OXFORDSHIRE
COUNTY COUNCIL

To: Members of the Pension Fund Committee

Notice of a Meeting of the Pension Fund Committee

Friday, 7 March 2025 at 10.15 am

Please Note – There will be a pre-committee training on the Valuation delivered by Hymans Robertson immediately preceding the Committee Meeting, starting at 9.30am

Room 2&3 - County Hall, New Road, Oxford OX1 1ND

If you wish to view proceedings online, please click on this Live Stream Link.
However, that will not allow you to participate in the meeting.

Martin Reeves
Chief Executive

February 2025

Committee Officer: ***Democratic Services***
committeesdemocraticservices@oxfordshire.gov.uk

Membership

Chair – Councillor Donna Ford
Deputy Chair - Councillor Michael O'Connor

County Councillors

Imade Edosomwan
Nick Field-Johnson
John Howson
Peter Stevens
Ian Middleton

Scheme Members

Mr Steve Moran – Non-voting Scheme Member Representative
Mr Alistair Fitt – Non-voting Member of Oxford Brookes University
Cllr Jo Robb – Non-voting Member of District Councils

Notes:

- ***Date of next meeting: 6 June 2025***

AGENDA

1. Apologies for Absence and Temporary Appointments

2. Declarations of Interest - see guidance note

3. Petitions and Public Address

Members of the public who wish to speak at this meeting can attend the meeting in person or 'virtually' through an online connection. To facilitate 'hybrid' meetings we ask that requests to speak are submitted by no later than 9.00 a.m. four working days before the meeting: 9.00 a.m. on Monday 3 March 2025.
Requests to speak should be sent to Committeesdemocraticservices@Oxfordshire.gov.uk If you are speaking 'virtually', you may submit a written statement of your presentation to ensure that if the technology fails, then your views can still be taken into account. A written copy of your statement can be provided no later than 9.00 a.m. 2 working days before the meeting: 9.00 a.m. 05 March 2025. Written submissions should be no longer than 1 A4 sheet.

4. Minutes of the Pension Fund Committee (Pages 1 - 10)

To approve the minutes of the meeting held on 13 December 2024 (**PF3**) and to receive information arising from them.

5. Minutes of the Local Pension Board (Pages 11 - 18)

10:20

A copy of the unconfirmed Minutes of the Local Pension Board, which met on 24 January 2025 is attached for information only.

6. Report of the Local Pension Board (Pages 19 - 20)

10:25

The report sets out the items the Local Pension Board wishes to draw to the attention of this Committee following their last meeting on 24 January 2025.

The Committee is RECOMMENDED to note the comments of the Board as set

out below.

7. Annual Business Plan 2025/26 (Pages 21 - 48)

10.30

This report proposes a Business Plan, Budget and Training Plan for the forthcoming financial year. The report also includes a review against the key priorities set out in the Annual Business Plan for 2024/25.

The Committee is RECOMMENDED to:

i) **Note the progress against the service priorities for 2024/25; and**
ii) **Approve the Business Plan, Budget, Training Plan and Cash Management Strategy for 2025/26**

8. Risk Register Report (Pages 49 - 58)

10.45

This report will present the latest position on the Fund's risk register, including any new risks identified since the report to the last meeting.

The Committee is RECOMMENDED to note the latest risk register and accept that the risk register covers all key risks to the achievement of their statutory responsibilities, and that the mitigation plans, where required, are appropriate.

9. Governance and Communications Report including Cyber Security Review (Pages 59 - 68)

11.00

This report covers the key governance and communication issues for the Fund, including a report on any breaches of regulation in the last quarter. The report also covers the recent Cyber Security review undertaken by the Fund.

The Committee is RECOMMENDED to:

i) **Note the Fund's update on the Pension Regulator's General Code of Practice.**
ii) **Note the Fund's annual review of Cyber Security.**
iii) **Note the latest quarter's breaches for the fund.**
iv) **Note the communications update**

10. Administration Report (Pages 69 - 86)

11.10

This report updates the Committee on the key administration issues including service performance measurement, the debt recovery process and any write offs agreed in the last quarter.

The Committee is RECOMMENDED to note the decision made on the Fire Remedy project by the delegated Manager on behalf of the Pension Fund Committee.

11. Report of the Independent Financial Adviser (Pages 87 - 158)

11:25

This report will cover an overview of the financial markets, the overall performance of the Fund's investments against the Investment Strategy Statement and commentary on any issues related to the specific investment portfolios. The report includes the quarterly investment performance monitoring report from Brunel.

12. Corporate Governance and Socially Responsible Investment (Pages 159 - 164)

11:40

This item provides the opportunity to raise any issues concerning Corporate Governance and Responsible Investment which need to be brought to the attention of the Committee.

Councillors declaring interests

General duty
You must declare any disclosable pecuniary interests when the meeting reaches the item on the agenda headed 'Declarations of Interest' or as soon as it becomes apparent to you.

What is a disclosable pecuniary interest?
Disclosable pecuniary interests relate to your employment; sponsorship (i.e. payment for expenses incurred by you in carrying out your duties as a councillor or towards your election expenses); contracts; land in the Council's area; licenses for land in the Council's area; corporate tenancies; and securities. These declarations must be recorded in each councillor's Register of Interests which is publicly available on the Council's website.

Disclosable pecuniary interests that must be declared are not only those of the member her or himself but also those member's spouse, civil partner or person they are living with as husband or wife or as if they were civil partners.

Declaring an interest
Where any matter disclosed in your Register of Interests is being considered at a meeting, you must declare that you have an interest. You should also disclose the nature as well as the existence of the interest. If you have a disclosable pecuniary interest, after having declared it at the meeting you must not participate in discussion or voting on the item and must withdraw from the meeting whilst the matter is discussed.

Members' Code of Conduct and public perception
Even if you do not have a disclosable pecuniary interest in a matter, the Members' Code of Conduct says that a member 'must serve only the public interest and must never improperly confer an advantage or disadvantage on any person including yourself' and that 'you must not place yourself in situations where your honesty and integrity may be questioned'.

Members Code – Other registrable interests
Where a matter arises at a meeting which directly relates to the financial interest or wellbeing of one of your other registerable interests then you must declare an interest. You must not participate in discussion or voting on the item and you must withdraw from the meeting whilst the matter is discussed.

Wellbeing can be described as a condition of contentedness, healthiness and happiness; anything that could be said to affect a person's quality of life, either positively or negatively, is likely to affect their wellbeing.
Other registrable interests include:

a) Any unpaid directorships

b) Any body of which you are a member or are in a position of general control or management and to which you are nominated or appointed by your authority.
c) Any body (i) exercising functions of a public nature (ii) directed to charitable purposes or (iii) one of whose principal purposes includes the influence of public opinion or policy (including any political party or trade union) of which you are a member or in a position of general control or management.

