCI/AREF UK	+0.5%	1,746.3	-3.1%	-2.9%	-12.6%	1.8%	2.9%	1.6%	2.4%	1.7%	01 Apr 2020
International Property ** [1 2]	GREFI	+0.5%	369.2	-5.2%	-1.0%	15.3%	11.5%	10.8%	3.9%	9.3%	-	01 Apr 2020
(77.62%)			**28,409.78**									

*Since initial investment

**Performance data shown up to 31 December 2022

Table above excludes Blackrock Risk Management

[1] Private markets performance shown as MWR. Listed Markets performance shown as TWR. Net of all fees.

[2] Aggregate performance is unavailable - figures shown are indicative of an individual client, and as such may differ between clients.

Chief Investment Officer commentary

Listed Markets

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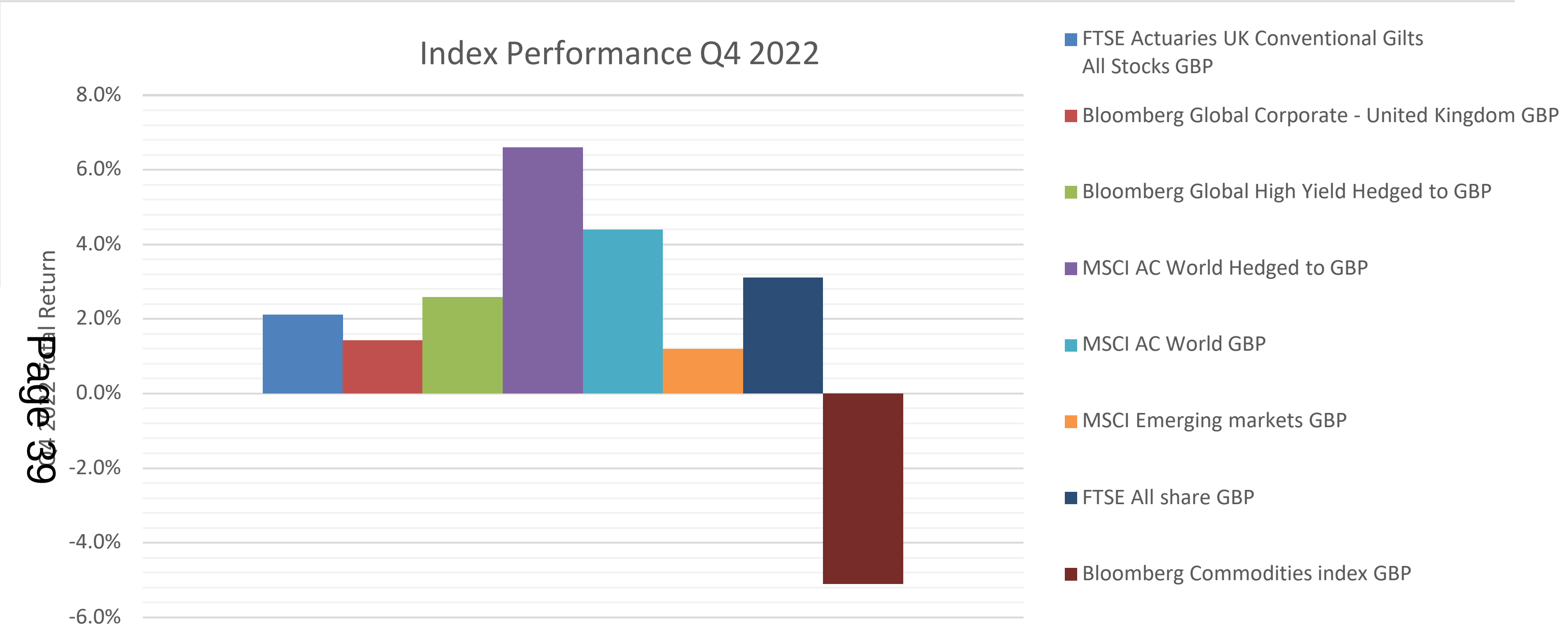
Global equities started the year very strongly and by February, the market was such that predicted 12 month returns had already been achieved leaving commentators to ponder what next! What next was the collapse of Silicon Valley Bank (SVB) followed by an emergency takeover of Credit Suisse by UBS and fears of a sequel to the banking crisis of 2008. Understandably this led to a broad market sell off as volatility spiked. Interestingly it also led to a return of investors buying "safe haven" Government bonds which duly rallied. Perversely it was a large loss on government bonds held by SVB that sparked the rout in the first place. However, fears of a systemic crisis have abated following placatory measures by the Federal Reserve and data that indicated to the market that inflation was cooling. Markets eventually resumed their rise – albeit at a more muted pace.

As fears surrounded the smaller regional banks in the US (those deemed systemically unimportant) deposits fled in their trillions to the larger "too big to fail" banking franchises. In the US the regional banks have played a disproportionate role in lending and thus economic growth, their diminished role has certainly tightened the recessionary noose around the US economy, as has the resultant tightening of lending standards. In a similar way we are also seeing this in the UK as lots of the smaller banks are withdrawing from the mortgage market, pushing lending costs higher. It has been estimated that the effect could be as much as 1% in equivalent interest rates rises.

Within equity markets, emerging markets posted positive returns but were a laggard. Chinese shares originally still buoyed by the reopening sentiment soured as US-China tensions ratcheted up following the shooting of a Chinese high-altitude balloon in US airspace. The European stock market was the best performing market led by information technology and consumer discretionary sectors. Indeed, this pattern was evident in all developed markets with Growth and Quality stocks significantly outperforming Value stocks -namely the banking and commodity sectors. Large caps also outperformed small caps.

Chief Investment Officer commentary



This was a broadly supportive backdrop for our active equity franchise; however, it is worthy of note that within the US the majority of the gains were driven by only 5% of companies; namely the large cap growth stocks. This is not where we are typically positioned. Also, such a concentration of gains is a very unhealthy state of affairs and masks broader weakness.

Elsewhere there has been something for everyone in the recent economic data. The inflationist camp saw the unemployment rate fall to 3.5%, almost at an all-time record low, whilst those looking for evidence that inflation is moderating saw lower payroll growth and a fall in job openings. Inflation is stalling, as headline CPI rose only 0.1% in March after a 0.4% rise in the previous period. To put it into perspective, the US Federal Reserve is looking for unemployment to rise to 4.5% as a signal that rate rises are having the desired cooling effect.

Chief Investment Officer commentary

Private Markets

These themes and others where dominant in private markets. SVB had been the biggest provider of capital to private equity and VC and its demise will certainly have ramifications for funding, where deal flow was already slowing due to higher rates, inflation, and economic uncertainty. Most directly it has impacted the issuance of Private debt, which is a significant tool used by the Private equity industry. Net asset values across private markets are gradually, beginning to reflect the worst of 2022 and have remained (outside of property) quite resilient.

SVB highlights that 2023 will be, as we have written before, the year when the economic effects of significantly higher rates begin to bite, sometimes in unintended and surprising ways. There is a lag to rising rates, but we are close to catching up. It is estimated that in the UK 1.4m mortgages need to be refinanced this year, and most of them currently have rates below 2%. With the average UK mortgage rate being 7.22% as of end of March 2023(1), spending will need to be reduced to fund this huge increase in housing costs, which will have a knock on to the broader economy. Corporate debt shares a similar dynamic. This is the dilemma that central banks face, but they also see high inflation and tight labour markets; can they land precisely, and stop, on the 4.5% unemployment number? It has to be a low probability outcome and so we should brace for further market turbulence this year.

Responsible Investment Update

Finally, we launched our climate policy and completed our climate stocktake, both can be seen on our website. The climate policy was an evolution of our current stance but has further “turned the screws” on what we expect of our managers and of the companies the partnership owns. For example, we have prioritised metrics relating to alignment and credibility of alignment over carbon intensity. An approach that gets to the heart of what Net Zero is trying to achieve, which is real world change. We have also stated targets to tackle debt and private markets with the same drive by which we have always targeted listed equity markets.

1 United Kingdom BBA Mortgage Rate - March 2023 Data - 1995-2022 Historical (tradingeconomics.com)

Global High Alpha Equities

Investment strategy & key drivers

High conviction, unconstrained global equity portfolio

Liquidity

Managed

Benchmark

MSCI World

Outperformance target

+2-3%

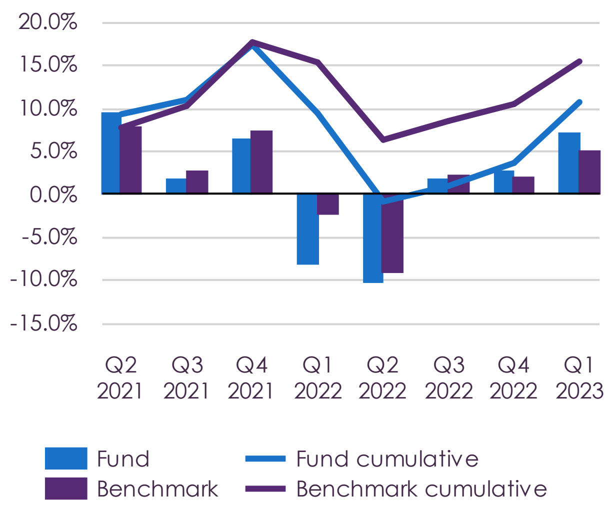
Total fund value

£4,006m

Risk profile

High

Rolling performance



Performance to quarter end

Performance	3 month	1 year	Since inception *
Fund	7.1	0.4	12.7
Benchmark	4.9	-0.5	10.5
Excess	2.1	0.9	2.2

Source: State Street Global Services
*per annum. Net of all fees.

Performance commentary

Global developed equities (as proxied by the MSCI World index) returned 4.9% in GBP terms over the quarter. Strong economic news in January generated positive sentiment and allayed fears of recession before concerns about the banking sector in March shifted focus to the stability of the global financial system causing volatility in markets.

Style characteristics were again evident in the quarter with growth outperforming value, high quality outperforming low quality and large outperforming small. Once again, the largest names dominated the index performance – the six largest index holdings (Apple, Microsoft, Amazon, Alphabet, NVIDIA and Tesla) contributed c3.2% to index returns.

The portfolio returned 7.1% during the period, outperforming the benchmark by 2.1%. Sector allocation was positive as both the Fund's largest active sector positions added to relative performance (an overweight to Consumer Discretionary, the best performing sector, and an underweight to Energy the worst performing sector). Positive stock selection also contributed to relative returns with the strongest selection in Industrials with contributions across several names, this offset weaker selection in Consumer Discretionary in which an underweight to Tesla was the largest detractor.

Four of the five managers outperformed. RLAM's consistency continues to be in evidence, and they have outperformed in 11 out of 13 full quarters since inception in very volatile and differentiated market environments. Baillie Gifford were the strongest performing manager this quarter, benefitting from the growth driven environment. Sector attribution showed selection within IT as the main driver. An overweight holding in NVIDIA which returned 85% contributed circa 3% to Baillie Gifford's relative return. AB underperformed this quarter by 3%, following outperformance last quarter. The majority of underperformance occurred in March. An overweight holding in Charles Schwab was particularly painful costing circa 2.2% in relative return, as the company's banking operation was caught up in concerns about falling client deposits and paper losses in the bank's bond portfolio. In addition, not owning big tech names (Apple, NVIDIA, Tesla and Meta) cost AB close to 2.4% in relative return.

Since inception the portfolio is outperforming the benchmark by 2.2% p.a.

Global High Alpha Equities

Top 5 holdings

	Weight %	Benchmark weight %
MICROSOFT CORP	**5.37**	**3.82**
AMAZON.COM INC	**3.04**	**1.77**
ALPHABET INC	**2.63**	**2.23**
MASTERCARD INC	**2.57**	**0.58**
UNITEDHEALTH GROUP INC	**2.01**	**0.83**

Top 5 active overweights

	Weight %	Benchmark weight %
MASTERCARD INC	**2.57**	**0.58**
TAIWAN SEMICONDUCTOR	**1.86**	**-**
MICROSOFT CORP	**5.37**	**3.82**
HDFC BANK LTD	**1.34**	**-**
MOODY'S CORP	**1.43**	**0.09**

Top 5 active underweights

	Weight %	Benchmark weight %
APPLE INC	**0.71**	**4.91**
META PLATFORMS INC	**-**	**0.89**
EXXON MOBIL CORP	**-**	**0.85**
JPMORGAN CHASE & CO	**-**	**0.72**
PROCTER & GAMBLE CO/THE	**-**	**0.66**

Largest contributors to ESG risk

	ESG risk score* Q4 2022	ESG risk score* Q1 2023
AMAZON.COM INC	**30.28**	**30.28**
MICROSOFT CORP	**15.24**	**15.00**
ALPHABET INC-CL A	**24.14**	**24.60**
NESTLE SA-REG	**24.13**	**27.37**
MASTERCARD INC - A	**16.98**	**17.02**

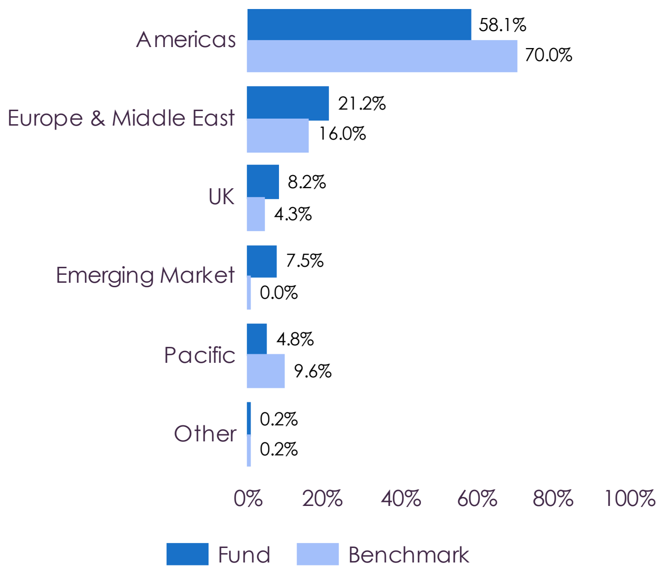
*Source: Sustainanalytics. The table is ordered by negative overall ESG impact on the portfolio, with the most impactful at the top. ESG Risk Score reference: 0-10 is Negligible, 10-20 is Low, 20-30 is Medium, 30-40 is High, 40+ is Severe.

Carbon metrics

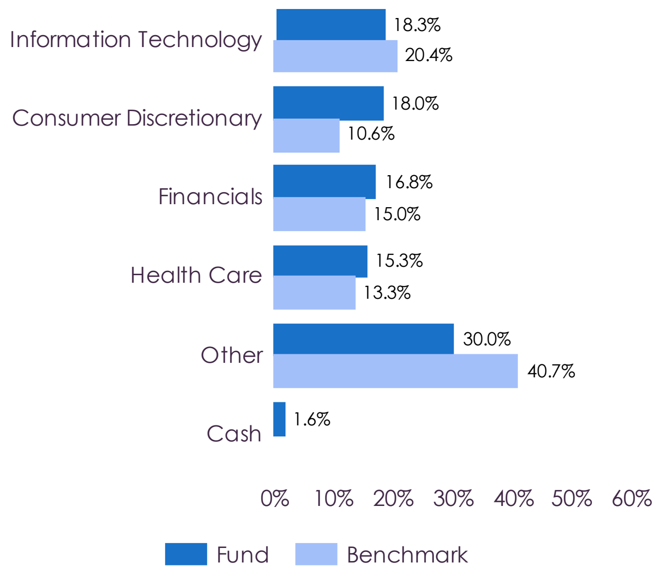
Portfolio	WACI 2022 Q4	WACI 2023 Q1	Extractives revenues[1] 2022 Q4	Extractives revenues[1] 2023 Q1	Extractives reserves[2] 2022 Q4	Extractives reserves[2] 2023 Q1
Global High Alpha	**89**	**82**	1.29	1.19	3.32	3.60
MSCI World*	**193**	**166**	2.81	3.26	7.83	9.22

*Benchmark. [1] Extractive revenue exposure as share (%) of total revenue. [2] Value of holdings (VOH) - companies who derive revenues from extractives. Source: Trucost

Regional exposure



Sector exposure



Global Sustainable Equities

Investment strategy & key drivers

Global equity exposure concentrating on ESG factors

Liquidity

Managed

Benchmark

MSCI ACWI

Outperformance target

+2%

Total fund value

£3,321m

Risk profile

High

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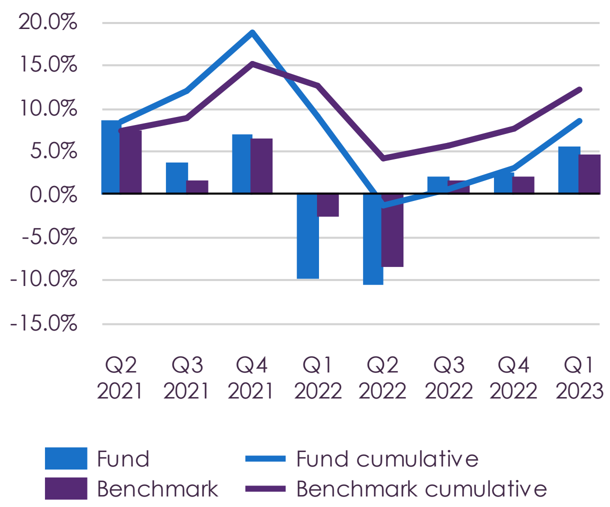
Rolling performance



Performance to quarter end

Performance	3 month	1 year	Since inception *
Fund	5.5	-1.3	5.8
Benchmark	4.5	-0.9	9.0
Excess	0.9	-0.3	-3.3

Source: State Street Global Services
*per annum. Net of all fees.

Performance commentary

The fund returned 5.5% over the quarter, a relative outperformance of 1% against the MSCI ACWI. The fund is relatively flat over the 1-year period, returning -0.9% on a gross basis, in line with the MSCI ACWI.

Over the quarter there was a notable disparity in returns between the Growth style of investing and the Value style of investing. If we use Dividend Yield as a proxy for Growth and Value, the top performing Growth decile returned 14.4%, whilst the top Value decile returned 1.2%. Growth outperformed Value consistently throughout the quarter.

There was a notable outperformance of Growth during a recovery period through January and again during the second half of March as the market began to price in an expected reduction in the FED's interest rate rises. As discussed in the CIO commentary, the expected reduction in interest rate rises was a consequence of cooling inflation data and financial sector volatility.

The fund has positive exposure to the Growth style and a notable under exposure to the Value parts of the market, this contributed to the quarterly outperformance. On a sector basis, the overweight positioning in the IT sector, notably the Software sub sector, contributed to most of the outperformance. However, the fund also has notable underweight positions in both the Energy and Financials sectors, both which significantly underperformed the broader MSCI ACWI.

Given the CIO commentary, it should be noted that the fund itself does have minimal exposure to the overall Bank sector, a 5% underweight position (although a part of the fund's bank exposure) is to the regional bank sub sector. Unfortunately, the only two positions in regional banks within the fund were in SVB, which is now effectively valued at 0, and First Republic, which suffered an 80% loss. These 2 positions, through 2 different managers, cost the fund around 70bps in absolute performance. However, due to fund 's underweight position in Banks, the sector had very little impact on relative performance and the fund's positioning in the broader Financials sector contributed positively to relative performance.

All 5 managers were able to demonstrate diversified sources of absolute positive performance over the quarter. Ownership & Nordea notably Outperforming the ACWI.

Global Sustainable Equities

Top 5 holdings

	Weight %	Benchmark weight %
MICROSOFT CORP	2.57	3.40
MASTERCARD INC	2.51	0.52
ANSYS INC	2.43	0.05
MARKETAXESS HOLDINGS INC	2.30	0.02
ADYEN NV	2.09	0.06

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Top 5 active overweights

	Weight %	Benchmark weight %
ANSYS INC	2.43	0.05
MARKETAXESS HOLDINGS INC	2.30	0.02
ADYEN NV	2.09	0.06
MASTERCARD INC	2.51	0.52
INTUIT INC	1.79	0.20

Top 5 active underweights

	Weight %	Benchmark weight %
APPLE INC	-	4.37
ALPHABET INC	0.85	1.98
TESLA INC	-	0.93
MICROSOFT CORP	2.57	3.40
META PLATFORMS INC	-	0.79

Largest contributors to ESG risk

	ESG risk score* Q4 2022	ESG risk score* Q1 2023
MASTERCARD INC - A	16.98	17.02
MICROSOFT CORP	15.24	15.00
MARKETAXESS HOLDINGS INC	16.07	16.07
FORTIVE CORP	35.01	34.76
ADYEN NV	16.41	16.23

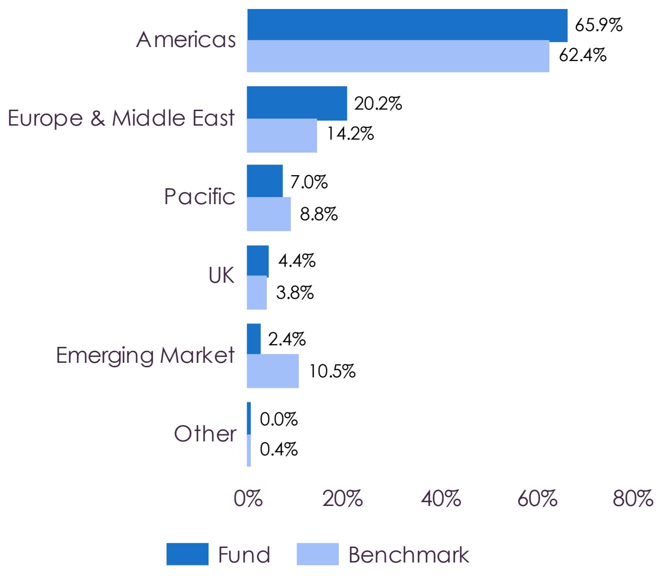
*Source: Sustainalytics. The table is ordered by negative overall ESG impact on the portfolio, with the most impactful at the top. ESG Risk Score reference: 0-10 is Negligible, 10-20 is Low, 20-30 is Medium, 30-40 is High, 40+ is Severe.

Carbon metrics

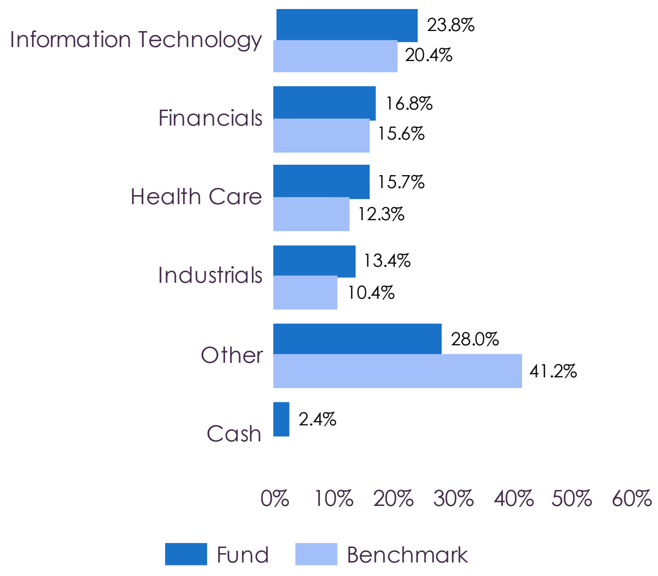
Portfolio	WACI 2022 Q4	WACI 2023 Q1	Extractives revenues[1] 2022 Q4	Extractives revenues[1] 2023 Q1	Extractives reserves[2] 2022 Q4	Extractives reserves[2] 2023 Q1
Global Sustainable	152	140	2.65	2.64	3.13	5.64
MSCI ACWI*	222	193	2.82	3.27	7.76	9.06

*Benchmark. [1] Extractive revenue exposure as share (%) of total revenue. [2] Value of holdings (VOH) - companies who derive revenues from extractives. Source: Trucost

Regional exposure



Sector exposure



UK Active Equities

Investment strategy & key drivers

Active stock and sector exposure to UK equity markets

Liquidity

Managed

Benchmark

FTSE All Share ex Inv Tr

Outperformance target

+2%

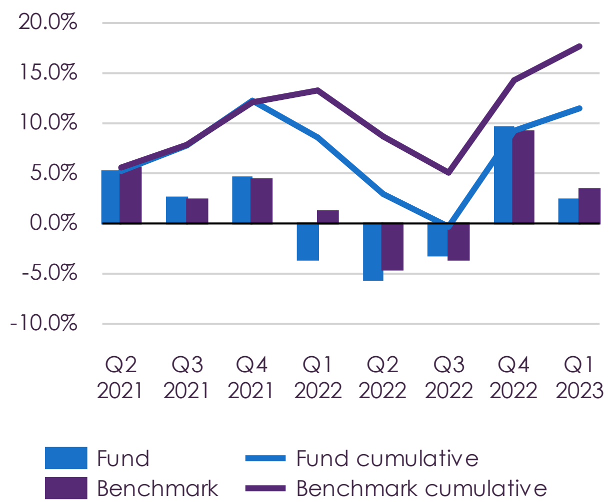
Total fund value

£1,356m

Risk profile

High

Rolling performance



Performance to quarter end

Performance	3 month	1 year	Since inception *
Fund	2.3	2.3	4.2
Benchmark	3.4	3.9	5.6
Excess	-1.1	-1.6	-1.4

Source: State Street Global Services
*per annum. Net of all fees.

Performance commentary

The FTSE All-Share Index, excluding Investment Trusts, returned 3.4% over the quarter, underperforming the developed market index (MSCI World). Partly explained by the UK's under-exposure to large global growth tech names that performed so well across the quarter. Underperformance of the quality factor in the UK was notable (considering it broadly outperformed in the US, Europe and Asia), as the banking crisis drove investors into stocks less vulnerable to the possible economic consequences. In the UK the higher quality debt driven signals did not perform as strongly as they did globally.

The portfolio returned 2.3% during the period, underperforming the benchmark by 1.1%. Attribution analysis shows positive contribution from allocation unable to fully offset negative effects from selection. The positive impact of overweight allocations to Industrials and Consumer Discretionary were the largest allocation effects. Poor selection in Financials and Industrials were the largest contributors to negative selection. Within Industrials, the overweight position in Inchcape (premium car importer and distributor) detracted following a negative market reaction (concerns about the execution risks linked to an acquisition and uncertainty around the outlook for consumer discretionary spending on luxury cars). Financials, the overweight holdings in Legal and General and Lancashire Holdings were the largest detractors. Both names were impacted by general concerns about the insurance sector and the negative impact of rising interest rates on the value of bond portfolios.

Baillie Gifford outperformed by 0.3% consolidating a strong outperformance last quarter. Positive allocation impact arising from overweights to Consumer Discretionary and Industrials sectors more than offset negative impact from selection. Baillie Gifford also benefited from its underweight position in the largest companies in the index as they underperformed the broad index.

Invesco underperformed the index by 2% this quarter. Unusually, all three of the factors targeted by Invesco detracted (Value, Momentum and Quality). In particular, the Value factor underperformed as the fear of a banking crisis drove investors out of attractively valued stocks.

From inception to quarter-end, the portfolio underperformed the benchmark by 1.4% per annum.

UK Active Equities

Top 5 holdings

	Weight %	Benchmark weight %
ASTRAZENECA PLC	6.34	7.55
UNILEVER PLC	5.17	4.84
SHELL PLC	3.93	7.46
HSBC HOLDINGS PLC	3.18	5.03
BP PLC	3.10	4.16

Top 5 active overweights

	Weight %	Benchmark weight %
BUNZL PLC	2.20	0.47
LEGAL & GENERAL GROUP PLC	2.26	0.64
BURBERRY GROUP PLC	2.04	0.45
HOWDEN JOINERY GROUP PLC	1.54	0.17
BAILLIE GIFFORD UK & BALANCED	1.31	-

Top 5 active underweights

	Weight %	Benchmark weight %
SHELL PLC	3.93	7.46
HSBC HOLDINGS PLC	3.18	5.03
GSK PLC	0.76	2.60
NATIONAL GRID PLC	-	1.82
RECKITT BENCKISER GROUP PLC	0.48	2.00

Largest contributors to ESG risk

	ESG risk score*	
	Q4 2022	Q1 2023
SHELL PLC	37.65	37.65
ASTRAZENECA PLC	22.21	22.47
UNILEVER PLC	23.98	24.12
BP PLC	32.67	33.81
RIO TINTO PLC	30.68	30.68

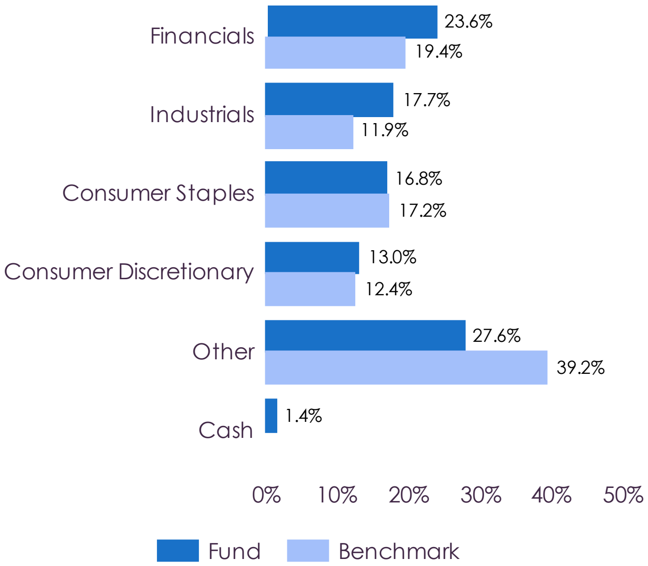
*Source: Sustainanalytics. The table is ordered by negative overall ESG impact on the portfolio, with the most impactful at the top. ESG Risk Score reference: 0-10 is Negligible, 10-20 is Low, 20-30 is Medium, 30-40 is High, 40+ is Severe.

Carbon metrics

Portfolio	WACI		Extractives revenues¹		Extractives reserves²	
	2022 Q4	2023 Q1	2022 Q4	2023 Q1	2022 Q4	2023 Q1
UK Active Equities	93	84	3.48	5.02	15.89	11.30
FTSE All Share ex Inv	160	152	4.95	6.28	21.71	19.50

*Benchmark. [1] Extractive revenue exposure as share (%) of total revenue. [2] Value of holdings (VOH) - companies who derive revenues from extractives. Source: Trucost

Sector exposure



Emerging Markets Equities

Investment strategy & key drivers

Equity exposure to emerging markets

Liquidity

Managed

Benchmark

MSCI Emerging Markets

Outperformance target

+2-3%

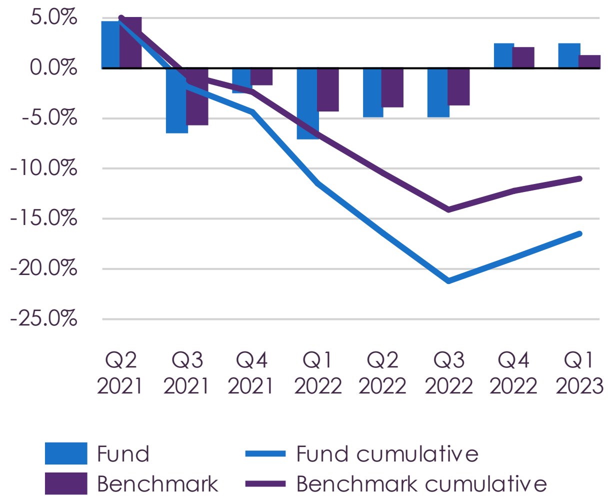
Total fund value

£1,088m

Risk profile

High

Rolling performance



Performance to quarter end

Performance	3 month	1 year	Since inception *
Fund	2.4	-5.2	-0.4
Benchmark	1.2	-4.5	1.4
Excess	1.2	-0.7	-1.7

Source: State Street Global Services
*per annum. Net of all fees.

Performance commentary

Emerging markets experienced a rollercoaster start to 2023. The year started with optimism around the Chinese economy reopening and gathering steam; however, this soon dissipated as geopolitics and banking fears tipped emerging markets into negative territory by mid-March. Only a very late rally, fuelled by the US support for domestic banks, pushed emerging market equities back into positive territory. Returns over the period – proxied by MSCI Emerging Markets Index - were +1.2% in GBP terms.

The portfolio had another positive quarter, returning +121bps over the benchmark on a net of fees basis. This was mixed at manager level. Genesis, Wellington & Ninety-One had gross relative returns of +170bps, +47bps and +163bps respectively. Genesis benefitted from country allocation because of India and the Middle East significantly underperforming. Ninety-One showed strong selection skill in Taiwan, particularly in Semiconductors. Wellington lagged the other managers due to poorer selection, particularly in China and Korea.

Mercadolibre – a LatAm focussed e-commerce platform - was the standout performer at a stock level, returning approximately +51%. Price appreciation was driven by belief that the company would gain further market share. On the negative side, Hapvida – a Brazilian hospital and clinic operator – fell approximately -48% over the quarter due to disappointing 4th quarter earnings and increased investor concerns over cash conversion and debt management.

Styles exhibited dispersion during the quarter. Deep Value and Quality Value outperformed the main market by approximately +2-3%. The Defensive style was by far the weakest, underperforming the broader market by almost -6%. Ultimately, these investment styles didn't impact relative performance.

Looking forward there are still many reasons to be positive about emerging markets. Firstly, the banking crisis in Europe and the US should not have a significant impact given the lack of contagion and the fact that emerging banks are well versed in handing turmoil. Secondly, valuations are still very attractive in both absolute terms and vs developed markets. Finally, emerging markets are much further through the tightening cycle vs their developed peers, allowing them more room to manoeuvre in the near term.

Emerging Markets Equities

Top 5 holdings

	Weight %	Benchmark weight %
TAIWAN SEMICONDUCTOR	7.60	6.58
TENCENT HOLDINGS LTD	4.69	4.67
SAMSUNG ELECTRONICS CO LTD	4.24	4.10
ALIBABA GROUP HOLDING LTD	2.96	2.89
AIA GROUP LTD	2.31	-

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Top 5 active overweights

	Weight %	Benchmark weight %
AIA GROUP LTD	2.31	-
HDFC BANK LTD	1.31	-
ISHARES CORE MSCI EM IMI UCITS	1.04	-
TAIWAN SEMICONDUCTOR	7.60	6.58
NASPERS LTD	1.63	0.62

Top 5 active underweights

	Weight %	Benchmark weight %
RELIANCE INDUSTRIES LTD	0.57	1.32
CHINA CONSTRUCTION BANK CORP	0.23	0.96
BAIDU INC	-	0.64
AL RAJHI BANK	-	0.59
PETROLEO BRASILEIRO SA	0.13	0.63

Largest contributors to ESG risk

	ESG risk score* Q4 2022	ESG risk score* Q1 2023
TAIWAN SEMICONDUCTOR	13.62	13.62
TENCENT HOLDINGS LTD	22.18	21.76
SAMSUNG ELECTRONICS CO LTD	19.59	19.53
ALIBABA GROUP HOLDING LTD	26.36	26.36
HDFC BANK LTD-ADR	31.45	30.92

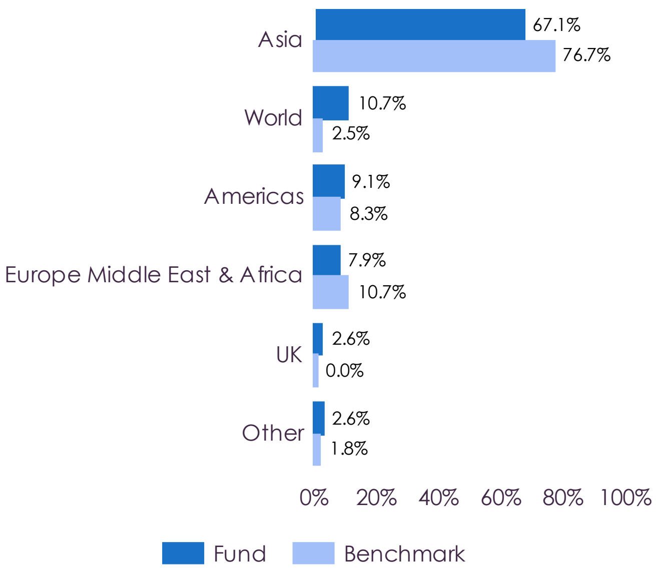
*Source: Sustainalytics. The table is ordered by negative overall ESG impact on the portfolio, with the most impactful at the top. ESG Risk Score reference: 0-10 is Negligible, 10-20 is Low, 20-30 is Medium, 30-40 is High, 40+ is Severe.

Carbon metrics

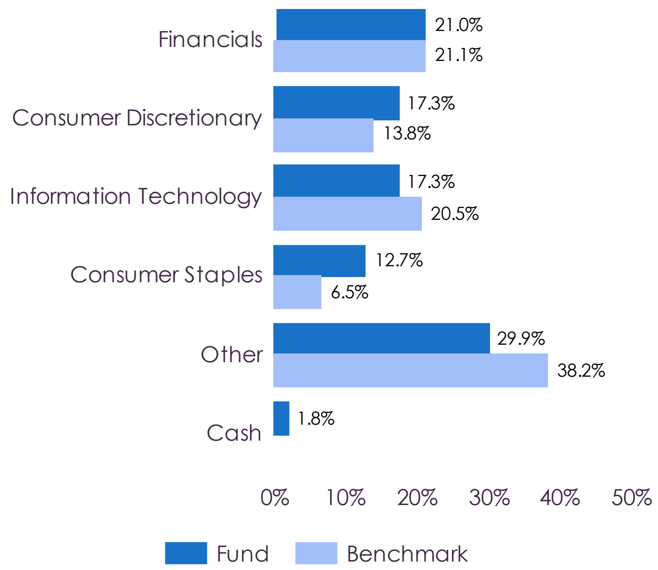
Portfolio	WACI 2022 Q4	WACI 2023 Q1	Extractives revenues[1] 2022 Q4	Extractives revenues[1] 2023 Q1	Extractives reserves[2] 2022 Q4	Extractives reserves[2] 2023 Q1
Emerging Markets	196	186	0.81	1.05	5.03	4.06
MSCI Emerging	453	418	3.29	3.61	7.26	7.78

*Benchmark. [1] Extractive revenue exposure as share (%) of total revenue. [2] Value of holdings (VOH) - companies who derive revenues from extractives. Source: Trucost

Regional exposure



Sector exposure



Global Small Cap Equities

Investment strategy & key drivers

Global equity exposure to smaller capitalisation companies

Liquidity

Managed

Benchmark

MSCI Small Cap World

Outperformance target

+2%

Total fund value

£897m

Risk profile

High

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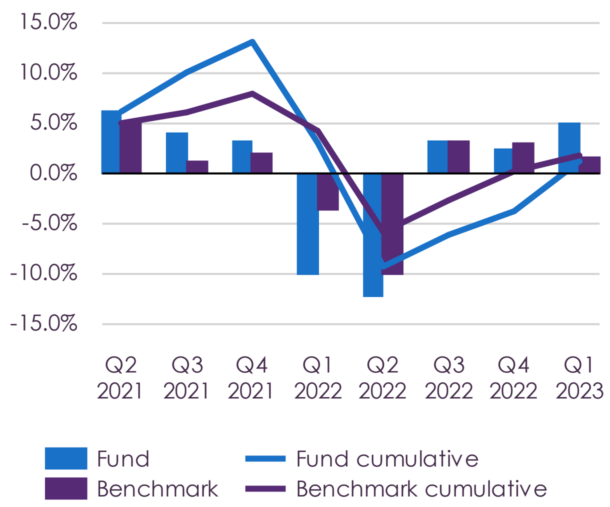
Rolling performance



Performance to quarter end

Performance	3 month	1 year	Since inception *
Fund	5.0	-2.8	8.2
Benchmark	1.6	-3.0	9.9
Excess	3.4	0.2	-1.6

Source: State Street Global Services
*per annum. Net of all fees.

Performance commentary

In Q1 2023 the global small cap market, proxied by the MSCI World Small Cap index, delivered positive returns. Small cap equities rallied in January on speculation that global central banks would soon end interest rate hikes. These hopes faded in February as relatively strong economic data renewed inflation fears. Concerns about the banking system led to increased volatility in March, however a quick response from regulators helped to calm markets by the end of the quarter.

The Global Small Cap Equity Fund returned 5.0% over the quarter, outperforming the benchmark by 3.4%. The portfolio's outperformance was driven by strong stock selection in the Technology sector. There was also a positive impact from the portfolio's overweight allocation to Technology, which outperformed other sectors over Q1.

In terms of individual manager performance, American Century returned 3.7% over the quarter, outperforming the benchmark by 2.1%. Stock selection in Technology, notably in software and semiconductor holdings, was a key contributor.

Kempen returned 5.8% in absolute terms, outperforming the benchmark by 4.2%. Kempen's outperformance was driven by positive stock selection in Technology and Industrials sectors. The overweight allocation to the Technology sector also contributed to relative returns.

Montanaro returned 6.3% over the quarter, outperforming the benchmark by 4.7%. Montanaro's stock selection in the Consumer Discretionary sector was the largest contributor to relative returns. The underweight exposure to Financials and overweight to Technology also contributed to relative returns.

Fortnox, the Swedish provider of cloud accounting software, was the largest stock contributor to performance over Q1. The company benefitted from implementing price increases across all its products, positively impacting the bottom line.

We expect continued volatility over the coming period, as markets grapple with the outlook for inflation, interest rate expectations and potential recession. Following the banking sector turmoil in March, the sector may face heightened competition, increasing funding costs and decreasing profitability. As banks become more selective lenders, this could lead to potential funding issues for smaller companies. It is worth nothing, however, that the portfolio's debt ratios are more attractive than the benchmark, given the portfolio's overall bias towards Quality companies.