Members Code – Non-registrable interests

Where a matter arises at a meeting which directly relates to your financial interest or wellbeing (and does not fall under disclosable pecuniary interests), or the financial interest or wellbeing of a relative or close associate, you must declare the interest.

Where a matter arises at a meeting which affects your own financial interest or wellbeing, a financial interest or wellbeing of a relative or close associate or a financial interest or wellbeing of a body included under other registrable interests, then you must declare the interest.

In order to determine whether you can remain in the meeting after disclosing your interest the following test should be applied:
Where a matter affects the financial interest or well-being:

a) to a greater extent than it affects the financial interests of the majority of inhabitants of the ward affected by the decision and;
b) a reasonable member of the public knowing all the facts would believe that it would affect your view of the wider public interest.

You may speak on the matter only if members of the public are also allowed to speak at the meeting. Otherwise you must not take part in any discussion or vote on the matter and must not remain in the room unless you have been granted a dispensation.

PENSION FUND COMMITTEE

MINUTES of the meeting held on Friday, 13 December 2024 commencing at 10.30 am and finishing at 1.00 pm

Present:

Voting Members:	Councillor Donna Ford – in the Chair Councillor Michael O'Connor (Deputy Chair) Councillor Imade Edosomwan Councillor Nick Field-Johnson Councillor John Howson Councillor Peter Stevens Councillor Ian Middleton
Non-Voting Members:	District Councillor Jo Robb, District Councils (non-voting) Alistair Fitt, Oxford Brookes University (non-voting) Steve Moran, Pension Scheme Member (non-voting)
By Invitation:	Anita Bhatia, Independent Financial Advisor Simon Ward, Brunel Partnership Bethan Jones, Brunel Partnership Tim Dickson, Brunel Partnership
Local Pension Board Members:	Alistair Bastin
Officers:	Lorna Baxter (Executive Director for Resources and Section 151 Officer), Mark Smith (Pension Service Manager), Vicki Green (Pension Services Administration Manager), Mukhtar Master (Governance & Communications Manager), Greg Ley (Pension Fund Investment Manager), Josh Brewer (Responsible Investment Manager), Anna Lloyd (Governance & Communications Officer), Lucy Brown (Senior Democratic Services Officer)

The Committee considered the matters, reports and recommendations contained or referred to in the agenda for the meeting and decided as set out below. Except as insofar as otherwise specified, the reasons for the decisions are contained in the agenda and reports [agenda, reports and schedule/additional documents], copies of which are attached to the signed Minutes.

121/24 APOLOGIES FOR ABSENCE AND TEMPORARY APPOINTMENTS
(Agenda No. 1)

Apologies were received from Angela Priestley-Gibbons and Liz Hayden, Local Pension Board Members.

122/24 DECLARATIONS OF INTEREST - SEE GUIDANCE NOTE
(Agenda No. 2)

Anita Bhatia, Independent Financial Adviser advised the Committee that, in the interests of transparency, she wished to declare she was a Board Member for a Housing company discussed later on the agenda.

123/24 PETITIONS AND PUBLIC ADDRESS
(Agenda No. 3)

Councillor Michael O'Connor arrived at the meeting.

Peter Wallis and Kate Robinson, OCC Employer-Led Climate Action Group addressed the meeting, a copy of which is attached to these minutes.

Dr Spragg addressed the meeting on Item 13: Corporate Governance and Socially Responsible Investment. She noted that the Council had refrained from investing in companies involved in some of the dirtiest fossil fuels and looked forward to similar action in coal and gas in the future. She highlighted the continued environmental damage caused by the use of plastics and the connection between the use of plastic and fossil fuels.

124/24 MINUTES OF THE PENSION FUND COMMITTEE
(Agenda No. 4)

The minutes of the meeting held on 6 September 2024 were agreed as a correct record of the meeting.

125/24 MINUTES OF THE LOCAL PENSION BOARD
(Agenda No. 5)

The Committee **RESOLVED** to note the unconfirmed minutes of the Local Pension Board which had met on 18 October 2024.

126/24 REPORT OF THE LOCAL PENSION BOARD
(Agenda No. 6)

Alistair Bastin, Local Pension Board Member introduced the report which set out the items the Local Pension Board wished to draw to the attention of the Committee following their last meeting. He advised that the Board considered the reports presented to the previous Committee meeting, and introduced a new member, Janet Wheeler, as a new employer representative to the Board.

He highlighted the discussions regarding the Review of the Annual Business Plan and in particular the challenge of resourcing and noted that this continued to be a challenge across the LGPS nationally. The Board reviewed the timelines for the Strategic Asset Allocation, which would be discussed by the Committee today and included on the agenda for the next Board meeting in January. Concerns that were raised regarding the Risk Register Report were noted for the report to the Committee.

The Committee **RESOLVED** to note the report.

127/24 REVIEW OF THE ANNUAL BUSINESS PLAN 2024/25, INCLUDING THE 'LGPS (E&W): FIT FOR THE FUTURE' CONSULTATION

(Agenda No. 7)

Mark Smith, Pension Services Manager presented the report of the Executive Director of Resources and Section 151 Officer which reviewed progress against the key priorities set out in the Annual Business Plan for 2024/25. He advised that progress had been made against all measures in the Business Plan and that compliance with the General Code of Practice continued to make progress and at present, were on target to be fully compliant by the end of the 2024/25 scheme year. Hymans Robertson had been engaged to undertake a review and scrutinise the work completed by the Fund, and an update would come to the Committee mid-2025.

In response to a query from the Committee regarding the change in role between the Administering Authority and pool following the government consultation released after the Chancellor Mansion House speech on the 14 November 2024, Mark Smith advised there were a number of options, and these would be presented to the Committee for comment and feedback ahead of the 16 January 2025 deadline. The Committee requested that a meeting be convened to agree the consultation before it was submitted, and Mark Smith agreed that this could be convened in the New Year. (**ACTION**)

In response to a query from the Committee regarding the performance of Brunel and the emphasis on boosting local investment, Mark Smith advised that the government direction is primarily based on the Committee's oversight of the Fund, rather than the level of investment.

The Committee were RESOLVED to:

a) **Review progress against each of the key service priorities as set out in the report; and**
b) **Agree any further actions to be taken to address those areas not currently on target to deliver the required objectives.**

128/24 RISK REGISTER

(Agenda No. 8)

Mukhtar Master, Governance and Communications Manager presented the report of the Executive Director of Resources and Section 151 Officer which presented the latest position on the Fund's risk register, including any new risks identified since the report to the last meeting. He advised the Committee of a new risk: Risk 24 – Impact of a potential turnover of Pension Fund Committee members as a result of the elections in May 2025 and assessed as an amber rating score 8. He also advised that Risk 13 – Insufficient Skills and Knowledge on the Committee had reduced from amber to green due to good results received by the Committee for the National Knowledge Assessment 2024 undertaken by Hymans.

The Committee were RESOLVED to note the latest risk register and accept that the risk register covers all key risks to the achievement of their statutory responsibilities, and that the mitigation plans, where required, were appropriate.

129/24 GOVERNANCE AND COMMUNICATIONS REPORT

(Agenda No. 9)

Mukhtar Master, Governance and Communications Manager presented the report of the Executive Director of Resources and Section 151 Officer which covered the key governance and communications issues for the Fund, including a report on any breaches of regulation in the last quarter. He provided an update on the progress made regarding the General Code of Practice and advised that the Fund was on track to meet the March 2025 deadline of having reviewed all the required modules for the General Code of Practice.

He updated the Committee on mandatory training requirements following discussion at the last Committee meeting, and the advised of the two changes as follows: Committee members and substitutes must complete the pension fund induction training prior to attendance of a pension fund committee meeting, and that all committee members must complete their mandatory training by 31 December in the year that they have become a committee member. These changes, if accepted by the Committee would be implemented as part of the Constitution agreed at Full Council in April.

In response to a query raised by the Committee regarding the implementation of an appointment of an independent adviser to the Committee, Mukhtar Master advised that this could be a voting member of the Committee and future details would be available when the results of the ‘Local Government Pension Scheme (England and Wales): Fit for the Future’ consultation had ended.

In response to a query raised by the Committee regarding the requirement for all Committee members to complete their mandatory training by 31 December in the year they have become a committee member, it was agreed that the wording should be amended to include that committee members should ‘normally’ complete their mandatory training by 31 December in the year they have become a committee member. The Committee were in agreement with this change and recommendation c) was updated and shown below in italics.

The Committee were RESOLVED to:

a) Note the Fund’s update on the Pension Regulator’s General Code of Practice.
b) Note the results of the Hymans LGPS National Knowledge Assessment 2024.
c) Agree changes to mandatory training requirements for Committee members *subject to the change of wording to include ‘normally’ complete their*

mandatory training by 31 December in the year they become a committee member.

d) Note the proposed government proposals for fund governance as part of the 'Local Government Pension Scheme (England and Wales): Fit for the future' consultation.
e) Note the latest quarter's breaches for the fund.
f) Note the communications update.

130/24 ADMINISTRATION REPORT

(Agenda No. 10)

Vicki Green, Pension Services Manager presented the report of the Executive Director of Resources and Section 151 Officer which updated the Committee on the key administrative issues including service performance measurement, the debt recovery process and any write offs agreed in the last quarter. She provided an update on the current level of staffing and recruitment and advised that three posts had been recruited to and steps were being taken to address those posts still outstanding which included greater use of technology and redistribution of tasks.

She advised the Committee that the data quality score reported to the Pension Regulator in the scheme was 95%, and the area for improvement was missing addresses, of which would be rectified when the new contract for an address tracing service was procured in conjunction with the Pension Dashboard project requirements.

In response to a query from the Committee regarding the level of risk associated with the McCloud project, Vicki Green advised that the number of non-OCC records had seen a slower progress, and for the risk to raise in level, greater progress would have to be made in this area which should be reported at the next Committee meeting.

The Committee expressed their thanks for all of the progress made.

The committee was RESOLVED to note:
a) the progress of the McCloud project.
b) the revised benefit administration statistics and to confirm the information required for this report.

131/24 POLICY REVIEWS

(Agenda No. 11)

Vicki Green, Pension Services Manager presented the report of the Executive Director of Resources and Section 151 Officer which updated changes to the following policies:

- Table of discretionary decisions
- Funding strategy statement
- Voluntary Scheme Pays Policy

In response to a query raised by the Committee regarding the amber discretion recorded in Annex 1, Vicki Green advised that this would be investigated and updated for the next Committee meeting.

The Committee noted that there were no changes to be made to any of the above policies and therefore these were agreed.

The Committee was RESOLVED to receive the report and note there were no changes to be made to the policies.

132/24 PENSION INVESTMENT REVIEW - A CALL FOR EVIDENCE

(Agenda No. 12)

Mark Smith, Pension Services Manager presented the report of the Executive Director of Resources and Section 151 Officer which provided a copy of the Fund's response to the recent call for evidence for noting. He advised the Committee that on 4 September 2024 HM Treasury, Department for Work and Pensions and the Ministry of Housing, Communities and Local Government issued a Call for Evidence from interested parties to inform the first phase of the Pensions Investment Review. Annex 1 provided a copy of the Administering Authorities response for reference.

The Committee was RESOLVED to:

a) Note the final version submitted to HM Treasury after feedback from Pension Fund Committee and the Executive Director for Resources & Section 151 Officer.

133/24 CORPORATE GOVERNANCE AND SOCIALLY RESPONSIBLE INVESTMENT

(Agenda No. 13)

Josh Brewer, Responsible Investment Officer presented the Local Authority Pension Fund Forum Quarterly Engagement Report for July – September 2024, which provided the opportunity to raise any issues concerning Corporate Governance and Responsible Investment to be brought to the attention of the Committee.

In response to a query raised by the Committee, Josh Brewer advised that both the Fund and Brunel do not utilise modelling described as 'dice' modelling as they do tend to underplay the effects of climate warming on investment fund performance.

Following an action regarding the progress made by list of companies provided in the report, Josh Brewer advised that information regarding companies of concern had been forwarded to all members of the Committee for information. He also provided an update on a report circulated to all Members regarding engagement activity carried out by the fund for companies of concern that had been highlighted in the LAPFF Q3 quarterly engagement report. An attached spreadsheet identified the level of engagement activity that had been carried out by the fund or Brunel on the issue in question, and it was noted that Brunel had continued a dialogue with Shell regarding those issues identified within the report.

It was agreed by the Committee that all future updates would be circulated with the agenda rather than sent separately by Officers.

Following further discussion, it was agreed that more information regarding the level and engagement of asset managers, and also identification of voting patterns of those asset managers could be brough to the next Pension Fund Committee Working Group. (**ACTION**)

The Committee noted the report.

Following this item, the Committee adjourned for a 10 minute break.