Global Small Cap Equities

Top 5 holdings

	Weight %	Benchmark weight %
JABIL INC	1.59	0.18
FORTNOX AB	1.27	0.05
PRO MEDICUS LTD	1.16	0.03
THERMON GROUP HOLDINGS INC	1.14	0.01
MTU AERO ENGINES AG	1.13	-

Top 5 active overweights

	Weight %	Benchmark weight %
JABIL INC	1.59	0.18
FORTNOX AB	1.27	0.05
MTU AERO ENGINES AG	1.13	-
4IMPRINT GROUP PLC	1.13	-
THERMON GROUP HOLDINGS INC	1.14	0.01

Top 5 active underweights

	Weight %	Benchmark weight %
BUILDERS FIRSTSOURCE INC	-	0.19
DECKERS OUTDOOR CORP	-	0.18
FIVE BELOW INC	-	0.17
LIFE STORAGE INC	-	0.17
REXFORD INDUSTRIAL REALTY INC	-	0.16

Largest contributors to ESG risk

	ESG risk score* Q4 2022	Q1 2023
FUJITEC CO LTD	36.04	29.88
MTU AERO ENGINES AG	27.80	27.69
SITIME CORP	-	39.88
THERMON GROUP HOLDINGS	23.70	23.70
FORTNOX AB	-	21.00

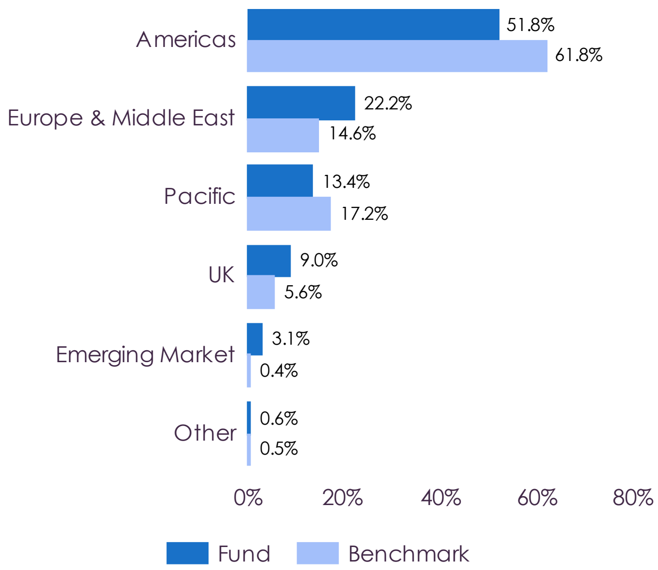
*Source: Sustainalytics. The table is ordered by negative overall ESG impact on the portfolio, with the most impactful at the top. ESG Risk Score reference: 0-10 is Negligible, 10-20 is Low, 20-30 is Medium, 30-40 is High, 40+ is Severe.

Carbon metrics

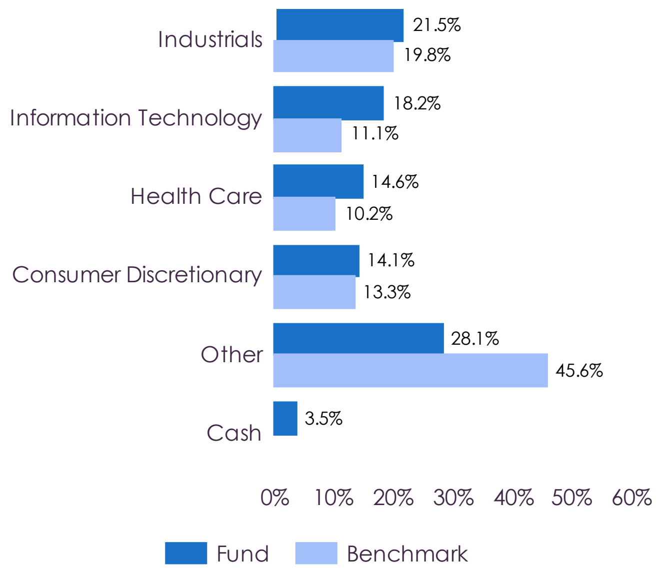
Portfolio	WACI		Extractives revenues[1]		Extractives reserves[2]	
	2022 Q4	2023 Q1	2022 Q4	2023 Q1	2022 Q4	2023 Q1
Global Small Cap	115	109	1.40	2.97	2.99	3.18
MSCI Small Cap	234	207	2.86	3.16	4.96	5.87

*Benchmark. [1] Extractive revenue exposure as share (%) of total revenue. [2] Value of holdings (VOH) - companies who derive revenues from extractives. Source: Trucost

Regional exposure



Sector exposure



Diversifying Returns Fund

Investment strategy & key drivers

Strategy utilising currencies, credit, rates and equities

Liquidity

Managed

Benchmark

SONIA +3%

Outperformance target

0% to +2.0%

Total fund value

£1,373m

Risk profile

Moderate

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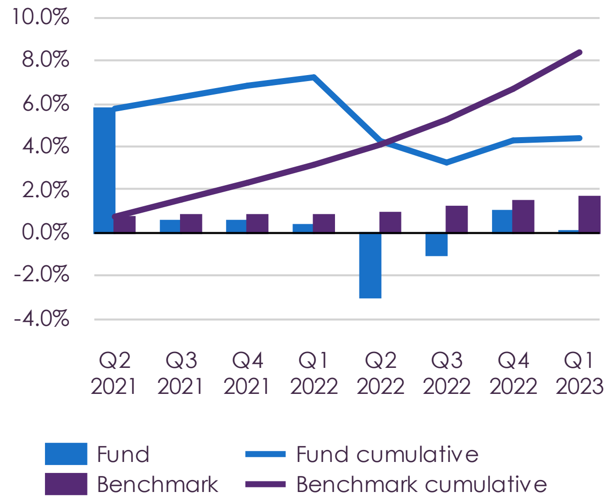
Rolling performance



Performance to quarter end

Performance	3 month	1 year	Since inception *
Fund	0.1	-2.8	1.9
Benchmark	1.7	5.3	4.0
Excess	-1.6	-8.2	-2.1

Source: State Street Global Services
*per annum. Net of all fees.

Performance commentary

The Diversifying Returns Fund returned 0.1% over the first quarter of 2023. The benchmark return was 1.7%. The portfolio returned -2.8% for the year ending 31st March 2023, underperforming the cash plus 3% benchmark which returned 5.3%. The sterling hedged 50/50 equity/bond index we monitor returned 4.8% over the quarter and -7.7% over one year.

Fulcrum lost 2.5% over the quarter. The positive contribution made by the strategic equities component of the strategy was more than offset by negative returns from fixed income, where Fulcrum were short interest rate, on the view that inflationary pressures have been underestimated. Within the relative value bucket, volatility strategies detracted from performance.

JPM returned -0.8% for the quarter. The biggest detractor from returns was the fixed income trend signal which was positioned short rates as yields came in over the period. Equity value and quality signals also detracted from returns while fixed income carry and value signals made a positive contribution to returns.

Lombard Odier recorded a positive return of 2.7%. Positioning in developed market equities and sovereign bonds were the largest positive contributors. The structure of the fund, investing largely through derivatives, was also beneficial with interest earned on cash making an 80bps contribution to quarterly performance. All asset class exposures, except for long volatility, made a positive contribution to returns.

UBS returned -0.25% over the three-month period. The long position in the Norwegian Kroner weighed on performance as oil prices continued to retreat and the Norges Bank maintained a lower policy rate than the ECB. The long position in the Japanese Yen also made a negative contribution to returns as Bank of Japan guidance remained dovish. Short positions in the US and New Zealand dollar made a positive contribution to returns, along with long positions in the Brazilian Real and Columbian and Chilean Peso.

Low Volatility Global Equities

Investment strategy & key drivers

Active global equity exposure with reduced risk and return volatility

Liquidity

Reasonable

Benchmark

MSCI ACWI

Outperformance target

> Benchmark

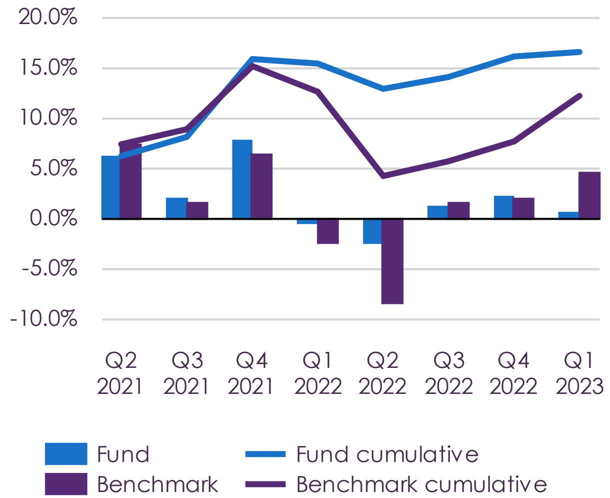
Total fund value

£615m

Risk profile

High

Rolling performance



Performance to quarter end

Performance	3 month	1 year	Since inception *
Fund	0.4	1.1	7.3
Benchmark	4.5	-0.9	10.5
Excess	-4.1	2.0	-3.2

Source: State Street Global Services
*per annum. Net of all fees.

Performance commentary

The fund returned 0.4% over Q1, underperforming the broader MSCI ACWI by 4.1%. However, the portfolio outperformed the MSCI Min Vol index, which returned -0.5%. Q1 proved to be quite a challenging environment for Defensive/Low Vol strategies as much of the market performance was driven by the Large Cap/ Technology/ Growth names, as discussed in the CIO commentary. However, the fund was able to outperform the comparable strategy level benchmark by 0.9%.

In January, we saw a recovery in several high beta stocks that had declined over Q4 2022. With regards to the MSCI ACWI, the top decile of high beta stocks returned 13%, whilst the most defensive, low beta, decile returned -2%. The top decile of high beta stocks included names such as Tesla, NVIDIA and Netflix, which all exhibited significant levels of performance. The fund's underperformance over the month of January accounted for all the performance witnessed over Q1.

From the end of January to Mid-March the fund clawed back some of the earlier underperformance. However, from Mid-March to the end of the quarter we saw a resurgence in Growth stocks, which the fund has an underweight position. The resurgence in Growth stocks was caused by a market expectation that the FED would have to reduce its current interest rate rises. An expectation based on cooling inflation data and to accommodate the Financials sector, where it became apparent that some Banks were sat on material loses in their bond portfolios. The CIO commentary noted, several depositor withdrawals required that some Banks had to realise these loses and this caused Silicon Valley Bank and Signature Bank to be effectively repriced to 0, whilst First Republic Bank suffered a significant decline. The fund has no exposure to these 3 names and has a notable underweight to US Banks, a sub-sector which fell 20% over the month of March alone.

Whilst the fund did underperform over the quarter, on a 1-year basis, the fund has generated >2% relative outperformance against the MSCI ACWI and 0.7% relative outperformance against a strategy level benchmark. The fund achieved 1 year outperformance against the MSCI ACWI whilst exhibiting a >30% reduction in Volatility. This has led to a superior risk adjusted return over the 1 year.

Low Volatility Global Equities

Top 5 holdings

	Weight %	Benchmark weight %
ROBECO CAPITAL GROWTH FUNDS -	6.01	-
QUONIAM FUNDS SELECTION SICAV	5.95	-
JOHNSON & JOHNSON	1.84	0.68
CISCO SYSTEMS INC	1.82	0.36
PEPSICO INC	1.58	0.42

Largest contributors to ESG risk

	ESG risk score*	
	Q4 2022	Q1 2023
JOHNSON & JOHNSON	25.02	23.98
PROCTER & GAMBLE CO/THE	26.61	26.41
MERCK & CO. INC.	21.65	21.65
AMGEN INC	-	21.92
AT&T INC	22.07	23.57

*Source: Sustainanalytics. The table is ordered by negative overall ESG impact on the portfolio, with the most impactful at the top. ESG Risk Score reference: 0-10 is Negligible, 10-20 is Low, 20-30 is Medium, 30-40 is High, 40+ is Severe.

Carbon metrics

Portfolio	WACI		Extractives revenues[1]		Extractives reserves[2]	
	2022 Q4	2023 Q1	2022 Q4	2023 Q1	2022 Q4	2023 Q1
Low Volatility	111	72	2.11	2.35	4.78	3.83
MSCI ACWI*	222	193	2.82	3.27	7.76	9.06

*Benchmark. [1] Extractive revenue exposure as share (%) of total revenue. [2] Value of holdings (VOH) - companies who derive revenues from extractives. Source: Trucost

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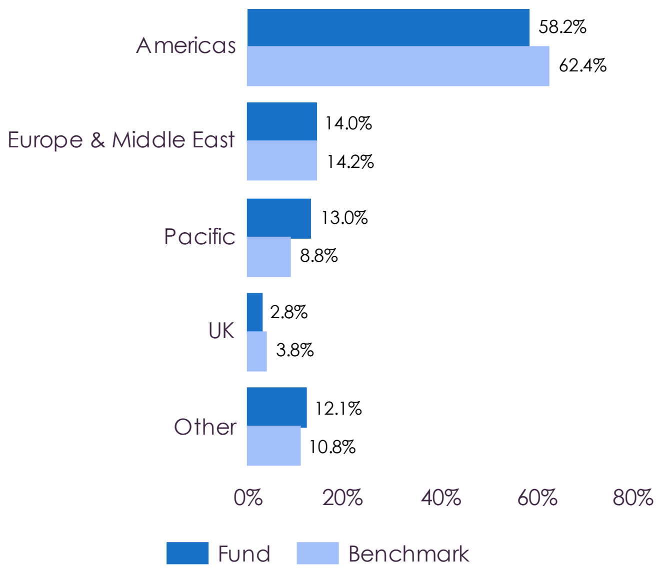
Top 5 active overweights

	Weight %	Benchmark weight %
ROBECO CAPITAL GROWTH FUNDS -	6.01	-
QUONIAM FUNDS SELECTION SICAV	5.95	-
CISCO SYSTEMS INC	1.82	0.36
JOHNSON & JOHNSON	1.84	0.68
PEPSICO INC	1.58	0.42

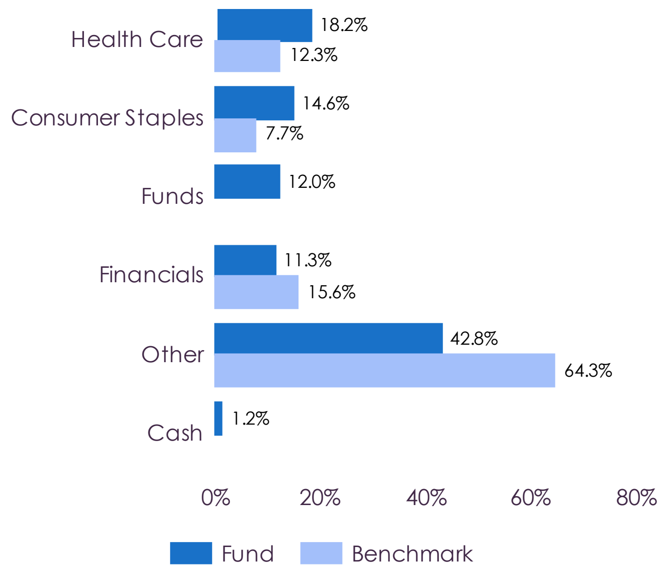
Top 5 active underweights

	Weight %	Benchmark weight %
APPLE INC	0.82	4.37
MICROSOFT CORP	0.73	3.40
AMAZON.COM INC	-	1.58
ALPHABET INC	0.54	1.98
NVIDIA CORP	-	1.14

Regional exposure



Sector exposure



Multi-Asset Credit

Investment strategy & key drivers

Exposure to higher yield bonds with moderate credit risk

Liquidity

Managed

Benchmark

SONIA +4%

Outperformance target

0% to +1.0%

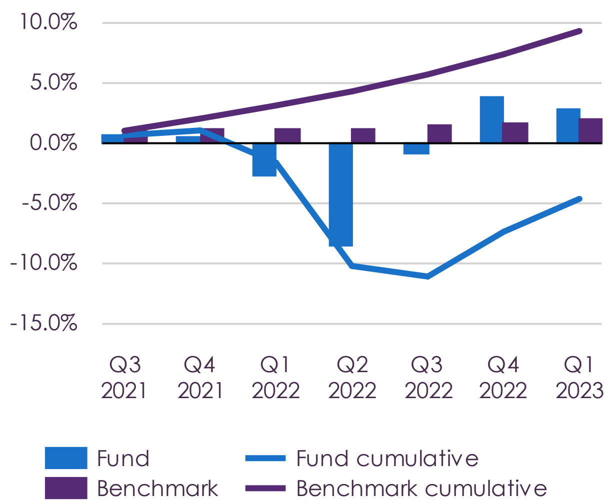
Total fund value

£599m

Risk profile

Moderate

Rolling performance



Performance to quarter end

Performance	3 month	1 year	Since inception *
Fund	2.7	-3.4	-3.0
Benchmark	1.9	6.3	5.5
Excess	0.8	-9.8	-8.4

Source: State Street Global Services
*per annum. Net of all fees.

Performance commentary

Sub-investment grade credit endured a challenging start to 2023. The past quarter was filled with exceptionally high levels of volatility, which impacted both rates and credit spreads.

The quarter began with an aggressive rally as investors bet on peak inflation. This soon changed as US data releases - mentioned in the CIO Commentary - on payrolls and inflation implied that the economy was not slowing. The collapse of Silicon Valley Bank in March caused a U-turn in credit markets. Creating a risk off environment, where government yields fell and credit spreads rose simultaneously.

The banking fears ultimately resulted in Credit Suisse being forced to merge with UBS. As part of the merger terms, FINMA – the regulation authority in Switzerland - forced 100% losses on the AT1 bonds whilst preserving some value in equity capital. This subsequently caused the entire AT1 market to reprice, as investors expressed doubt that AT1 bonds across Europe would remain higher in the capital structure.

Miraculously, most asset classes within sub-IG credit ended the quarter in positive territory. High yield bonds – proxied by the Bloomberg Global High Yield Index – returned +2.6% on a GBP hedged basis. Loans, proxied by the Morningstar LSTA US Leveraged Loan Index, also made a positive return of +2.6% in GBP hedged terms. The only clear laggard was Bank Capital, which fell approximately -6% over the quarter in local terms; this was down as much as -12.5% intra-quarter.

The MAC portfolio returned +2.7% over the quarter. This was ahead of the SONIA+4% cash benchmark and composite benchmark, which returned +1.9% and +2.6% respectively.

The underlying managers had very different experiences, mostly driven by their exposures to Bank Capital. Oaktree – who have no Bank Capital - were the standout performer, returning +353bps. CQS – who hold almost 20% in Bank Capital - were the weakest performer, returning +212bps. CQS lost over -100bps in performance from owning a Credit Suisse AT1 instrument alone. Neuberger Berman have a modest exposure to bank capital and returned +281bps.

The medium to longer term outlook in credit remains unchanged from a pricing standpoint. The portfolio now yields an attractive 9% on a yield to worst basis. However, Q1 2023 brutally reminded investors that default risks are here to stay and that managers should remain vigilant when assessing issuers.

Sterling Corporate Bonds

Investment strategy & key drivers

Managed credit selection to generate excess sterling yield returns

Liquidity

Managed

Benchmark

iBoxx Sterling Non Gilt x

Outperformance target

+1%

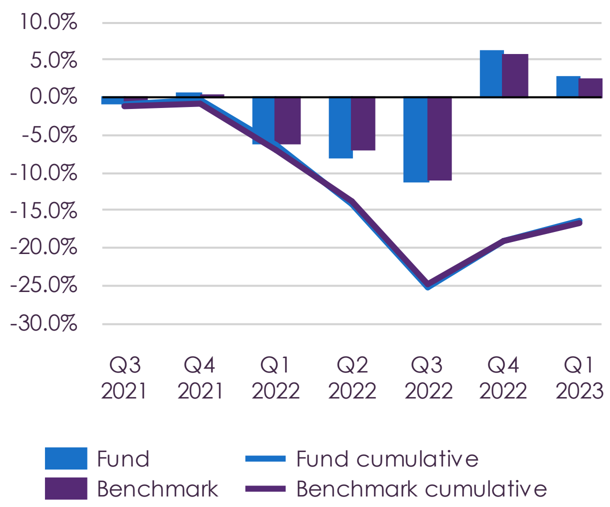
Total fund value

£2,017m

Risk profile

Moderate

Rolling performance



Performance to quarter end

Performance	3 month	1 year	Since inception *
Fund	2.7	-10.7	-9.7
Benchmark	2.4	-10.2	-9.8
Excess	0.3	-0.5	0.1

Source: State Street Global Services
*per annum. Net of all fees.

Performance commentary

Stronger than expected economic data early in the year suggested most major economies would avoid a recession, but the banking sector turbulence at the end of the period reignited growth fears. It was expected that the banking sector would respond by lending more cautiously and hence tightening credit conditions. The Bank of England (BoE) raised rates twice over Q1, with rates ending the quarter at 4.25%.

The sterling investment grade credit market returned 2.4% over the quarter, boosted by the fall in gilt yields and additional carry from credit holdings, while credit spreads ended the quarter broadly unchanged.

Over the period, the Sterling Corporate Bonds portfolio returned 2.7% (net of fees), outperforming the benchmark.

The portfolio's outperformance over the quarter was primarily driven by positive sector allocation, with a positive contribution from the overweight exposure to the social housing and structured sectors. This was partially offset by overweight exposure to insurance. The modest overweight allocation to banks had a neutral impact overall, however, within banks the exposure to AT1 issues detracted from relative returns. It is worth noting that the portfolio had no exposure to subordinated debt issued by Credit Suisse, and the overall allocation to AT1s was relatively low at 2.3%.

Security selection detracted from relative performance. This mainly reflected security selection in banks and insurance, which outweighed positive security selection in consumer services and utilities.

In terms of credit rating bands, the most significant contribution to outperformance came from the overweight to BBB bonds and unrated bonds. The impact of duration was neutral and yield curve positioning was mildly positive.

In terms of outlook, RLAM expect that inflation has peaked. Driven by the view that energy prices will moderate, and weaker GDP growth will reduce the tightness of the labour market. Nonetheless, RLAM believe that UK interest rates are likely to rise slightly further as the BoE continues to focus on bringing inflation under control. While credit spreads remain at reasonably attractive levels, it is likely that higher rates will lead to a slowdown in the UK, impacting company earnings and leading to some increase in credit rating downgrades and default rates.

Passive Gilts over 15 years

Investment strategy & key drivers

Passive exposure to gilts with over 15 year duration

Liquidity

High

Benchmark

FTSE-A UK Gilts >15Y

Outperformance target

Match

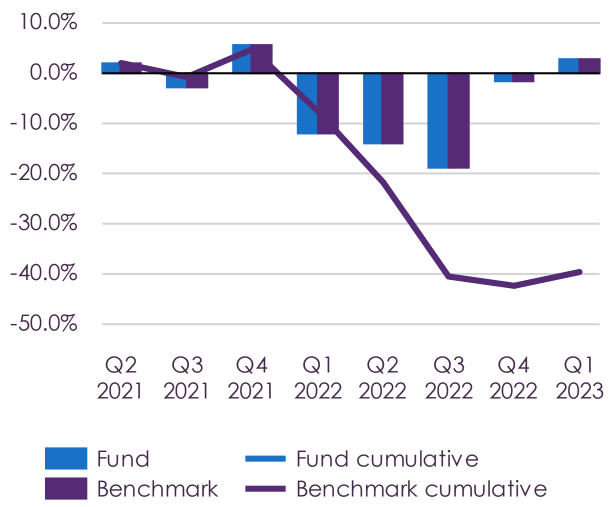
Total fund value

£44m

Risk profile

Low

Rolling performance



Performance to quarter end

Performance	3 month	1 year	Since inception *
Fund	2.8	-29.7	-21.5
Benchmark	2.8	-29.7	-21.5
Excess	-	-	-

Source: State Street Global Services
*per annum. Net of all fees.

Performance commentary

UK government bonds posted solid returns in the quarter but did not escape the period without suffering a bout of volatility as investors wrestled with uncertainty over when central banks would end the current rate hiking cycle.

The Bank of England (BoE) pushed rates higher twice in the quarter. The BoE has moved rates higher 11 times since the end of 2021, with rates ending the quarter at 4.25%.

In the final few weeks of the quarter, the collapse of Silicon Valley Bank and Credit Suisse refocused attention on the risks within the banking sector and dragged returns for bond markets sharply lower. However, by the end of the quarter, regulatory action appeared to have calmed markets.

The UK gilt market delivered a 2.05% return (FTSE Actuaries) over the first quarter with the benchmark 10-year gilt yield falling 18 basis points to 3.49% from 3.67% at the start of the quarter.

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Passive Index Linked Gilts over 5 years

Investment strategy & key drivers

Passive exposure to index linked gilts with over 5 year duration

Liquidity

High

Benchmark

FTSE-A UK ILG >5Y

Outperformance target

Match

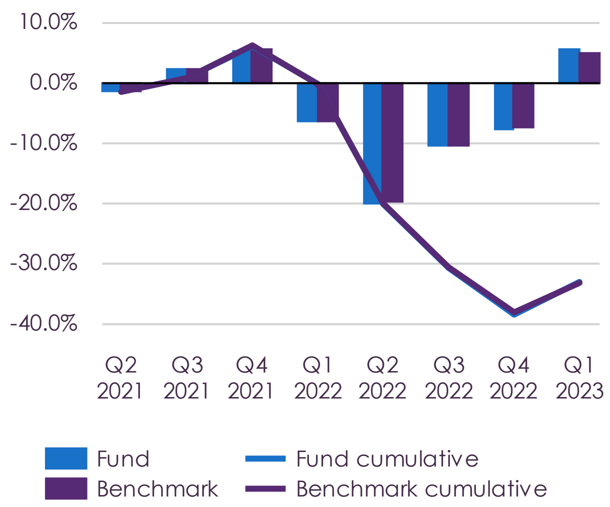
Total fund value

£744m

Risk profile

Low

Rolling performance



Performance to quarter end

Performance	3 month	1 year	Since inception *
Fund	5.4	-30.4	-18.4
Benchmark	4.9	-30.4	-18.5
Excess	0.5	-	-

Source: State Street Global Services
*per annum. Net of all fees.

Performance commentary

UK government bonds posted solid returns in the quarter but were subject to some volatility in the period as investors wrestled with uncertainty over when central banks would end the current rate hiking cycle.

The Bank of England (BoE) pushed rates higher twice in the quarter. The BoE has moved rates higher 11 times since the end of 2021, with rates ending the quarter at 4.25%.

In the final few weeks of the quarter, the collapse of Silicon Valley Bank and Credit Suisse refocused attention on the risks within the banking sector and dragged returns for bond markets sharply lower. However, by the end of the quarter, regulatory action appeared to have calmed markets.

The UK gilt market delivered a 2.05% return (FTSE Actuaries) over the first quarter with the benchmark 10-year gilt yield falling 18 basis points to 3.49% from 3.67% at the start of the quarter.

PAB Passive Global Equities

Investment strategy & key drivers

Passive global equity exposure aligned to Paris Agreement climate goals

Liquidity

High

Benchmark

FTSE Dev World PAB

Outperformance target

Match

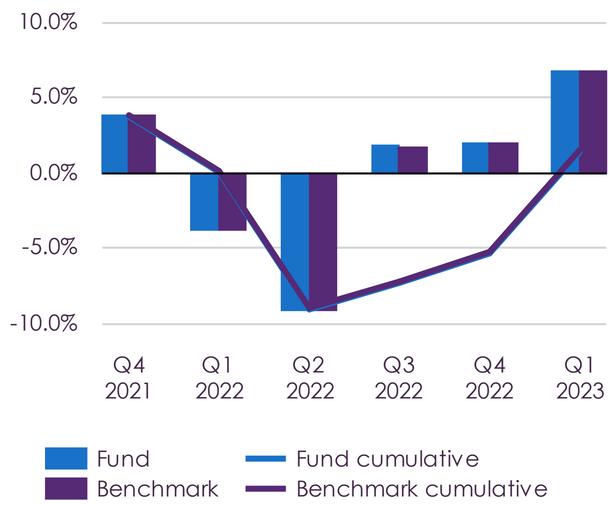
Total fund value

£620m

Risk profile

High

Rolling performance



Performance to quarter end

Performance	3 month	1 year	Since inception *
Fund	6.7	0.7	0.4
Benchmark	6.8	0.7	0.5
Excess	-	-0.1	-0.1

Source: State Street Global Services
*per annum. Net of all fees.

Performance commentary

The FTSE Developed Paris Aligned index (PAB) began the year strongly, up 6.8% over Q1 2023. The PAB Passive Global Equities strategy closely replicated the benchmark's performance over this period.

Sector performance was varied over the quarter with three sectors doing particularly well: Communication Services, Consumer Discretionary and IT. These sectors were up by more than 10% over the quarter.

Large positions in US IT companies were strong drivers of performance, notably Apple, Microsoft, and NVIDIA, whilst Alphabet drove performance in the Communication Services sector.

Within Consumer Discretionary Amazon and Tesla were significant positive contributors to performance as these stocks rebounded strongly from a difficult Q4.

The Health Care and Financials sectors were the worst performing sectors over the period, with negative absolute performance.

The Energy sector was a further detractor for the market cap weighted index, and the worst performing sector in Q1 2023; however, the FTSE Developed Paris Aligned index (PAB) currently has no exposure to the Energy sector. This exposure combined with a limited allocation to the Financials sector proved positive for performance over Q1 2023.

PAB Passive Global Equities

Top 5 holdings

	Weight %
APPLE INC	5.68
TESLA INC	5.60
MICROSOFT CORP	5.54
ALPHABET INC	4.96
AMAZON.COM INC	4.47

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Largest contributors to ESG risk

	ESG risk score* Q4 2022	ESG risk score* Q1 2023
TESLA INC	-	28.82
AMAZON.COM INC	30.28	30.28
APPLE INC	16.68	16.91
MICROSOFT CORP	15.24	15.00
ALPHABET INC-CL A	24.14	24.60

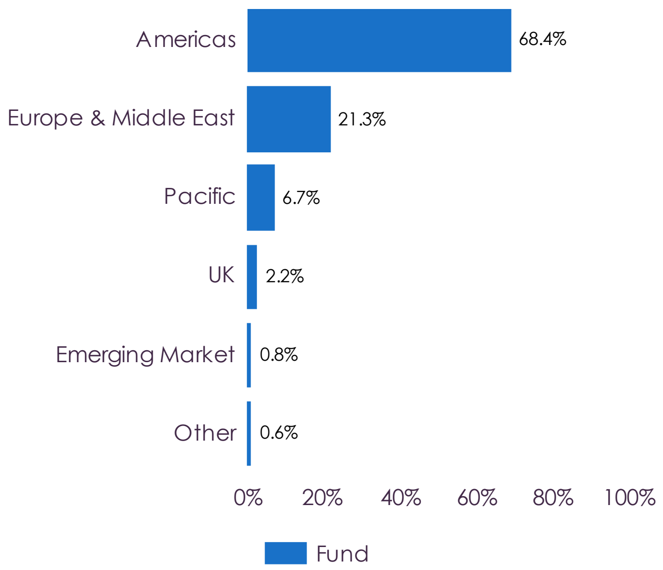
*Source: Sustainanalytics. The table is ordered by negative overall ESG impact on the portfolio, with the most impactful at the top. ESG Risk Score reference: 0-10 is Negligible, 10-20 is Low, 20-30 is Medium, 30-40 is High, 40+ is Severe.

Carbon metrics

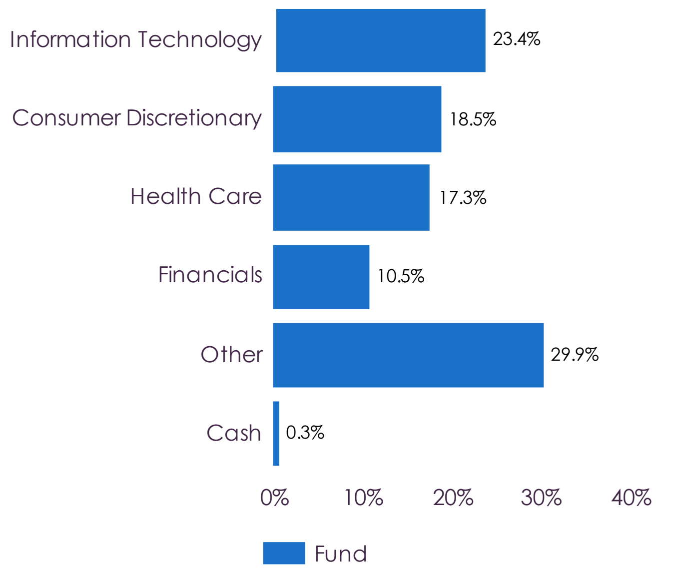
Portfolio	WACI		Extractives revenues[1]		Extractives reserves[2]	
	2022 Q4	2023 Q1	2022 Q4	2023 Q1	2022 Q4	2023 Q1
PAB Passive Global	102	79	0.91	0.61	1.68	3.42
FTSE Dev World TR	194	168	2.69	3.10	7.69	9.44

*Benchmark. [1] Extractive revenue exposure as share (%) of total revenue. [2] Value of holdings (VOH) - companies who derive revenues from extractives. Source: Trucost

Regional exposure



Sector exposure



PAB Passive Global Equities (Hedged)

Investment strategy & key drivers

Passive global equity exposure aligned to Paris Agreement climate goals - hedged

Liquidity

High

Benchmark

FTSE Dev World PAB

Outperformance target

Match

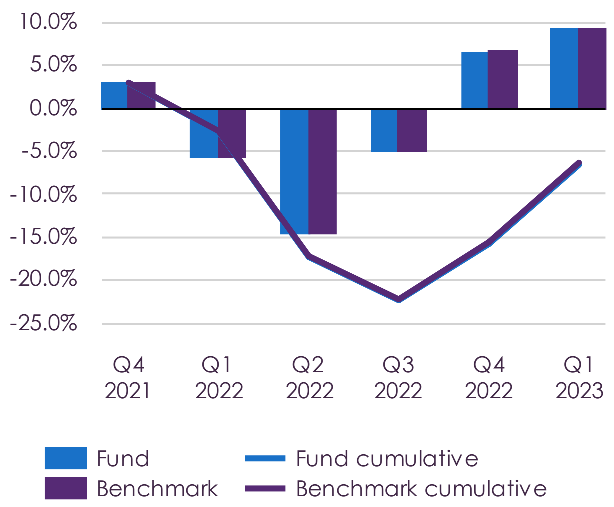
Total fund value

£797m

Risk profile

High

Rolling performance



Performance to quarter end

Performance	3 month	1 year	Since inception *
Fund	9.2	-5.6	-5.9
Benchmark	9.2	-5.4	-5.8
Excess	-	-0.2	-0.2

Source: State Street Global Services
*per annum. Net of all fees.

Performance commentary

The FTSE Developed Paris Aligned index (PAB) began the year strongly, up 6.8% over the first quarter.

Sterling appreciated against a basket of developed market currencies over the period, up 1% against the Euro, 2.8% against the US Dollar and 3.7% against the Japanese Yen. Because of this currency appreciation the hedged product outperformed the unhedged product, returning 9.2% over Q1 2023. The PAB Passive Global Equities (Hedged) strategy closely replicated the benchmark's performance over the period.

Sector performance was varied over the quarter with three sectors doing particularly well: Communication Services, Consumer Discretionary and IT. These sectors were up by more than 10% over the quarter. Large positions in US IT companies were strong drivers of performance, notably Apple, Microsoft, and NVIDIA, whilst Alphabet drove performance in the Communication services sector. Within Consumer Discretionary Amazon and Tesla were significant positive contributors to performance as these stocks rebounded strongly from a difficult Q4.

The Health Care and Financials sectors were the worst performing sectors over the period, with negative absolute performance.

The Energy sector was a further detractor for the market cap weighted index, and the worst performing sector in Q1 2023. However, the FTSE Developed Paris Aligned index (PAB) currently has no exposure to the Energy sector. This exposure combined with a limited allocation to the Financials sector proved beneficial to the product's performance over Q1 2023.

PAB Passive Global Equities (Hedged)

Top 5 holdings

	Weight %
APPLE INC	5.68
TESLA INC	5.60
MICROSOFT CORP	5.54
ALPHABET INC	4.96
AMAZON.COM INC	4.47

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Largest contributors to ESG risk

	ESG risk score* Q4 2022	ESG risk score* Q1 2023
TESLA INC	-	28.82
AMAZON.COM INC	30.28	30.28
APPLE INC	16.68	16.91
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ALPHABET INC-CL A	24.14	24.60

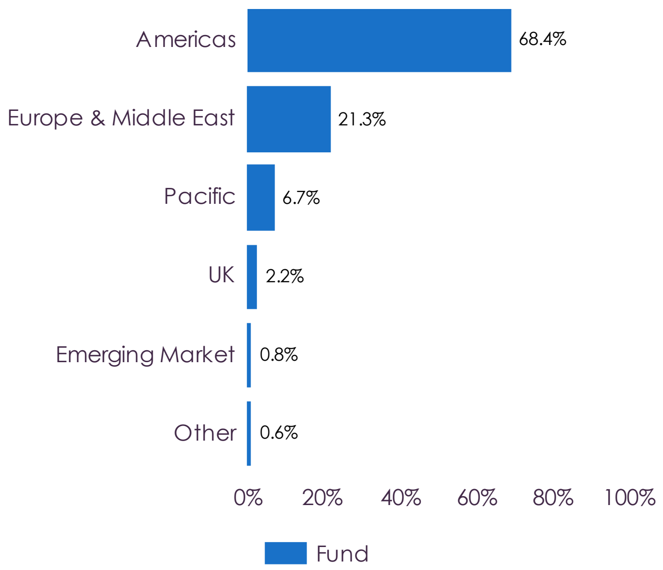
*Source: Sustainalytics. The table is ordered by negative overall ESG impact on the portfolio, with the most impactful at the top. ESG Risk Score reference: 0-10 is Negligible, 10-20 is Low, 20-30 is Medium, 30-40 is High, 40+ is Severe.

Carbon metrics

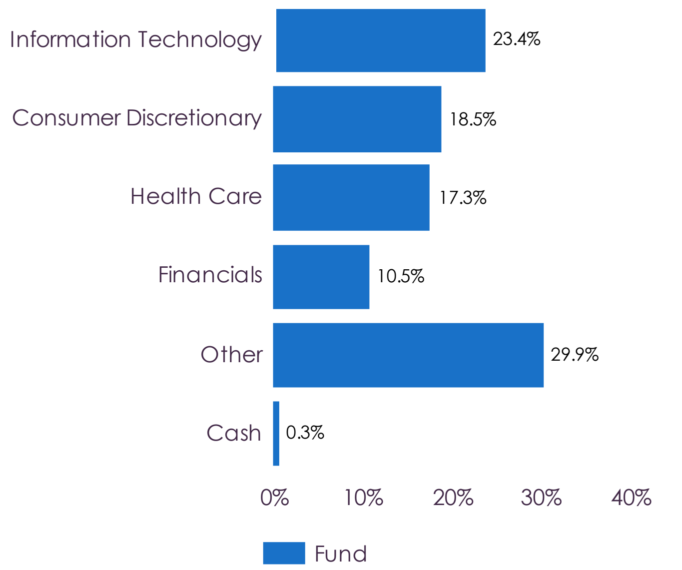
Portfolio	WACI		Extractives revenues[1]		Extractives reserves[2]	
	2022 Q4	2023 Q1	2022 Q4	2023 Q1	2022 Q4	2023 Q1
PAB Passive Global	102	79	0.91	0.61	1.68	3.42

*Benchmark. [1] Extractive revenue exposure as share (%) of total revenue. [2] Value of holdings (VOH) - companies who derive revenues from extractives. Source: Trucost

Regional exposure



Sector exposure



CTB Passive Global Equities

Investment strategy & key drivers

Passive global equity exposure aligned to Climate Transition goals

Liquidity

High

Benchmark

FTSE Dev World CTB

Outperformance target

Match

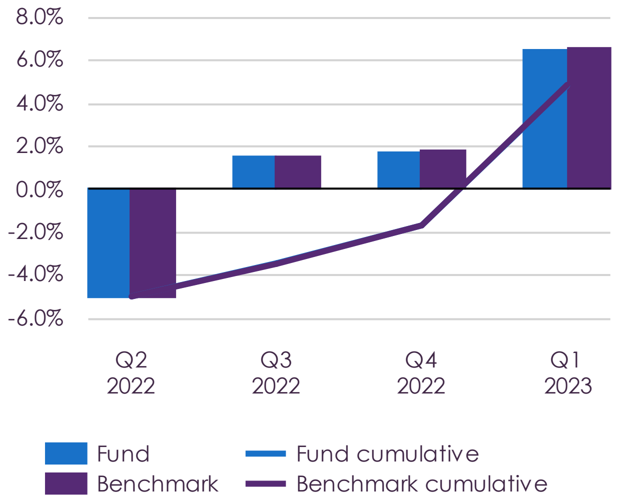
Total fund value

£641m

Risk profile

High

Rolling performance



Performance to quarter end

Performance	3 month	1 year	Since inception *
Fund	6.5	-	4.6
Benchmark	6.5	-	4.6
Excess	-	-	-

Source: State Street Global Services
*per annum. Net of all fees.

Performance commentary

The FTSE Developed Climate Transition index (CTB) performed strongly over Q1 2023, up 6.5%. The CTB Passive Global Equities product closely replicated the performance of the benchmark over this period.

Sector performance was varied over the quarter with three sectors doing particularly well: Communication Services, Consumer Discretionary and IT. These sectors were up by more than 10% over the quarter.

Large positions in US IT companies were strong drivers of performance, notably Apple, Microsoft, and NVIDIA, whilst Alphabet drove performance in the Communication Services sector.

Within Consumer Discretionary Amazon and Tesla were significant positive contributors to performance as these stocks rebounded strongly from a difficult Q4.

The Energy sector was the worst performing sector over the period with negative absolute performance, alongside Financials and Health Care. The strategy has a limited allocation to these sectors compared to the traditional market cap weighted index, which proved beneficial to performance over Q1 2023.

CTB Passive Global Equities

Top 5 holdings

	Weight %
APPLE INC	5.65
MICROSOFT CORP	5.47
TESLA INC	5.44
ALPHABET INC	4.97
AMAZON.COM INC	3.97

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Largest contributors to ESG risk

	ESG risk score* Q4 2022	ESG risk score* Q1 2023
TESLA INC	-	28.82
AMAZON.COM INC	30.28	30.28
APPLE INC	16.68	16.91
MICROSOFT CORP	15.24	15.00
ALPHABET INC-CL A	24.14	24.60

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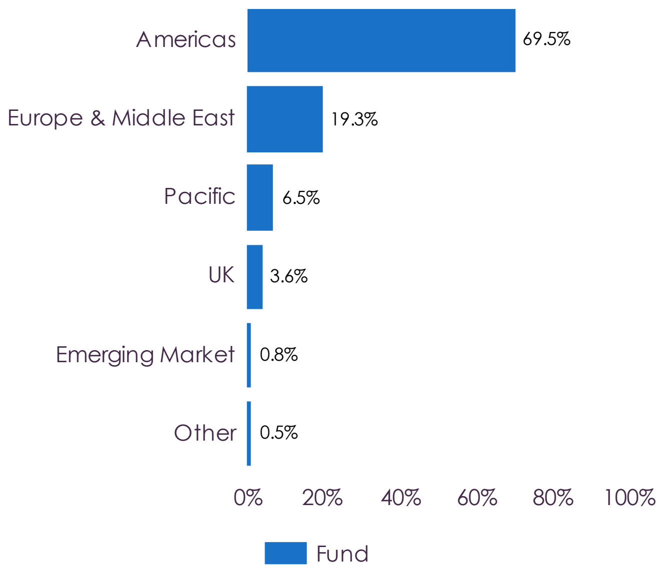
Carbon metrics

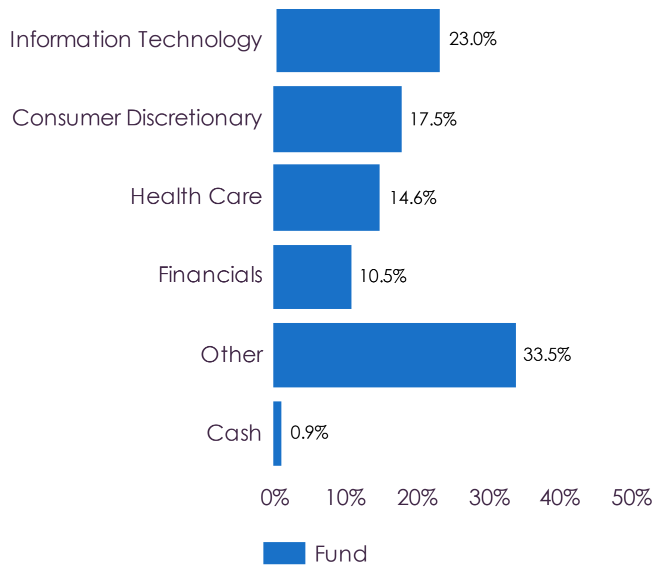
Portfolio	WACI		Extractives revenues¹		Extractives reserves²	
	2022 Q4	2023 Q1	2022 Q4	2023 Q1	2022 Q4	2023 Q1
CTB Passive Global	145	117	2.69	1.59	4.85	6.21
FTSE Dev World TR	194	168	2.69	3.10	7.69	9.44

*Benchmark. [1] Extractive revenue exposure as share (%) of total revenue. [2] Value of holdings (VOH) - companies who derive revenues from extractives. Source: Trucost

Regional exposure



Sector exposure



CTB Passive Global Equities (Hedged)

Investment strategy & key drivers

Passive global equity exposure aligned to Climate Transition goals - hedged

Liquidity

High

Benchmark

FTSE Dev World CTB

Outperformance target

Match

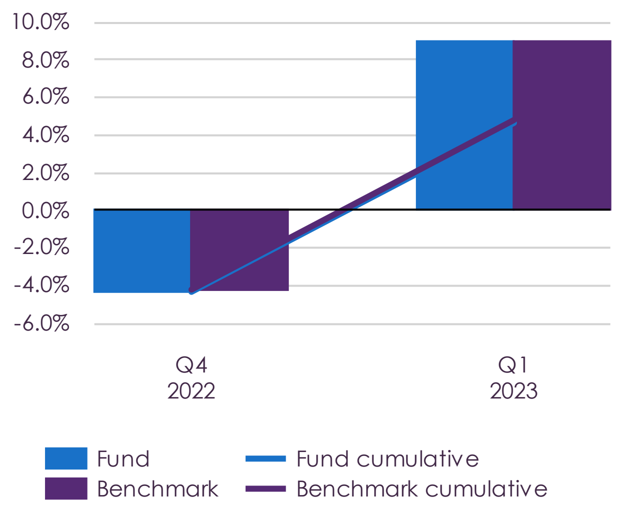
Total fund value

£54m

Risk profile

High

Rolling performance



Performance to quarter end

Performance	3 month	1 year	Since inception *
Fund	9.0	-	4.3
Benchmark	9.0	-	4.4
Excess	-	-	-0.2

Source: State Street Global Services
*per annum. Net of all fees.

Performance commentary

The FTSE Developed Climate Transition index (CTB) performed strongly over Q1 2023, up 6.5% to the end of the period.

Sterling appreciated against a basket of developed market currencies over Q1 2023, up 1% against the Euro, 2.8% against the US Dollar and 3.7% against the Japanese Yen. Because of this appreciation the hedged product outperformed the unhedged product, returning 9% over Q1 2023. The CTB Passive Global Equities (Hedged) product closely replicated the performance of the benchmark over this period.

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CTB Passive Global Equities (Hedged)

Top 5 holdings

	Weight %
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Largest contributors to ESG risk

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MICROSOFT CORP	15.24	15.00
ALPHABET INC-CL A	24.14	24.60

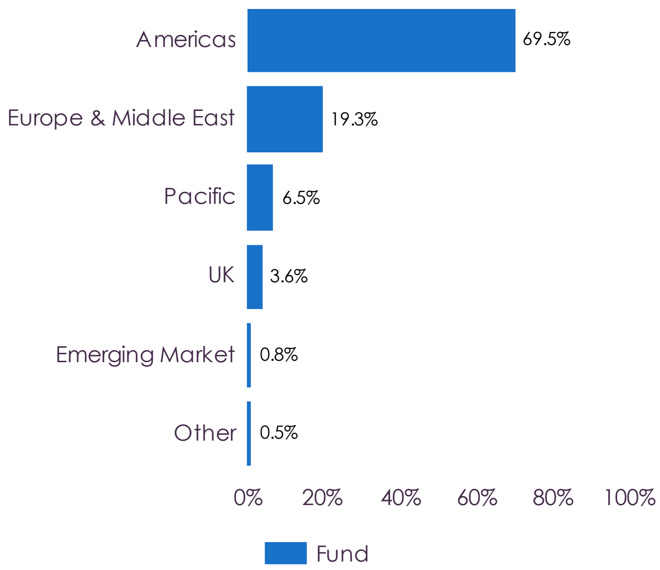
*Source: Sustainanalytics. The table is ordered by negative overall ESG impact on the portfolio, with the most impactful at the top. ESG Risk Score reference: 0-10 is Negligible, 10-20 is Low, 20-30 is Medium, 30-40 is High, 40+ is Severe.

Carbon metrics

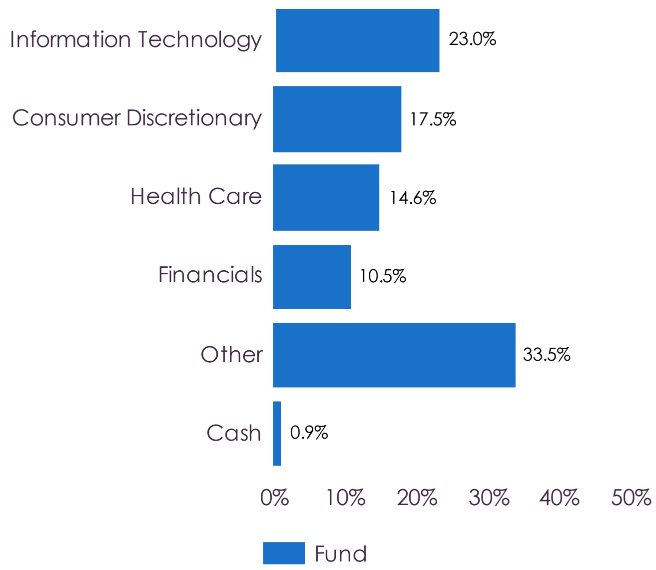
Portfolio	WACI		Extractives revenues[1]		Extractives reserves[2]	
	2022 Q4	2023 Q1	2022 Q4	2023 Q1	2022 Q4	2023 Q1
CTB Passive Global	145	117	2.69	1.59	4.85	6.21

*Benchmark. [1] Extractive revenue exposure as share (%) of total revenue. [2] Value of holdings (VOH) - companies who derive revenues from extractives. Source: Trucost

Regional exposure



Sector exposure



CTB Passive UK Equities

Investment strategy & key drivers

Passive UK equity exposure aligned to Climate Transition goals

Liquidity

High

Benchmark

FTSE All-Share ex Inv Tr CTB

Outperformance target

Match

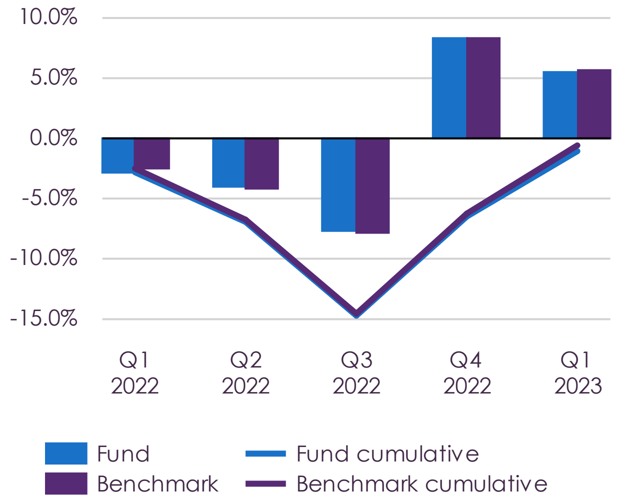
Total fund value

£373m

Risk profile

High

Rolling performance



Performance to quarter end

Performance	3 month	1 year	Since inception *
Fund	5.4	0.9	-1.7
Benchmark	5.6	1.0	-1.3
Excess	-0.2	-0.1	-0.4

Source: State Street Global Services
*per annum. Net of all fees.

Performance commentary

In Q1 2023 The FTSE All-Share ex Investment Trusts Climate Transition Benchmark (CTB) continued the strong performance seen in Q4 2022.

The index returned 5.6% over the quarter, and the CTB Passive UK Equities portfolio tracked the return of the benchmark.

This upward performance was driven across multiple sectors, though there was significant dispersion in sector performance. Communication Services was the best performing sector, alongside Consumer Discretionary, Energy, and Industrials.

Materials, Financials and Real Estate were the worst performing sectors. Significant index positions in BT and National Grid were positive contributors to performance, whilst Anglo American and Experian PLC were the largest negative contributors over the period.

CTB Passive UK Equities

Top 5 holdings

	Weight %
RELX PLC	**5.36**
BP PLC	**5.31**
NATIONAL GRID PLC	**5.12**
GSK PLC	**5.04**
UNILEVER PLC	**4.97**

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Largest contributors to ESG risk

	ESG risk score*	
	Q4 2022	Q1 2023
BP PLC	**32.67**	**33.81**
UNILEVER PLC	**23.98**	**24.12**
NATIONAL GRID PLC	**17.02**	**22.02**
ASTRAZENECA PLC	**22.21**	**22.47**
GSK PLC	**18.89**	**18.83**

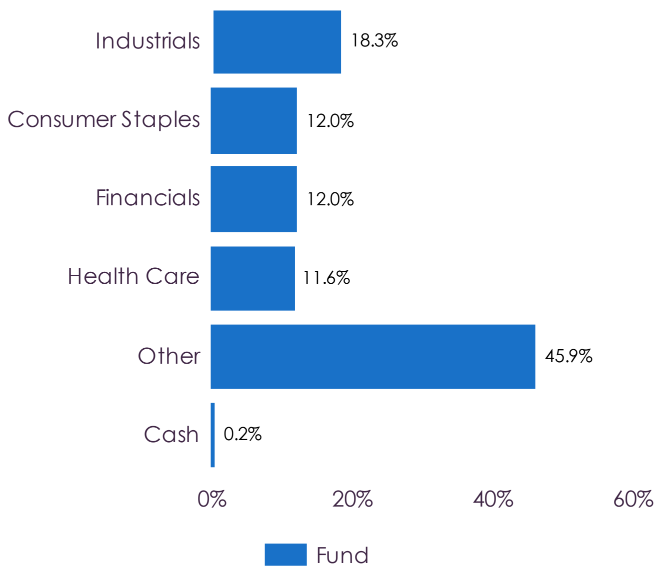
*Source: Sustainanalytics. The table is ordered by negative overall ESG impact on the portfolio, with the most impactful at the top. ESG Risk Score reference: 0-10 is Negligible, 10-20 is Low, 20-30 is Medium, 30-40 is High, 40+ is Severe.

Carbon metrics

Portfolio	WACI		Extractives revenues[1]		Extractives reserves[2]	
	2022 Q4	2023 Q1	2022 Q4	2023 Q1	2022 Q4	2023 Q1
CTB Passive UK	**142**	**161**	1.31	6.79	7.95	19.47

*Benchmark. [1] Extractive revenue exposure as share (%) of total revenue. [2] Value of holdings (VOH) - companies who derive revenues from extractives. Source: Trucost

Sector exposure



Passive Developed Equities

Investment strategy & key drivers

Passive global equity exposure

Liquidity

High

Benchmark

FTSE Developed

Outperformance target

Match

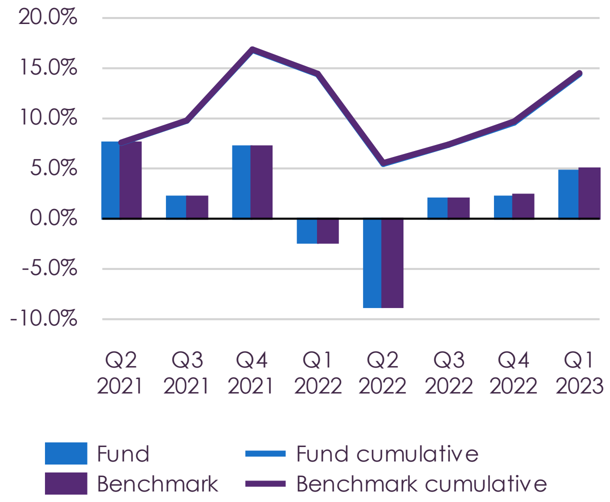
Total fund value

£[illegible]87m

Risk profile

High

Rolling performance



Performance to quarter end

Performance	3 month	1 year	Since inception *
Fund	4.8	-0.6	9.5
Benchmark	4.8	-0.5	9.5
Excess	-	-	-

Source: State Street Global Services
*per annum. Net of all fees.

Performance commentary

Passive Developed Equities returned 4.8% in the first quarter of 2023 and -0.6% over the past year. The fund closely replicated the FTSE Developed World Index.

The Technology sector made a large contribution to returns over the quarter. Within the sector NVIDIA performed particularly well, returning 85%, as the market made a positive assessment of the company's dominant position in A.I. chip manufacturing.

The Consumer Discretionary sector was the second-best performing sector, benefitting from a reassessment of interest rate expectations. Falling interest rate expectations and negative sentiment towards banks following the failure of Silicon Valley Bank and the UBS merger with Credit Suisse resulted in weak performance from the Financial sector and softer energy prices weighed on Energy sector performance.

For Sterling investors, Europe ex. UK was the strongest performing region. With a larger allocation to the Financial and Energy sectors, the UK market's performance was weaker.

Europe was also the strongest performing region over 12 months to 31st March 2023, returning 19.1%. The UK returned 5.1% but North America delivered a negative return of 2.5%.

Passive Developed Equities

Top 5 holdings

	Weight %
APPLE INC	**4.47**
MICROSOFT CORP	**3.89**
ALPHABET INC	**2.10**
AMAZON.COM INC	**1.65**
NVIDIA CORP	**1.18**

Largest contributors to ESG risk

	ESG risk score*	
	Q4 2022	Q1 2023
APPLE INC	**16.68**	**16.91**
MICROSOFT CORP	**15.24**	**15.00**
AMAZON.COM INC	**30.28**	**30.28**
EXXON MOBIL CORP	**36.47**	**43.55**
META PLATFORMS INC-CLASS A	**-**	**34.54**

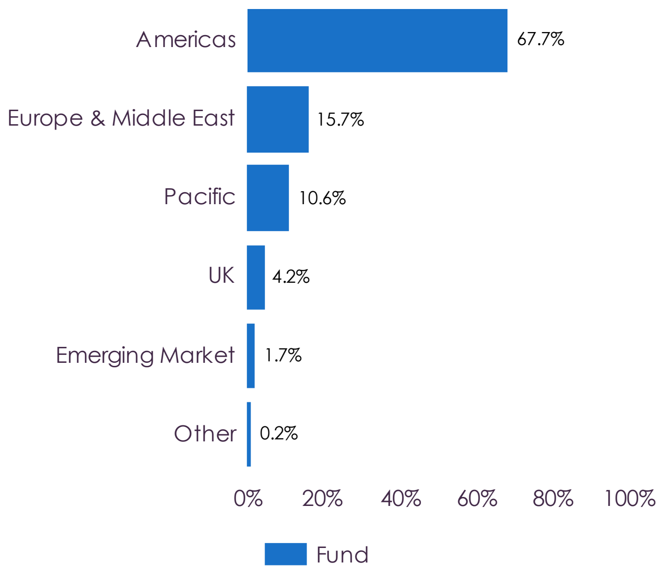
*Source: Sustainanalytics. The table is ordered by negative overall ESG impact on the portfolio, with the most impactful at the top. ESG Risk Score reference: 0-10 is Negligible, 10-20 is Low, 20-30 is Medium, 30-40 is High, 40+ is Severe.

Carbon metrics

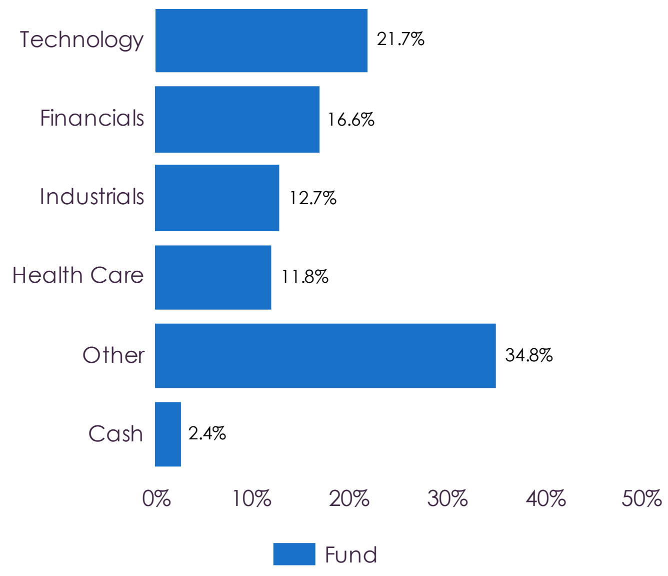
Portfolio	WACI		Extractives revenues[1]		Extractives reserves[2]	
	2022 Q4	2023 Q1	2022 Q4	2023 Q1	2022 Q4	2023 Q1
Passive Developed	**193**	**169**	2.65	2.70	7.58	9.41

*Benchmark. [1] Extractive revenue exposure as share (%) of total revenue. [2] Value of holdings (VOH) - companies who derive revenues from extractives. Source: Trucost

Regional exposure



Sector exposure



Passive Developed Equities (Hedged)

Investment strategy & key drivers

Passive global equity exposure - hedged

Liquidity

High

Benchmark

FTSE Developed

Outperformance target

Match

Total fund value

£518m

Risk profile

High

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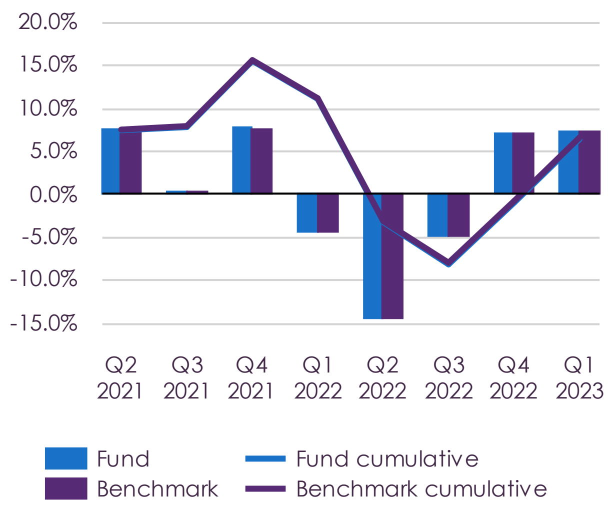
Rolling performance



Performance to quarter end

Performance	3 month	1 year	Since inception *
Fund	7.4	-6.2	7.3
Benchmark	7.4	-6.1	7.4
Excess	-	-0.1	-0.1

Source: State Street Global Services
*per annum. Net of all fees.

Performance commentary

Passive Developed Equities (GBP Hedged) returned 7.4% in the first quarter of 2023 and -6.2% over the past year. The fund replicated the FTSE Developed World (GBP Hedged) Index in line with expectations.

With a large amount of the fund invested in the US, the GBP/USD exchange rate generally has a large bearing on the performance differential between the hedged and unhedged products. Over the quarter, Sterling appreciated 2.8% against the US Dollar but depreciated 6.1% over the year.

The Technology sector made a large contribution to returns over the quarter. Within the sector NVIDIA performed particularly well, returning 90% in USD, as the market made a positive assessment of the company's dominant position in A.I. chip manufacturing. The Consumer Discretionary sector was the second best performing, benefitting from a reassessment of interest rate expectations.

Falling interest rate expectations and negative sentiment towards banks following the failure of Silicon Valley Bank and news of the UBS merger with Credit Suisse resulted in weak performance from the Financial sector. Softer energy prices weighed on Energy sector performance.

Europe was the strongest performing region in local currency terms over the quarter. With a larger allocation to the Financial and Energy sectors, the UK market's performance was weaker.

Europe was also the strongest performing region over 12 months to 31st March 2023, returning 14.5% in EUR while North America delivered a negative return of 6.3% in USD.

Passive Developed Equities (Hedged)

Top 5 holdings

	Weight %
APPLE INC	4.47
MICROSOFT CORP	3.89
ALPHABET INC	2.10
AMAZON.COM INC	1.65
NVIDIA CORP	1.18

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Largest contributors to ESG risk

	ESG risk score*	
	Q4 2022	Q1 2023
APPLE INC	16.68	16.91
MICROSOFT CORP	15.24	15.00
AMAZON.COM INC	30.28	30.28
EXXON MOBIL CORP	36.47	43.55
META PLATFORMS INC-CLASS A	-	34.54

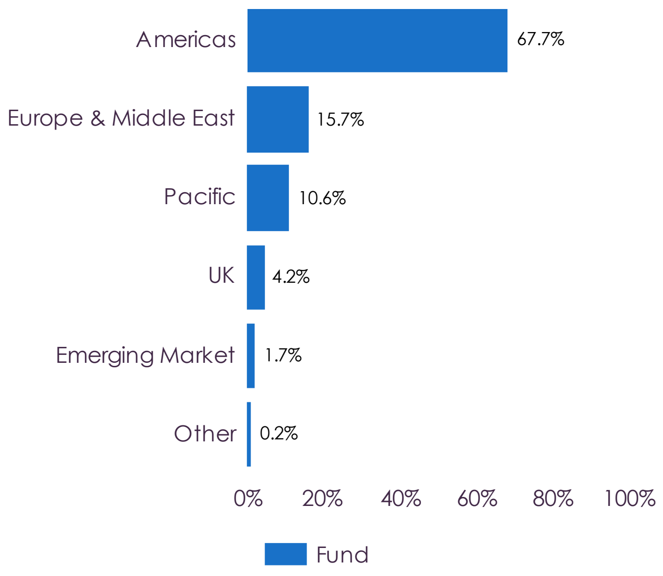
*Source: Sustainanalytics. The table is ordered by negative overall ESG impact on the portfolio, with the most impactful at the top. ESG Risk Score reference: 0-10 is Negligible, 10-20 is Low, 20-30 is Medium, 30-40 is High, 40+ is Severe.

Carbon metrics

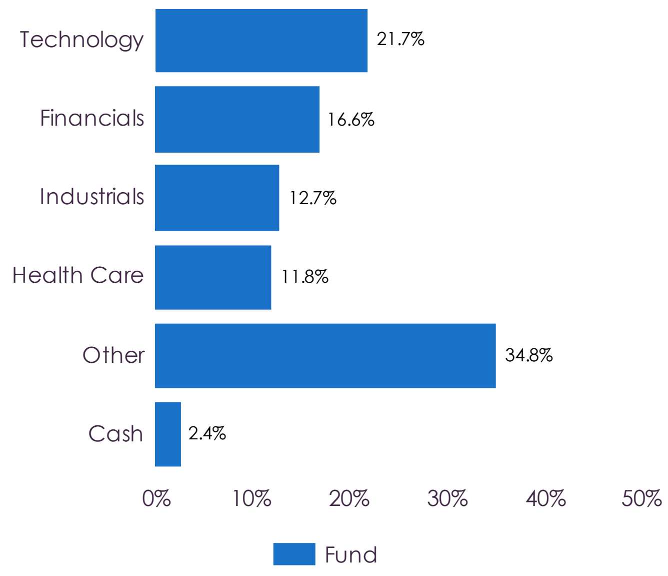
Portfolio	WACI		Extractives revenues[1]		Extractives reserves[2]	
	2022 Q4	2023 Q1	2022 Q4	2023 Q1	2022 Q4	2023 Q1
Passive Developed	193	169	2.65	2.70	7.58	9.41

*Benchmark. [1] Extractive revenue exposure as share (%) of total revenue. [2] Value of holdings (VOH) - companies who derive revenues from extractives. Source: Trucost

Regional exposure



Sector exposure



Passive UK Equities

Investment strategy & key drivers

Passive UK equity exposure

Liquidity

High

Benchmark

FTSE All Share

Outperformance target

Match

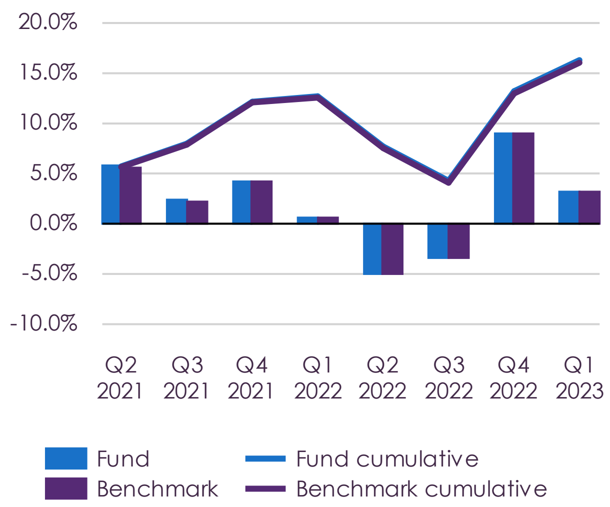
Total fund value

£125m

Risk profile

High

Rolling performance



Performance to quarter end

Performance	3 month	1 year	Since inception *
Fund	3.1	3.0	3.3
Benchmark	3.1	2.9	3.3
Excess	-	0.1	0.1

Source: State Street Global Services
*per annum. Net of all fees.

Performance commentary

In the first quarter of 2023 Passive UK Equities returned 3.1% and 3.0%, when considered over a one-year period. The fund performed in line with the FTSE All-Share Index.

The UK market underperformed the FTSE Developed World Index which returned 4.8% over the quarter. The Technology sector accounts for a large portion of the global index and performed well, while the Basic Materials sector in the UK markedly underperformed that of the global index as miners struggled. Financials along with energy companies, which make up a large part of the UK index, also underperformed the broader global index.

The Consumer Discretionary sector was the strongest performing in the UK market as JD Wetherspoons swung to profit for the first half of their reporting year, simultaneously beating analyst expectations. Within this sector, ASOS also performed well, though it should be noted this is only a partial reversal of a longer-term share price decline. The Industrials sector also outperformed with strong contributions coming from CRH Plc, Rolls Royce and BAE Systems. As alluded to previously, the Basic Materials sector was the worst and in fact the only negative performing sector in the UK market over the quarter.

Passive UK Equities

Top 5 holdings

	Weight %
ASTRAZENECA PLC	6.99
SHELL PLC	6.79
HSBC HOLDINGS PLC	4.67
UNILEVER PLC	4.43
BP PLC	3.82

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Largest contributors to ESG risk

	ESG risk score* Q4 2022	ESG risk score* Q1 2023
SHELL PLC	37.65	37.65
ASTRAZENECA PLC	22.21	22.47
BP PLC	32.67	33.81
UNILEVER PLC	23.98	24.12
HSBC HOLDINGS PLC	20.36	20.36

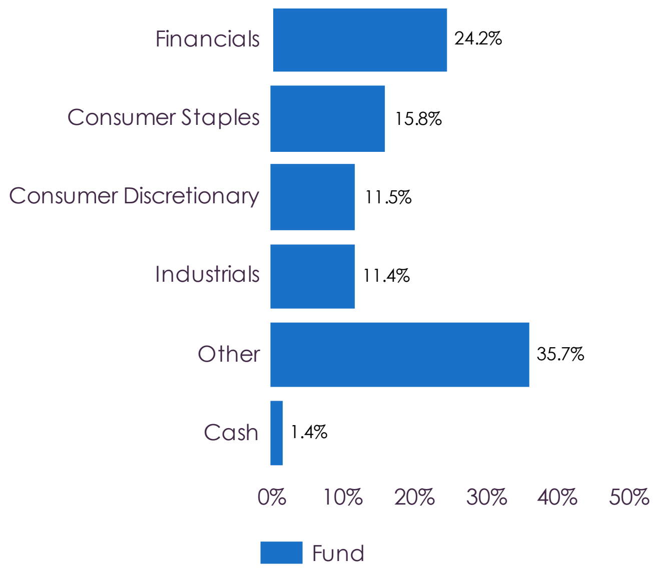
*Source: Sustainanalytics. The table is ordered by negative overall ESG impact on the portfolio, with the most impactful at the top. ESG Risk Score reference: 0-10 is Negligible, 10-20 is Low, 20-30 is Medium, 30-40 is High, 40+ is Severe.

Carbon metrics

Portfolio	WACI		Extractives revenues[1]		Extractives reserves[2]	
	2022 Q4	2023 Q1	2022 Q4	2023 Q1	2022 Q4	2023 Q1
Passive UK Equities	158	151	3.61	5.11	21.34	19.20

*Benchmark. [1] Extractive revenue exposure as share (%) of total revenue. [2] Value of holdings (VOH) - companies who derive revenues from extractives. Source: Trucost

Sector exposure



Passive Smart Beta

Investment strategy & key drivers

Passive equity exposure utilising alternative smart beta indices

Liquidity

Reasonable

Benchmark

SciBeta Multifactor Composite

Outperformance target

+0.5-1%

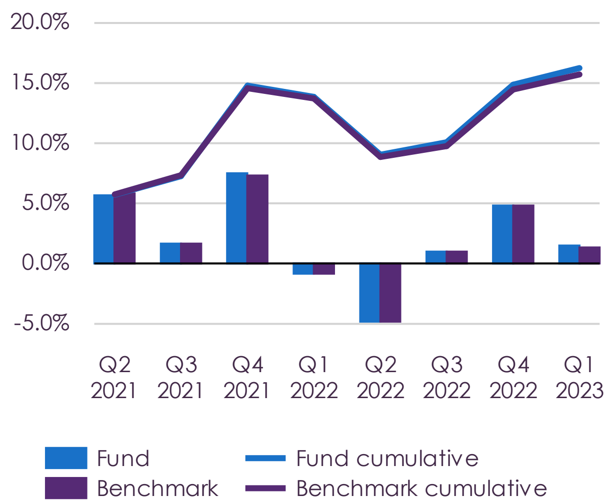
Total fund value

£159m

Risk profile

High

Rolling performance



Performance to quarter end

Performance	3 month	1 year	Since inception *
Fund	1.4	2.2	8.1
Benchmark	1.3	1.6	7.9
Excess	0.1	0.5	0.3

Source: State Street Global Services
*per annum. Net of all fees.

Performance commentary

In the first quarter of 2023 Passive Smart Beta Equities returned 1.4%, underperforming the MSCI World Index which returned 4.9%. The fund tracked the Scientific Beta Index in line with expectations. Over one year, to 31st March 2023, the product returned 2.2%. The MSCI World Index returned -0.5%.

Over the quarter, low volatility was the worst performing of the factors targeted by the fund, penalised as a result of underexposure to the Technology and Consumer Discretionary sectors and overexposure to Utilities relative to the market capitalisation benchmark. The value factor also underperformed the broader market as did the high investment sleeve of the quality factor. However, the high profitability component of the quality factor outperformed the MSCI World Index.

As alluded to above, attribution analysis shows a negative allocation effect from underweight exposure to the Technology and Consumer Discretionary sectors. There was also a large negative contribution from stock selection in both sectors. Stock selection in the Industrials sector and a slight underweight position to the Health Care sector made a positive contribution to returns relative to the market capitalisation index.

Passive Smart Beta

Top 5 holdings

	Weight %
GILEAD SCIENCES INC	0.66
WALMART INC	0.66
CISCO SYSTEMS INC	0.65
SYNOPSYS INC	0.61
JOHNSON & JOHNSON	0.60

Largest contributors to ESG risk

	ESG risk score* Q4 2022	Q1 2023
META PLATFORMS INC-CLASS A	-	34.54
SOUTHERN CO/THE	32.65	32.65
EXXON MOBIL CORP	36.47	43.55
KRAFT HEINZ CO/THE	35.17	35.28
GILEAD SCIENCES INC	22.86	22.86

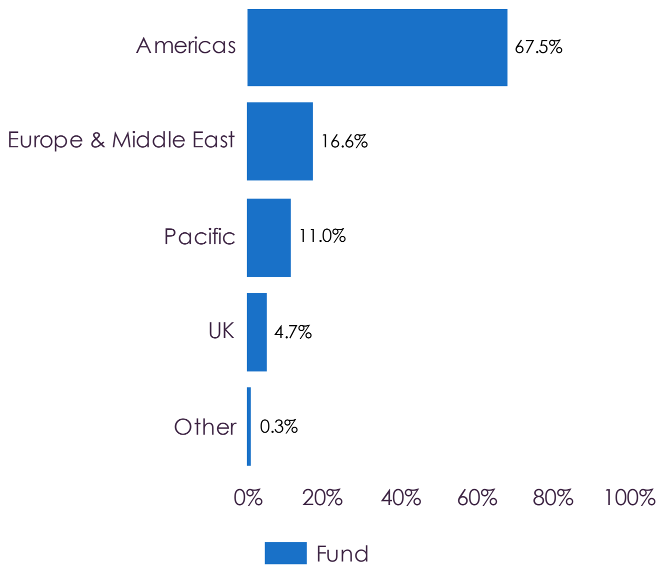
*Source: Sustainanalytics. The table is ordered by negative overall ESG impact on the portfolio, with the most impactful at the top. ESG Risk Score reference: 0-10 is Negligible, 10-20 is Low, 20-30 is Medium, 30-40 is High, 40+ is Severe.

Carbon metrics

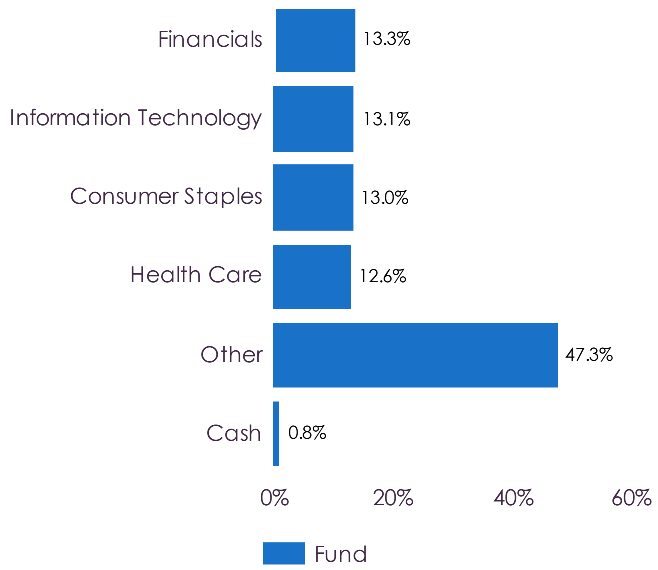
Portfolio	WACI		Extractives revenues[1]		Extractives reserves[2]	
	2022 Q4	2023 Q1	2022 Q4	2023 Q1	2022 Q4	2023 Q1
Passive Smart Beta	329	308	3.18	2.90	7.76	12.57

*Benchmark. [1] Extractive revenue exposure as share (%) of total revenue. [2] Value of holdings (VOH) - companies who derive revenues from extractives. Source: Trucost

Regional exposure



Sector exposure



Passive Smart Beta (Hedged)

Investment strategy & key drivers

Passive equity exposure utilising alternative smart beta indices - hedged

Liquidity

Reasonable

Benchmark

SciBeta Multifactor Hedged Composite

Outperformance target

+0.5-1%

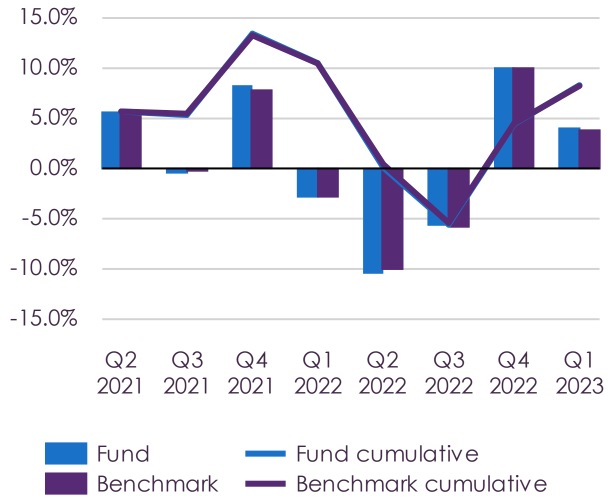
Total fund value

£148m

Risk profile

High

Rolling performance



Performance to quarter end

Performance	3 month	1 year	Since inception *
Fund	3.9	-3.5	6.5
Benchmark	3.7	-4.0	6.3
Excess	0.2	0.6	0.2

Source: State Street Global Services
*per annum. Net of all fees.

Performance commentary

In the first quarter of 2023 Passive Smart Beta Equities GBP Hedged returned 3.9%, outperforming the unhedged Smart Beta product which was hindered by the depreciation of the US dollar versus Sterling. The product underperformed the Passive Developed Equities GBP Hedged product which returned 7.4%. Over a one-year period to 31st March 2023, Passive Smart Beta Equities GBP Hedged returned -3.5%. The product tracked the Scientific Beta index in line with expectations.

Over the quarter, low volatility was the worst performing of the factors targeted by the fund, penalised as a result of underexposure to the Technology and Consumer Discretionary sectors and overexposure to Utilities relative to the market capitalisation benchmark. The value factor also underperformed the broader market as did the high investment sleeve of the quality factor. However, the high profitability component of the quality factor outperformed the MSCI World Index.

As alluded to above, attribution analysis shows a negative allocation effect from underweight exposure to the Technology and Consumer Discretionary sectors. There was also a negative contribution from stock selection in both sectors. Stock selection in the Industrials sector and a slight underweight position to the Health Care sector made a positive contribution to returns relative to the market capitalisation index.

Passive Smart Beta (Hedged)

Top 5 holdings

	Weight %
GILEAD SCIENCES INC	**0.66**
WALMART INC	**0.66**
CISCO SYSTEMS INC	**0.65**
SYNOPSYS INC	**0.61**
JOHNSON & JOHNSON	**0.60**

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Largest contributors to ESG risk

	ESG risk score*	
	Q4 2022	Q1 2023
META PLATFORMS INC-CLASS A	**-**	**34.54**
SOUTHERN CO/THE	**32.65**	**32.65**
EXXON MOBIL CORP	**36.47**	**43.55**
KRAFT HEINZ CO/THE	**35.17**	**35.28**
GILEAD SCIENCES INC	**22.86**	**22.86**

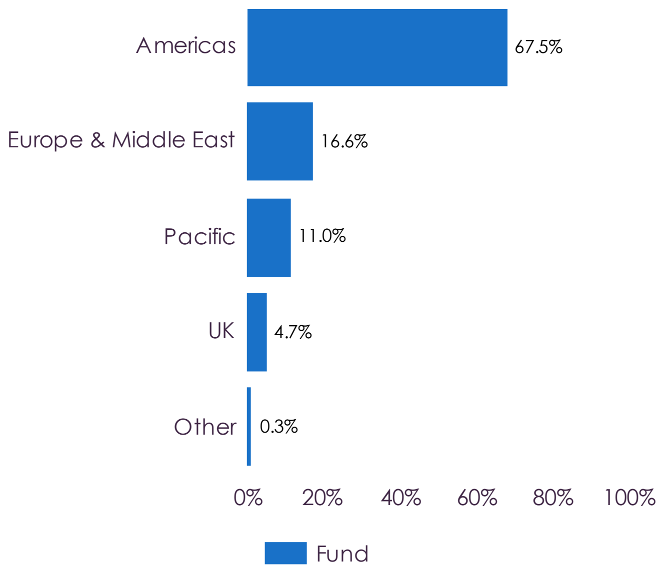
*Source: Sustainalytics. The table is ordered by negative overall ESG impact on the portfolio, with the most impactful at the top. ESG Risk Score reference: 0-10 is Negligible, 10-20 is Low, 20-30 is Medium, 30-40 is High, 40+ is Severe.