134/24 REPORT OF THE INDEPENDENT FINANCIAL ADVISER

(Agenda No. 14)

Anita Bhatia, Senior Advisor, as substitute for John Arthur, Independent Financial Advisor presented the report which provided an overview of the Fund's investments against the Investment Strategy Statement and commentary on any issues related to the specific investment portfolios. The report also included the quarterly investment performance monitoring report from Brunel.

She advised that from the report entitled 'Quarterly Investment Report – Q3 2024' it was noted that all asset classes continued to generate positive returns over the quarter, and the Fund was partially offset by the strength of Sterling which rose over 5% against the US Dollar and was strong against the Euro. However, it was highlighted that despite this high performance of the Sterling, the Fund had underperformed against it benchmark, and this was mainly due to under-performance of the underlying managers selected by Brunel and she welcomed the earlier questions from the Committee in addressing these issues.

The Committee expressed their frustration that despite requests, the report did not show how their own Fund had performed quarterly and yearly against the benchmark and requested this for future reports. The Committee also requested that another table be included in future reports which showed Brunel's performance against other asset classes. Anita Bhatia advised that this information could be shared independently before the next meeting and informed the Committee of other papers produced by Brunel and State Street which could be incorporated into these papers. (**ACTION**)

Anita Bhatia advised that the information provided within the report had been written for the Q3 of 2024, and therefore previously to the recent downturn of the Sterling against the US Dollar. The Committee also held a general discussion regarding the US Market in light of the new presidency and advised that a cautious approach might be advisable as a 'sticky' inflation was expected.

The Committee thanked the Independent Advisor for the report.

135/24 EXEMPT ITEMS

(Agenda No. 15)

The Committee RESOLVED that the public be excluded for the duration of Items16, 17 and 18 on the Agenda since it was likely that if they were present during those items there would be disclosure of exempt information as defined in Part 1 of

Schedule 12A of Page 10 the Local Government Act 1972 (as amended) and specified in relation to the respective items in the Agenda and since it was considered that, in all circumstances of each case, the public interest in maintaining the exemption outweighed the public interest in disclosing that information.

136/24 BRUNEL: MANAGER SELECTION AND LISTED MARKET REPORT

(Agenda No. 16)

The Committee received a report from the Executive Director of Resources and Section 151 Officer which provided oversight of the fiduciary duty in monitoring the performance of the Brunel Partnership and were joined by members of Brunel to discuss this item in private session.

The Committee requested Fund Officers investigate with the Independent Financial Advisor the ways performance of Brunel can be benchmarked against other pools. (**ACTION**)

The Committee requested pool Governance be discussed as part of the response to the recent Government consultation, a separate meeting is to be convened to discuss further. (**ACTION**)

The Committee were RESOLVED to:
a) Note the update from Brunel Pensions Partnership.
b) Agree if any actions are to be taken to address areas not currently meeting Committee expectations.

137/24 AFFORDABLE HOUSING INVESTMENT OPTIONS

(Agenda No. 17)

The Committee received a report from the Executive Director of Resources and Section 151 Officer which followed from an affordable housing training session prior to the September 2024 meeting and set out further details on the investment options for the Committee to consider.

The Committee discussed the paper in private session and that a full briefing should be organised prior to the next Committee meeting so that decisions could be taken at that meeting. Josh Brewer, Responsible Investment Officer agreed to organise an online briefing for the Committee. (**ACTION**)

The Committee was RESOLVED to:

a) Discuss the questions posed in paragraphs 12 and 19.

138/24 WORKFORCE STRATEGY

(Agenda No. 18)

The Committee received a report from the Executive Director of Resources and Section 151 Officer which set out the latest progress on development of the Workforce Strategy for Oxfordshire Pension Fund.

The Committee held a discussion in private session no actions were taken.

The Committee was RESOLVED to:

a) **Review progress on development of a Workforce Strategy for the Pension Fund.**

b) **Agree any further actions to be taken to support building an inclusive and sustainable workforce for the future.**

.... in the Chair

Date of signing ....

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LOCAL PENSION BOARD

MINUTES of the meeting held on Friday, 24 January 2025 commencing at 10.30 am and finishing at 11.57 am

Present:

Voting Members:	Matthew Trebilcock – in the Chair Susan Blunsden Alistair Bastin Stephen Davis Angela Priestley-Gibbins Janet Wheeler
Other Members in Attendance:	Councillor Donna Ford
By Invitation:	
Officers:	
Whole of meeting	Mark Smith (Head of Pension Services), Mukhtar Master (Governance and Communications Manager), Anna Lloyd (Governance and Communications Officer), Greg Ley (Pension Fund Investment Manager), Vicki Green (Pensions Service Manager) and Shilpa Manek (Interim Democratic Services Officer)

The Committee considered the matters, reports and recommendations contained or referred to in the agenda for the meeting.

1/24 WELCOME BY CHAIRMAN
(Agenda No. 1)

The Chairman welcomed all to the meeting. A warm welcome was also given to Councillor Ford.

2/24 APOLOGIES FOR ABSENCE
(Agenda No. 2)

Apologies had been received from Liz Hayden.

3/24 DECLARATIONS OF INTEREST - SEE GUIDANCE NOTE BELOW
(Agenda No. 3)

No declarations of interests were received.

4/24 MINUTES
(Agenda No. 4)

Resolved: that the minutes of the meeting on 18th October 2024 were a true and accurate record.

5/24 UNCONFIRMED MINUTES OF THE PENSION FUND COMMITTEE ON 13 DECEMBER 2024
(Agenda No. 5)

It was pointed out that there was an action that the Board had reviewed the timelines for the Strategic Asset Allocations, which would be on the agenda for the next Board meeting in January, however this was not on the agenda. Officers reported that they would look into this and report back.
ACTION: Officers to report back to Members on the action.

Resolved: that the unconfirmed minutes of the Pension Fund Committee on 13 December 2024 were noted.

6/24 REVIEW OF THE ANNUAL BUSINESS PLAN, INCLUDING THE 'LGPS (E&W): FIT FOR THE FUTURE' CONSULTATION
(Agenda No. 6)

The Head of Pension Funds presented the report to the Board. The main points were the review of the business plan and the recent government consultation. Progress had been made against all of the measures. The governance and communications report would include a section on the National Knowledge assessment. All Members were thanked as there had been 100% completion. At present the Fund remained on target to be fully compliant with the General Code by March 2025. It had been agreed to appoint Hyman's Robertson to undertake an independent review and scrutinise the work done by Fund Officers. A report would be provided later in the year.