Carbon metrics

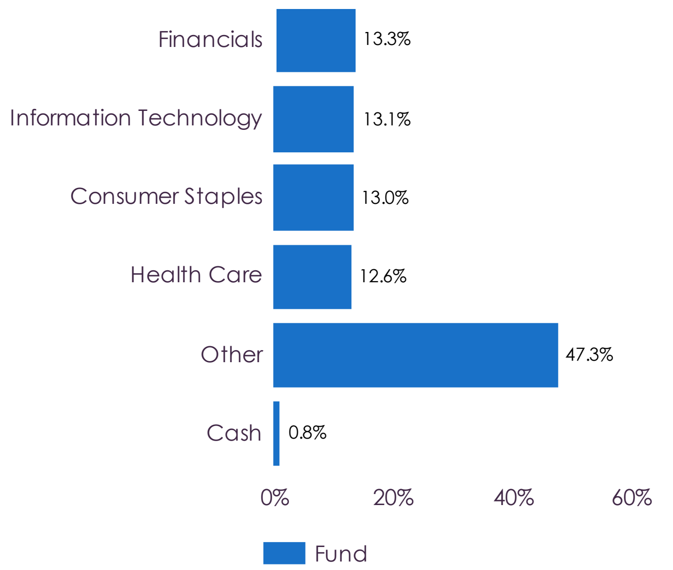
Portfolio	WACI		Extractives revenues[1]		Extractives reserves[2]	
	2022 Q4	2023 Q1	2022 Q4	2023 Q1	2022 Q4	2023 Q1
Passive Smart Beta	**329**	**308**	3.18	2.90	7.76	12.57

*Benchmark. [1] Extractive revenue exposure as share (%) of total revenue. [2] Value of holdings (VOH) - companies who derive revenues from extractives. Source: Trucost

Regional exposure



Sector exposure



Private Equity Cycle 1

Commitment to portfolio
£278m

Investment objective
Global portfolio of private equity investments

Benchmark
MSCI ACWI

Outperformance target
+3%

Launch date
1 October 2018

The fund is denominated in GBP

Commitment to investment
£284m

Amount called
£170m

% called to date
60.07%

Number of portfolio investments
7

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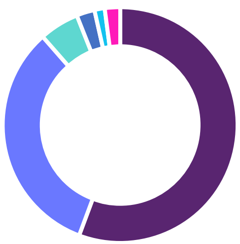
Country

Invested in underlying investments

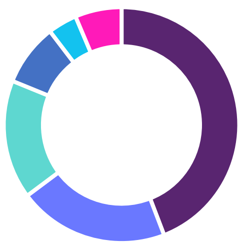


North America	55.7%
Western Europe	32.8%
Asia Pacific	5.5%
Global	2.5%
Middle-East/North Africa	1.4%
Other	2.1%

Source: Colmore
Country data is lagged by one quarter

Sector

GICs level 1



Financials	44.1%
Information Technology	20.7%
Health Care	16.3%
Consumer Discretionary	8.5%
Consumer Staples	4.0%
Other	6.4%

Source: Colmore
Sector data is lagged by one quarter

Performance commentary

Given the episodic nature of M&A markets (currently tending more to ebb than flow), deal activity has continued to slow, reflecting macro-economic headwinds. Major themes seen in 2022 continue to play out: (i) persistent (albeit slowing) inflation; (ii) hawkish central bank policy; (iii) the numerator/denominator effects; and (iv) a slow-down in both sponsor M&A activity and the funding of such via the public debt markets. With respect to the Brunel private equity portfolios, this has created attractive opportunities for secondaries' managers to capture LP stakes in pre-existing portfolios at attractive discounts to NAV. GPs are funding deals via a greater share of equity (versus more scarce debt), which has led to a focus on active management to drive company growth, rather than financial engineering/leverage. For existing holdings, managers remain sensitive to cost management with inflationary pressures for both staffing costs and input prices (with managers generally preferring asset-light businesses with less exposure to the latter). Revenue growth at underlying companies is continuing to grow in most cases, but EBITDA margins (a measure of operating profit) are being stressed by rising costs.

The pace of portfolio deployment remains strong, with the portfolio now over 60% called (buyout funds having now largely matched the deployment levels seen in the secondaries and coinvest funds). Portfolio performance remains positive (albeit with some slight deterioration versus the prior quarter). Fund performance was broadly flat, except for some multiple contraction, most prominent in the portfolio's secondaries funds..

Performance to quarter end

	AUM (GBPm)	3 Month MWR*	Excess 3 month	1 Year MWR*	Excess 1 year	3 Year MWR*	Excess 3 year	Since Inception MWR*	Excess since inception	Intial investment
Private Equity Cycle 1	211.17	-3.3%	-7.9%	12.9%	13.9%	19.4%	3.4%	19.1%	8.4%	

*Money weighted return. Net of all fees.
Aggregate performance is unavailable - figures shown are indicative of an individual client, and as such may differ between clients.

Private Equity Cycle 2

Commitment to portfolio
£630m

Investment objective
Global portfolio of private equity investments

Benchmark
MSCI ACWI

Outperformance target
+3%

Launch date
1 May 2020

The fund is denominated in GBP

Commitment to investment
£647m

Amount called
£213m

% called to date
32.95%

Number of portfolio investments
14

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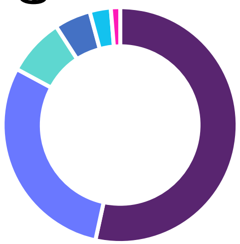
Country

Invested in underlying investments

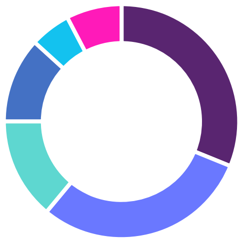


North America	53.4%
Western Europe	29.5%
Asia Pacific	7.9%
Global	5.0%
Middle-East/North Africa	2.9%
Other	1.3%

Source: Colmore
Country data is lagged by one quarter

Sector

GICs level 1



Information Technology	31.2%
Financials	29.8%
Health Care	14.0%
Industrials	11.8%
Consumer Discretionary	5.6%
Other	7.6%

Source: Colmore
Sector data is lagged by one quarter

Performance commentary

Given the episodic nature of M&A markets (and currently tending more to ebb than flow), deal activity has continued to slow, reflecting macro-economic headwinds. Major themes from 2022 continue to play out:

(i) persistent (albeit slowing) inflation; (ii) hawkish central bank policy; (iii) the numerator/denominator effects; and (iv) a slow-down in both sponsor M&A activity and the funding of such via the public debt markets.

With respect to the Brunel private equity portfolios, this has created attractive opportunities for secondaries' managers to capture LP stakes in pre-existing portfolios at attractive discounts to NAV. GPs are funding deals via a greater share of equity (versus more scarce debt), leading to a focus on active management to drive company growth, rather than financial engineering/leverage. For existing holdings, managers remain sensitive to cost management with inflationary pressures for both staffing costs and input prices (with managers generally preferring asset-light businesses with less exposure to the latter). Revenue growth at underlying companies is continuing to grow in most cases, but EBITDA margins (a measure of operating profit) are being stressed by rising costs.

Portfolio deployment now stands at ~1/3rd of total commitments. Most funds in the portfolio have now called capital. Portfolio performance is broadly flat since inception (following some deterioration versus the prior quarter). Given the relative nascency of the portfolio, return measures are not yet meaningful.

Performance to quarter end

	AUM (GBPm)	3 Month MWR*	Excess 3 month	1 Year MWR*	Excess 1 year	3 Year MWR*	Excess 3 year	Since Inception MWR*	Excess since inception	Intial investment
Private Equity Cycle 2	224.99	-2.2%	-6.7%	-1.1%	-0.2%	-	-	7.3%	0.5%	

*Money weighted return. Net of all fees.
Aggregate performance is unavailable - figures shown are indicative of an individual client, and as such may differ between clients.

Private Equity Cycle 3

Commitment to portfolio
£616m

Investment objective
Global portfolio of private equity investments

Benchmark
MSCI ACWI

Outperformance target
+3%

Launch date
1 April 2022

The fund is denominated in GBP

Commitment to investment
£61m

Amount called
£0m

% called to date
0.00%

Number of portfolio investments
1

Performance commentary

The negative values can be explained by management fees and expenses charged by the GP (APAX). As of 31/03/2023 no capital calls were made by APAX and therefore true valuation should be zero at a client level. The portfolio has made two underlying investments, funded by a credit facility; once a capital call is made, a more accurate Adjusted Value will be reflected in future reports.

The outsourced solution for the remainder of cycle 3 is progressing well and is in late stage legal negotiations, pending fund formation.

Private Debt Cycle 2

Commitment to portfolio
£945m

Investment objective
Global portfolio of senior direct loans, predominantly to PE-sponsored companies

Benchmark
SONIA

Outperformance target
+4%

Launch date
1 May 2020

The fund is denominated in GBP

Commitment to investment
£945m

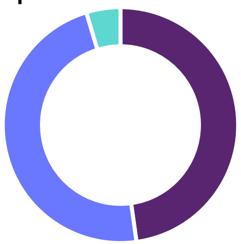
Amount called
£440m

% called to date
46.59%

Number of portfolio investments
1

Country

Invested in underlying investments

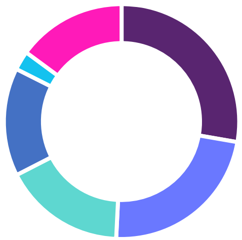


North America	47.8%
Europe	47.5%
Asia Pacific	4.7%
Other	-

Source: Aksia and underlying managers
Country data is lagged by one quarter

Sector

GICs level 1



Health Care	27.8%
Information Technology	22.9%
Consumer Discretionary	16.8%
Industrials	14.9%
Consumer Staples	2.6%
Other	15.0%

Source: Aksia and underlying managers
Sector data is lagged by one quarter

Performance commentary

M&A markets tend to ebb and flow and the macro-economic trends mean deal activity has continued to slow.

Major themes seen across 2022 continue to play out such as: (i) persistent (albeit slowing) inflation; (ii) hawkish central bank policy; (iii) the numerator/denominator effects; and (iv) a slow-down in both sponsor M&A activity and the funding of such via the public debt markets.

The Brunel private debt portfolios remain attractive for GPs to deploy capital as the floating rate nature of portfolios allow LPs to capture additional returns from rising rates. Loan margins and upfront fees have remained elevated.

Given the rising interest costs for companies borrowing and a lack of alternative funding sources, the levels of debt being offered by managers is generally falling on new deals, as strict underwriting standards from lenders lead to a reduced loan size (higher costs of servicing). This is positive for lenders.

GPs are stressing a preference for firms with a strong ability to pass through costs and company selection is paramount.

The portfolio is approaching ~50% called; a good pace of deployment & all managers have now called investor capital.

Portfolio performance has been flat over the period. This was expected, given the portfolio's focus on generating a contractual yield over the life of the investments whilst preserving value. Performance remains positive, whilst individual fund IRRs are not yet meaningful.

Performance to quarter end

	AUM (GBPm)	3 Month MWR*	Excess 3 month	1 Year MWR*	Excess 1 year	3 Year MWR*	Excess 3 year	Since Inception MWR*	Excess since inception	Intial investment
Private Debt Cycle 2	440.03	-4.2%	-6.1%	2.9%	-3.4%	-	-	2.8%	-2.8%	

*Money weighted return. Net of all fees.
Aggregate performance is unavailable - figures shown are indicative of an individual client, and as such may differ between clients.

Private Debt Cycle 3

Commitment to portfolio
£888m

Investment objective
Global portfolio of senior direct loans, predominantly to PE-sponsored companies

Benchmark
SONIA

Outperformance target
+4%

Launch date
1 April 2022

The fund is denominated in GBP

Commitment to investment
£350m

Amount called
£78m

% called to date
22.32%

Number of portfolio investments
2

Performance commentary

Given the episodic nature of M&A markets (currently tending more to ebb than flow), deal activity has continued to slow, reflecting macro-economic headwinds. The major themes seen across 2022 continue to play out: (i) persistent (albeit slowing) inflation; (ii) hawkish central bank policy; (iii) the numerator/denominator effects; and (iv) a slow-down in both sponsor M&A activity and the funding of such via the public debt markets. With respect to the Brunel private debt portfolios, it remains an attractive environment for GPs to deploy capital, given the (majority) floating rate nature of portfolios, which allows LPs to capture additional returns from rising rates. Loan margins and upfront fees have remained elevated following rises seen during 2022. This is accretive to performance. Given the rising interest costs for companies borrowing from private debt managers (and a lack of alternative funding sources), the levels of debt being offered by managers (and thus leverage) is generally falling on new deals. This positive news for lenders is also due to strict underwriting standards from lenders dictating a reduced loan size, given the higher costs of servicing. GPs are stressing a preference for firms with a strong ability to pass through costs and company selection is paramount.

Of the funds held within the portfolio, one has shown strong deployment to date (being already close to ~50% called) whilst the other has yet to call capital. Portfolio performance is positive and shows improvement versus the prior quarter but we would note that performance measures are not yet meaningful. We expect to have largely allocated portfolio capital across a target of ~5-7 funds by the end of 2023.

Performance to quarter end

	AUM (GBPm)	3 Month MWR*	Excess 3 month	1 Year MWR*	Excess 1 year	3 Year MWR*	Excess 3 year	Since Inception MWR*	Excess since inception	Intial investment
Private Debt Cycle 3	77.42	5.1%	3.1%	-	-	-	-	5.1%	2.9%	

*Money weighted return. Net of all fees.
Aggregate performance is unavailable - figures shown are indicative of an individual client, and as such may differ between clients.

Infrastructure Cycle 1

Commitment to portfolio
£518m

Investment objective
Portfolio of predominantly European sustainable infrastructure assets

Benchmark
CPI

Outperformance target
+4%

Launch date
1 October 2018

The fund is denominated in GBP

Commitment to investment
£517m

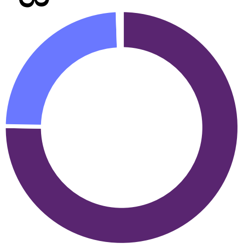
Amount called
£402m

% called to date
77.90%

Number of portfolio investments
5

Country

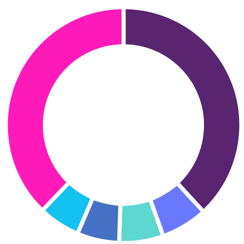
Commitment in underlying investments



Europe (incl. UK)	75.2%
North America	24.2%
Rest Of World	0.6%

Source: Stepstone
Country data is lagged by one quarter

Sector



Wind & Solar	38.1%
Rail	6.4%
Diversified Renewables	6.1%
Roads	5.8%
Distributed Energy	5.7%
Other	37.9%

Source: Stepstone
Sector data is lagged by one quarter

Performance commentary

Economic growth was set to slow in 2023 in the light of tighter financial conditions and elevated inflation. This downbeat outlook began to ease over the first quarter, with most economies seeing upward revisions to their GDP growth forecasts, but bank failures in March saw the spectre of volatility in markets return, along with uncertainty over policy rate decisions. As a result, market recovery has been inconsistent, with the increase in market volatility highlighting the importance of well-structured infrastructure investments with downside protection, strong inflation linkage and inherent mission-critical objectives.

Ambitious renewable targets set by governments worldwide have helped to boost activity but have also increased competitiveness of deals. Brunel requires one more Tactical deal to bring Cycle 1 Infrastructure to 100% commitment. This deal is required to be a yielding, operational, European renewable energy deal. It has proven challenging to find such an investment at our portfolio target return level. As a result, Brunel has lost out on a couple of deals, due to pricing mismatches in auction scenarios. Brunel approved in Q1 an investment in an operating UK Offshore wind project which is, again, contingent on the sponsor we are coinvesting alongside being successful at the projected return level.

As at the end of Q1 2023, Cycle 1 Infrastructure remains at close to 93% committed and 77% invested. Brunel is pleased with the deployment of Cycle 1 and the overall development of the Portfolio. Focus is gradually shifting from deployment to portfolio performance and monitoring.

Performance to quarter end

	AUM (GBPm)	3 Month MWR*	Excess 3 month	1 Year MWR*	Excess 1 year	3 Year MWR*	Excess 3 year	Since Inception MWR*	Excess since inception	Intial investment
Infrastructure Cycle 1	429.80	-0.8%	-2.1%	14.4%	4.4%	9.8%	3.9%	9.4%	4.9%	

*Money weighted return. Net of all fees.
Aggregate performance is unavailable - figures shown are indicative of an individual client, and as such may differ between clients.

Infrastructure (General) Cycle 2

Commitment to portfolio
£425m

Investment objective
Global portfolio of infrastructure with a focus on non-RE sectors and sustainable assets

Benchmark
CPI

Outperformance target
+4%

Launch date
1 May 2020

The fund is denominated in GBP

Commitment to investment
£425m

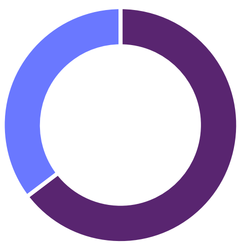
Amount called
£284m

% called to date
66.74%

Number of portfolio investments
1

Country

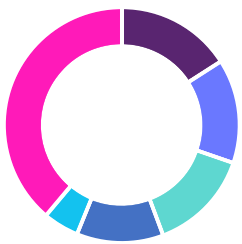
Commitment in underlying investments



Europe (incl. UK)	64.6%
North America	35.4%
Other	-

Source: Stepstone.
Country data is lagged by one quarter

Sector



Heating & Cooling	15.9%
Mass Transit	14.3%
Energy Efficiency	14.1%
Fiber	11.9%
Towers	4.9%
Other	38.9%

Source: Stepstone
Sector data is lagged by one quarter

Performance commentary

Economic growth was set to slow in 2023 in the light of tighter financial conditions and elevated inflation. This downbeat outlook began to ease over the first quarter, with most economies seeing upward revisions to their GDP growth forecasts. Bank failures in March saw the spectre of volatility in markets return, along with uncertainty over policy rate decisions. As a result, market recovery has been inconsistent, with the increase in market volatility highlighting the importance of well-structured infrastructure investments with downside protection, strong inflation linkage and inherent mission-critical objectives.

As a reminder, the final tactical deal in the General Infrastructure Portfolio was made during Q4 2022. A €30m Euro commitment to a Spanish rural Fibre-to-the-Home platform alongside Vauban Infrastructure Partners. As a result, Cycle 2 G is now fully committed to 6 primary funds and 7 tactical investments. At the end of Q1, the portfolio is c.65-70% invested.

Brunel is very pleased with how the Cycle 2G portfolio has developed. The portfolio is diversified and invested in quality opportunities that we believe will provide strong performance, both in terms of returns and societal and environmental sustainability.

Performance to quarter end

	AUM (GBPm)	3 Month MWR*	Excess 3 month	1 Year MWR*	Excess 1 year	3 Year MWR*	Excess 3 year	Since Inception MWR*	Excess since inception	Intial investment
Infrastructure (General) Cycle 2	306.52	5.2%	3.8%	14.6%	4.5%	-	-	11.1%	4.0%	

*Money weighted return. Net of all fees.
Aggregate performance is unavailable - figures shown are indicative of an individual client, and as such may differ between clients.

Infrastructure (Renewables) Cycle 2

Commitment to portfolio
£585m

Investment objective
Global portfolio of renewable energy and associated infrastructure assets

Benchmark
CPI

Outperformance target
+4%

Launch date
1 May 2020

The fund is denominated in GBP

Commitment to investment
£585m

Amount called
£264m

% called to date
45.11%

Number of portfolio investments
1

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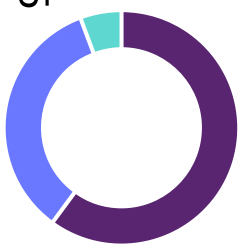
Country

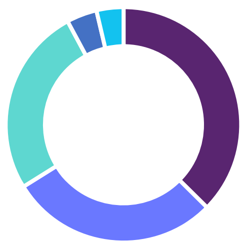
Commitment in underlying investments



Europe (incl. UK)	60.0%
North America	34.3%
Rest Of World	5.7%

Source: Stepstone
Country data is lagged by one quarter

Sector



Solar	37.4%
Diversified Renewables	28.8%
Wind	25.9%
Energy Storage	4.2%
Other	3.7%

Source: Stepstone
Sector data is lagged by one quarter

Performance commentary

The exceptionally mild winter in 2022/23 across Europe helped temper wholesale gas and electricity prices, but they remain high compared with recent years. Forward prices for winter 2023/24 reflect continued uncertainties.

Despite windfall taxes and in some cases lower than seasonal resource, elevated power prices continued to boost the performance of some renewable energy generators (despite production shortfalls). Projects with contracted pricing have seen improved prospects for revenues beyond contract via well-negotiated PPAs. But, supply chain tensions continue to affect the CapEx required to complete new projects, delaying completion. Rising bond yields are also a headwind.

Despite early signs of positive performance, pressure on development and financing costs globally increases the difficulty of sourcing attractive opportunities. Brunel remain confident that the strong pipeline will ensure deployment of this mandate in line with Scope and Specification.

In Q1, deal flow activity remained strong and selective. One Primary Fund commitment was approved by Brunel; Q-Energy/ Fund V; the investment is in final stages of due diligence. A tactical investment into a Battery Energy Storage System ("BESS") that will be constructed to substitute for a decommissioned thermal coal power station in Australia was also approved. As at the end of Q1 and not including the recently approved deals, Cycle 2 R is circa 45% invested and 71% committed across 5 primary funds and 7 tacticals. One more primary fund and two extra tacticals will be required to complete Cycle 2 Renewables' portfolio construction.

Performance to quarter end

	AUM (GBPm)	3 Month MWR*	Excess 3 month	1 Year MWR*	Excess 1 year	3 Year MWR*	Excess 3 year	Since Inception MWR*	Excess since inception	Intial investment
Infrastructure (Renewables) Cycle 2	282.27	1.0%	-0.3%	21.1%	11.1%	-	-	14.3%	7.3%	

*Money weighted return. Net of all fees.
Aggregate performance is unavailable - figures shown are indicative of an individual client, and as such may differ between clients.

Infrastructure Cycle 3

Commitment to portfolio
£685m

Investment objective
Global portfolio of infrastructure assets, mainly focussed on climate solutions, energy transition and efficiency

Benchmark
n/a - absolute return target

Outperformance target
net 8% IRR

Launch date
1 April 2022

This fund is denominated in GBP

Commitment to investment
£685m

Amount called
£97m

% called to date
14.13%

Number of portfolio investments
1

Performance commentary

Economic growth was set to slow in 2023 in the light of tighter financial conditions and elevated inflation. This downbeat outlook began to ease over the first quarter, with most economies seeing upward revisions to their GDP growth forecasts. Bank failures in March saw the spectre of volatility in markets return, along with uncertainty over policy rate decisions. As a result, market recovery has been inconsistent, with the increase in market volatility highlighting the importance of well-structured infrastructure investments with downside protection, strong inflation linkage and inherent mission-critical objectives.

Since the portfolio's inception, deal flow activity has been strong, and Brunel has been selective. As at the end of Q1, Cycle 3 is circa 27% committed to three Primary investments including Vauban Core Infrastructure IV, Sandbrook Climate Infrastructure Fund and Meadowlark Lands Fund. In addition, as of March 2023, Tactical investments include Project Appellation, a US forestry investment focused on income from carbon credits; Project Ardor, an investment in an operating Indian renewables portfolio and IPP; Suez, the international water and waste company; and Havfram, an offshore wind installation vessel company.

Two further investments were approved in Q1 by Brunel, subject to final due diligence and approvals by Stepstone; a primary commitment to Copenhagen Infrastructure Partners Fund V and a Tactical opportunity to invest alongside Blackstone into a renewables developer in the US.

The investment into Arcus Fund 3 and the co-investment with the same manager that had been approved by Brunel (and were presented to ISG) were ultimately not concluded due to issues relating to key fund terms that were identified as part of StepStone's legal due diligence. Other opportunities are being progressed instead.

Performance to quarter end

	AUM (GBPm)	3 Month MWR*	Excess 3 month	1 Year MWR*	Excess 1 year	3 Year MWR*	Excess 3 year	Since Inception MWR*	Excess since inception	Intial investment
Infrastructure Cycle 3	94.88	-0.9%	-2.2%	-	-	-	-	-3.2%	-7.3%	

*Money weighted return. Net of all fees.
Aggregate performance is unavailable - figures shown are indicative of an individual client, and as such may differ between clients.

Secured Income Cycle 1

Commitment to portfolio
£465m

Investment objective
Portfolio of long-dated income streams, a majority of which are UK inflation-linked

Benchmark
CPI

Outperformance target
+2%

Launch date
1 October 2018

The fund is denominated in GBP

Commitment to investment
£465m

Amount called
£465m

% called to date
99.93%

Number of portfolio investments
3

Performance commentary

The M&G Secured Income Property Fund has experienced significant downward movement to reflect the new yield environment, which has now flattened over Q1. The fund looks attractive on a forward-looking returns basis, with a positive illiquidity premium above equivalent bond yields. The fund continues to hold a high-quality real estate portfolio with strong fundamentals and a clear pathway to cover outstanding redemptions, subject to the sales underway completing in due course. The fund is proposing to amend the fund's dealing and deferral terms, which Brunel supports. The aim is to align payments to investors with the timing of sales proceeds and to increase the redemption notice period to correspond with a reasonable timeframe in which to sell assets.

The abrdn Long Lease Property Fund has also experienced a more muted performance in Q1, with early indications that the level of price declines is slowing. The fund is continuing to make tactical disposals to meet its redemption queue, predominantly where there are ESG issues, tenant covenant concerns or shorter leases. The fund is likely to see a further modest valuation decline as we move through the first half of the year. Despite a challenging period, the fund remains an attractive proposition with a well-diversified portfolio, a strong tenant base and an attractive income return.

Brunel made a further commitment to GRI in Q1 for the Cycle 3 client commitments. The fund continues to offer good diversification, with a forecast hold-to-life IRR of circa 8%. The new top-up is likely to be drawn down by the end of Q3 to fund a strong existing pipeline of opportunities across solar and wind assets. The Greencoat team are seeing a lot of deal flow, with much of the fund's dry powder absorbed last year, allowing them to be more selective, with new additions at keen valuations.

Please note - the large inflows and outflows during this quarter were due to a technicality. It was discovered that an agreed fee discount had not been applied by the manager. To recalculate it, the fund accounting replicated a redemption and a subscription of the fund. The transaction did not actually take place.

Performance to quarter end

	AUM (GBPm)	3 Month MWR*	Excess 3 month	1 Year MWR*	Excess 1 year	3 Year MWR*	Excess 3 year	Since Inception MWR*	Excess since inception	Intial investment
Secured Income Cycle 1	436.80	-1.2%	-2.6%	-11.9%	-22.0%	-0.5%	-6.3%	-0.5%	-5.0%	

*Money weighted return. Net of all fees.
Aggregate performance is unavailable - figures shown are indicative of an individual client, and as such may differ between clients.

Secured Income Cycle 2

Commitment to portfolio
£410m

Investment objective
Portfolio of long-dated income streams, a majority of which are UK inflation-linked

Benchmark
CPI

Outperformance target
+2%

Launch date
1 May 2020

The fund is denominated in GBP

Commitment to investment
£410m

Amount called
£410m

% called to date
100.00%

Number of portfolio investments
3

Performance commentary

The M&G Secured Income Property Fund has experienced significant downward movement to reflect the new yield environment, which has now flattened over Q1. The fund looks attractive on a forward-looking returns basis, with a positive illiquidity premium above equivalent bond yields. The fund continues to hold a high-quality real estate portfolio with strong fundamentals and a clear pathway to cover outstanding redemptions, subject to the sales underway completing in due course. The fund is proposing to amend the fund's dealing and deferral terms, which Brunel supports.

The aim is to align payments to investors with the timing of sales proceeds and to increase the redemption notice period to correspond with a reasonable timeframe in which to sell assets.

The abrdn Long Lease Property Fund has also experienced a more muted performance in Q1, with early indications that the level of price declines is slowing. The fund is continuing to make tactical disposals to meet its redemption queue, predominantly where there are ESG issues, tenant covenant concerns or shorter leases. The fund is likely to see a further modest valuation decline as we move through the first half of the year. Despite a challenging period, the fund remains an attractive proposition with a well-diversified portfolio, a strong tenant base and an attractive income return.

Brunel made a further commitment to GRI in Q1 for the Cycle 3 client commitments. The fund continues to offer good diversification, with a forecast hold-to-life IRR of circa 8%. The new top-up is likely to be drawn down by the end of Q3 to fund a strong existing pipeline of opportunities across solar and wind assets. The Greencoat team are seeing a lot of deal flow, with much of the fund's dry powder absorbed last year, allowing them to be more selective, with new additions at keen valuations.

Please note - the large inflows and outflows during this quarter were due to a technicality. It was discovered that an agreed fee discount had not been applied by the manager. To recalculate it, the fund accounting replicated a redemption and a subscription of the fund. The transaction did not actually take place.

Performance to quarter end

	AUM (GBPm)	3 Month MWR*	Excess 3 month	1 Year MWR*	Excess 1 year	3 Year MWR*	Excess 3 year	Since Inception MWR*	Excess since inception	Intial investment
Secured Income Cycle 2	383.08	-0.8%	-2.1%	-7.8%	-17.9%	-	-	-1.3%	-8.9%	

*Money weighted return. Net of all fees.
Aggregate performance is unavailable - figures shown are indicative of an individual client, and as such may differ between clients.

Cornwall Local Impact (Elective)

Commitment to portfolio
£115m

Investment objective
To provide exposure to a portfolio of local impact investments, generating long term returns, from a mix of income and capital appreciation.

Benchmark
n/a - absolute return target

Outperformance target
Net 5.0% p.a.IRR over a rolling 7 –10 year period.

Launch date
20 May 2022

The fund is denominated in GBP

Commitment to investment
£115m

Amount called
£25m

% called to date
21.74%

Number of portfolio investments
1

The £25m commitment to Greencoat Renewable Income (GRI) remained undrawn at the end of March. Following quarter end there was a £7.7m capital call, and the Manager is in advanced stages of due diligence on new transactions, including offshore wind that should result in near-term additional capital calls. Full draw down of the commitment to GRI is anticipated by the end of Q3 2023 if not sooner.

The commitment to the PGIM Local Affordable housing coinvest fund has yet to be drawn down. PGIM continue to evaluate a number of opportunities in Cornwall, aiming to select the best projects available in the current pricing environment, but the upheaval in late 2022 has caused delays as PGIM rightly rebased their pricing and valuation assumptions. Long-term, this is positive from a returns perspective.

Performance commentary

The £25m capital committed to Cornwall Gardens (the local Cornish renewables vehicle) was drawn down in full and invested in listed Renewable Energy investment trusts in 2022, pending being called by the manager for local investments.

UK forward power prices across the curve declined over Q1. However, part of this movement should be offset by the high level of price fixing across the funds, and partial unwind of expected liabilities caused by the Electricity Generators Levy (EGL).

Since inception, the listed trusts have delivered a slightly negative capital return of -1.6% to March 2023, masking the considerable volatility since inception. This has improved following quarter end; at time of writing this figure was +0.7%. The listed Trusts have provided a yield on cost of 4.0% via dividends paid out, hence the total return in either scenario is positive, net of fees.

Performance to quarter end

	AUM (GBPm)	3 Month MWR*	Excess 3 month	1 Year MWR*	Excess 1 year	3 Year MWR*	Excess 3 year	Since Inception MWR*	Excess since inception	Intial investment
Cornwall Local Impact (Elective)	24.71	3.3%	2.1%	-	-	-	-	2.1%	-2.3%	

*Money weighted return. Net of all fees.
Aggregate performance is unavailable - figures shown are indicative of an individual client, and as such may differ between clients.

UK Property

Investment strategy & key drivers
Portfolio of active UK property funds seeking capital & income returns

Liquidity
Illiquid

Benchmark
MSCI/AREF UK

Outperformance target
+0.5%

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Performance commentary

The dramatic valuation falls for UK property during the last months of 2022 have not continued into the first quarter of 2023, with only minor yield expansion taking place since January and NAVs generally stable. Measured from June 2022, the total average increase in UK All Property yields is 105bps, although this disguises broad sectoral differences. The high level of investor redemption requests in late-2022 has also abated, though some funds will take the rest of this year and beyond to repay investors.

Borrowing costs remain a critical factor in valuing future returns for UK property. Brunel has invested the majority of clients' UK allocations in diversified property funds, with a broad range of tenants and with very low fund leverage.

Property transaction levels remain muted at around £2bn per month, half the level of the historic 5-year average, failing to provide pricing evidence for some market sectors.

The pricing and outlook for offices, particularly for secondary regional offices, remains a concern, as employer occupiers are starting to make lease renewal decisions based on slowing economic activity, potential/actual staff layoffs and post-Covid flexible working habits.

In contrast, confidence in the outlook for the industrial sector has been boosted by Blackstone's recent offer for Industrial REIT, where Blackstone launched a cash offer for the REIT's shares at a level 42% higher than the existing share price (a 3.7% premium to its NAV). Current rental growth for Industrials is still over 9%, though tenants' ability to pay these higher rents in any future UK recession is yet to be tested.

Performance to quarter end

	AUM (GBPm)	3 Month MWR*	Excess 3 month	1 Year MWR*	Excess 1 year	3 Year MWR*	Excess 3 year	Since Inception MWR*	Excess since inception	Intial investment
UK Property	1,733.46	-3.1%	-2.9%	-12.6%	1.8%	2.9%	1.6%	2.4%	1.7%	

*Money weighted return. Net of all fees.
Aggregate performance is unavailable - figures shown are indicative of an individual client, and as such may differ between clients.

International Property

Investment strategy & key drivers
Portfolio of active International property funds seeking capital & income returns

Liquidity
Illiquid

Benchmark
GREFI

Outperformance target
+0.5%

Performance commentary

Real estate markets remain subdued, with fundraising slowing and large redemption queues remaining unsatisfied following the liquidity flight in Q4 2022.

Commercial real estate yields have increased substantially across major global markets since H2 2022, as the market adjusts further to the higher interest rate environment.

Economic growth is slowing in response to tighter monetary policy, compounded by fading fiscal stimulus. Most of the value declines emanate from pressure on yields from rising interest rates, not from falling property incomes.

Valuations continued to edge down in Q1 at a slower pace than in Q4, with funds in Asia Pacific showing positive performance, reflecting a broader recovery in the region, and Europe and US dragging down global aggregates.

Property fundamentals remain healthy in many sectors (apart from office), mitigating some of the value declines. The industrial sector remains favourable, with further rental growth expected and vacancy rates still near record lows, reflecting a positive supply/demand dynamic. Nonetheless, yields will continue to expand with any further increases in interest rates, leading to additional value declines in that scenario. Attractive trades in retail, hospitality and some niche areas like senior housing are likely, where capital has been less abundant post-Covid.

Brunel made commitments to the Prologis European Logistics Fund at the end of the quarter and anticipate that clients will be drawn down in early July 2023.

Performance to quarter end

	AUM (GBPm)	3 Month MWR*	Excess 3 month	1 Year MWR*	Excess 1 year	3 Year MWR*	Excess 3 year	Since Inception MWR*	Excess since inception	Intial investment
International Property	369.19	-5.2%	-1.0%	15.3%	11.5%	10.8%	3.9%	9.3%	-0.0%	

*Money weighted return. Net of all fees.
Aggregate performance is unavailable - figures shown are indicative of an individual client, and as such may differ between clients.

Glossary

Term	Comment
absolute risk	Overall assessment of the volatility that an investment will have
ACS	Authorised Contractual Scheme - a collective investment arrangement that holds and manages assets on behalf of a number of investors
active risk/weight	A measure of the percentage of a holding that differs from the benchmark index; can relate to an equity, a sector or a country/region
amount called	In private investments, this reflects the actual investment amount that has been drawn down
amount committed	In private investments, this is the amount that a client has committed to an investment - it will be drawn down (called) during the investment period
annualised return	Returns are quoted on an annualised basis, net of fees
asset allocation	Performance driven by selecting specific country, sector positions or asset classes as applicable
basis points (BP)	A basis point is 0.01% - so 100bps is 1.0%. Often used for fund performance and management fees
CTB	Climate Transition Benchmark - targets 30% lower carbon exposure from 2020 and then a 7% annual reduction
DLUHC	Department for Levelling Up, Housing & Communities; the government body with oversight of pooling
DPI	Distributed to Paid In; ratio of money distributed to Limited Partners by the Fund, relative to contributions. Used for private markets investments
duration	A measure of bond price sensitivity to changes in interest rates. A high duration suggests a bond's price will fall by relatively more if interest rates increase than a bond with a low duration

Term	Comment
EBITDA margin	An EBITDA margin is a profitability ratio that measures how much in Earnings a company is generating Before Interest, Taxes, Depreciation, and Amortization, as a percentage of revenue.
ESG	ESG is an umbrella term to capture the various environmental, social and governance risks investors factor into their assessment of a company's sustainability profile. Brunel views assessing ESG factors as a central part of our fiduciary duty
ESG Score	MSCI (Morgan Stanley Capital International) score based on its assessment of the ESG credentials of an underlying investment. If the portfolio score is below the index, the portfolio is assessed by MSCI to be investing in companies with a better ESG score
extractive exposures VOH	Value of Holdings of invested companies which derive revenues from extractive industries
GP or general partner	In Private Equity, the GP is usually the firm that manages the fund
gross performance	Performance before deduction of fees
Growth	Growth stocks typically exhibit faster long term growth prospects and are often valued at higher price multiples
IRR	Internal Rate of Return - a return that takes account of actual money invested
legacy assets	Client assets not managed via the Brunel Pension Partnership
Low Volatility	Low Volatility is a strategy that attempts to minimise the return volatility.
LP or limited partner	In private equity, an LP is usually a third party investor in the fund
M&A	Mergers and acquisitions

Glossary

Term	Comment
Momentum	An investment strategy that aims to capitalize on the continuance of existing trends in the market
MWR	Money weighted return - similar to an IRR - it reflects the actual investment return taking into account cashflows
NAV	Net asset value
net performance	Performance after deduction of all fees
PAB	Paris-Aligned Benchmark - targets a 50% lower carbon exposure from 2020 and then a 7% annual reduction
Quality	Quality stocks typically have a high Return on Equity, a very consistent profit outcome and exhibit higher and stable margins
relative risk	Relative volatility when compared with a benchmark
sector/stock selection	Performance driven by the selection of individual investments within a country or sector
since inception	Period since the portfolio was formed
since initial investment	Period since the client made its first investment in the fund
SONIA	Sterling Overnight Index Average - Overnight interbank interest rate - replacement for LIBOR
source of performance data	Source of performance data is provided net of fees by State Street Global Services unless otherwise indicated
standard deviation	Standard deviation is a measure of volatility for an investment using historical data. Volatility is used as a measure of investment risk. A higher number may indicate a more volatile (or riskier) investment but should be taken in context with other measures of risk
time-weighted return	A return measure that helps account for the distorting impacts of flows into and out of a fund

Term	Comment
total extractive exposure	Revenue derived from extractive operations as a % of total corporate revenue
total return (TR)	Total Return - including price change and accumulated dividends
tracking error	A measure of relative volatility around a benchmark. A fund which differs greatly from the benchmark is likely to have a high tracking error
transitioned assets	Client assets that have been transferred to the Brunel Pension Partnership
TVPI	Total Value to Paid In; ratio of the current value of remaining investments within a fund, plus the total value of all distributions to date, relative to the total amount of capital paid in
Value	Value stocks typically have a low valuation when measured on a Price to Book or Price to earnings ratio
WACI	Weighted Average Carbon Intensity; measures the carbon intensity of businesses rather than total carbon emissions. It is expressed as tonnes of CO2 equivalent per million GBP of investment exposure
yield to worst	Lowest possible yield on a bond portfolio assuming no defaults

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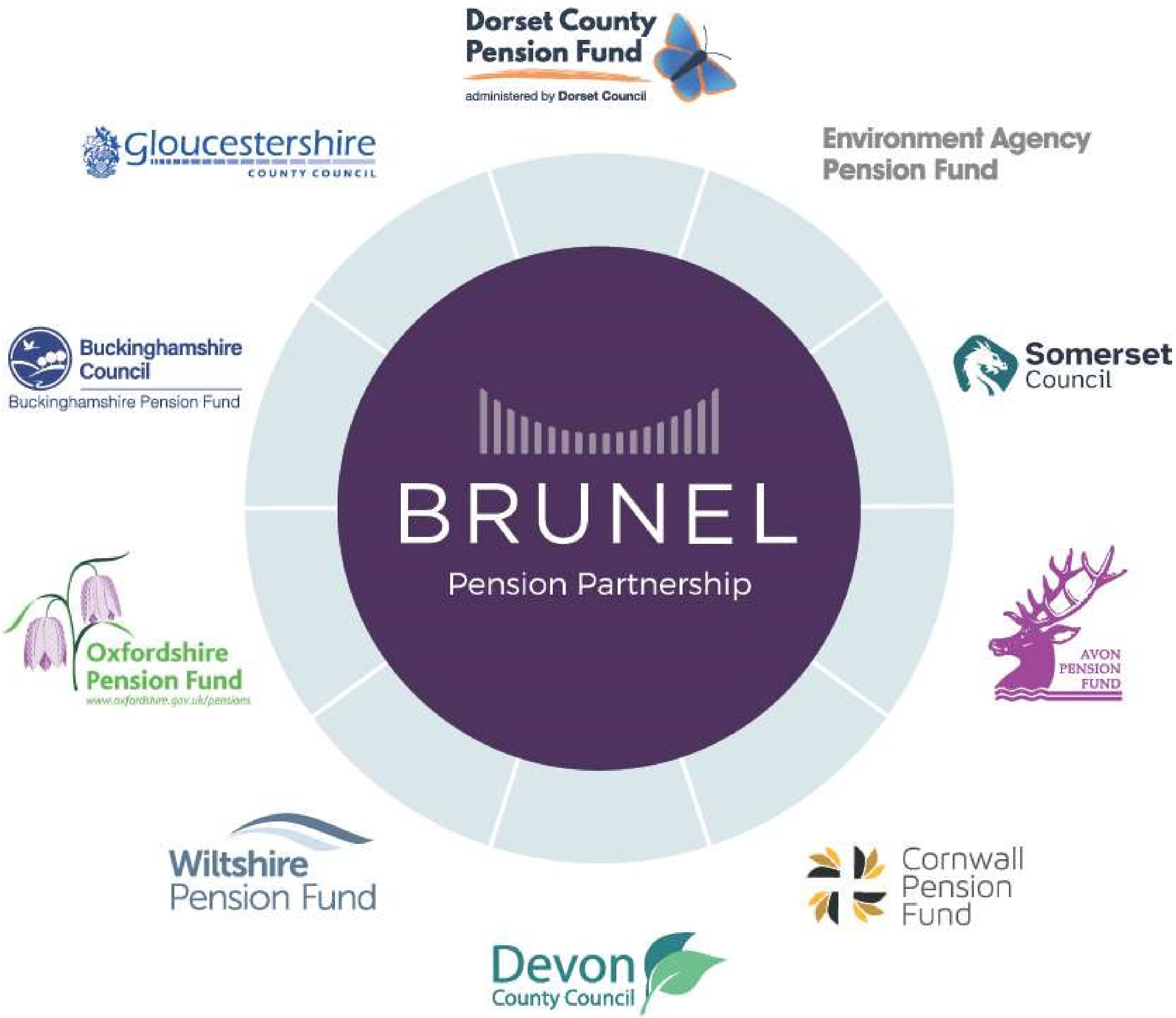
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administered by Dorset Council
Environment Agency Pension Fund
Somerset Council
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COUNTY COUNCIL

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Somerset Council
Pension Fund Board

Review of Brunel's Climate Policy and Carbon Metrics

Lead Officer:	Jason Vaughan: Executive Director – Resources and Corporate Services (Section 151 Officer)
Author:	Anton Sweet: Funds and Investments Manager
Contact Details:	(01823) 359584 anton.sweet@somerset.gov.uk
Executive Portfolio Holder:	Not applicable
Division and Local Member:	Not applicable

1. Summary

1.1 Board requested the opportunity to review Brunel's Climate policy (appendix 1) and Their annual Carbon Metrics report (appendix 2).

2. Issues for consideration

2.1 The report is for information only unless the board deems that action is necessary having reviewed the report.

3. Background

3.1 None

4. Consultations undertaken

None

5. Financial Implications

5.1 Over time the performance of the pension fund investments will impact the amount that Somerset Council and other sponsoring employers have to pay into the fund to meet their liabilities. The fund actuary calculates these amounts every three years and sets payments for the intervening periods.

6. Background Papers

None

Note For sight of individual background papers please contact the report author.

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BRUNEL

Pension Partnership

Climate Change Policy 2023 - 2030

A five-point plan to build a financial system which is fit for a low carbon future

Brunel aims to deliver stronger investment returns over the long term, protecting our clients' interests through contributing to a more sustainable and resilient financial system which supports sustainable economic growth and a thriving society.

Brunel was formed in July 2017 and manages the investment of the pension assets (around £35bn) of ten Local Government Pension Scheme funds in the UK. We generally use the name 'Brunel' to refer to the FCA-authorised and regulated company.

Our clients retain responsibility for their asset allocation and investment strategy, and ultimately their exposure to climate risk. We see our role as helping them to understand and manage these risks, while also helping to address the climate challenge.

There are three ways in which we have a particular contribution to make:

(a) significant direct influence over the investment managers we appoint

(b) broader influence in the investment industry and with policy makers

(c) influence over company practice and performance, particularly in conjunction with our client funds

We would like to acknowledge the significant support and contribution of our clients in the development of this policy. Our mutual commitment to building a financial system which is fit for a low-carbon future is pivotal to driving change. This policy was approved by the Board of Brunel Pension Partnership Limited on 6 February 2023.

Climate change is an issue for us and for our clients

Climate change presents an immediate, systemic and material risk to the ecological, societal, and financial stability of every economy and country on the planet. It has direct implications for our clients and their beneficiaries. It is therefore a strategic investment priority for us.

Limiting the temperature increase to 1.5°C is now more critical than ever and achieving it is under peril. The world is already at approximately 1.1°C of warming above pre-industrial levels and current policies in place globally put the world on track for a central estimate of around 2.7°C[1] warming by 2100, assuming all country targets are met. This means that 4°C of warming could still be a reality if targets are not met in time.

Research from the Intergovernmental Panel on Climate Change (IPCC) and other authoritative bodies, suggest that global temperature rises of 2°C or even 1.5°C above pre-industrial levels of warming are likely to have catastrophic impacts for society and the environment - more extreme weather events and significant meteorological changes, including to rainfall and sea levels. Future climate risk is much larger if global warming exceeds 1.5°C, before then returning to that level by 2100, than if global warming gradually stabilizes at 1.5°C. The difference is particularly pronounced if the peak temperature is high (2°C). In such a case, a lot of the impacts will be long-lasting and irreversible, such as the loss of ecosystems.

Governments and all sectors of society (individuals, companies and investors, among others) will need to do much more if the global temperature rise this century is to be limited to 1.5°C above pre-industrial levels. The transition to the low carbon economy calls for significant change in the shape and structure of our economy, and requires us to eliminate most or all fossil fuel use and achieve a Net Zero carbon economy by 2050.

What is the role of investors?

The financial services industry's understanding of the nature of climate change has developed significantly over the last few years, with most participants regarding it as a foreseeable and materially significant financial risk. Investors are exposed to the risks and opportunities presented by climate change adaptation and mitigation - managing these impacts is an essential component of an investor's fiduciary duty.

Investors are also part of the solution and have a critical role to play if we are to successfully transition to the low carbon economy and to ensure that we adapt effectively to the physical impacts of climate change. The COP27 Implementation Plan set out both the scale of the challenge and, for the first time, the role of the institutional investor:

UNFCCC COP27 Sharm el-Sheikh Implementation Plan 2022

"Highlights that about USD 4 trillion per year needs to be invested in renewable energy up until 2030 to be able to reach net zero emissions by 2050,[2] and that, furthermore, a global transformation to a low-carbon economy is expected to require investment of at least USD 4–6 trillion per year;[3]

Also highlights that delivering such funding will require a transformation of the financial system and its structures and processes, engaging governments, central banks, commercial banks, institutional investors and other financial actors"

An investment opportunity is created through the provision of the capital required for mitigation and for adaptation. We can also engage with the companies we invest in so they are resilient to regulatory and other changes that will result from climate change. We can support policy makers in taking action to enable the low carbon transition and effective adaptation.

1 www.climateactiontracker.org
2 IEA 2022 World Energy Outlook, 2022
3 United Nations Environment Programme. 2022. Emissions Gap Report 2022: The Closing Window – Climate crisis calls for rapid transformation of societies. Nairobi: United Nations

Our role in driving change

Brunel's experience and expertise in managing climate change-related risks and opportunities; our scale; our influence; and the strength and support of our clients, provides us with a unique position in the investment industry.

In March 2021, **Brunel committed to be Net Zero by 2050, with the goal of limiting the global temperature rise to 1.5°C through the Paris Aligned Investment Initiative (PAII) Net-Zero Asset Owner Commitment, aka Paris Aligned Asset Owners.** This requires signatories to set a direction and portfolio structure for alignment through governance structures, strategy, target and objective setting, and strategic asset allocation; it means shifting the alignment of assets to meet portfolio goals; and it means influencing the environment to facilitate alignment through policy advocacy and market engagement.

If we do not have a financial system that is fit for purpose, we will not be able to respond effectively to climate change. We can take some specific actions, mitigating risk at the margin, but the impact will be limited without wider change.

Our priority must be to catalyse change in the financial system at scale, not only through our own efforts but in partnership with others, and through enabling our clients to be agents of change in their own right.

Whilst Brunel's commitments and targets use 2030 and 2050 respectively, we acknowledge the scientific evidence that in terms of decarbonisation - sooner is better from a planetary perspective[4] - each fraction of a degree of warming will increase the frequency and severity of climate impacts[5] and corresponding financial impacts.

It is critical that our approach supports real economy changes and is compatible with being a responsible investor as well as the objectives of the 2015 Paris Agreement. By that, we mean taking climate action in the context of other environmental and social objectives. We specifically acknowledge other systemic risks and stresses that interconnect with climate action and are part of Brunel's wider approach to Responsible Investment, including:

- Biodiversity and nature-based solutions (including deforestation, the protection and restoration of water, marine and other eco-systems)
- Equity, Diversity and Inclusion (specifically acknowledging gender equity as a critical component of climate action)
- Human rights and social issues (with a focus on a Just Transition)
- Circular economy and supply chain management

We use the UN Sustainable Development Goals as a useful framework for addressing these wider issues, and they assist us in evaluating investment opportunities that impact positively across a range of issues.

SUSTAINABLE DEVELOPMENT GOALS

4 IPCC, UNFCC, Scientist Warning Europe
5 IPCC

The state of play in the financial system

The case for urgent action on climate change is clear. Global average temperatures are already 1.1°C above pre-industrial levels; the rate at which capital is being invested in low-carbon infrastructure is approximately half of that required; and the pace at which regulators and policymakers are acting is far too slow.

We support the **UK government's commitment to make the UK the world's first Net Zero-aligned financial centre**[6] as the nature of the investment system, and financial markets more generally, contributes to the challenge of addressing climate change, rather than supporting change.

Challenges we have identified include a focus on the short-term; an unwillingness to invest in the transition (at a scale and pace); a lack of products across all asset classes and markets; and risk models and benchmarks that don't reflect climate risk, aggravated by the lack of a meaningful price of carbon.

Working with investment managers

One area of focus will be on driving real and substantial change in how investment managers invest. We expect them to think deeply about all aspects of how they invest and how they engage with the companies and other entities in which they invest. We will challenge them to provide investment products that deliver on both our investment and climate change objectives.

We will press them to think carefully and critically about the companies and other entities they invest in, and to justify their investments in companies with higher greenhouse gas emissions. We will not issue exclusion lists as this means abdicating responsibility and accountability. We expect our managers to materially reduce climate exposures and to be able to justify any climate controversial holding. Our expectations are set out in Portfolio Monitoring expectations.

Taking stock

Our Climate Change Policy will guide our work on climate change for the remainder of the decade, but we will regularly monitor its implementation and publicly report on its effectiveness annually.

In 2022, we undertook the first of our climate stocktakes, whereby we sought to do a deeper dive to assess: what we had delivered; stakeholder views of our progress to date; our priorities going forward together; and what updates to the scientific advice and investment best practice were relevant to shape the policy.

We have reported publicly on the outcome of our Climate Stocktake and we commit to repeating the exercise in 2025 to ensure our approach is fit for purpose and, specifically, reflects client needs.

6 UK Government, November 2021

Our climate change beliefs in light of our strategic objectives and investment principles

Our Investment Principles are designed to capture the ambitions of how the partnership will operate on a day-to-day basis, to clearly demonstrate compliance with relevant regulations and policies, to support our investment strategy, and to be commensurate with the expectations of an organisation of our size.

Our clients (as administering authorities) retain responsibility for strategic asset allocation and setting their investment strategies, and ultimately their exposure to climate risk. As such, our beliefs and approach are collegiately developed with our clients. We seek to be representative of their collective view whilst enabling each to have their own specific approach that delivers on their fiduciary duty to act in the best long-term interests of their members.

In relation to climate change, our approach is guided by the belief that:

- Climate change presents a systemic and material risk to the ecological, societal and financial stability of every economy and country on the planet, and therefore will impact our clients, their beneficiaries and all portfolios
- Investing to support the Paris goals that deliver a below-2°C temperature increase, and pursuing efforts to limit the temperature increase to 1.5°C, is entirely consistent with securing long-term financial returns and is aligned with the best long-term interests of our clients
- For society to achieve a Net Zero carbon future by 2050 (or before) requires systemic change in the investment industry, and equipping and empowering our clients (and other investors) is central to this change

Given our strengths and our position in the market, we therefore believe that the key objective of our Climate Change Policy is to systematically change the investment industry so that it is fit for purpose for a world where temperature rise needs to be kept to well below 2°C, while and pursuing efforts to limit the temperature increase to 1.5°C, compared to pre-industrial levels.

Brunel Pension Partnership Investment Principles

1. Long-term investors
2. Responsible investors
3. Best practice governance
4. Decisions informed through experts and knowledgeable officers and committees
5. Evidence and research at heart of investments
6. Leadership and innovation
7. Right risk for right return
8. Full risk evaluation
9. Responsible stewardship
10. Cost-effective solutions
11. Transparent and accountable
12. Collaborate

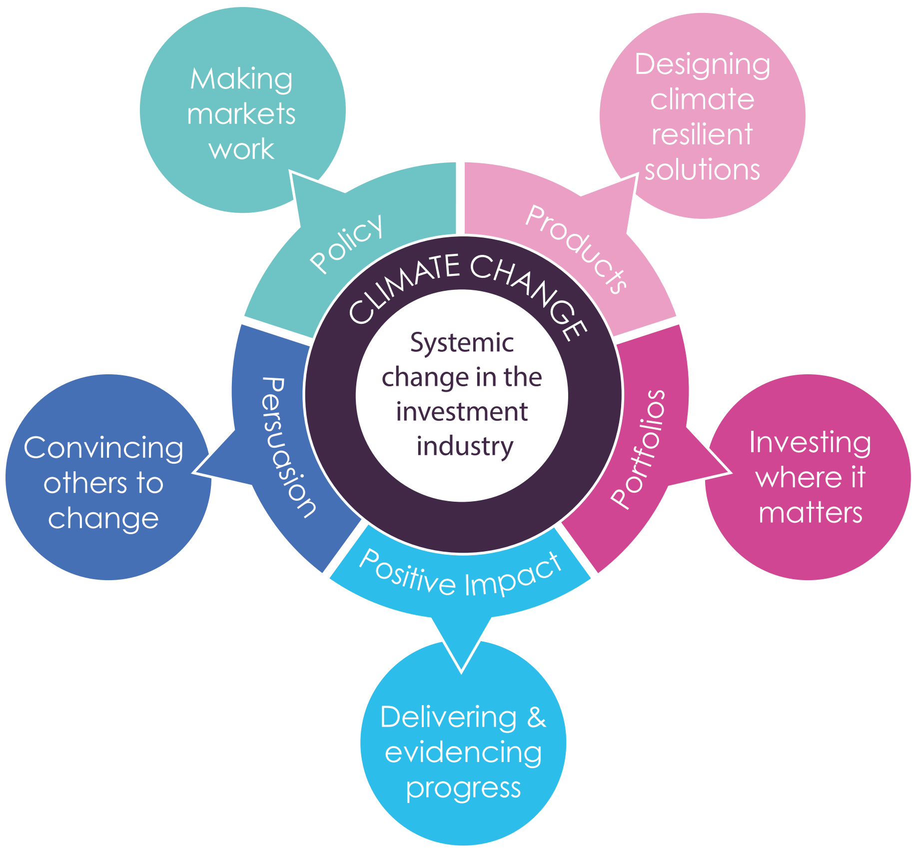
A five-point plan to build a financial system which is fit for a low carbon future

We published our first Climate Change policy in January 2020 and identified five priority areas: Policy Advocacy; Product Governance; Portfolio Management; Persuasion; and Positive Impact.

These and the associated actions identified in our Climate Change Policy are intended to ensure that our investment portfolios are aligned with the goals of the Paris Agreement on Climate Change.

Since then, we have taken action to meet the commitments in that policy on the five priority areas. Our regular reporting provides insight in these areas through our annual Responsible Investment & Stewardship Outcomes Report, which considers our performance on meeting our Responsible Investment goals, including on climate change. Further detail is provided in our Climate Action Plan (incorporating TCFD) and our annual Carbon Metrics Report showcases key carbon metrics by portfolio.

During the 2022 Stocktake, we assessed the effectiveness of the Policy and the five-point plan. Clients were clear in their support for Brunel's main policy objective and the 5-point plan approach. In updating the policy, we reflected more specific client asks under one of five areas



Our Targets

Overall Strategy Target

We commit to be Net Zero on financed emissions by 2050, with the goal of limiting global temperature rise to 1.5°C, and Net Zero on our own operations (scope 1 and 2) by 2030.

This commitment is made through the Paris Aligned Asset Owners, part of the Paris Aligned Investment Initiative (PAII).

Product Governance Target – Portfolio alignment

100% AUM in material (high impact) sectors* in developed listed equities that are i) achieving Net Zero or ii) meeting a criterion considered to be aligned or iii) aligning by 2030**, extending to **all markets by 2040.**

Brunel's ambition is that **by 2040 all listed assets are i) achieving Net Zero or ii) meeting a criterion considered to be aligned or iii) aligning**.**

By June 2024, Brunel commits to setting alignment targets for corporate bonds, infrastructure, real estate and secured income consistent with the NZIF and a timeline for target setting in other asset classes.

* Currently in scope are listed companies on the Climate Action 100+ focus list; companies in high impact sectors consistent with Transition Pathway Initiative sectors including banks

** Note that, for a product to be on track for meeting its target, at least 80% of assets must fall into in the first and second categories*

Persuasion Target – Portfolio stewardship

Ensure **70% of financed emissions in material sectors are either aligned, aligning or subject to direct or collective engagement and stewardship actions** for all listed equity and corporate bonds by June 2024, increasing to **90% by June 2027.**

Engage with **100% of investment managers and general partners*** on measuring emissions, disclosure levels and setting targets for decarbonisation and alignment **by June 2024.**

Engage[1] 100% of carbon-based energy and transport infrastructure assets as part of collective or direct engagement, or management interventions. Brunel Infrastructure portfolios have limited exposure to such assets and, where they do, it is often part of a wider programme of energy transition and/or efficiency.

With regard to our private markets' portfolios more broadly, we will sequentially focus on our infrastructure, secured income, real estate, private equity and private debt portfolios, with the ambition of **setting targets for the first three of these by June 2024.**

* Real estate scope is limited to the model portfolios and engagements in private markets will be a combination of direct and via our strategic partners

Portfolios - Decarbonisation

Brunel Target: Reduce emission carbon intensity (scope 1&2) for all Brunel's listed equity and corporate bond portfolios **by 50% by 2030, using a trajectory of at least 7% per annum reduction**, from baseline of investable universe as at 31/12/2019 (or appropriate subsequent date).

Brunel also commits to set additional decarbonisation targets to cover separate **Scope 3** targets to incorporate material sectors and other activities that will assist in achieving our overall goal **no later than June 2024.**

Public Policy Target – Sovereign Debt

100% of UK sovereign issuance to be subject to direct or collective engagement.

Brunel's **sovereign debt exposure** is almost all UK-based* and designed for the primary purpose of liability matching and therefore falls outside of the scope of the NZIF requirements. However, Brunel's policy work continues to focus on the UK government's Net Zero commitments and we actively participate in supporting implementation.

* our multi-asset portfolio can hold EM sovereign debt. Our collaborative work on EM strategically seeks to address engagement on those assets.

Positive Impact - Climate solutions

We commit to providing investment opportunities across asset classes to contribute to Brunel's own alignment, which in turn allows clients to meet their climate solutions targets.

- **Global Sustainable equity portfolio** (reporting green revenues)
- **Green, Climate and SDG bonds** (report % AUM and £m)
- **Infrastructure**

  Brunel's Infrastructure portfolios have strong ESG credentials, limiting exposure to high climate impact areas and have strategy targets including;

  - Cycle 1: **>35%** in renewable energy
  - Cycle 2: **50%** in renewable and climate solutions
  - Cycle 3: **70%** minimum target for Sustainable Infrastructure, of which at least **40%** (i.e. most of the SI allocation) will be in climate solutions

  Brunel will provide annual updates as to the sustainable exposure, including climate solutions, of its infrastructure portfolios from 2023 onwards.

- **Real Estate and Secured Income** (impact and renewables exposure – reporting metrics to be developed)

We feature numerous case studies of investments that specifically target climate solutions through decarbonisation and energy efficiency as well as climate adaptation and resilience, in our annual reporting. **We plan to expand our reporting through developing metrics to assist with assessing the portfolios and to set targets in June 2024.**

Note on targets: Brunel has adopted a clear hierarchy of its targets to prioritise real economy changes that will support the Net-Zero transition. **Priority is given to alignment**, although current data availability limits scope of assessment. We also stress the need to look at performance across multiple metrics, as no one metric will be useful in isolation. The prioritisation below solely relates to the targets – not the ambition or actions more broadly.

1. Product Governance - portfolio alignment
2. Persuasion – stewardship
3. Policy
4. Positive Impact - climate solutions investment
5. Portfolio decarbonisation

Policy

We want policymakers to establish comprehensive and robust climate change policy frameworks. These need to deliver significant reductions in greenhouse gas emissions, accelerate progress towards the low carbon economy, and enable effective adaptation to the unavoidable impacts of climate change.

State of play

Public policy – regulation, economic incentives, disclosure expectations – establishes the rules of engagement for companies and for investors. Whilst we have seen a significant step-up in policy commitments, with over 140 of the 196 parties to the Paris Agreement announcing or considering Net Zero targets, covering close to 90% of global emissions,[7] they are yet to be translated into tangible policy actions underpinned by clear plans. There is a clear dependency on public policy for Brunel and its clients to deliver on our climate commitments.

Brunel reported on Reviewing the effectiveness of Brunel policy advocacy in 2022 and we regularly update our website with letters, consultation details, and other evidence of action.

Brunel engages directly with policymakers and through collaborative forums such as the Institutional Investors Group on Climate Change (IIGCC) and the Principles for Responsible Investment (PRI). Brunel contributes directly to the formation of global standards and UK policy through its appointment to advisory groups, most notably;

- International Standards Sustainability Board (ISSB) – Investor Advisory Group
- Green Technical Advisory Group – UK Green Taxonomy for UK Treasury
- Transition Plan Taskforce Delivery Group – UK Treasury

Our analysis of the policy landscape is that, despite progress, much more is needed before we can consider there to be a comprehensive climate change policy framework in place. In the short to medium term, we believe that there are five priority areas for action that can be summarised as plans, incentives, pricing, people, and disclosure

Actions: We will

- Demand Net **Zero commitments** are translated into clear plans of action that are implemented. Direct engagement will primarily focus on the UK, with the EU, US and rest of world through collaborative forums such as the IIGCC and support for the Global Investor Statement to Governments on the Climate Crisis
- Promote development of **policy instruments, taxonomies, product and sector standards** that limit high carbon technologies and support investment in low carbon, nature-based and adaptation solutions
- Challenge regulatory barriers to climate action and advocate for **meaningful carbon pricing** and cessation of perverse financial structures e.g. **fossil fuel subsides**. Carbon pricing is an essential element to stimulate mitigation strategies. 46 countries, or 30% of emissions,[8] are currently covered by emissions trading, carbon tax mechanisms but more is needed, not least coordination across countries. Linked to this objective is support for the development of robust and effective **voluntary carbon markets**
- Seek to ensure that climate change policy is **socially sustainable and takes due account of workers' rights and community interests** (the 'Just Transition') when taking action to reduce greenhouse gas emissions and adapt to a changing climate
- Advocate for expanding **mandatory reporting on climate change**, including specific calls for more rapid phase-in of **Scope 3 emissions** disclosure requirements. To ensure the quality, comparability and usefulness of such data, we support the development of **skills, knowledge and professional standards** of those intermediaries who are critical influencers in the actions of investors and companies. These include, but are not limited to, investment consultants, actuaries, lawyers and auditors.

7 Climate Action Tracker (as at, November 2022)
8 IMF, 2022

We will also actively participate in and, where appropriate, provide leadership for investor collaboration initiatives, in particular the Transition Pathway Initiative (TPI), Institutional Investors Group on Climate Change (IIGCC), and the Principles for Responsible Investment (PRI). In the UK, we support the work of the Green Finance Institute (GFI) and the Sustainable Investment and Finance Association (UKSIF).

Public Policy Target – Sovereign Debt

100% of UK sovereign issuance to be subject to direct or collective engagement.

Brunel's **sovereign debt exposure** is almost all UK-based* and designed for the primary purpose of liability matching and therefore falls outside of the scope of the NZIF requirements. However, Brunel's policy work continues to focus on the UK government's Net Zero commitments and we actively participate in supporting implementation.

* Our multi-asset portfolio can hold EM sovereign debt. Our collaborative work on EM strategically seeks to address engagement on those assets

One size does not fit all

We have seen a significant step-up in policy commitments, with over 140 of the 196 parties to the Paris Agreement announcing or considering Net Zero targets, covering close to 90% of global emissions.[9] However, implementation in different parts of the world is moving at very different speeds. Different parts of the world also have different starting points, reflecting different stages of industrialisation. For example, the UK's carbon emissions peaked in 1973[10] and whilst the US is still the second largest emitter in absolute terms, its emissions peaked in the early 2000s. In contrast, the emissions in many emerging market economies are yet to peak; their emissions intensity will go up before it comes down.

Yet investing in these economies is vital from both an economic and climate perspective – "*Emerging and developing economies currently account for two-thirds of the world's population, but only one-fifth of global investment in clean energy, and one-tenth of global financial wealth*". [11]

As a global investor, this means we cannot adopt a one-size-fits-all strategy and must ensure our strategy delivers a real world – real economy – transition, if we are to reduce risk. We recognise that the path to net zero will be bumpy and that even at 1.5°C there are physical impacts to be managed. As a starting point, we have differentiated developed from emerging economy targets, and will work with other asset owners to increase the availability of sector and region-specific data against which to assess progress and mitigation and adaptation risk.

9 Climate Action Tracker (as at, November 2022)
10 Carbon Brief, 2019
11 IEA, 2021, Financing clean energy transitions in emerging and developing economies

Products

We want there to be a range of climate resilient products available to our clients and the wider investment market that deliver substantial climate change benefits and are Paris-aligned. These investment solutions must help clients also meet their future investment goals.

State of play

One of the key challenges we face is that there is a limited supply of investment products that meet our climate change objectives (e.g. Paris Aligned, Net Zero, impactful, socially responsible) and our investment requirements (e.g. appropriate risk-return characteristics). There is a clear need to encourage innovation in product development and build the supply of climate-oriented products.

Since 2020, Brunel has successfully developed and launched four listed low-carbon products: three passive portfolios that track Paris-aligned benchmarks (all for listed equities), and a multi-asset credit portfolio. Focusing on solutions, Brunel has also invested significant proportions of its infrastructure portfolios in renewables and climate solutions (including nature-based solutions). We are also supporting clients in meeting their local investment targets, which include both social and environmental priorities through place-based investing.

Climate change mitigation is integrated into all manager selection exercises and fully embedded into product governance and manager monitoring.

Our own fiduciary obligations mean there is a clear dependency on our ability to develop, launch and maintain Paris-aligned products on a supporting policy and regulatory environment. All 5 points in our plan are interrelated and we will be transparent when we feel our actions and or ability to deliver a target have been constrained by policy, regulation, or market environment and the steps we are taking to overcome barriers to progress.

We acknowledge that the physical risks of climate change and focus on adaptation and resilience have not had the attention required by companies or investors and form an essential part of fiduciary duty. Brunel seeks to prioritise climate resilience and will support the IIGCC on the continued development and implementation of its Climate Resilience Investment Framework, using it to shape our risk assessment and engagement.

Actions: We will

- **Establish clients' climate change objectives and outcomes**, and their climate change-related risk tolerances. We will also offer a range of products that meet these objectives and expectations
- **Ensure all listed portfolios consider and disclose progress against both mitigation and adaptation metrics** (focusing on those required for TCFD, see reporting section)– and we will explain how we manage the investment-related risks and opportunities associated with these issues
- **Prioritise the evidencing of alignment of our private market portfolios** through enhanced reporting and disclosure.
- **Analyse** the risk data relating to our active holdings **and conduct** a specific **Adaption and Climate Resilience Engagement** project linked to our most vulnerable holdings
- **Disclose the level of Paris Alignment** of all products over time and, in consultation with clients, evolve those where the specification inhibits transition
- **Explore the role of investment benchmarks** in driving investment decisions and in constraining our ability to invest in areas that make a meaningful contribution to climate change mitigation and adaptation

Product Governance Target – Portfolio alignment

100% AUM in material (high impact) sectors in developed listed equities that are i) achieving Net Zero or ii) meeting a criterion considered to be aligned or iii) aligning by 2030**, extending to **all markets by 2040.**

Brunel's ambition is that **by 2040 all listed assets are i) achieving Net Zero or ii) meeting a criterion considered to be aligned or iii) aligning**.**

By June 2024, Brunel commits to setting alignment targets for corporate bonds, infrastructure, real estate and secured income consistent with the NZIF and a timeline for target setting in other assets classes.

* Currently in scope are listed companies on the Climate Action 100+ focus list; companies in high impact sectors consistent with Transition Pathway Initiative sectors including banks.

** Note that, for a product to be on track for meeting its target, at least 80% of assets must fall into in the first and second categories*

Alignment versus decarbonisation

The UNEP Gap Report (2019) states that global GHG emissions need to fall by 7.6% annually between 2020 and 2030 to remain in line with a 1.5°C scenario. The estimate as to the 2030 emissions is consistent with a least-cost pathway towards limiting global warming to specific temperatures ceilings. These are calculated from the scenarios that were compiled as part of the mitigation pathway assessment of the Intergovernmental Panel on Climate Change Special Report on Global Warming of 1.5°C (IPCC SR1.5)

This broad decarbonisation trajectory relates to the whole economy. However, across that spectrum, individual countries, sectors, companies, and other assets will each have their own decarbonisation pathway that enables alignment. Alignment pathways or targets set by countries, sectors and companies that are in line with climate science and meet the goals of the Paris Agreement are deemed to be science-based. (The Paris Agreement limits global warming to well-below 2°C while actively pursuing 1.5°C. above pre-industrial levels.)

Brunel's portfolios will always be a subset of the economy and our primary focus will be on the level of alignment, as this will be a more accurate reflection of the climate risk of the portfolio than its emission intensity – see target hierarchy.

Net Zero Investment Framework - Paris Aligned Investment Initiative (2021)

Assessing the alignment of asset:

A Net Zero Transition Plan:

1. **Ambition:** A long term 2050 goal consistent with achieving global net zero
2. **Targets:** Short- and medium-term emissions reduction targets (scope 1, 2 and material scope 3)
3. **Emissions performance:** Current emissions intensity performance (scope 1, 2 and material scope 3) relative to targets
4. **Disclosure:** Disclosure of scope 1, 2 and material scope 3 emissions
5. **Decarbonisation Strategy:** A quantified plan setting out the measures that will be deployed to deliver GHG targets, proportions of revenues that are green and, where relevant, increases in green revenues
6. **Capital Allocation Alignment:** A clear demonstration that the capital expenditure of the company is consistent with achieving Net Zero emissions by 2050

Additional criteria that are part of a company's overall net zero transition plan that should be incorporated where feasible, as data availability increases, include:

7. **Climate Policy Engagement:** The company has a Paris-Agreement-aligned climate lobbying position and demonstrates alignment of its direct and indirect lobbying activities
8. **Climate Governance:** Clear oversight of net zero transition planning and executive remuneration linked to delivering targets and transition
9. **Just Transition:** The company considers the impacts from transitioning to a lower carbon business model on its workers and communities
10. **Climate risk and accounts:** The company provides disclosures on risks associated with the transition through TCFD Reporting and incorporates such risks into its financial accounts

Net Zero Investment Framework definitions of alignment maturity

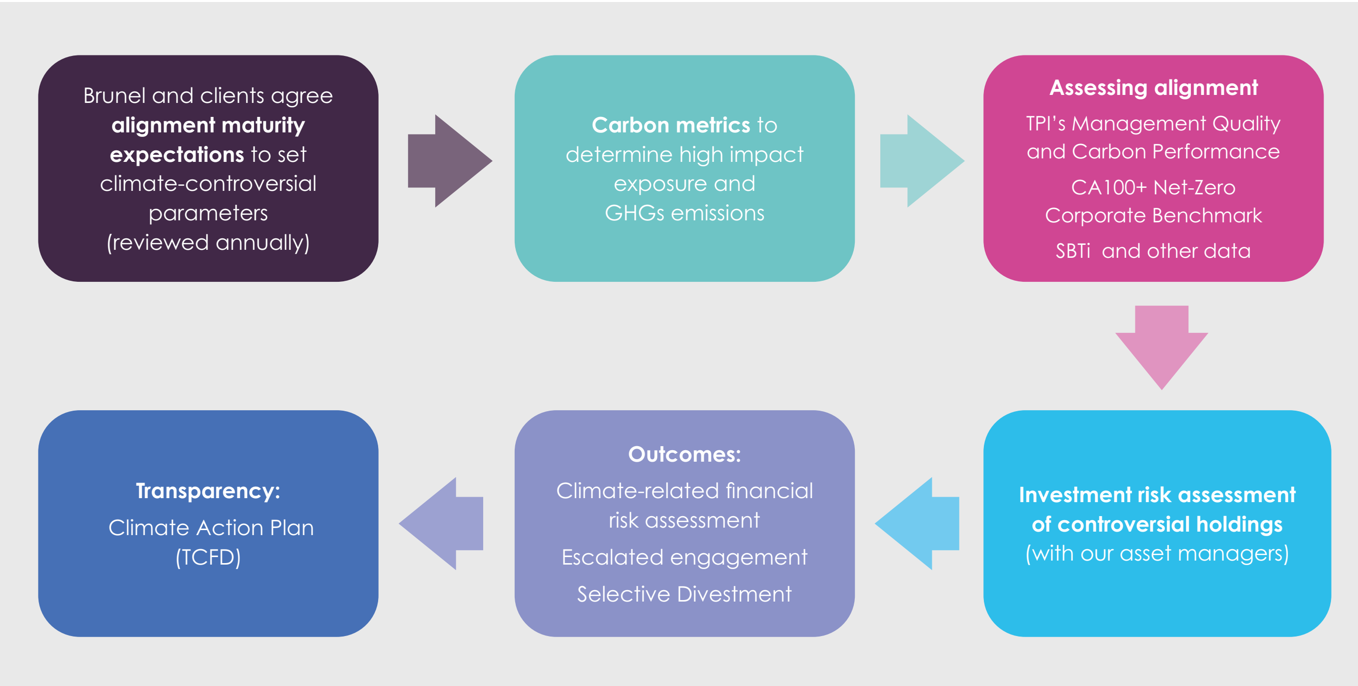
- **Achieving net zero**, defined as: companies that have current emissions intensity performance at, or close to, net zero emissions with an investment plan or business model expected to continue to achieve that goal over time
- **Aligned to a net zero pathway**, defined as: Meeting criteria 1-6 (or 2, 3 and 4 for lower impact companies): Adequate performance over time in relation to criterion 3, in line with targets set.
- **Aligning towards a net zero pathway**, defined as: Have set a short or medium-term target (criteria 2): Disclosure of scope 1, 2 and material scope 3 emissions data (criteria 4): A plan relating to how the company will achieve these targets (partial criteria 5)
- **Committed to Aligning**, defined as: A company that has complied with criteria 1 by setting a clear goal to achieve net zero emissions by 2050
- **Not aligned** – all other companies

* In-scope for Brunel are listed companies on the Climate Action 100+ focus list; companies in high impact sectors consistent with Transition Pathway Initiative sectors including banks. We do not own direct real estate.

Assessing alignment for action

Corporates globally are making commitments, setting targets and laying out plans to transition their business to align with the objectives of the Paris Agreement. Our ability to assess the adequacy of the corporates' response is currently limited to using the TPI and CA100+ benchmark but also data from SBTI[12] and other sources. Noting that these tools are still evolving to provide more nuanced data for investment decision making. Whilst acknowledging the limits of assessment methodologies we have; we will use these to engage with managers to challenge the investment case of controversial holdings. We will incrementally increase our expectations on companies, agreeing this with our clients annually. We strongly believe in engaging with perseverance, but selective divestment does and will continue to be part of the tool kit. Our process is illustrated below.

We expect managers to support our work to raise the standards of climate risk management, disclosure, and alignment. The ability to support our Climate Policy is a core component of manager monitoring and we will change mandates and managers who are not aligned with our clients' needs.



12 Science Based Target Initiative

Portfolios

We want our investment portfolios to be resilient under a range of climate change scenarios (both mitigation and adaptation). We want to adopt best practices on climate risk management and to work with our managers to further improve and develop our processes.

State of play

We recognise that climate change is a dynamic issue from an investment perspective. Our understanding of the science, of the policy goals and of the financial implications is constantly changing. We need to ensure that we and our investment managers are aware of and are acting on these changes. This requires us to assertively, consistently and rigorously challenge our investment managers on all aspects of their investment processes and expect them to explain and justify the investment decisions that they are making. Climate risk mitigation is firmly embedded in Brunel's manager appointment, monitoring and risk processes, supported by quarterly reporting of key metrics.

Brunel has been instrumental in the development of the Net Zero Investment Framework, which itself will continue to evolve updating existing best practice and new methodologies for asset classes or specific areas of investment.

- **Rigorously, assertively and continuously challenge** our investment managers on their analysis and assessment of change-related risks in their investment practices and processes
- **Encourage** managers to commit to achieving Paris Alignment across their products and operations and work collaboratively to develop methodologies and metrics to demonstrate progress
- **Require managers to escalate engagement** and **justify holdings** in controversial holdings, including those failing to disclose how they are meeting alignment expectations over time (see below).
- **Expect managers to** avoid or explain investments in companies that are in breach **UN Global Compact** or **OECD guidelines**
- Expect them to **continually improve practices and processes**, use climate risk stress-testing and risk management of our mandates, on both mitigation and adaptation. We will develop metrics to disclose on progress and outcomes from this work and start reporting on these in 2024
- **Continue to contribute** to the development of the **Net Zero Investment Framework**. We will use these methodologies as a basis for setting portfolio targets and reporting progress

Portfolios - Decarbonisation

Brunel Target: Reduce emission carbon intensity (scope 1&2) for all Brunel's listed equity and corporate bond portfolios **by 50% by 2030, using a trajectory of at least 7% per annum reduction**[1], from baseline of investable universe as at 31/12/2019 (or appropriate subsequent date)

Brunel also commits to set additional decarbonisation targets to cover separate **Scope 3** targets to incorporate material sectors and other activities that will assist in achieving our overall goal **no later than June 2024.**

We use the **Transition Pathway Initiative** analysis on carbon performance to evaluate current state of corporate alignment. The TPI Management Quality score (a proxy for climate governance) can assist in evaluating the probability the company will take the necessary steps toward to transition and ultimately achieve alignment.

The TPI Tool

The Transition Pathway Initiative (TPI) is a global, asset-owner led initiative which assesses companies' preparedness for the transition to a low carbon economy. The TPI tool uses publicly available company information to assess:

Management quality

The quality of companies' management of their greenhouse gas emissions and of risks and opportunities related to the low-carbon transition

Carbon performance

How companies' carbon performance now and in the future might compare to the international targets and national pledges made as part of the Paris Agreement.

Companies' management quality is assessed annually across 19 indicators.

Companies are placed on one of five levels:

Level 0 – Unaware of, or not acknowledging climate change as a business issue

Level 1 – Acknowledging climate change as a business issue

Level 2 – Building capacity

Level 3 – Integrated into operational decision-making

Level 4 – Strategic assessment

For more information see www.transitionpathwayinitiative.org

The Climate Action 100+ Benchmark was launched in March 2021 to assess the performance of focus companies against the initiative's three high-level goals: emissions reduction, governance, and disclosure.

The Benchmark presents a key measure of the corporate progress of those 159 companies[13] considered the most material globally on climate transition and the move to achieve Net Zero emissions by 2050 or sooner. We use the CA100+ benchmark indicators to complement the TPI carbon performance data to define controversial holdings with respect to climate transition.

Initially, controversial companies will be defined as those failing all indicators, but the number of indicators needing to be satisfied will increase over time in line with the NZIF guidance (see assessing alignment) see page 14.

13 This is the current number of CA100+ focus companies, taking into account the paused active engagement 5 Russian companies, and mergers and acquisitions (October 2022)

Positive Impact

We want to enable investments in activities that directly support the low carbon transition and that enable effective adaptation to the unavoidable impacts of climate change.

State of play

We recognise that we can directly support the low carbon transition and adaptation, through investing in opportunities in areas such as renewable energy, energy efficiency, adaptation and resilience. We also recognise that, through sharing our experiences and our successes, we can encourage others to increase their investments in these areas.

Brunel clients each set their strategic asset allocation and so, whilst Brunel cannot set overall climate solution targets, it does commit to providing investment opportunities across asset classes to contribute to Brunel's own alignment, and it allows clients to set and fulfil climate solutions targets.

We have made considerable investments to date and have evidenced this through the provision of an extensive set of case studies in our public reporting. These investments have gone beyond support for the low carbon transition, and also contributed to a wider commitment to invest for positive impact in support of the **United Nations Sustainable Development Goals (SDGs).**

Actions: We will

- **Continue to make significant investment** in diverse opportunities that directly contribute to energy and climate transition (see Targets)
- **Enhance our disclosure of positive impact**, initially focused on establishing levels of green revenues and private markets sustainable investment exposure but aspire to progress reporting of real-world impacts
- **Undertake our own operational carbon footprint** and report on actions and progress as part of our Climate Action Plan

Positive investment opportunities through Brunel portfolios

Global Sustainable equity portfolio

The Sustainable Equities portfolio (c.£3bn) uses a broader strategy consideration of environmental and social sustainability to identify companies and investment themes able to succeed long-term through contributing to society. It builds on but goes beyond most "Responsible Investment" approaches and includes strategies focusing on the climate and energy transitions.