A business planning meeting had taken place on 16 January and Fund Officers were reviewing the outcomes from that meeting and preparing a note for circulation and further comments. This would then be approved at the next Committee in March 2025.

The timelines for the McCloud project remained challenging but were on track. The resources within the Team had been flexed to assist with this work. These were regularly monitored to ensure that the statutory deadline of 31 August 2025 for the annual benefit statements. A modelling exercise had been completed for the initial valuation. Engagement had begun with the target employers, the councils and the university. The initial meeting had taken place with four of the seven largest employers. The progress was on track. Further details of progress and timescales would be provided in the Committee meeting. The actuary would attend the Committee meeting to provide training before and the timescale for discussion around the assumptions to take place in June 2025.

A meeting had taken place to discuss the Chancellors Mansion House speech and the Funds response to it. There was a consensus and that had been submitted.

There were a number of other consultations taking place.

The Fund Officers were currently working through the training plan with the outcomes of the National Knowledge Assessment. This would be on the March Committee agenda to formalise a training plan for the next 12 months.

Members made the following points:

- It had been noted that the largest item in the budget was the management fees. Members still wanted a breakdown of how much was on each individual asset class to assess if Value for Money was being achieved for the management fees paid. A breakdown of fees against each asset under management for each of the different Brunel portfolios that were held then the Value for Money could be clearly seen. Officers reported that a breakdown of management fees had been circulated but this would be further broken down by portfolio and circulated to the Board before the next meeting.
  ACTION: Officers to circulate breakdown of management fees by portfolio by the next meeting.

Resolved: that the Board reviewed the progress made against each of the key service priorities as set out in the report; and agreed any further actions to be taken to address those areas not currently on target to deliver the required objectives.

7/24 RISK REGISTER

(Agenda No. 7)

The Governance and Communications Manager presented the Risk Register report to the Board. The following key changes were highlighted since the last meeting:

- One new emerging risk had been added to the risk register. It had been recognised that there was a possibility that the whole Committee could change following the May 2025 elections. This had been given an amber rating score of 8.

- During the quarter, no risks had increased, and one had, Risk 13, reduced. No risks had been removed off the risk register.

Board Members asked if the election in May would be delayed and were informed that a response from government was awaited. A letter had been sent from Cabinet indicating that they would reluctantly support the delay till 2026.
ACTION: Circulate decision to the Board once known

An amendment to the new risk was suggested and agreed by the Board. The risk should read:

Impact of the potential turnover of Pension Fund Committee members as a result of elections.

ACTION: Wording of risk to be amended in the Risk Register.

Resolved: that the Board noted the latest risk register with the amendment suggested and accepted that the risk register covered all key risks to the achievement of their statutory responsibilities, and that the mitigation plans were required, where appropriate.

8/24 GOVERNANCE AND COMMUNICATIONS REPORT

(Agenda No. 8)

The Board received the report from the Governance and Communications Manager. The main points highlighted included:

- General Code of Practice work was continuing to ensure compliance against the new general Code of Practice. The Plan had been updated where some modules had been completed. The amber rated modules still had some small requirements outstanding. These should all be completed by the end of the year.

- Hymans LGPS National Knowledge Assessment 2024 – There had been 100% participation from the Committee and the Board. The results were good.

- Mandatory Training – This had been slightly amended so would be presented to the Audit & Governance Committee and then adopted as part of the Constitution. Committee Members and substitutes were required to do the fundamentals course by the end of 31 December 2025. This was the key change and would be adopted in the Constitution.

- Proposed Government Changes to fund governance as part of the 'LGPS: Fit for the Future' Consultation. The contentious point raised was that another independent advisor be on the Committee, but this was not supported by the Committee, and this had been submitted in the response to Central Government.

- Breaches -The report that went to the Committee covered the period July to September. The two breaches mentioned were the General Code of Practice, this had been reported to the Pensions Regulator and the material breach which had not been reported.

- Communications – The Annual Employer Forum was on 12 February 2025. This was an online event for employers. It was also good for the Board to know that the Communications Manager had returned from extended leave. It was also confirmed that all Board and Committee Members were up to date with their mandatory training as per the training schedule.

Members asked the following questions:

- The Chair asked that with respect to the TPR Code, was the review across all the modules. It was confirmed that the review would be across all three elements, mandatory requirements, advisory requirements and best practice. All were being covered, looking at the entirety to show compliance across the Board.

- It was reported that the Employer Forum Events were really good days to attend, The Pension Geeks was really interesting too. There were very interesting webinars that were worth joining. Officers added that all employers were written to informing them of the event. The events were better attended if online. The Team may look at running an in-person event next year. Could details of the event be sent to Parish Clerks.
  ACTION: Pension Geeks details to be sent to Members.
  ACTION: Details of Parish Clerks to be sent to Anna Lloyd.

- It was good to see the General Code of Practice was on track for review but was there an action plan being put together to see how the fund would comply with all the modules? Was work being done with other Funds particularly within the Brunel pool as everyone was facing the same challenges? It was reported that the review was being carried out by looking at all the requirements and looking at the compliance against it and making a determination on whether the Fund was compliant or not. If not, then acting immediately to implement and resolve. This was a living action plan. The aim was to try and be fully compliant. The compliance was formed on what Officers thought. This would be independently challenged and reviewed by Hymans, who had been commissioned for the next year. Working with other Funds was difficult as each one was doing their own way. A recent webinar discussed ongoing work and issues to make all Funds aware. A number of Funds had been reviewed by the Team, and the general consensus was that Officers felt optimised of the Fund's position. Another review was due soon. There was a lot of cross working and regular meetings with Hymans. The Fund was ahead of other Funds and well positioned in terms of governance.

Resolved: that the Board:

a) Noted the Fund's update on the Pension Regulator's General Code of Practice.
b) Noted the results of the Hymans LGPS National Knowledge Assessment 2024.
c) Agreed changes to mandatory training requirements for Committee members.
d) Noted the proposed government proposals for fund governance as part of the 'Local Government Pension Scheme (England and Wales): Fit for the future' consultation.
e) Noted the latest quarter's breaches for the fund.
f) Noted the communications update.