Green, climate and SDG bonds

Brunel advocates for improvements in rules and processes around 'labelled bonds' to provide greater assurance as to their efficacy and value for money. In this context, the Brunel Sterling Corporate Bonds portfolio invests in labelled bonds but has no defined target. The policy focus for the portfolio is on the overall environmental, social and governance risk management, alignment, and stewardship (see targets above). Details of labelled bonds are shared with clients every quarter and periodically in Brunel's external reports (annually at minimum).

Infrastructure

Brunel's Infrastructure portfolios have strong ESG credentials, limiting exposure to high climate impact areas, and have strategy targets for renewable and other climate solutions, including nature-based solutions (see targets below). Brunel will provide annual updates as to the sustainable exposure, including climate solutions, of its infrastructure portfolios from 2023 onwards.

Real Estate and Secured Income

100% of both Brunel's International and UK **Real Estate model portfolios[14] are badged with Green Stars** by the Global Real Estate Sustainability Benchmark (GRESB). Furthermore, **100%** of the UK model portfolio managers have set **fund level Net Zero targets.**

Cycle 1 and Cycle 2 Secured Income portfolios have strong ESG and climate credentials. The two long-lease property funds are designated Green Star (GRESB) funds and the third fund component is Greencoat Renewable Income which, as the name implies, seeks to generate contracted income from a diversified portfolio of assets with a focus on solar photovoltaic, offshore wind, bioenergy from waste and, as opportunities arise, assets in other renewable infrastructure areas.

In our annual reporting, we feature numerous case studies of investments that specifically target climate solutions through decarbonisation and energy efficiency as well as climate adaptation and resilience. **We plan to expand our reporting through developing metrics to assist with assessing the portfolios. We aim to set targets in June 2024.**

Whilst our direct operational impacts are not as material, we believe in leading by example and take steps to reduce our own climate impacts. We will do this through our procurement of goods and services, travel choices and use of technology. Where impacts cannot be mitigated, we will consider the use of offsets. We will report on our principal impacts and the steps we have taken to reduce them as part of our wider corporate disclosures and commitment to be operationally Net Zero by 2030.

Positive Impact - Climate solutions

We commit to providing investment opportunities across asset classes to contribute to Brunel's own alignment, which in turn allows clients to meet their climate solutions targets.

- **Global Sustainable equity portfolio**
  (reporting green revenues)
- **Green, Climate and SDG bonds**
  (report % AUM and £m)
- **Infrastructure**

  Brunel's Infrastructure portfolios have strong ESG credentials, limiting exposure to high climate impact areas and have strategy targets including;
  - Cycle 1: **>35%** in renewable energy
  - Cycle 2: **50%** in renewable and climate solutions
  - Cycle 3: **70%** minimum target for Sustainable Infrastructure, of which at least **40%** (i.e. most of the SI allocation) will be in climate solutions

  Brunel will provide annual updates as to the sustainable exposure, including climate solutions, of its infrastructure portfolios from 2023 onwards.
- **Real Estate and Secured Income**
  (impact and renewables exposure – reporting metrics to be developed)

We feature numerous case studies of investments that specifically target climate solutions through decarbonisation and energy efficiency as well as climate adaptation and resilience, in our annual reporting. **We plan to expand our reporting through developing metrics to assist with assessing the portfolios and to set targets in June 2024.**

14 International model portfolio represents around 50% of AUM, and the UK Model Portfolio over 80% of AUM, and Green star assessment excludes new investments in pre-reporting stage.

Persuasion

We want the companies and other entities we invest in and contract with to support the transition to the low carbon economy, and to ensure that they are resilient to the unavoidable impacts of climate change.

State of play

Joining the 140 countries' Net Zero commitments are initiatives covering 8,307 companies, 595 financial institutions, 1,136 cities, 52 states and regions, 1,125 educational institutions and 65 healthcare institutions through the Race to Zero campaign[15]; Brunel is one of those financial institutions.

We have three main strategies to persuade companies and other entities to act on climate change, namely: (1) engagement via its investment managers. (2) collaborative engagement, in particular through Climate Action 100+ (CA100+), and (3) direct engagement, including voting our shareholdings.

In addition, we will continue to support client engagement with companies e.g. through facilitating their attendance at AGMs, through facilitating their participation in collective engagement with us and with other institutional investors.

In relation to company engagement, Brunel has supported the development of guidance for private sector climate transition plans and sector expectations, for example 'Investor Expectations for the banking sector', with the expectation that companies will publish their climate transition action plan, and annually disclose emissions and progress against their commitments and targets.

A focus on physical risk, based on analysis of our own holdings, will add to our continued commitment to use the CA100+ benchmark and the guidance relating to transition planning as the basis for our listed markets engagement. These expectations will be reflected in our escalation (see diagram below) and actions in line with the specifics set out in our Voting Policy and Voting Guidelines.

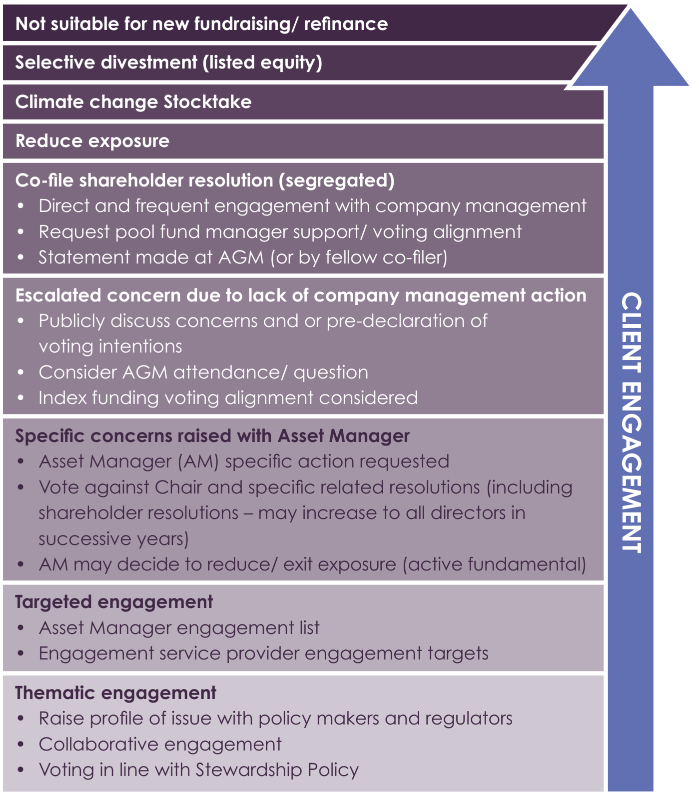
Actions

For listed equity and debt, we will:

- **Expect** focus companies to progress reporting against the requirements of the **CA100+ Benchmark**, linked to our portfolio assessment above
- **Ensure engagement** across **all high-impact sectors** as a priority, but also **promote** disclosure from all companies in relation to **transition planning**. We specifically **expect** material and high impact sectors to report against the sector-neutral and (where available) sector-specific climate transition action plans
- **Focus direct engagement** with **banks** and participate in the IIGCC Banking Engagement
- **Shape** the **mining and minerals sector** through the establishment and operation of **a Global Commission on Mining (Mining 2030)**
- **Undertake a biodiversity footprint exercise** and, from that, engage with those companies in our selected portfolios who are either a) causing most impact, or b) most at risk from deteriorating eco-system services
- **Target water companies** in collaboration with our UK sterling bond manager (including relevant equity exposure) looking at biodiversity, social issues, lobbying and climate resilience, including storm water releases, wastewater discharge and shortages.

15 Race to Zero – as at of September 2022

Brunel's approach to stewardship escalation



Persuasion Target – Portfolio stewardship

Ensure **70% of financed emissions in material sectors are either aligned, aligning or subject to direct or collective engagement stewardship actions** for all listed equity and corporate bonds by June 2024, increasing to **90% by June 2027**

Engage with **100% of investment managers and general partners**[1] on measuring emissions, disclosure levels and setting targets for decarbonisation and alignment **by June 2024**

Engage[1] **100% of carbon-based energy and transport infrastructure assets as part of collective or direct engagement, or management interventions.** Brunel Infrastructure portfolios have limited exposure to such assets and, where they do, it is often part of a wider programme of energy transition and/or efficiency

With regard to our private markets' portfolios more broadly, we will sequentially focus on our infrastructure, secured income, real estate, private equity and private debt portfolios, with the ambition of **setting targets for the first three of these by June 2024.**

1. Real estate scope is limited to the model portfolios, and engagements in private markets will be a combination of direct and via our strategic partners.

Stewardship in corporate bonds

Brunel's engagement with companies, primarily through its asset manager, extend to cover the issuance of corporate bonds (see water companies above). In terms of stewardship escalation (illustrated above) Brunel's approach includes capacity for the identification of companies and assets unsuitable (due to climate related financial risk) for new fundraising or refinance. The term 'denial of debt' is often used to capture the essence of this when applied to corporate bonds. We have not explicitly used debt denial at this point as the idea is in its early stages of development. We are committed to working with clients, our asset managers, and the wider industry to develop thinking on how to operationalise this part of the tool kit in a way that delivers real economy net-zero transition.

Private markets

Engagement impact can be even stronger in private markets, working with our general partners to support private companies, real estate, infrastructure projects and other entities in managing their impacts on climate change and the impacts of climate change on them.

The primary focus of our engagement in private markets is to enhance disclosure and to evidence the alignment and impact of outcomes. This is captured under our product governance, portfolio monitoring and positive impact objectives above.

Reporting on progress

We will report annually on our progress against the commitments set out in this policy and other related action plans.

State of play

Brunel already uses the recommendations of the Taskforce for Climate-related Financial Disclosure (TCFD) to report on our approach to managing climate risk. This report is summarised in our Annual Report and Financial Statements and complemented by additional portfolio-by-portfolio carbon metrics reporting. Brunel is also committed, in principle, to make disclosures consistent with requirements of the Taskforce on Nature-related Financial Disclosures (TNFD).

Our Responsible Investment & Stewardship Outcomes Report provides further transparency and assurance relating to stewardship and voting outcomes.

Brunel is a strong advocate for global mandatory disclosure. Brunel has supported the work of the UK government in improving climate risk disclosures, culminating in the commitment to making TCFD mandatory across the economy by 2025.

Brunel is embarking on a pilot with S&P Trucost to develop biodiversity footprinting, which will further enhance our analysis and disclosures.

Actions: We will

- Enhance current disclosures required by TCFD for both clients and Brunel
- Enhance metrics on private markets portfolios, biodiversity, physical risk and other environmental issues
- Progress our work and commitment to TNFD
- Work collaboratively to establish effective mechanisms to enhance reporting on real world impacts

We will use our website as the primary route for providing additional information and further insights into our approach.

Listed markets carbon metrics – for each portfolio

- Absolute carbon emissions
- Carbon emission per million pounds invested (carbon footprint)
- Carbon intensity (weighted average carbon intensity)
- Disclosure rates
- Fossil fuel revenue exposure
- Fossil fuel future emissions from reserves

For 2023

- Green revenues (weighted average exposure)
- Management quality scores based on TPI methodology

Planning

- Company physical risk
- Portfolio alignment

Brunel stresses the need to look at companies and assets across multiple metrics, as no one metric will be useful in isolation.

Our governance of climate change

The **Brunel Board** approves and is collectively accountable for Brunel's Climate Change Strategy and Policy. Day-to-day operational accountability sits with the **Chief Responsible Investment Officer**, with oversight from the **Brunel Investment Committee** and **Brunel's Board.**

Climate risk has been identified as a principal (level 1) strategic risk to Brunel. As such, the risk is owned by the **Chief Executive Officer**, with oversight from **Brunel's Audit, Risk and Compliance Committee** forming part of Brunel's overall strategic risk framework.

The **Chief Investment Officer** is responsible for ensuring the integration of climate change into portfolio construction, implementation and overall investment decision-making. All members of the investment team have explicit responsibility for the implementation of our Responsible Investment (RI) principles, including but not limited to climate risk, within their respective roles. As such, any training needs are identified through our standard appraisal and personal objective-setting processes.

The Climate Change Policy has been developed in conjunction with key stakeholders, including the **Brunel Oversight Board, Brunel Client Group**, and the **Client Responsible Investment Sub-group**, membership of which includes representatives from the administering authorities it serves, and Brunel staff.

This policy relates to and interacts with other Brunel policies, including but not limited to: policies across Responsible Investment, Stewardship, Risk Management, Product Governance, Manager Selection and Manager Monitoring.

It is expected that the policy will develop over time, given the fast-changing nature of the climate debate and improvements in climate data. Relatively minor changes to the policy, including clarifications and more specific targets or updates to reflect market developments, can be approved by the Brunel Investment Committee. More substantive changes will require approval by the whole Board, after client consultation if appropriate.

BRUNEL

Pension Partnership

Getting in touch

If you have any questions or comments about this policy, please email Faith Ward, Chief Responsible Investment Officer, at RI.Brunel@brunelpp.org. .

Fund managers with general enquiries, meeting requests and other materials (updates, newsletters, brochures and so on), should contact us at info@brunelpp.org

Somerset Carbon Metrics Report

Holdings as at 31st December 2022

Key Info:	AUM in mGBP: 2,025	Coverage: 98%	03/04/2023

The Somerset Aggregate Portfolio

- This report illustrates key Carbon Metrics for the Somerset Aggregate Portfolio, as well as all the associated underlying Brunel Portfolios.
- The Somerset Aggregate Portfolio is made up of Somerset's share of Brunel Portfolio's, weighted by investments as of 31 December 2022.
- A custom Strategic Benchmark has been used so that the Somerset Aggregate Portfolio can be measured against a meaningful comparator. This is made up of the individual benchmarks from the Brunel Portfolios and weighted accordingly, as of 31 December 2022.

Performance Summary

- The Weighted Average Carbon Intensity (WACI) of the Somerset Aggregate Portfolio is below its Strategic Benchmark, with a relative efficiency of +31%.
- Of the underlying Brunel Portfolios within the Somerset Aggregate, the highest intensity is the Brunel Emerging Markets Equities Portfolio (315 tCO_2e/mGBP), while the lowest one is the Brunel Sterling Corporate Bonds Portfolio (152 tCO_2e/mGBP).
- All Portfolios have lower levels of carbon intensity compared to their respective benchmarks.
- The Carbon to Value (C/V) Intensity metric is a new metric we have included in this year's carbon metrics report. The (C/V) metric is an aggregation of apportioned carbon emissions of constituants per 1 million invested. The Carbon to Value (C/V) Intensity of the Somerset Aggregate Portfolio is below its Strategic Benchnark, with a relative efficiency of +30%.
- The Somerset Aggregate Portfolio is less exposed to both fossil fuel revenues (1.47% vs 2.86%) and future emissions from reserves (2.65 $MtCO_2$ vs 4.39 $MtCO_2$) than its Strategic Benchmark.
- All Portfolios have lower emissions from reserves and reserves exposures than their respective benchmarks, with the execption of 'Petroleum Power Generation' and 'Tar sands extraction'.
- The company disclosures rates are based on Scope 1 emissions, where the rate of companies in the Somerset Aggregate Portfolio for which fully disclosed carbon data was available is 44% (carbon weighted method) and 38% (investment weighted method), indicating scope for improved reporting among investees.
- The aggregate rate of 'full disclosure' for the investment weighted method is highest in the Brunel Brunel CTB Passive Global Equities (51%) and lowest in the Brunel Global Small Cap Equities (12%).

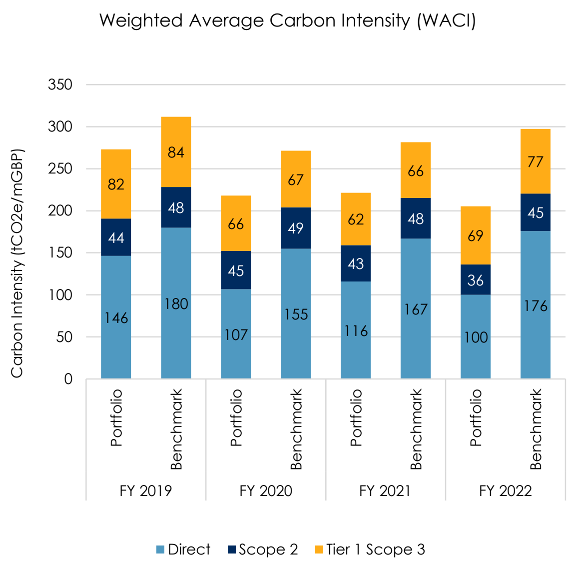
SOMERSET County Council

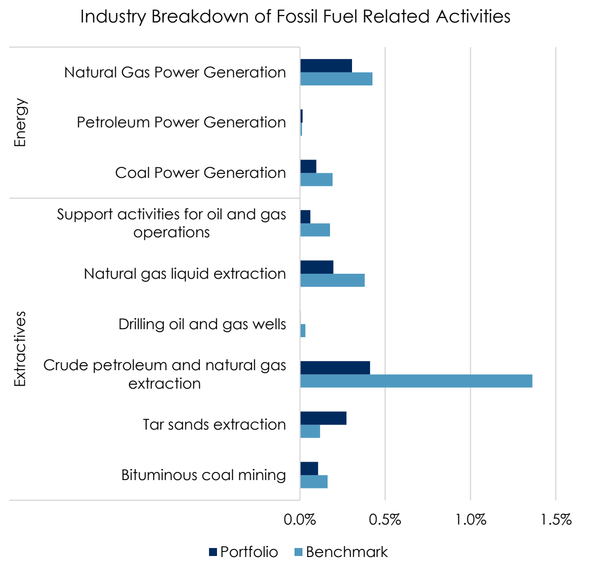
Somerset Carbon Metrics Report

BRUNEL Pension Partnership

Somerset Aggregate vs. Somerset Custom BM

2022 Q4





Current Year Top Contributors to WACI

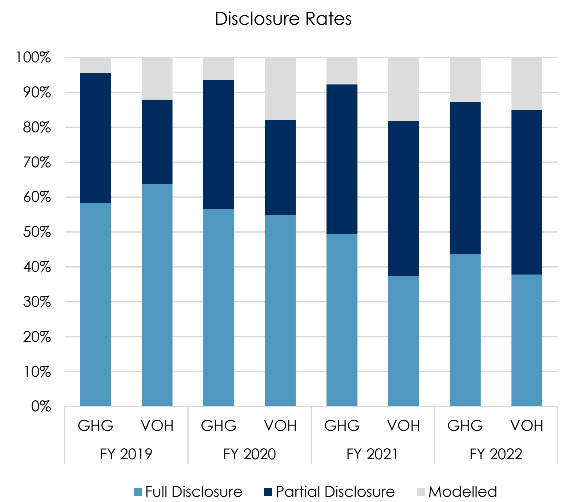
Name	Carbon-to-Revenue intensity (tCO_2e/mGBP)	Weight (%)	Contr. (%)
Dominion Energy, Inc.	3,308	0.30%	-4.56%
Holcim Ltd	7,035	0.10%	-3.18%
Shell plc	834	0.96%	-2.97%
Steel Dynamics, Inc.	1,323	0.47%	-2.56%
UPM-Kymmene Oyj	1,981	0.25%	-2.19%

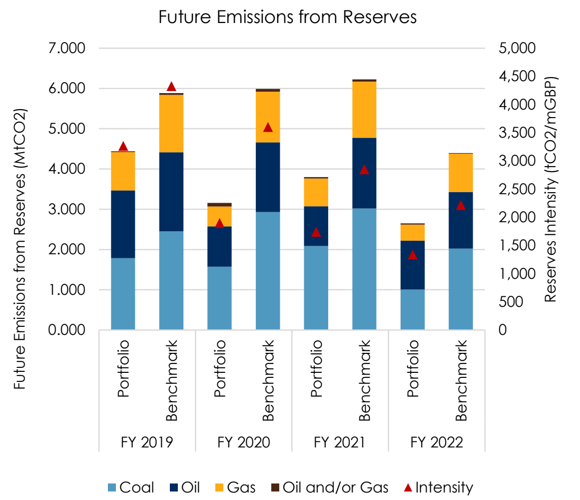
The **WACI** shows the portfolio exposure to carbon intensive companies. This metric takes the carbon intensity (total carbon emissions divided by total revenue) of each investee and multiplies it by its weight in the portfolio.

Top Contributors to Weighted Fossil Fuel Revenues

Name	Weight (%)	Weighted FF Revenue (%)
Shell plc	0.96%	0.23%
BP p.l.c.	0.55%	0.17%
Suncor Energy Inc.	0.35%	0.16%
MEG Energy Corp.	0.15%	0.15%
Dominion Energy, Inc.	0.30%	0.11%

The **Industry Breakdown of Fossil Fuel Related Activities** chart above breaks down the 'extractives' and 'energy' revenue exposure into specific industry exposures.





Portfolio Disclosure Rates by Method

Carbon disclosure category	GHG-weighted disclosure	Value-weighted disclosure
Full Disclosure	44%	38%
Partial Disclosure	44%	47%
Modelled	13%	15%

Full Disclosure - Data disclosed by a company in an un-edited form.
Partial Disclosure - Trucost has used data disclosed by a company but has made adjustments to match the reporting scope required by its research process. Values may also be derived from a previous year's disclosed data using changes in business activities and consolidated revenues.
Modelled - In the absence of usable disclosures, the data has been modelled using Trucost's EE-IO model.

Future Emissions from Reserves by Type ($MtCO_2$)

Source	FY 2021 Port.	FY 2021 Ben.	FY 2022 Port.	FY 2022 Ben.
Coal	2.09	3.02	1.01	2.02
Oil	0.99	1.75	1.21	1.41
Gas	0.69	1.40	0.40	0.95
Oil and/or Gas	0.03	0.05	0.03	0.01

Companies may disclose both 1P and 2P reserves (1P refers to those held with 90% confidence, 2P are those held with 50% confidence). Both 1P and 2P are used when assigning embedded emissions to a company.

The chart above shows the total tonnes of apportioned CO2 from reserves, broken down by reserve type. It also shows the reserves 'intensity' by normalizing the apportioned embedded emissions by the VOH.

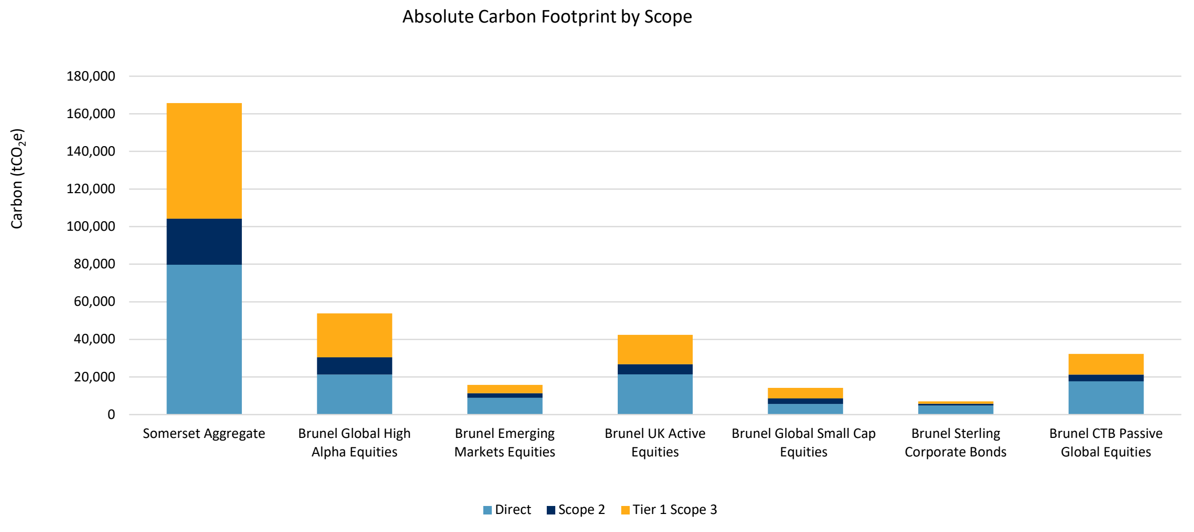
Somerset Carbon Metrics Report

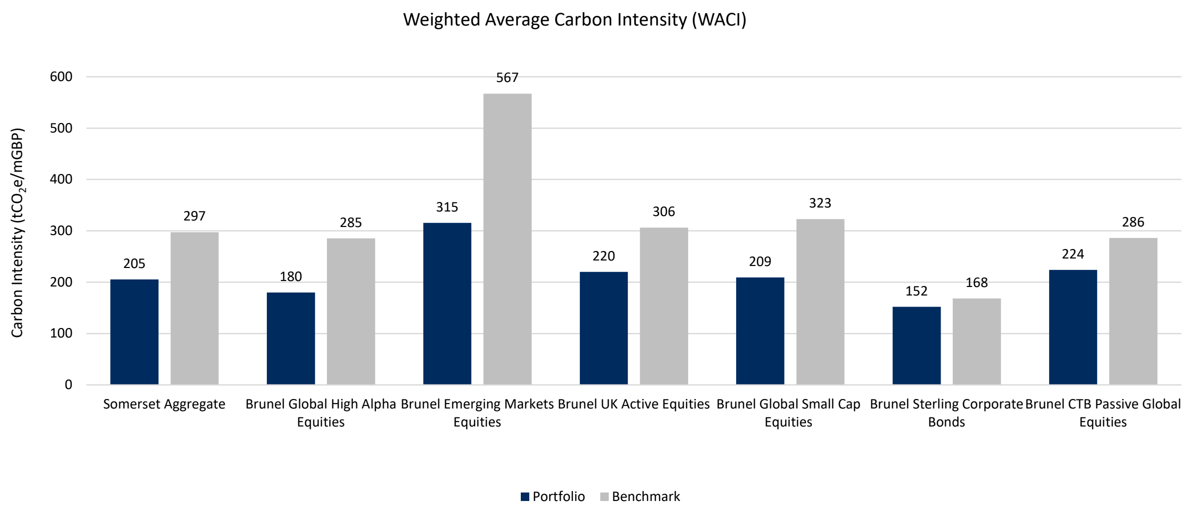
SOMERSET County Council

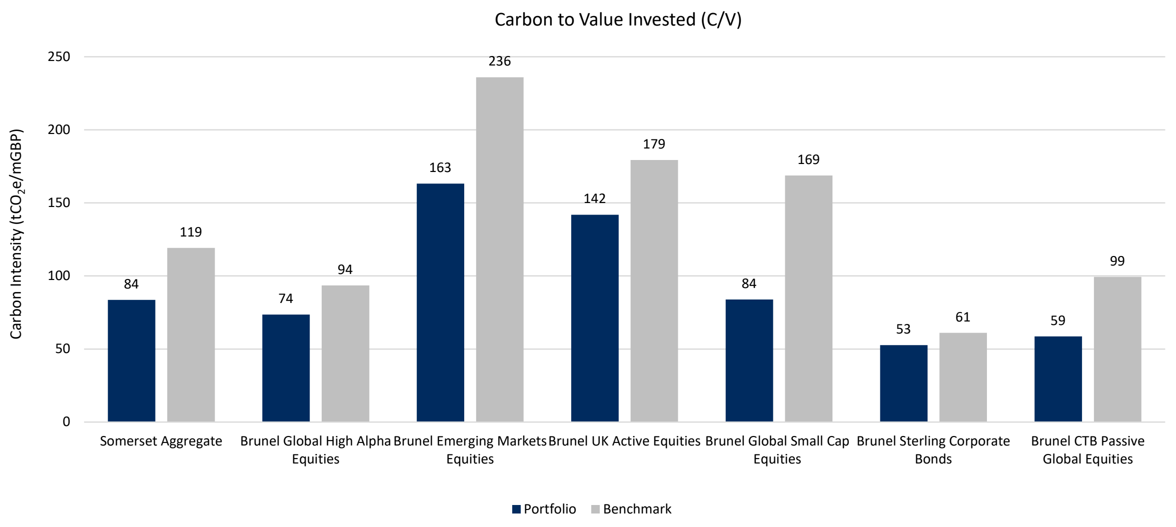
BRUNEL Pension Partnership

Summary Sheet

2022 Q4







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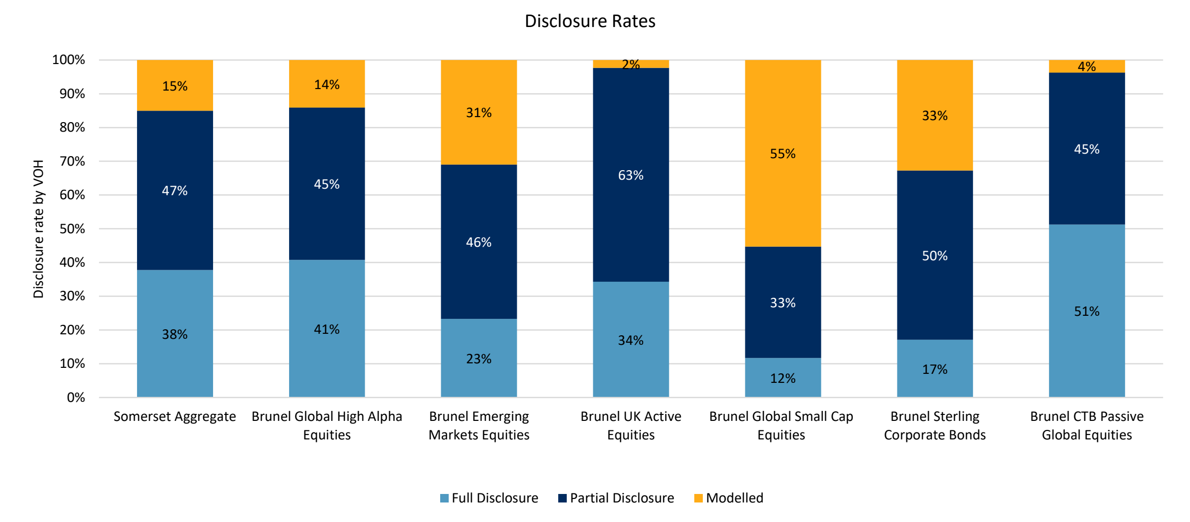
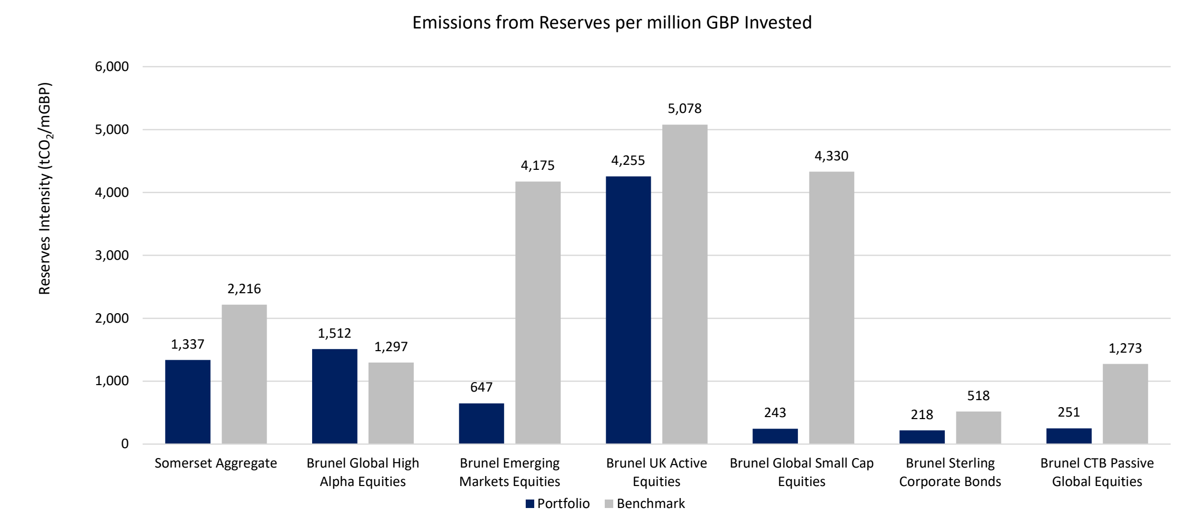
Somerset Carbon Metrics Report

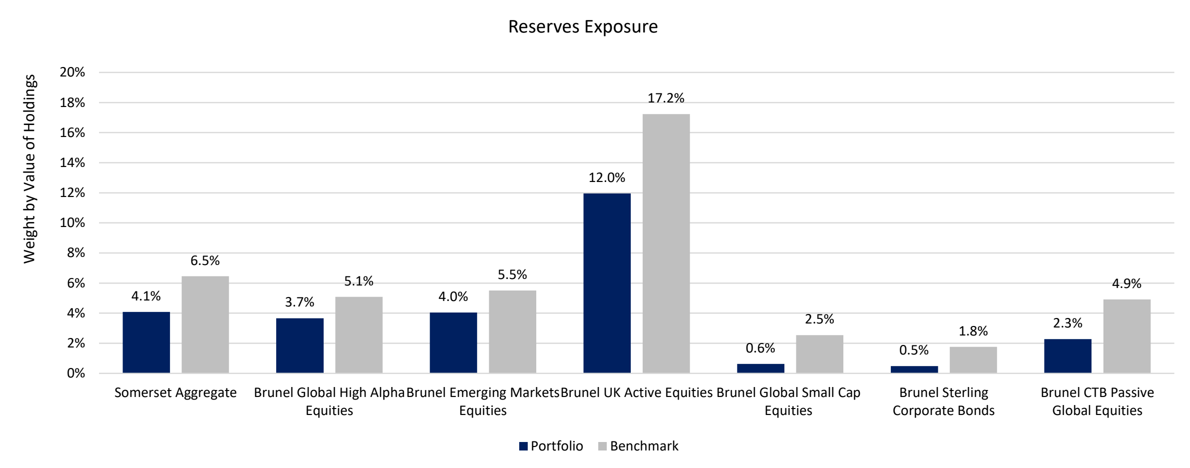
BRUNEL Pension Partnership

Summary Sheet

2022 Q4







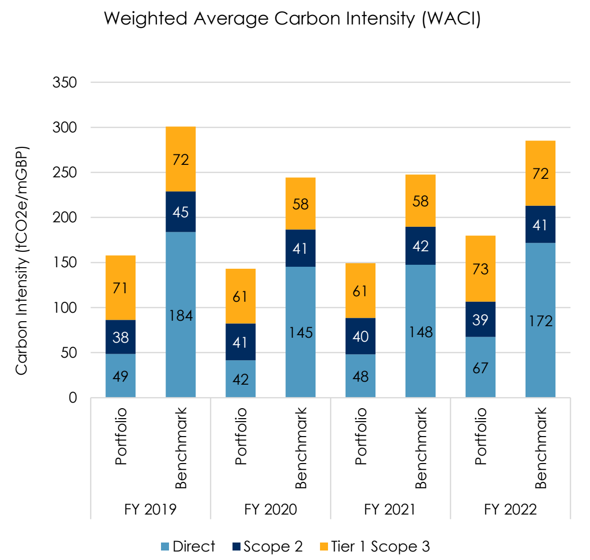
Somerset Carbon Metrics Report

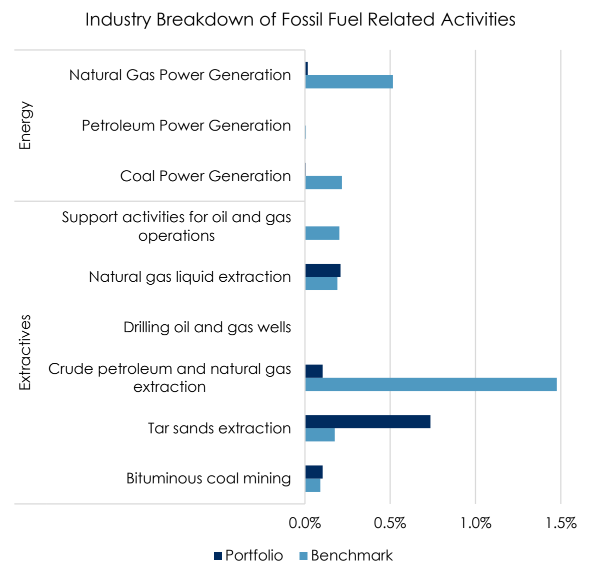
SOMERSET County Council

BRUNEL Pension Partnership

Brunel Global High Alpha Equities vs. MSCI World

2022 Q4





Current Year Top Contributors to WACI

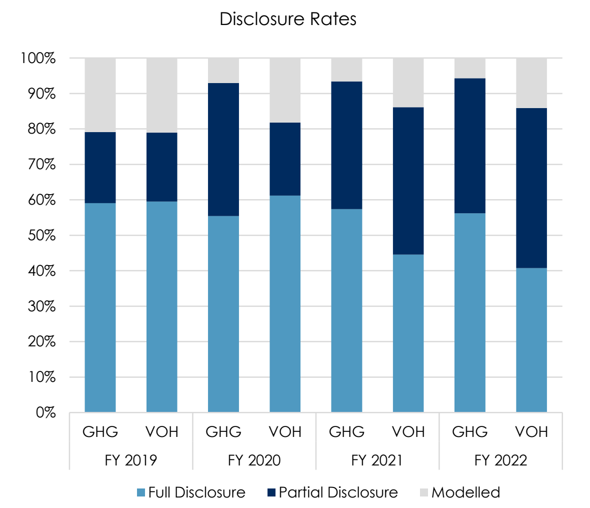
Name	Carbon-to-Revenue intensity ($tCO_2e/mGBP$)	Weight (%)	Contr. (%)
Holcim Ltd	7,035	0.26%	-9.89%
Steel Dynamics, Inc.	1,323	1.27%	-8.16%
UPM-Kymmene Oyj	1,981	0.68%	-6.91%
Suncor Energy Inc.	1,367	0.94%	-6.23%
Nestle SA	538	1.94%	-3.94%

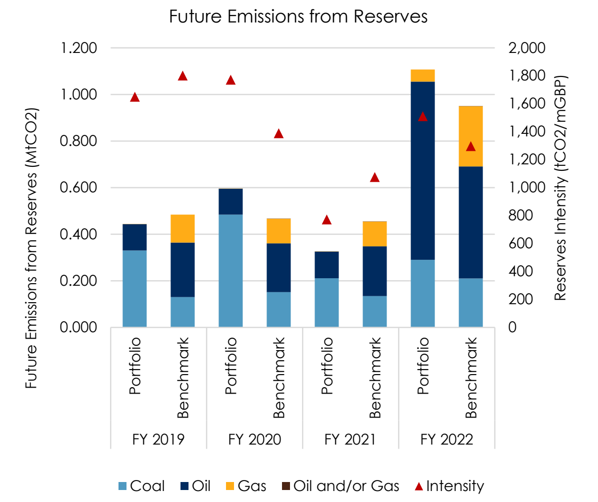
The **WACI** shows the portfolio exposure to carbon intensive companies. This metric takes the carbon intensity (total carbon emissions divided by total revenue) of each investee and multiplies it by its weight in the portfolio.

Top Contributors to Weighted Fossil Fuel Revenues

Name	Weight (%)	Weighted FF Revenue (%)
Suncor Energy Inc.	0.94%	0.42%
MEG Energy Corp.	0.39%	0.40%
Shell plc	1.04%	0.25%
Anglo American Plc	1.07%	0.09%
Glencore Plc	0.23%	0.01%

The **Industry Breakdown of Fossil Fuel Related Activities** chart above breaks down the 'extractives' and 'energy' revenue exposure into specific industry exposures.





Portfolio Disclosure Rates by Method

Carbon disclosure category	GHG-weighted disclosure	Value-weighted disclosure
Full Disclosure	56%	41%
Partial Disclosure	38%	45%
Modelled	6%	14%

Full Disclosure - Data disclosed by a company in an un-edited form.
Partial Disclosure - Trucost has used data disclosed by a company but has made adjustments to match the reporting scope required by its research process. Values may also be derived from a previous year's disclosed data using changes in business activities and consolidated revenues.
Modelled - In the absence of usable disclosures, the data has been modelled using Trucost's EE-IO model.

Future Emissions from Reserves by Type ($MtCO_2$)

Source	FY 2021 Port.	FY 2021 Ben.	FY 2022 Port.	FY 2022 Ben.
Coal	0.21	0.13	0.29	0.21
Oil	0.11	0.21	0.76	0.48
Gas	0.00	0.11	0.05	0.26
Oil and/or Gas	0.00	0.00	0.00	0.00

Companies may disclose both 1P and 2P reserves (1P refers to those held with 90% confidence, 2P are those held with 50% confidence). Both 1P and 2P are used when assigning embedded emissions to a company.

The chart above shows the total tonnes of apportioned CO2 from reserves, broken down by reserve type. It also shows the reserves 'intensity' by normalizing the apportioned embedded emissions by the VOH.