9/24 ADMINISTRATION REPORT

(Agenda No. 9)

The Pension Services Manager presented the report to the Board. There had been vacancies for administrators. Some vacancies were still present, and this continued to be an increased issue across local authorities. With respect to the employer monthly returns, in September 4.9% of returns had not been vetted. A lot of work had been completed on vetting procedures to reduce the volume of work with training, increasing quality of checks and processes. The 37 closures to action backdated to 2022, there were a number of financial implications to find. There were no fines issued to employers in the last quarter, July to September 2024. There were 31 payments that were made past the deadline. In Benefit Administration, between July and September, there were 6367 cases created. There were a number of cases carried forward, pending information or pending further work. This had been mainly due to resource. The Team was now looking at how the work was being progressed. Members were asked to note that the top-line figure of the telephone statistics showed a lot of missed calls, these were out of hours calls or call that had been put down before being picked up. There was no pension scams reported. The data quality still required improvement on the missing addresses. All invoices were up to date. Of the 15 complaints reported, 14 were informal and had been resolved and the remaining had been resolved by the Pension Ombudsman. Some really good progress had been made with McCloud, completing 99% of status 1 active records and 96% of status 4 records. There were 25 records left with queries. There was no further update on the Pension dashboard and further work was being done for Members not using the self-service facility. The current way to use the facility was employees having to ask to use, could this be turned around so that employers were asking, would you like to use the self-service facility?

Members from Unison and Unite Trade Unions offered to assist to get Members to use the self-service facility. Members also requested further context on the MSF registration, adding the total number of active deferred pensioners on there so the percentages had context.
ACTION: Add information to report.

The Board commented that it was an excellent report.

Resolved: That the Board noted the progress of the McCloud project and the revised benefit administration statistics and confirmed the information required for the report.

10/24 POLICY REVIEWS

(Agenda No. 10)

The Pension Services Manager presented the report. Board Members were reminded that the policies in the report required review. After the reviews, no changes had been made to the policies.

Resolved: That the Board received the report and noted that no changes had been made to the policies.

11/24 PENSION INVESTMENT REVIEW - A CALL FOR EVIDENCE

(Agenda No. 11)

The Head of Pension Fund presented the report to the Board. This was the preamble of the Fit for Future consultation. On 4 September 2024 HM Treasury, Department for Work and Pensions and the Ministry of Housing, Communities and Local Government issued a Call for Evidence from interested parties to inform the first phase of the Pensions Investment Review.

Since the Call for Evidence had been responded to, the outcome of the Mansion House speech on 14 November 2024 and the subsequent issuance of the Local Government Pension Scheme (England and Wales): Fit for the Future consultation had been issued. More information was included in the Review of the Annual Business Plan report to complement the summary communication issued to Committee on 19 November 2024.

Resolved: that the Board note the final version submitted to HM Treasury after feedback from Pension Fund Committee and the Executive Director for Resources & Section 151 Officer.

12/24 CORPORATE GOVERNANCE AND SOCIALLY RESPONSIBLE INVESTMENT
(Agenda No. 12)

This was the report that had been presented to Committee and included the LEP update and how these linked to the Funds' investments.

Members asked what the difference was between holding shares and holding corporate bonds as there were many corporate bonds and were informed that they were similar to the equities with a slightly different process to look at climate credentials.

Resolved: that the Board noted the report.

13/24 EXEMPT ITEM
(Agenda No. 13)

Resolved: that the Board agreed that the public be excluded for the duration of item 14 in the Agenda since it is likely that if they were present during those items there would be disclosure of exempt information as defined in Part I of Schedule 12A to the Local Government Act 1972 (as amended) and specified in relation to the respective items in the Agenda and since it is considered that, in all the circumstances of each case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

14/24 EXEMPT ITEM: WORKFORCE STRATEGY
(Agenda No. 14)

The Board received an update from the Head of Pension Services and discussed the item in a private session.

Resolved: that the Board reviewed the progress on development of a Workforce Strategy for the Pension Fund and Agreed the further actions to be taken to support building an inclusive and sustainable workforce for the future.

15/24 ITEMS TO INCLUDE IN REPORT TO THE PENSION FUND COMMITTEE
(Agenda No. 15)

It was agreed that the Pension Fund Committee would get involved in the Workforce Strategy.

16/24 ITEMS TO BE INCLUDED IN THE AGENDA FOR THE NEXT BOARD MEETING
(Agenda No. 16)

The Board requested the following items be included at the next Board meeting:

- Report of the Independent Financial Advisor regarding active vs passive investments.

.... in the Chair

Date of signing ....

Division(s): n/a

ITEM 6

PENSION FUND COMMITTEE – 7 March 2025

REPORT OF THE PENSION BOARD

Report by the Independent Chairman of the Pension Board

RECOMMENDATION

1. **The Committee is RECOMMENDED to note the comments of the Board as set out below.**

Introduction

2. This report is part of the process by which the Local Pension Board works with the Committee in fulfilling its duty to support the work of the Committee and ensure that the Committee delivers its responsibilities in line with the regulatory framework. The report covers the key issues discussed by the Board and any matters that the Board wishes to draw to the attention of the Committee.

3. This report reflects the discussions of the Board members at their meeting on 24 January 2025. The virtual meeting was attended by Matthew Trebilcock as the independent Chairman, and five of the six current voting members of the Board. Cllr Donna Ford Chair of Pension Committee also attended the meeting to maintain the link to the work of the Pension Fund Committee.

4. Fund Officers, Mark Smith - Head of Pensions, Mukhtar Master – Governance and Communications Manager, Vicki Green - Pensions Administration Manager, Greg Ley - Financial Manager – Pension Fund Investments and Anna Lloyd – Governance and Communications Officer joined the meeting. Shilpa Manek – Interim Democratic Services Officer also joined the meeting.

Matters Discussed and those the Board wished to bring to the Committee's Attention

5. The Board considered several reports as presented to the last meeting of the Pension Committee. These included the standard items being the review of the Annual Business Plan, the Governance and Communications report, the Risk Register and the Administration report. The Board also reviewed the reports on Policy Reviews for Voluntary Scheme Pays, Admission and Terminations and Administering Authority Discretion. Reports on the Pension Investment Review, Corporate Governance and Socially Responsible Investment and the exempt report on Workforce Strategy was also reviewed.

6. The Board members had a good discussion on all items as noted in the draft minutes included elsewhere on today's agenda.

7. As part of the discussions on the Review of the Annual Business Plan, the matter of resource was raised and noted that this continues to be a challenge across the LGPS

nationally and should continue to be reviewed to ensure the Fund has sufficient resources. A request was made for a second time that the Independent Financial Advisor include a section in his next report to Committee on active vs passive investment, and some analysis on whether this provides value for money to our scheme members.

8. As part of the discussions on the Risk Register Report, the Board requested the reference to 'May 2025' be removed from risk 24 relating to the impact of turnover of Pension Fund Committee as a result of the May election. This risk would continue to be present at each election and should therefore apply to all elections going forward rather than specifically May 2025. It was noted that following the request at the Pension Board on 18 October 2024 all members of Committee had now completed their initial training requirements in line with the Fund training policy.