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Somerset Carbon Metrics Report

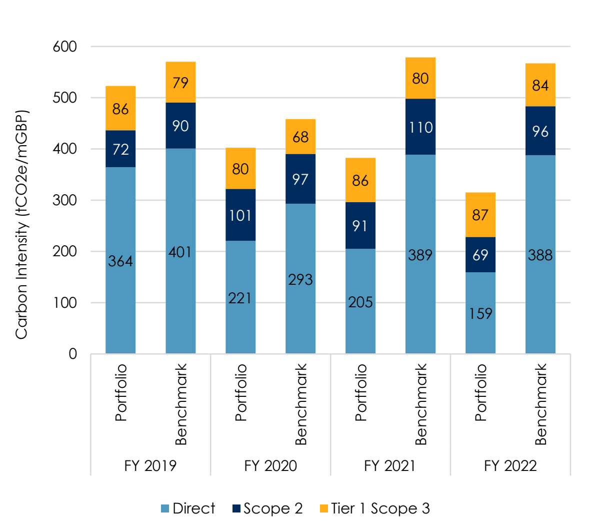
SOMERSET County Council

BRUNEL Pension Partnership

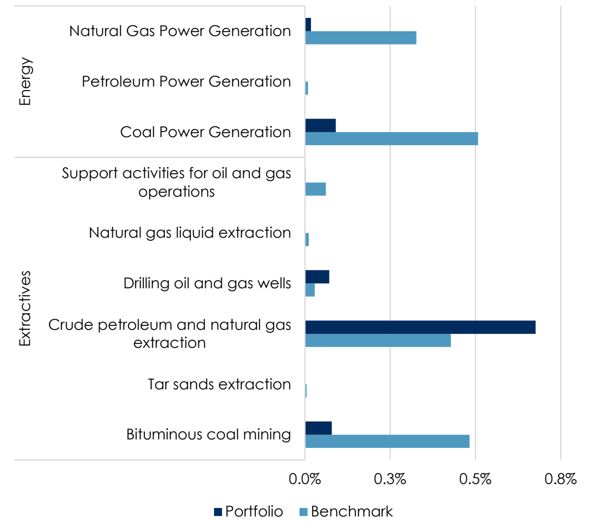
Brunel Emerging Markets Equities vs. MSCI Emerging Markets

2022 Q4

Weighted Average Carbon Intensity (WACI)



Industry Breakdown of Fossil Fuel Related Activities



Current Year Top Contributors to WACI

Name	Carbon-to-Revenue intensity ($tCO_2e/mGBP$)	Weight (%)	Contr. (%)
China Longyuan Power Group Corporc	2,887	0.76%	-6.21%
Anhui Conch Cement Company Limite	11,560	0.16%	-5.69%
Reliance Industries Limited	1,297	1.66%	-5.25%
China National Building Material Comp	9,064	0.17%	-4.84%
OCI N.V.	3,955	0.31%	-3.57%

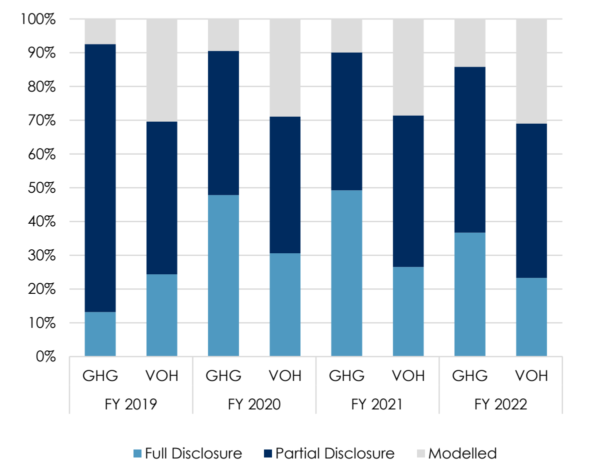
The **WACI** shows the portfolio exposure to carbon intensive companies. This metric takes the carbon intensity (total carbon emissions divided by total revenue) of each investee and multiplies it by its weight in the portfolio.

Top Contributors to Weighted Fossil Fuel Revenues

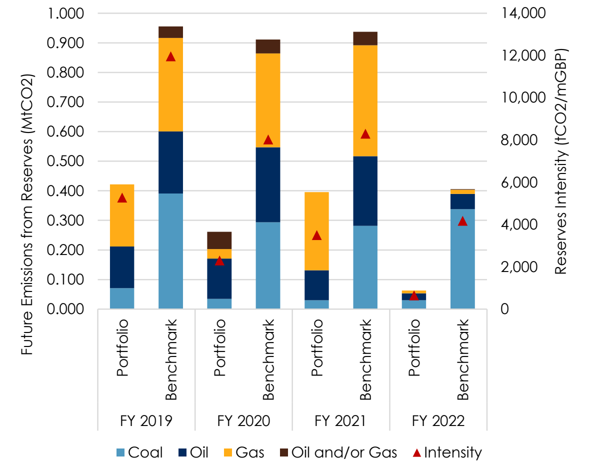
Name	Weight (%)	Weighted FF Revenue (%)
PTT Exploration and Productic	0.40%	0.40%
Parex Resources Inc.	0.26%	0.27%
China Longyuan Power Grou	0.76%	0.09%
Anglo American Plc	0.82%	0.07%
China Oilfield Services Limitec	0.09%	0.07%

The **Industry Breakdown of Fossil Fuel Related Activities** chart above breaks down the 'extractives' and 'energy' revenue exposure into specific industry exposures.

Disclosure Rates



Future Emissions from Reserves



Portfolio Disclosure Rates by Method

Carbon disclosure category	GHG-weighted disclosure	Value-weighted disclosure
Full Disclosure	37%	23%
Partial Disclosure	49%	46%
Modelled	14%	31%

Full Disclosure - Data disclosed by a company in an un-edited form.
Partial Disclosure - Trucost has used data disclosed by a company but has made adjustments to match the reporting scope required by its research process. Values may also be derived from a previous year's disclosed data using changes in business activities and consolidated revenues.
Modelled - In the absence of usable disclosures, the data has been modelled using Trucost's EE-IO model.

Future Emissions from Reserves by Type ($MtCO_2$)

Source	FY 2021 Port.	FY 2021 Ben.	FY 2022 Port.	FY 2022 Ben.
Coal	0.03	0.28	0.03	0.34
Oil	0.10	0.24	0.02	0.05
Gas	0.26	0.37	0.01	0.01
Oil and/or Gas	0.00	0.05	0.00	0.00

Companies may disclose both 1P and 2P reserves (1P refers to those held with 90% confidence, 2P are those held with 50% confidence). Both 1P and 2P are used when assigning embedded emissions to a company.

The chart above shows the total tonnes of apportioned CO2 from reserves, broken down by reserve type. It also shows the reserves 'intensity' by normalizing the apportioned embedded emissions by the VOH.

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Somerset
Carbon Metrics Report

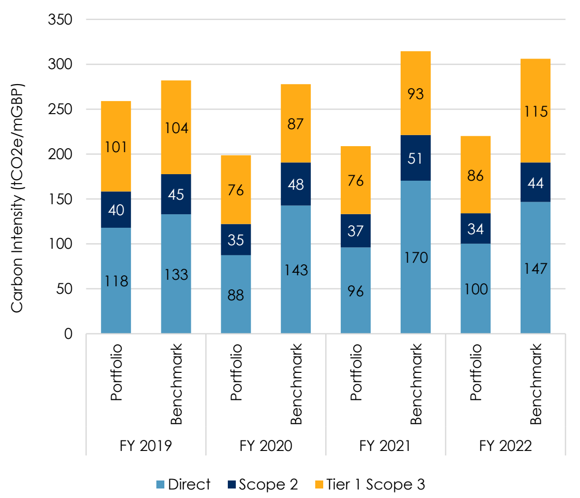
SOMERSET County Council

BRUNEL Pension Partnership

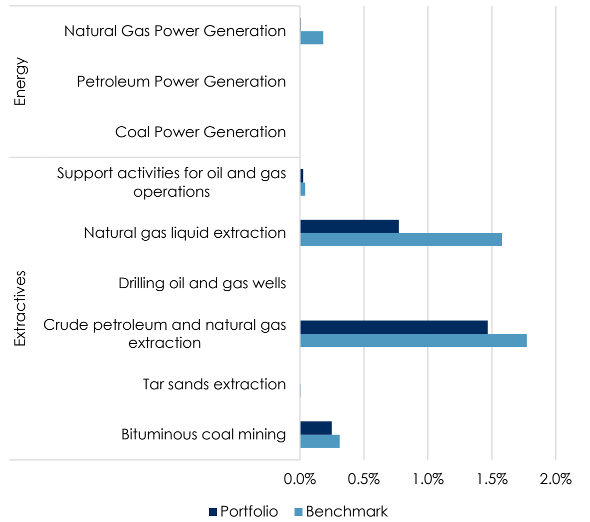
Brunel UK Active Equities vs. FTSE Allshare ex IT

2022 Q4

Weighted Average Carbon Intensity (WACI)



Industry Breakdown of Fossil Fuel Related Activities



Current Year Top Contributors to WACI

Name	Carbon-to-Revenue intensity ($tCO_2e/mGBP$)	Weight (%)	Contr. (%)
Shell plc	834	3.83%	-11.12%
Rio Tinto Group	874	2.91%	-8.90%
Breedon Group plc	6,139	0.32%	-8.61%
BP p.l.c.	745	3.45%	-8.51%
Mondi PLC	3,191	0.35%	-4.68%

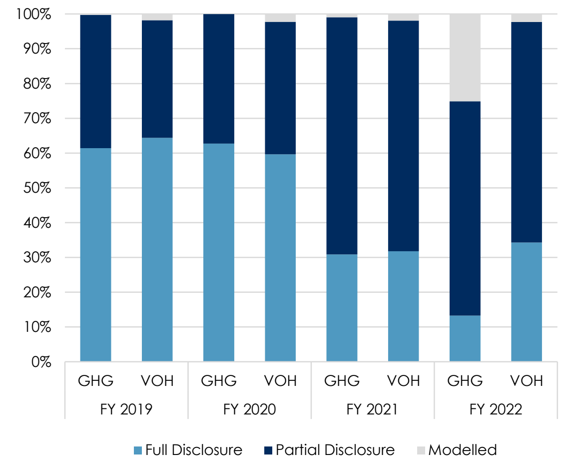
The **WACI** shows the portfolio exposure to carbon intensive companies. This metric takes the carbon intensity (total carbon emissions divided by total revenue) of each investee and multiplies it by its weight in the portfolio.

Top Contributors to Weighted Fossil Fuel Revenues

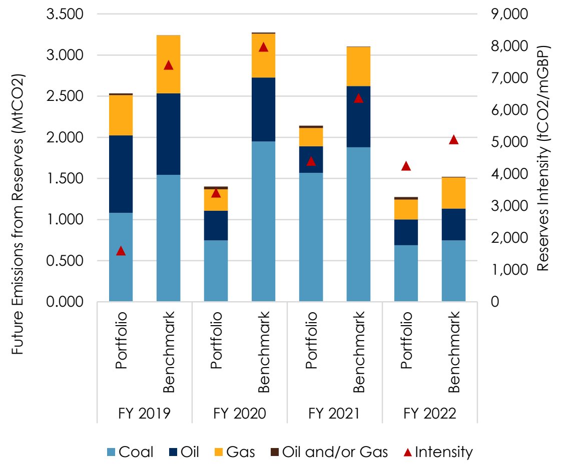
Name	Weight (%)	Weighted FF Revenue (%)
BP p.l.c.	3.45%	1.03%
Shell plc	3.83%	0.91%
EnQuest PLC	0.20%	0.20%
Glencore Plc	3.33%	0.16%
Anglo American Plc	1.09%	0.10%

The **Industry Breakdown of Fossil Fuel Related Activities** chart above breaks down the 'extractives' and 'energy' revenue exposure into specific industry exposures.

Disclosure Rates



Future Emissions from Reserves



Portfolio Disclosure Rates by Method

Carbon disclosure category	GHG-weighted disclosure	Value-weighted disclosure
Full Disclosure	13%	34%
Partial Disclosure	62%	63%
Modelled	25%	2%

Full Disclosure - Data disclosed by a company in an un-edited form.
Partial Disclosure - Trucost has used data disclosed by a company but has made adjustments to match the reporting scope required by its research process. Values may also be derived from a previous year's disclosed data using changes in business activities and consolidated revenues.
Modelled - In the absence of usable disclosures, the data has been modelled using Trucost's EE-IO model.

Future Emissions from Reserves by Type ($MtCO_2$)

Source	FY 2021 Port.	FY 2021 Ben.	FY 2022 Port.	FY 2022 Ben.
Coal	1.57	1.88	0.69	0.75
Oil	0.32	0.74	0.31	0.39
Gas	0.22	0.47	0.24	0.38
Oil and/or Gas	0.03	0.01	0.03	0.01

Companies may disclose both 1P and 2P reserves (1P refers to those held with 90% confidence, 2P are those held with 50% confidence). Both 1P and 2P are used when assigning embedded emissions to a company.

The chart above shows the total tonnes of apportioned CO2 from reserves, broken down by reserve type. It also shows the reserves 'intensity' by normalizing the apportioned embedded emissions by the VOH.

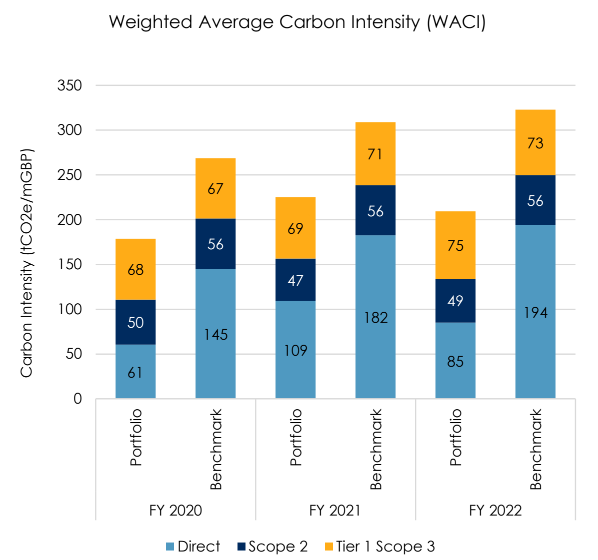
SOMERSET County Council

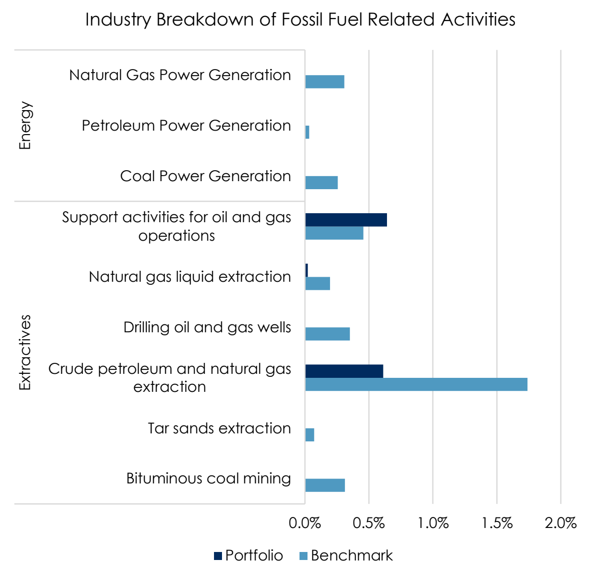
Somerset Carbon Metrics Report

BRUNEL Pension Partnership

Brunel Global Small Cap Equities vs. MSCI Small Cap World

2022 Q4





Current Year Top Contributors to WACI

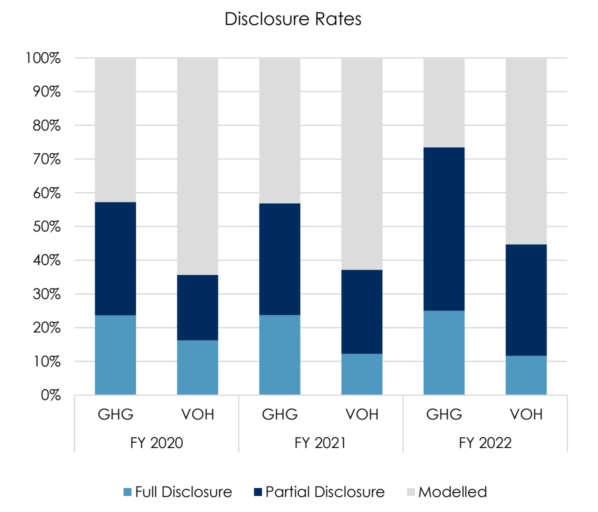
Name	Carbon-to-Revenue intensity ($tCO_2e/mGBP$)	Weight (%)	Contr. (%)
GOLAR LNG Limited	4,276	0.32%	-6.33%
Befesa S.A.	1,344	0.95%	-5.22%
Cabot Corporation	2,109	0.53%	-4.84%
Tronox Holdings plc	2,119	0.44%	-4.03%
West Fraser Timber Co. Ltd.	1,646	0.49%	-3.39%

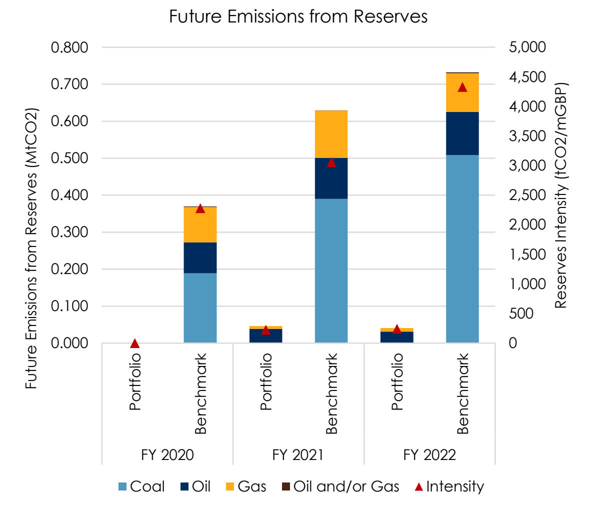
The **WACI** shows the portfolio exposure to carbon intensive companies. This metric takes the carbon intensity (total carbon emissions divided by total revenue) of each investee and multiplies it by its weight in the portfolio.

Top Contributors to Weighted Fossil Fuel Revenues

Name	Weight (%)	Weighted FF Revenue (%)
TGS ASA	0.52%	0.53%
Whitecap Resources Inc.	0.41%	0.42%
Vermilion Energy Inc.	0.22%	0.23%
Aker Solutions ASA	0.33%	0.10%
SPIE SA	0.35%	0.03%

The **Industry Breakdown of Fossil Fuel Related Activities** chart above breaks down the 'extractives' and 'energy' revenue exposure into specific industry exposures.





Portfolio Disclosure Rates by Method

Carbon disclosure category	GHG-weighted disclosure	Value-weighted disclosure
Full Disclosure	25%	12%
Partial Disclosure	48%	33%
Modelled	27%	55%

Full Disclosure - Data disclosed by a company in an un-edited form.
Partial Disclosure - Trucost has used data disclosed by a company but has made adjustments to match the reporting scope required by its research process. Values may also be derived from a previous year's disclosed data using changes in business activities and consolidated revenues.
Modelled - In the absence of usable disclosures, the data has been modelled using Trucost's EE-IO model.

Future Emissions from Reserves by Type ($MtCO_2$)

Source	FY 2021 Port.	FY 2021 Ben.	FY 2022 Port.	FY 2022 Ben.
Coal	0.00	0.39	0.00	0.51
Oil	0.04	0.11	0.03	0.12
Gas	0.01	0.13	0.01	0.10
Oil and/or Gas	0.00	0.00	0.00	0.00

Companies may disclose both 1P and 2P reserves (1P refers to those held with 90% confidence, 2P are those held with 50% confidence). Both 1P and 2P are used when assigning embedded emissions to a company.

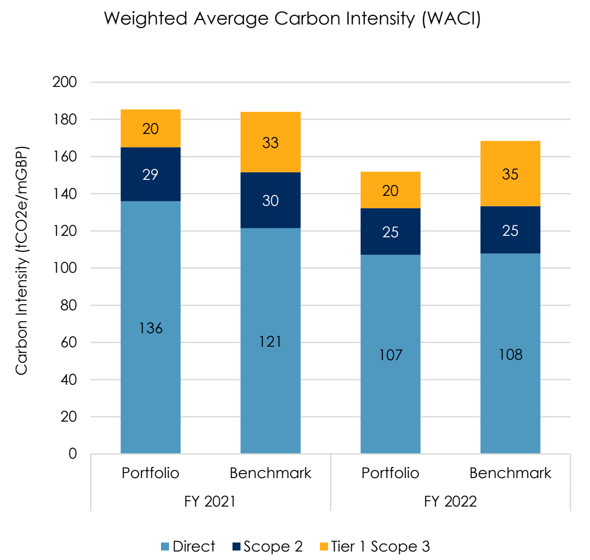
The chart above shows the total tonnes of apportioned CO2 from reserves, broken down by reserve type. It also shows the reserves 'intensity' by normalizing the apportioned embedded emissions by the VOH.

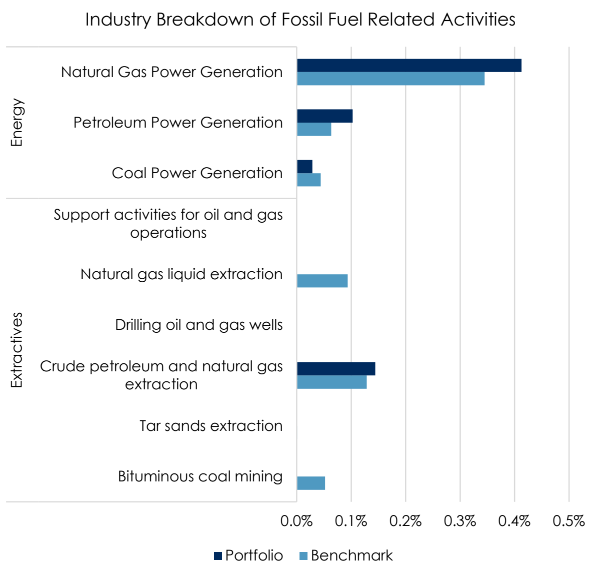
Somerset Carbon Metrics Report

SOMERSET County Council

BRUNEL Pension Partnership

Brunel Sterling Corporate Bonds vs. Markit iBoxx GBP Non-Gilts (All Stocks) Index — 2022 Q4





Current Year Top Contributors to WACI

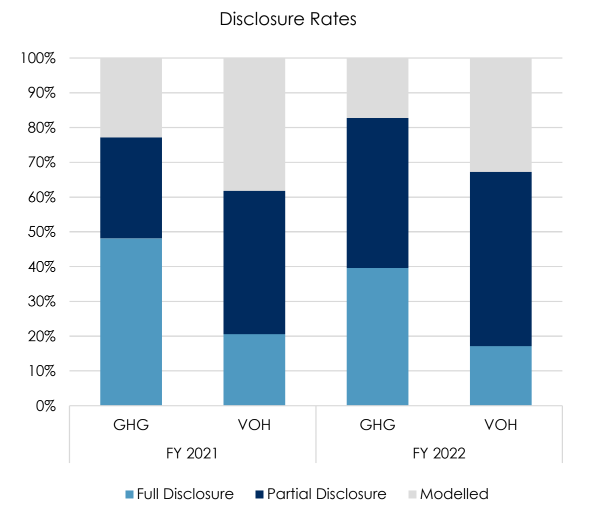
Name	Carbon-to-Revenue intensity ($tCO_2e/mGBP$)	Weight (%)	Contr. (%)
South Eastern Power Networks plc	5,543	0.57%	-20.38%
YTL Power International Berhad	5,968	0.33%	-12.54%
SSE plc	1,217	1.32%	-9.40%
Electricite de France	577	2.14%	-6.12%
National Grid PLC	639	1.68%	-5.49%

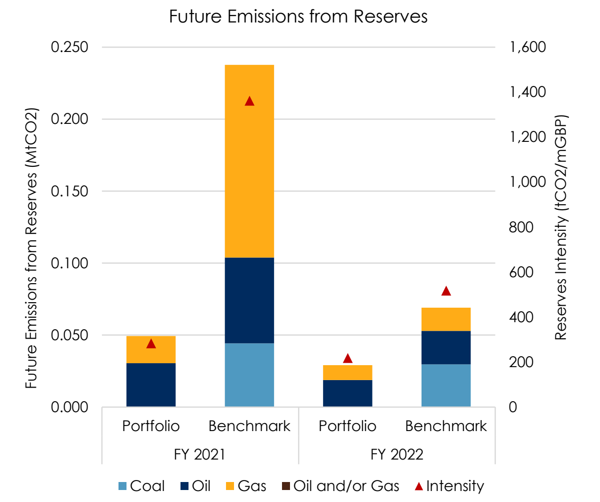
The **WACI** shows the portfolio exposure to carbon intensive companies. This metric takes the carbon intensity (total carbon emissions divided by total revenue) of each investee and multiplies it by its weight in the portfolio.

Top Contributors to Weighted Fossil Fuel Revenues

Name	Weight (%)	Weighted FF Revenue (%)
SSE plc	1.32%	0.36%
YTL Power International Berhc	0.33%	0.24%
BP p.l.c.	0.49%	0.20%
Enel SpA	0.56%	0.10%
National Grid PLC	1.68%	0.02%

The **Industry Breakdown of Fossil Fuel Related Activities** chart above breaks down the 'extractives' and 'energy' revenue exposure into specific industry exposures.





Portfolio Disclosure Rates by Method

Carbon disclosure category	GHG-weighted disclosure	Value-weighted disclosure
Full Disclosure	40%	17%
Partial Disclosure	43%	50%
Modelled	17%	33%

Full Disclosure - Data disclosed by a company in an un-edited form.
Partial Disclosure - Trucost has used data disclosed by a company but has made adjustments to match the reporting scope required by its research process. Values may also be derived from a previous year's disclosed data using changes in business activities and consolidated revenues.
Modelled - In the absence of usable disclosures, the data has been modelled using Trucost's EE-IO model.

Future Emissions from Reserves by Type ($MtCO_2$)

Source	FY 2021 Port.	FY 2021 Ben.	FY 2022 Port.	FY 2022 Ben.
Coal	0.00	0.04	0.00	0.03
Oil	0.03	0.06	0.02	0.02
Gas	0.02	0.13	0.01	0.02
Oil and/or Gas	0.00	0.00	0.00	0.00

Companies may disclose both 1P and 2P reserves (1P refers to those held with 90% confidence, 2P are those held with 50% confidence). Both 1P and 2P are used when assigning embedded emissions to a company.

The chart above shows the total tonnes of apportioned CO2 from reserves, broken down by reserve type. It also shows the reserves 'intensity' by normalizing the apportioned embedded emissions by the VOH.

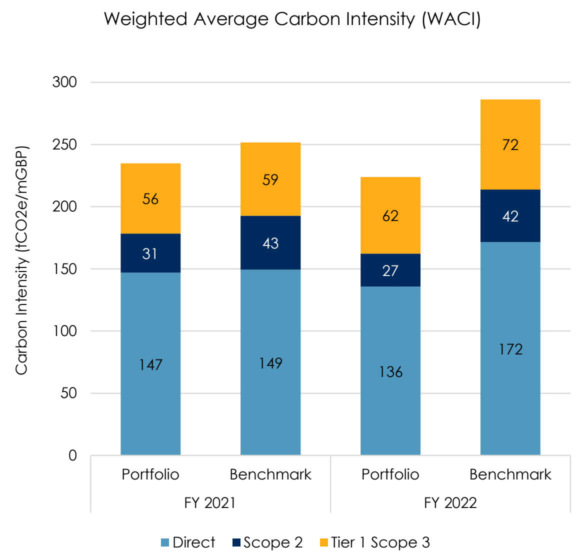
SOMERSET County Council

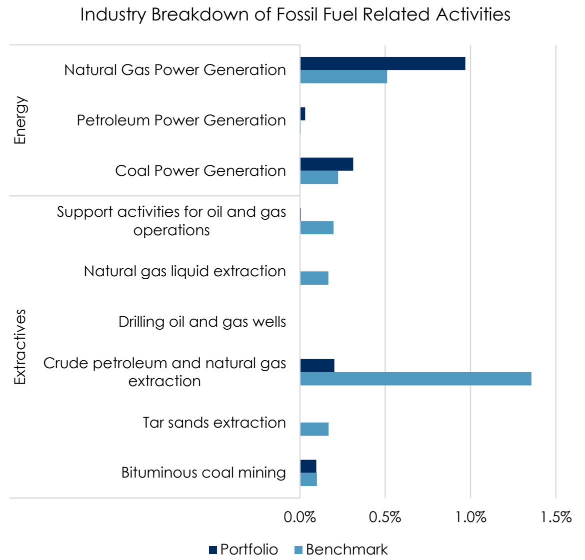
Somerset Carbon Metrics Report

BRUNEL Pension Partnership

Brunel CTB Passive Global Equities vs. FTSE Developed World

2022 Q4





Current Year Top Contributors to WACI

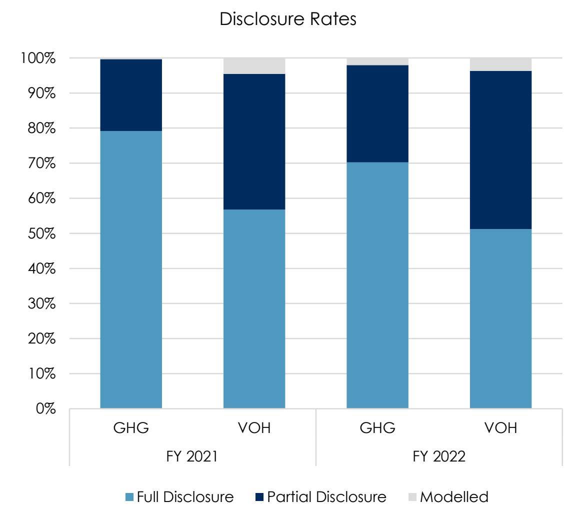
Name	Carbon-to-Revenue intensity ($tCO_2e/mGBP$)	Weight (%)	Contr. (%)
Dominion Energy, Inc.	3,308	1.08%	-15.06%
The Southern Company	5,131	0.23%	-5.07%
Duke Energy Corporation	4,668	0.23%	-4.62%
RWE Aktiengesellschaft	4,447	0.20%	-3.80%
Xcel Energy Inc.	4,377	0.13%	-2.48%

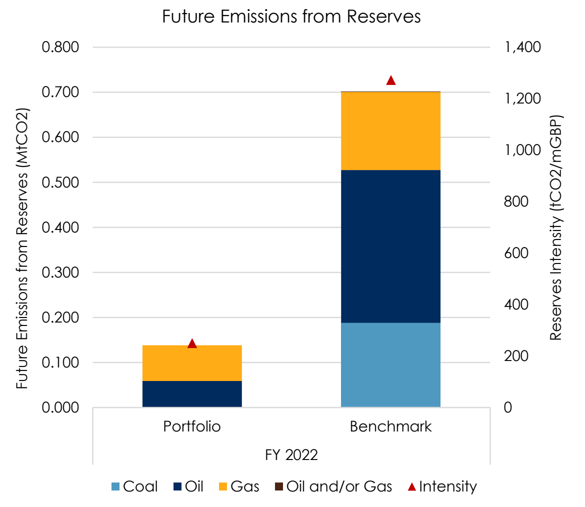
The **WACI** shows the portfolio exposure to carbon intensive companies. This metric takes the carbon intensity (total carbon emissions divided by total revenue) of each investee and multiplies it by its weight in the portfolio.

Top Contributors to Weighted Fossil Fuel Revenues

Name	Weight (%)	Weighted FF Revenue (%)
Dominion Energy, Inc.	1.08%	0.40%
Mitsui & Co., Ltd.	1.64%	0.27%
Consolidated Edison, Inc.	0.61%	0.11%
Duke Energy Corporation	0.23%	0.11%
Enel SpA	0.66%	0.09%

The **Industry Breakdown of Fossil Fuel Related Activities** chart above breaks down the 'extractives' and 'energy' revenue exposure into specific industry exposures.





Portfolio Disclosure Rates by Method

Carbon disclosure category	GHG-weighted disclosure	Value-weighted disclosure
Full Disclosure	70%	51%
Partial Disclosure	28%	45%
Modelled	2%	4%

Full Disclosure - Data disclosed by a company in an un-edited form.
Partial Disclosure - Trucost has used data disclosed by a company but has made adjustments to match the reporting scope required by its research process. Values may also be derived from a previous year's disclosed data using changes in business activities and consolidated revenues.
Modelled - In the absence of usable disclosures, the data has been modelled using Trucost's EE-IO model.

Future Emissions from Reserves by Type ($MtCO_2$)

Source	FY 2021 Port.	FY 2021 Ben.	FY 2022 Port.	FY 2022 Ben.
Coal	NA	NA	0.00	0.19
Oil	NA	NA	0.06	0.34
Gas	NA	NA	0.08	0.17
Oil and/or Gas	NA	NA	0.00	0.00

Companies may disclose both 1P and 2P reserves (1P refers to those held with 90% confidence, 2P are those held with 50% confidence). Both 1P and 2P are used when assigning embedded emissions to a company.

The chart above shows the total tonnes of apportioned CO2 from reserves, broken down by reserve type. It also shows the reserves 'intensity' by normalizing the apportioned embedded emissions by the VOH.

Brunel Pension Partnership

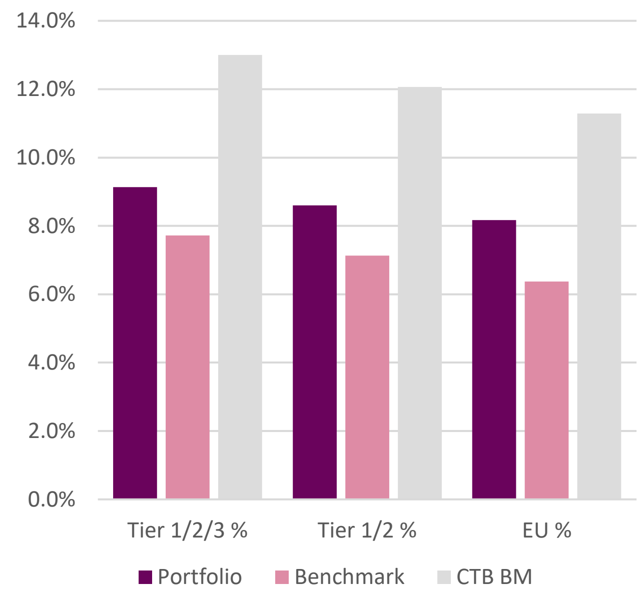
Green Revenues and TPI Management Quality Portfolio Profile

Portfolio name:	Brunel Global High Alpha Portfolio	
Index name:	FTSE All World Developed (awdc) Ex-POL-KOR	03/04/2023
CTB comparison:	FTSE Developed Climate Transition (CTB) Index (awdectbc) Ex-POL-KOR (AWDXKPC)	
Date of holdings:	31/12/2022 (benchmarks as of 30/12)	

Green Revenues

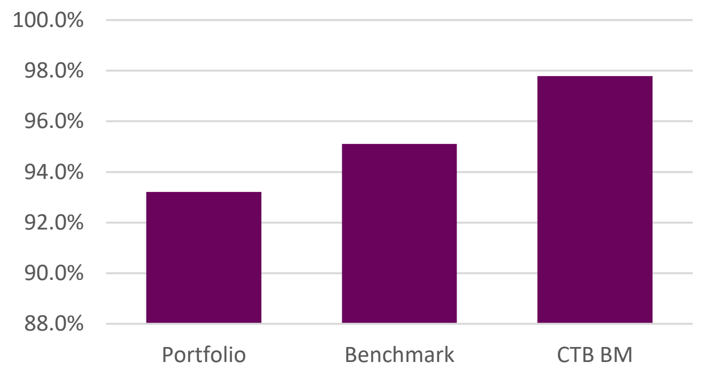
Weighted average of green revenues (GR)

% of GR in total revenues



Coverage rate

% of available data in weights



Data

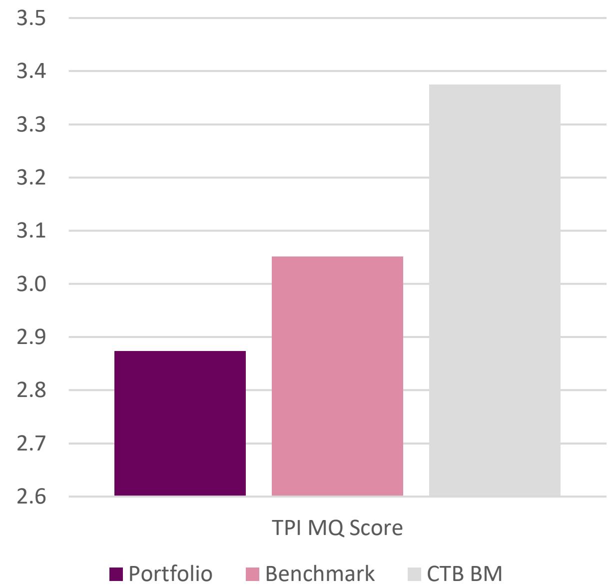
% of GR in total revenues (2021)

	Tier 1/2/3 %	Tier 1/2 %	EU %
Portfolio	9.1%	8.6%	8.2%
Benchmark	7.7%	7.1%	6.4%
CTB BM	13.0%	12.1%	11.3%

TPI Management Quality

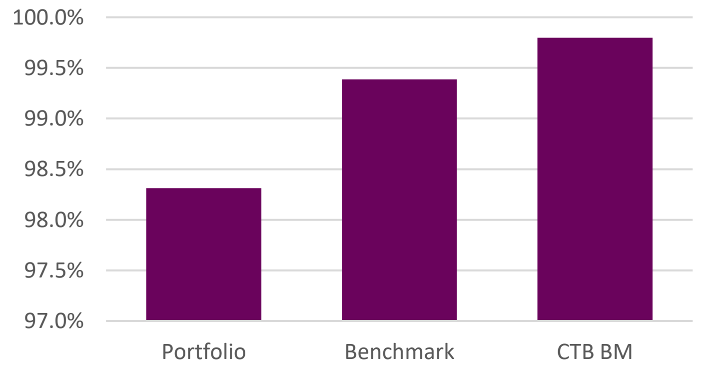
Weighted average of TPI MQ scores

0-5 scores



Coverage rate

% of available data in weights



Data

0-5 scores (latest data available between 2020-2022)

	TPI MQ Score
Portfolio	2.9
Benchmark	3.1
CTB BM	3.4

Brunel Pension Partnership

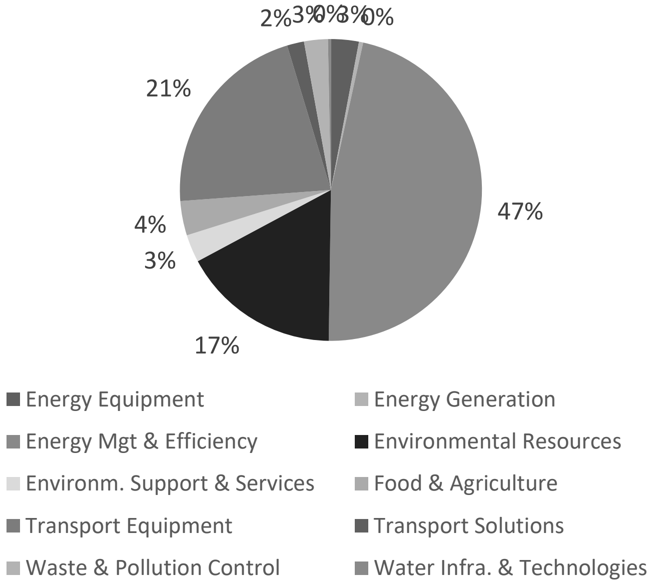
Green Revenues and TPI Management Quality Portfolio Profile

03/04/2023

Green Revenues - Segment breakdown

GR portfolio breakdown by GRCS sector

% of GR in tier 1/2 revenues: split by sector



Data

% of GR in tier 1/2 revenues: split by sector

Sector	WA contrib.	GR breakdown
Energy Equipment	0.3%	3.0%
Energy Generation	0.0%	0.5%
Energy Mgt & Efficiency	4.0%	46.8%
Environmental Resources	1.5%	16.9%
Environm. Support & Services	0.3%	3.0%
Food & Agriculture	0.3%	3.7%
Transport Equipment	1.8%	21.5%
Transport Solutions	0.2%	1.8%
Waste & Pollution Control	0.2%	2.5%
Water Infra. & Technologies	0.0%	0.3%
Total	**8.6%**	**100.0%**

Green Revenues - Top 10 portfolio contributors

Green revenues - Top portfolio contributors

Top 10 contributors to the weighted average

Rank	Company	Rebased Wt	Tier 1/2 %	WA Contrib.
1	MICROSOFT CORP	5.1%	26.6%	1.4%
2	STEEL DYNAMICS INC	1.4%	83.6%	1.1%
3	TAIWAN SEMICONDUCTOR MANUFACTURING CO L	1.6%	64.0%	1.0%
4	ALSTOM SA	0.8%	82.2%	0.7%
5	EATON CORP PLC	0.8%	58.2%	0.5%
6	AMAZON.COM INC	3.3%	14.3%	0.5%
7	TESLA INC	0.4%	100.0%	0.4%
8	LEGRAND SA	0.6%	69.8%	0.4%
9	CONTEMPORARY AMPEREX TECHNOLOGY CO LTD	0.3%	92.5%	0.3%
10	RELIANCE STEEL & ALUMINUM CO	1.4%	18.2%	0.3%

Note: based on portfolio rows (no further aggregation)

Brunel Pension Partnership

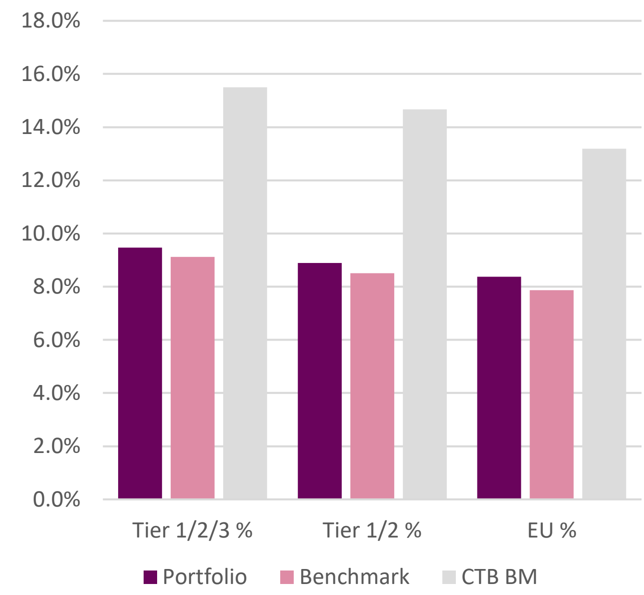
Green Revenues and TPI Management Quality Portfolio Profile