9. As part of their discussions on the Workforce Strategy, Board members encouraged the Committee to take an active role in the development and implementation of the Workforce Strategy.

Matthew Trebilcock
Independent Chairman of the Pension Board

Contact Officer: Mark Smith, Head of Pensions, 01865 328734,
mark.smith@oxfordshire.gov.uk

March 2025

Division(s): n/a

ITEM 7

PENSION FUND COMMITTEE

7 March 2025

ANNUAL BUSINESS PLAN AND BUDGET 2025/26

Report by the Executive Director of Resources & Section 151 Officer

RECOMMENDATION

1. **The Committee is RECOMMENDED to:**

    i) **Note the progress against the service priorities for 2024/25; and**
    ii) **Approve the Business Plan, Budget, Training Plan and Cash Management Strategy for 2025/26**

Introduction

2. The report reviews the progress against the key service priorities set in the business plan for the Pension Fund for 2024/25.

3. The report also sets out the proposed business plan, budget, training plan and cash management strategy for the Pension Fund for 2025/26. It follows on from the workshop held on 16 January 2025, to which all members of the Committee and the Local Pension Board were invited. The Plan sets out the key priorities for the Fund as agreed at the workshop, details the key service activities for the year, and includes the proposed budget and cash management strategy for the service.

4. The key objectives for the Oxfordshire Pension Fund as set out in the Business Plan for 2025/26 (annex 1) and remain consistent with those agreed for previous years, with one slight update to reflect the Fund's improved funding position.

5. The overall objectives are summarised as:

    - To fulfil our fiduciary duty to all key stakeholders
    - To administer pension benefits in accordance with the LGPS regulations, and the guidance set out by the Pensions Regulator
    - To maintain a funding level above 100% (LGPS only)
    - To ensure there are sufficient liquid resources to meet the liabilities of the Fund as they fall due, and
    - To maintain as near stable and affordable employer contribution rates as possible

6. Part A of the plan sets out the broad service activity undertaken by the Fund. These are unchanged from previous years. The service priorities for the forthcoming financial year are then set out in more detail in Part B. These priorities for the most part, do not include the business as usual activity which will continue alongside the activities included in Part B.

Key Service Priorities – Review of 2024/25

5. There were 3 key service priorities included in the 2024/25 Plan each with a number of key measures of success. The latest position on each is set out in the paragraphs below. The assessment criteria for each measure of success is as follows:

- Green – measures of success met, or on target to be met
- Amber – progress made, but further actions required to ensure measures of success delivered
- Red – insufficient progress or insufficient actions identified to deliver measures of success

6. Deliver further improvements to the governance arrangements of the Fund. The position against the 5 agreed measures of success are set out in the table below.

Measure of Success	Key Progress Achieved	Outstanding Actions
Succession Plan in place, and suitably skilled and knowledgeable replacements recruited for Head of Pensions and Pension Services Administration Manager. GREEN	Heads of Pensions and Pension Services Administration Managers appointed.	
Workforce Strategy in place. GREEN	Workforce Strategy in place and currently in process of being implemented.	Continuation of this work included in Service Priorities for 2025/26.
End of year compliance with General Code of Practice in line with targets set. GREEN	On track to completed by end of March 2025.	New item created for Service Priorities for 2025/26 including independent scrutiny and review to be completed in the first half of 2025.
Committee satisfied they are able to evidence compliance with their policies and demonstrate the performance	All Committee and Board members have completed induction training and required mandatory along with	Continuation of the focus on knowledge and understanding is included in Service Priorities for 2025/26.

standards of the Fund. GREEN	receiving details of Fund policies.	
Increase in average scores for the National Knowledge Assessment. AMBER	National Knowledge Assessment has been completed with 100% completion rate.	Training plan for 2025/26 is included in this paper (annex 2), with particular focus on key areas identified in the National Knowledge Assessment which require development.

7. The first 4 measures of success under this objective have all been rated green, largely due to the successful appointment to roles, the development of the Workforce Strategy, progress on the General Code of Practice and both Committee and Board being up to date on training requirements.

8. The National Knowledge Assessment (NKA) has scored as amber due to a number of factors, the Chair of Board not being included in the 2024 results and a number of new members to both Committee and Board. Fund Officers will continue to monitor and offer bespoke support to work on key areas highlighted by the NKA. More information can be found in the Fund's Training Plan 2025/26 (Annex 2).

9. <u>Deliver further operational effectiveness of the administration function, including delivery of regulatory changes.</u> There were also 6 specific measures of success set out in the 2024/25 Business Plan in respect of this priority. The progress against these in set out in the table below.

Measure of Success	**Key Progress Achieved**	**Outstanding Actions**
Issue all estimates/benefit calculations in line with the McCloud requirements. AMBER	All fire pension scheme Annual Benefit Statements were issued including McCloud requirements where possible, with the exception when external guidance from Government changed and these statements where all issued in the following 6 months, once the systems and GAD calculators had been updated to reflect the new requirements.	Continuation of the McCloud priority has been included in Service Priorities for 2025/26. The key focus remains the Active and Deferred members of the LGPS in order to comply with the Statutory date for Annual Benefits Statements by 31 August 2025.
Increased Common Data and Scheme Specific Data Quality scores. GREEN	Completed. Common Data – 94.5% Scheme Specific – 98.69%	Continuation of this work included in Service Priorities for 2025/26.

Reduction in numbers of reported regulatory breaches/fines issued under the Administration Strategy. GREEN	Overall reduction in breaches and fines achieved, focus moving to employer engagement and relationship management to maintain this progress going forward.	Continuation of this work included in Service Priorities for 2025/26.
Reduction in number of formal complaints. GREEN	Numbers of complaints have fallen.	Continuation of this work included in Service Priorities for 2025/26.
Increased customer satisfaction scores. GREEN	Customer satisfaction survey results remain positive with the majority of interactions rated as either 4 or 5 stars (72%).	Continuation of this work included in Service Priorities for 2025/26.
Reduction in scheme costs associated with technology improvements. AMBER	Resource constraints have limited progress on developments, a revised project timetable has been put in place to ensure delivery as part of the Service Priorities for 2025/26.	Carried forward work and included in Service Priorities for 2025/26.

10. Out of 6 measures of success, 4 are rated as green, this is largely due to improvements in data scores which represents the work done by Fund officers to work in partnership with our scheme employers on data quality and the internal processes the team use to further check data. Improved data quality will typically impact numbers of fines, complaints and customer satisfaction scores and this demonstrates the Fund's commitment to continually improving the service we provide.