03/04/2023

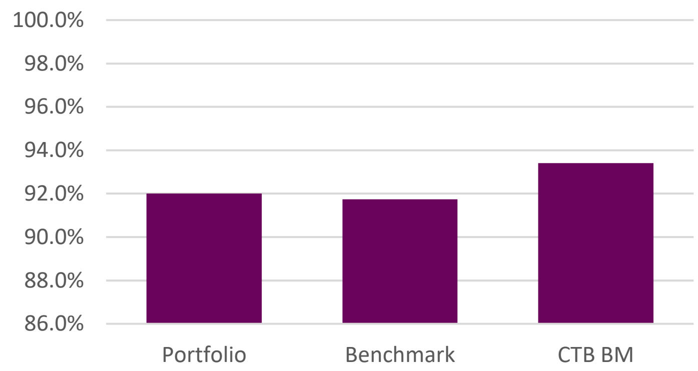
Portfolio name: Brunel Emerging Markets Portfolio
Index name: FTSE Emerging Index (ymbic) Incl-POL-KOR
CTB comparison: FTSE Emerging with Korea and Poland Climate Transition (CTB) Index (aweipkcc)
Date of holdings: 31/12/2022 (benchmarks as of 30/12)

Green Revenues

Weighted average of green revenues (GR)
% of GR in total revenues



Coverage rate
% of available data in weights

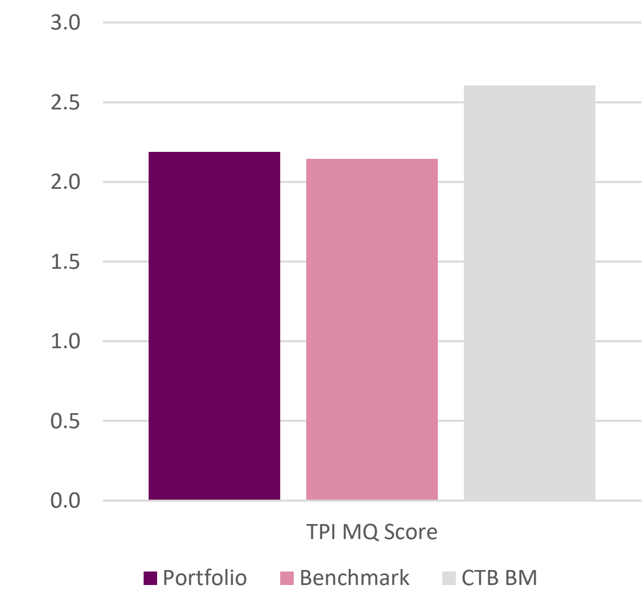


Data
% of GR in total revenues (2021)

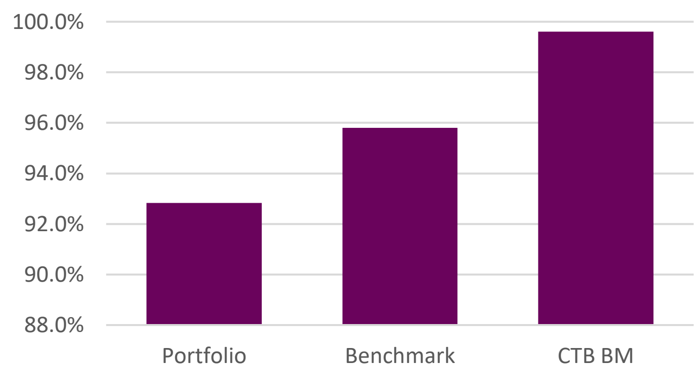
	Tier 1/2/3 %	Tier 1/2 %	EU %
Portfolio	9.5%	8.9%	8.4%
Benchmark	9.1%	8.5%	7.9%
CTB BM	15.5%	14.7%	13.2%

TPI Management Quality

Weighted average of TPI MQ scores
0-5 scores



Coverage rate
% of available data in weights



Data
0-5 scores (latest data available between 2020-2022)

	TPI MQ Score
Portfolio	2.2
Benchmark	2.1
CTB BM	2.6

Brunel Pension Partnership

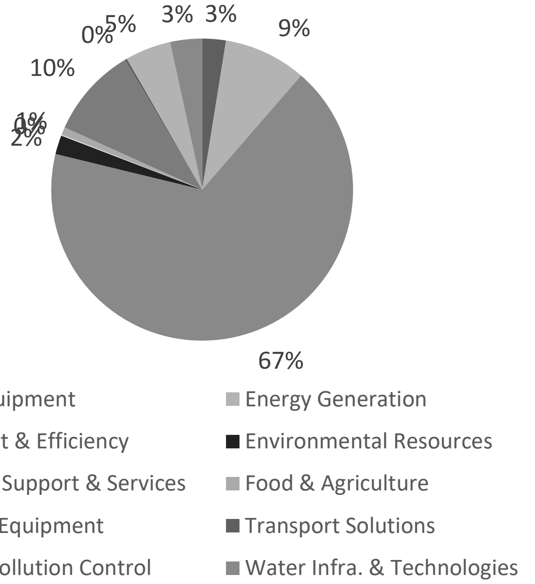
Green Revenues and TPI Management Quality Portfolio Profile

03/04/2023

Green Revenues - Segment breakdown

GR portfolio breakdown by GRCS sector

% of GR in tier 1/2 revenues: split by sector



Data

% of GR in tier 1/2 revenues: split by sector

Sector	WA contrib.	GR breakdown
Energy Equipment	0.2%	2.5%
Energy Generation	0.8%	8.8%
Energy Mgt & Efficiency	6.0%	67.4%
Environmental Resources	0.2%	2.0%
Environm. Support & Services	0.0%	0.1%
Food & Agriculture	0.1%	0.8%
Transport Equipment	0.9%	9.7%
Transport Solutions	0.0%	0.2%
Waste & Pollution Control	0.4%	4.9%
Water Infra. & Technologies	0.3%	3.4%
Total	**8.9%**	**100.0%**

Green Revenues - Top 10 portfolio contributors

Green revenues - Top portfolio contributors

Top 10 contributors to the weighted average

Rank	Company	Rebased Wt	Tier 1/2 %	WA Contrib.
1	TAIWAN SEMICONDUCTOR MANUFACTURING CO L	7.3%	64.0%	4.7%
2	CONTEMPORARY AMPEREX TECHNOLOGY CO LTD	0.9%	92.5%	0.8%
3	CHINA LONGYUAN POWER GROUP CORP LTD	0.8%	66.2%	0.5%
4	ENN ENERGY HOLDINGS LTD	0.8%	48.5%	0.4%
5	E INK HOLDINGS INC	0.3%	100.0%	0.3%
6	CIA DE SANEAMENTO BASICO DO ESTADO DE SAO	0.3%	88.4%	0.3%
7	SK HYNIX INC	0.7%	32.0%	0.2%
8	GUANGZHOU TINCI MATERIALS TECHNOLOGY CO L	0.2%	87.8%	0.2%
9	YUNNAN ENERGY NEW MATERIAL CO LTD	0.2%	72.3%	0.1%
10	CHINA YANGTZE POWER CO LTD	0.1%	88.6%	0.1%

Note: based on portfolio rows (no further aggregation)

Brunel Pension Partnership

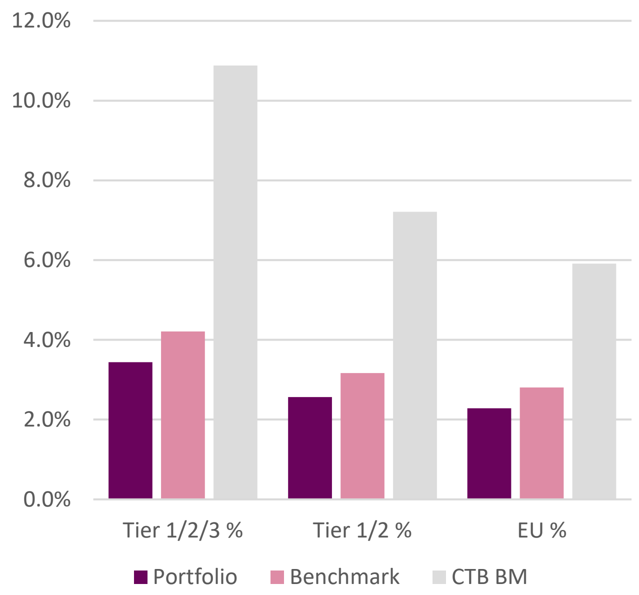
Green Revenues and TPI Management Quality Portfolio Profile

03/04/2023

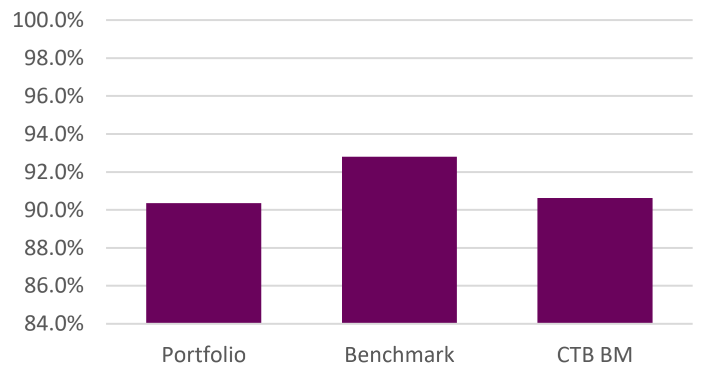
Portfolio name: Brunel UK Active Portfolio
Index name: FTSE All Share (alla) Ex-CEI
CTB comparison: FTSE All-Share Climate Transition (CTB) Index (asxectbc)
Date of holdings: 31/12/2022 (benchmarks as of 30/12)

Green Revenues

Weighted average of green revenues (GR)
% of GR in total revenues



Coverage rate
% of available data in weights

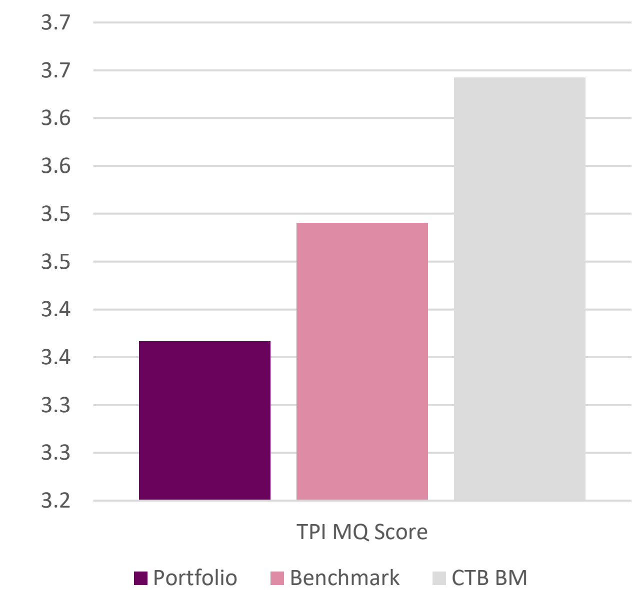


Data
% of GR in total revenues (2021)

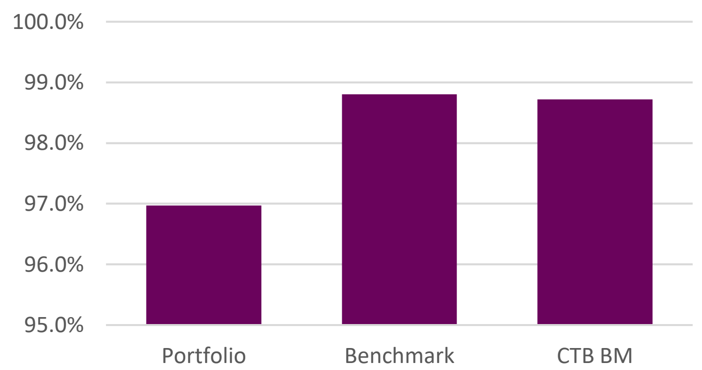
	Tier 1/2/3 %	Tier 1/2 %	EU %
Portfolio	3.4%	2.6%	2.3%
Benchmark	4.2%	3.2%	2.8%
CTB BM	10.9%	7.2%	5.9%

TPI Management Quality

Weighted average of TPI MQ scores
0-5 scores



Coverage rate
% of available data in weights



Data
0-5 scores (latest data available between 2020-2022)

	TPI MQ Score
Portfolio	3.4
Benchmark	3.5
CTB BM	3.6

Brunel Pension Partnership

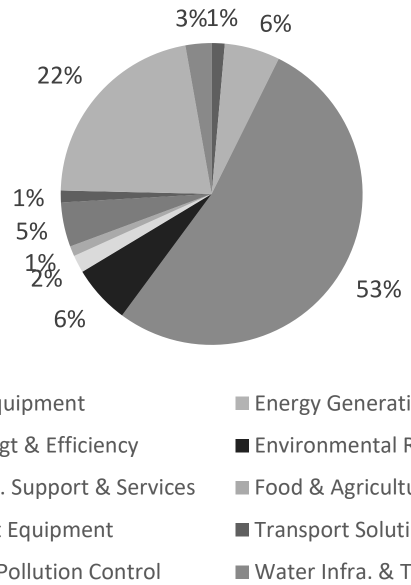
Green Revenues and TPI Management Quality Portfolio Profile

03/04/2023

Green Revenues - Segment breakdown

GR portfolio breakdown by GRCS sector

% of GR in tier 1/2 revenues: split by sector



Data

% of GR in tier 1/2 revenues: split by sector

Sector	WA contrib.	GR breakdown
Energy Equipment	0.0%	1.4%
Energy Generation	0.2%	5.9%
Energy Mgt & Efficiency	1.4%	52.8%
Environmental Resources	0.2%	6.3%
Environm. Support & Services	0.0%	1.9%
Food & Agriculture	0.0%	1.1%
Transport Equipment	0.1%	4.8%
Transport Solutions	0.0%	1.3%
Waste & Pollution Control	0.6%	21.8%
Water Infra. & Technologies	0.1%	2.8%
Total	**2.6%**	**100.0%**

Green Revenues - Top 10 portfolio contributors

Green revenues - Top portfolio contributors

Top 10 contributors to the weighted average

Rank	Company	Rebased Wt	Tier 1/2 %	WA Contrib.
1	PERSIMMON PLC	0.9%	95.5%	0.9%
2	VOLUTION GROUP PLC	0.5%	62.1%	0.3%
3	DS SMITH PLC	0.5%	55.0%	0.3%
4	SHELL PLC	4.2%	4.0%	0.2%
5	DRAX GROUP PLC	0.3%	51.0%	0.2%
6	VICTREX PLC	0.4%	29.8%	0.1%
7	HALMA PLC	0.4%	20.0%	0.1%
8	GLENCORE PLC	3.6%	2.1%	0.1%
9	JOHNSON MATTHEY PLC	0.4%	18.5%	0.1%
10	BALFOUR BEATTY PLC	0.2%	25.1%	0.1%

Note: based on portfolio rows (no further aggregation)

Brunel Pension Partnership

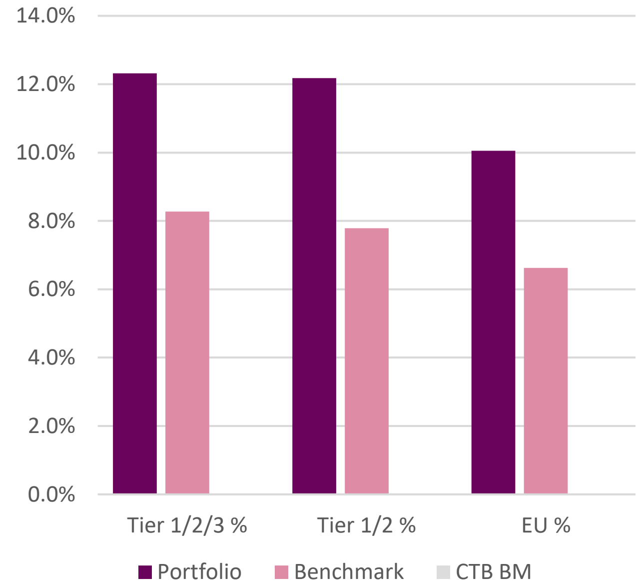
Green Revenues and TPI Management Quality Portfolio Profile

03/04/2023

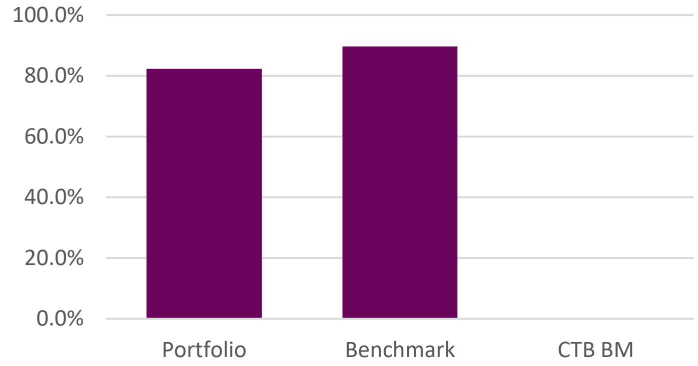
Portfolio name: Brunel Smaller Companies
Index name: FTSE Developed All-Cap (ylgzc) Small cap Ex-POL-KOR
CTB comparison:
Date of holdings: 31/12/2022 (benchmarks as of 30/12)

Green Revenues

Weighted average of green revenues (GR)
% of GR in total revenues



Coverage rate
% of available data in weights

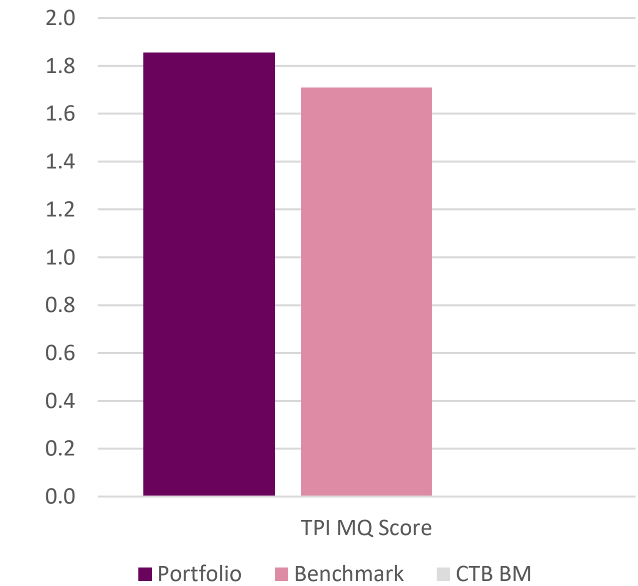


Data
% of GR in total revenues (2021)

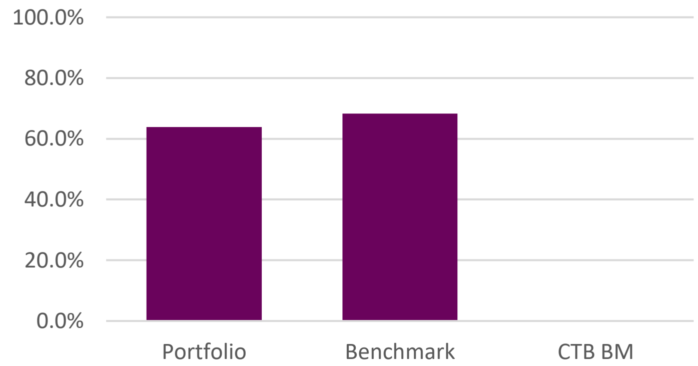
	Tier 1/2/3 %	Tier 1/2 %	EU %
Portfolio	12.3%	12.2%	10.1%
Benchmark	8.3%	7.8%	6.6%
CTB BM	na	na	na

TPI Management Quality

Weighted average of TPI MQ scores
0-5 scores



Coverage rate
% of available data in weights



Data
0-5 scores (latest data available between 2020-2022)

	TPI MQ Score
Portfolio	1.9
Benchmark	1.7
CTB BM	na

Brunel Pension Partnership

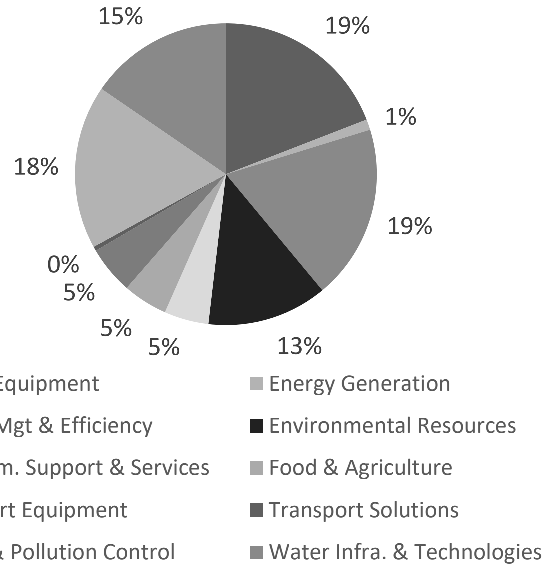
Green Revenues and TPI Management Quality Portfolio Profile

03/04/2023

Green Revenues - Segment breakdown

GR portfolio breakdown by GRCS sector

% of GR in tier 1/2 revenues: split by sector



Data

% of GR in tier 1/2 revenues: split by sector

Sector	WA contrib.	GR breakdown
Energy Equipment	2.3%	19.1%
Energy Generation	0.1%	1.1%
Energy Mgt & Efficiency	2.3%	18.7%
Environmental Resources	1.6%	12.9%
Environm. Support & Services	0.6%	4.8%
Food & Agriculture	0.6%	4.8%
Transport Equipment	0.6%	5.1%
Transport Solutions	0.1%	0.5%
Waste & Pollution Control	2.1%	17.6%
Water Infra. & Technologies	1.9%	15.4%
Total	**12.2%**	**100.0%**

Green Revenues - Top 10 portfolio contributors

Green revenues - Top portfolio contributors

Top 10 contributors to the weighted average

Rank	Company	Rebased Wt	Tier 1/2 %	WA Contrib.
1	BEFESA SA	1.2%	100.0%	1.2%
2	SOLAREDGE TECHNOLOGIES INC	1.2%	95.5%	1.2%
3	FIRST SOLAR INC	1.1%	100.0%	1.1%
4	ENERSYS	1.0%	86.0%	0.9%
5	TREX CO INC	1.0%	87.3%	0.8%
6	CLEAN HARBORS INC	0.7%	96.9%	0.6%
7	WEST FRASER TIMBER CO LTD	0.6%	91.9%	0.5%
8	COMMERCIAL METALS CO	0.5%	84.3%	0.4%
9	MUELLER WATER PRODUCTS INC	0.8%	55.0%	0.4%
10	EVOQUA WATER TECHNOLOGIES CORP	0.5%	89.6%	0.4%

Note: based on portfolio rows (no further aggregation)

Brunel Pension Partnership

Green Revenues and TPI Management Quality Portfolio Profile

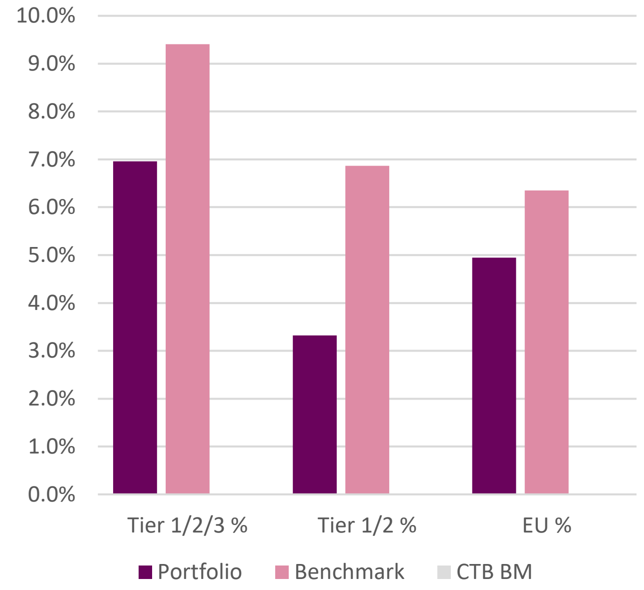
03/04/2023

Portfolio name:	Brunel Sterling Corporate Bond Fund
Index name:	WorldBIG Corporate Index - GBP
CTB comparison:	
Date of holdings:	31/12/2022 (benchmarks as of 30/12)

Green Revenues

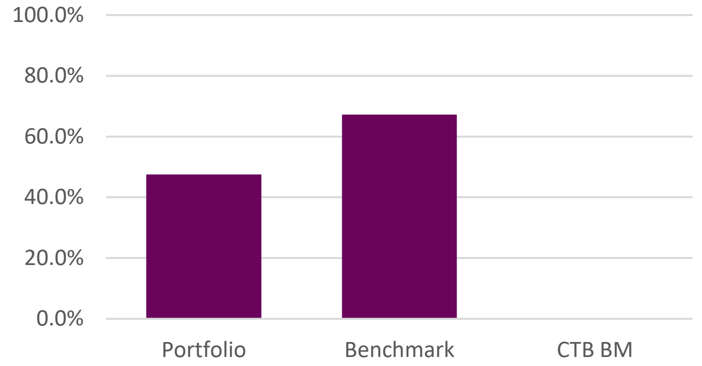
Weighted average of green revenues (GR)

% of GR in total revenues



Coverage rate

% of available data in weights



Data

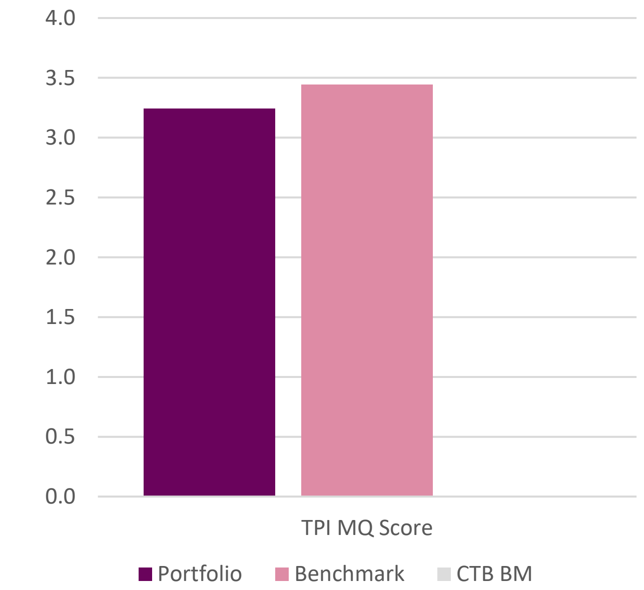
% of GR in total revenues (2021)

	Tier 1/2/3 %	Tier 1/2 %	EU %
Portfolio	7.0%	3.3%	4.9%
Benchmark	9.4%	6.9%	6.3%
CTB BM	na	na	na

TPI Management Quality

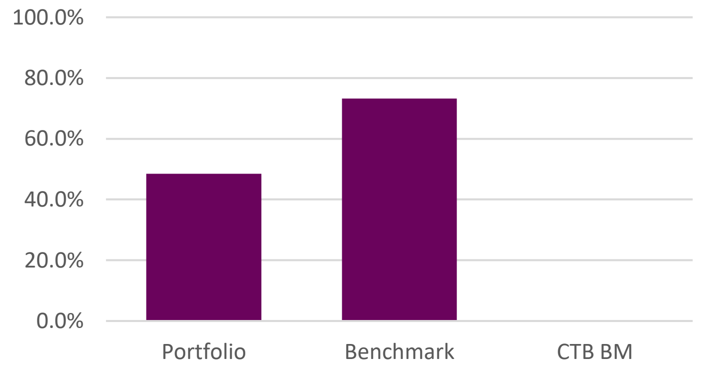
Weighted average of TPI MQ scores

0-5 scores



Coverage rate

% of available data in weights



Data

0-5 scores (latest data available between 2020-2022)

	TPI MQ Score
Portfolio	3.2
Benchmark	3.4
CTB BM	na

Brunel Pension Partnership

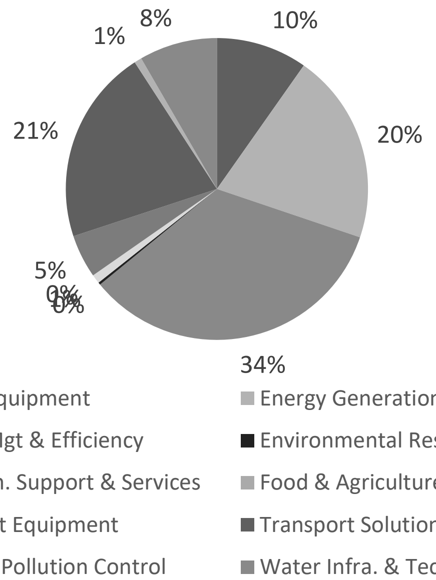
Green Revenues and TPI Management Quality Portfolio Profile

03/04/2023

Green Revenues - Segment breakdown

GR portfolio breakdown by GRCS sector

% of GR in tier 1/2 revenues: split by sector



Data

% of GR in tier 1/2 revenues: split by sector

Sector	WA contrib.	GR breakdown
Energy Equipment	0.3%	9.8%
Energy Generation	0.7%	20.4%
Energy Mgt & Efficiency	1.1%	33.9%
Environmental Resources	0.0%	0.3%
Environm. Support & Services	0.0%	1.0%
Food & Agriculture	0.0%	0.0%
Transport Equipment	0.2%	4.6%
Transport Solutions	0.7%	20.9%
Waste & Pollution Control	0.0%	0.8%
Water Infra. & Technologies	0.3%	8.4%
Total	**3.3%**	**100.0%**

Green Revenues - Top 10 portfolio contributors

Green revenues - Top portfolio contributors

Top 10 contributors to the weighted average

Rank	Company	Rebased Wt	Tier 1/2 %	WA Contrib.
1	GO-AHEAD GROUP PLC	0.8%	73.2%	0.6%
2	BRITLD-BEARER BD	1.2%	28.2%	0.4%
3	ORSTED A/S	0.5%	60.1%	0.3%
4	CONNECT M77/GSO PLC	0.8%	25.1%	0.2%
5	BRITISH LAND INT'L	0.6%	28.2%	0.2%
6	E.ON INTL FINANCE BV	0.6%	27.7%	0.2%
7	ELECTRICITE DE FRANCE SA	1.5%	10.2%	0.2%
8	GENERAL ELECTRIC CO	0.7%	21.8%	0.2%
9	SOUTH WEST WATER FIN PLC	0.2%	73.9%	0.1%
10	ELECTRICITE DE FRANCE SA	1.2%	10.2%	0.1%

Note: based on portfolio rows (no further aggregation)

Brunel Pension Partnership

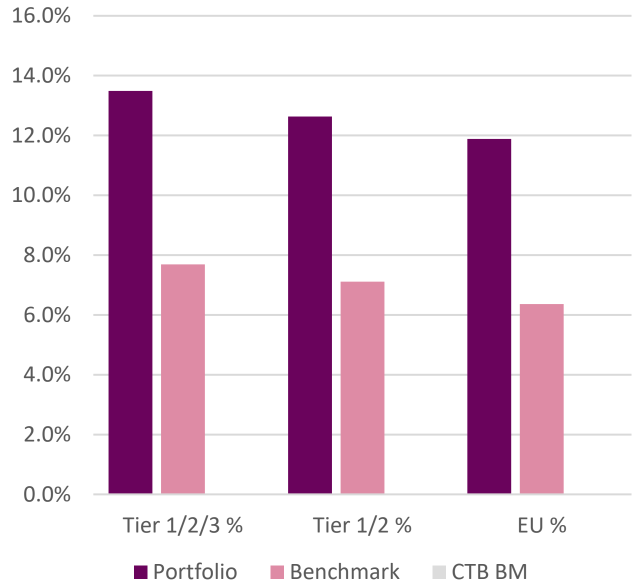
Green Revenues and TPI Management Quality Portfolio Profile

03/04/2023

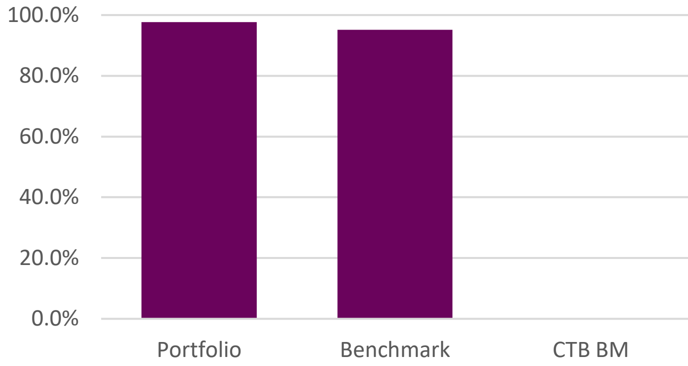
Portfolio name: Brunel - FTSE Climate Transition World Developed Equity Index Fund (OFC)
Index name: FTSE All World Developed (awdc)
CTB comparison:
Date of holdings: 31/12/2022 (benchmarks as of 30/12)

Green Revenues

Weighted average of green revenues (GR)
% of GR in total revenues



Coverage rate
% of available data in weights

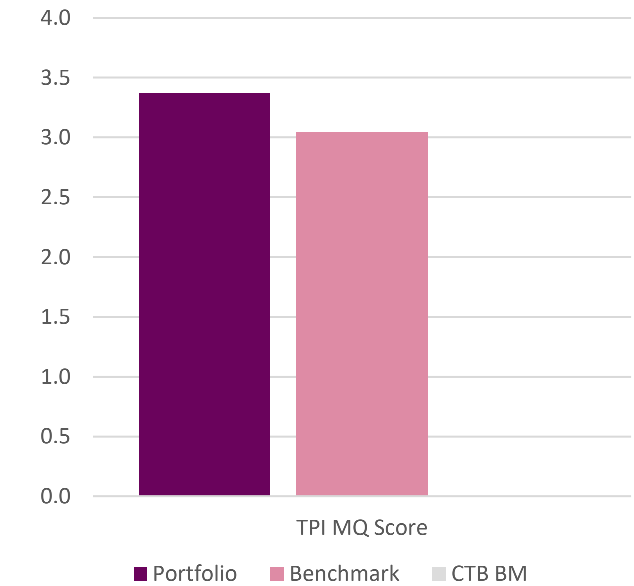


Data
% of GR in total revenues (2021)

	Tier 1/2/3 %	Tier 1/2 %	EU %
Portfolio	13.5%	12.6%	11.9%
Benchmark	7.7%	7.1%	6.4%
CTB BM	na	na	na

TPI Management Quality

Weighted average of TPI MQ scores
0-5 scores



Coverage rate
% of available data in weights

Data
0-5 scores (latest data available between 2020-2022)

	TPI MQ Score
Portfolio	3.4
Benchmark	3.0
CTB BM	na

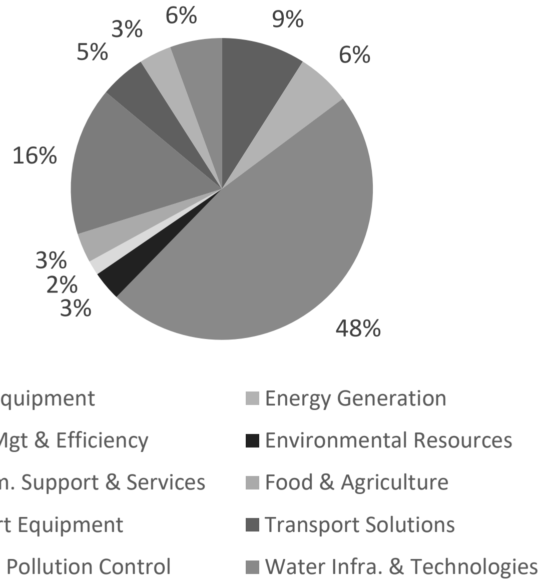
Brunel Pension Partnership

Green Revenues and TPI Management Quality Portfolio Profile

03/04/2023

Green Revenues - Segment breakdown

GR portfolio breakdown by GRCS sector
% of GR in tier 1/2 revenues: split by sector



Data
% of GR in tier 1/2 revenues: split by sector

Sector	WA contrib.	GR breakdown
Energy Equipment	1.1%	9.0%
Energy Generation	0.7%	5.8%
Energy Mgt & Efficiency	6.0%	47.5%
Environmental Resources	0.4%	3.1%
Environm. Support & Services	0.2%	1.6%
Food & Agriculture	0.4%	3.2%
Transport Equipment	2.0%	15.9%
Transport Solutions	0.6%	4.9%
Waste & Pollution Control	0.4%	3.5%
Water Infra. & Technologies	0.7%	5.6%
Total	**12.6%**	**100.0%**

Green Revenues - Top 10 portfolio contributors

Green revenues - Top portfolio contributors
Top 10 contributors to the weighted average

Rank	Company	Rebased Wt	Tier 1/2 %	WA Contrib.
1	MICROSOFT CORP	4.9%	26.6%	1.3%
2	TESLA INC	1.0%	100.0%	1.0%
3	SCHNEIDER ELECTRIC SE	1.4%	67.3%	1.0%
4	AMAZON.COM INC	3.0%	14.3%	0.4%
5	INTERNATIONAL BUSINESS MACHINES CORP	1.1%	33.4%	0.4%
6	VESTAS WIND SYSTEMS A/S	0.3%	100.0%	0.3%
7	TOKYO ELECTRON LTD	0.3%	91.2%	0.3%
8	AMERICAN WATER WORKS CO INC	0.3%	97.0%	0.3%
9	SAP SE	1.0%	24.8%	0.2%
10	EATON CORP PLC	0.4%	58.2%	0.2%

Note: based on portfolio rows (no further aggregation)

Green Revenues definitions

The Green Revenues methodology distinguishes between 3 tiers based on the following characteristics.

Impact in tiers

Tier 1	Tier 2	Tier 3
Clear & significant	**Net positive**	**Limited**
Micro sector examples — Solar — Recyclable products & Materials — Waste management	**Micro sector examples** — Flood control — Cloud computing — Smart city design & Engineering	**Micro sector examples** — Nuclear — Bio fuels — Key raw materials and minerals

Tier 1 micro sectors*

Advanced & Light Materials (General)
Advanced Irrigation Systems & Devices (General)
Advanced Vehicle Batteries
Air Decontamination Services & Devices
Aquaculture (Sustainable)
Bike Sharing
Bikes and Bicycles
Buildings & Property (Integrated) (General)
Bus and Coach Manufacturers
Carbon Capture & Storage
Clean Fossil Fuels
Cogeneration (Biomass)
Cogeneration (Renewable)
Decontamination Services & Devices (General)
Desalination (General)
Efficient IT
Electrified Railways
Electrified Road Vehicles & Devices (inc Hydrogen powered)
Energy Use Reduction Devices
Food Safety, Efficient Processing & Sustainable Packaging (no single use plastic)
Geothermal
Hazardous Waste Management
Industrial Pollution Reduction
Industrial Processes (General)
Land & Soil Decontamination Services & Devices
Land Erosion (General)
Lighting (General)
Logistics (General)
Machinery
Meat & Dairy Alternatives
Meteorological Solutions (General)
Ocean & Tidal (General)
Organic & Low-Impact Farming
Organic Waste Process
Particles & Emission Reduction Devices (General)
Power Storage (Battery)
Power Storage (General)
Power Storage (Pumped Hydro)
Railway (Infrastructure)
Recyclable & Reusable Products
Recyclable Materials
Recyclable Products & Materials (General)
Recycling Equipment (General)
Recycling Services (General)
Road Vehicles (General)
Sea & Water Decontamination Services & Devices
Small Hydro
Smart & Efficient Grids (General)
Solar (General)
Trains (Electric / Magnetic)
Transport Pollution Reduction
Waste to Energy (General)
Water Infrastructure (General)
Water Treatment Equipment
Wind (General)

** Based on the most usual classification. There can be exceptions to the above tier definitions as the exact categorisation of green revenues by tier is based on the combination of micro sectors with sector and subsector categories.*

Tier 2 micro sectors*

Aviation (General)
Bio Gas
Bio Mass (Waste)
Car Clubs
Carbon Credits trading
Cleaner Power (General)
Cloud Computing
Cogeneration (Gas)
Cogeneration (General)
Cogeneration Equipment (General)
Controls (General)
Energy Management Logistics & Support (General)
Environmental Consultancies (General)
Environmental Testing & Gas Sensing (General)
Finance & Investment (General)
Flood Control (General)
Fuel Cells
General Railways
General Waste Management
Hydro (General)
IT Processes (General)
Large Hydro
Natural Disaster Response (General)
Non GM Advanced Seeds
Railways (General)
Railways Operator (General)
Ride Hailing
Shipping (General)
Smart City Design & Engineering (General)
Sustainable Forestry
Sustainable Investment Funds
Sustainable Palm Oil
Sustainable Planations (General)
Sustainable Property Operator (General)
Trains (General)
Video Conferencing (General)
Waste Management (General)
Water Treatment (General)
Water Treatment Chemicals
Water Utilities (General)

Tier 3 micro sectors*

Agriculture (General)
Aquaculture (Conventional)
Aquaculture (General)
Bio Fuel (1st & 2nd Generation)
Bio Fuel (3rd Generation)
Bio Fuels (General)
Bio Mass (grown)
Bus and Coach operators
Cobalt
Food Safety, Efficient Processing & Sustainable Packaging (General)
Food Safety, Efficient Processing & Sustainable Packaging (with single use plastic)
GM Agriculture
Key Raw Minerals & Metals (General)
Lithium
Nuclear (General)
Platinum & Platinum-Group Metals (PGM)
Rare Earths
Uranium

Somerset
Carbon Metrics Report

SOMERSET County Council

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Somerset Carbon Metrics Report

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