11. We have rated amber the McCloud measure of success; this is largely due to last minute changes in guidance on the calculation to be included in Annual Benefit Statements for Fire Fighter pensions. This was external guidance and impacted all Fire Authorities across the country. This resulted in a number of delayed Annual Benefit Statements being issued, these statements have been issued now, and scheme members were kept up to date during the delay.

12. The measure of success for reduction in costs associated with technological improvements has also been rated as amber due to delays in progress resulting from resource constraints within the technical and systems team. A revised plan is now in place to make progress on system enhancements during 2025/26.

13. Review the Fund's Investment Strategy Statement in light of:
    - The 2025 Valuation
    - Government Policy
    - Cashflow Requirement

- Responsible Investment Priorities

There were 5 measures of success set for this service priority within the Business Plan, and progress against these measures is set out below.

Measure of Success	Key Progress Achieved	Outstanding Actions
Clear Strategic Direction agreed for 2025 Valuation, to the satisfaction of scheme employers. GREEN	Pre-valuation focus on data quality with employers continues. Housing keeping on historic employer matters, ahead of valuation have been completed. Initial valuation modelling has taken place and initial meetings with 6 out of 7 largest employers have been held, with the 7th booked in for later in March 2025.	Carried forward work and included in Service Priorities for 2025/26.
Revised cashflow model in place and sufficient cash in place to meet pension benefits and investment commitments as they fall due. GREEN	Ongoing monitoring of the cashflow position is in place.	Cashflow model to be reviewed in light of decisions made throughout 2025 Valuation process. Cashflow monitoring policy to be developed. Carried forward work and included in Service Priorities for 2025/26.
Plans in place to deliver Government Policy requirements. GREEN	Responses issued to call for evidence and consultations. Working closely with partner Funds and Brunel on Brunel's response due in March 2025.	Continuation of this work included in Service Priorities for 2025/26.
Publish Fund's first Responsible Investment Policy and Strategy Documents. GREEN	Press release issued on exclusions.	Continuation of this work included in Service Priorities for 2025/26.
Revised Strategic Asset Allocation agreed. GREEN	Initial discussions scheduled.	Strategic Asset Allocation to be reviewed as part of the 2025 valuation.

		Continuation of this work included in Service Priorities for 2025/26.

14. All 5 measures of success are rated green, largely due to work progressing well on the 2025 valuation, cashflow modelling and producing the revised Strategic Asset Allocation will naturally align as part of the valuation work during 2025/26. The Fund's Responsible Investment Policy has been well received, and progress continues to be made in line with the Policy. The Fund is also working closely with partner Funds and the Brunel Pensions Partnership, on the preparation for the implementation of proposed Government policy.

Budget 2024/25

15. The budget for 2024/25 was agreed at £20,741,000.

2024/25 Pension Fund Budget – Q3 Update

	Budget	**YTD**	**%**	**Forecast Outturn**	**Variance**
	2024/25	**2024/25**		**2024/25**	**2024/25**
	£'000	**£'000**		**£'000**	**£'000**
Administrative Expenses					
Administrative Employee Costs	1,861	1,266	68%	1,861	0
Support Services Including ICT	1,338	1,205	90%	1,338	0
Printing & Stationary	82	73	89%	82	0
Advisory & Consultancy Fees	165	1	0%	165	0
Other	60	31	51%	60	0
Total Administrative Expenses	**3,506**	**2,575**	**73%**	**3,506**	**0**
Investment Management Expenses					
Management Fees	14,800	3,000	20%	15,000	200
Custody Fees	30	21	71%	30	0
Brunel Contract Costs	1,453	1,499	103%	1,453	0

Total Investment Management Expenses	**16,283**	**4,520**	**28%**	**16,483**	**200**
Oversight & Governance					
Investment & Governance Employee Costs	444	274	62%	400	-44
Support Services Including ICT	13	0	0%	13	0
Actuarial Fees	292	275	94%	292	0
External Audit Fees	50	115	229%	120	70
Internal Audit Fees	9	0	0%	9	0
Advisory & Consultancy Fees	101	25	25%	70	-31
Committee and Board Costs	24	0	0%	24	0
Subscriptions and Memberships	20	60	300%	20	0
Total Oversight & Governance Expenses	**953**	**749**	**79%**	**948**	**-5**
Total Pension Fund Budget	**20,742**	**7,844**	**38%**	**20,937**	**195**

16. Key points to note are that Brunel invoices are paid in advance so the year to date includes all 4 quarters of fees.

17. Subscriptions and memberships have increased significantly due to paying the annual subscription to the Pensions and Lifetimes Savings Association (PLSA), which was circa £20k.

18. The two main causes for overspend have been payment of the previous year's external audit fees and the difficultly in estimating investment management fees in advance.

Service Priorities for 2025/26

19. The service priorities for 2025/26 were developed through a workshop to which all members of the Pension Committee and Pension Board were invited. This year,

the workshop was held on 16 January 2025 and was facilitated by Hymans Robertson.

20. The workshop enabled members of the Committee and Board to identify key priority areas for the Fund for 2025/26 and what they see as measures of success. Officers have sought to bring this together under 4 key priorities within the 2025/26 Business Plan (annex 1) which are summarised as follows.

21. First key priority is to deliver further improvements to the governance arrangements of the Fund. Key amongst this is to continue work on the Workforce Strategy to ensure we maintain a skilled and resilient workforce into the future. Along with continued work on the General Code, implementing the outcomes from the Good Governance Review, continue work on the outcomes from the National Knowledge Assessment and to track and respond to Local Government Reform.

22. The second key priority is to deliver further operational effectiveness of the service delivery/administration function, including delivery of regulatory changes. This will include implementing the McCloud remedy, improving common data scores, a particular focus on developing the services we provide to our employers. Greater focus on monitoring customer satisfaction, enhancing our reporting on day-to-day activities and implementing Government tax changes.

23. The third key priority is to develop further the Fund's Investment and Funding service. This will include delivering the 2025 valuation, enhanced cashflow modelling and monitoring, reviewing the Strategic Asset Allocation, implementing both Government policy and our Responsible Investment Policy. In addition, further value for money analysis will be undertaken.

24. The fourth and final key priority is to deliver service enhancements and cost reductions through increased use of technology. This will include development and launch of a new website, implementation of Pension Dashboard, further developments of our system to enhance Fund services and also regular software updates.

25. The full details of the 4 priority areas, action plans and measures of success are included in Part B of the draft Business Plan included in annex 1.

26. The key priority areas detailed in annex 1 represents a significant challenge. This is similar for all other LGPS Funds, the delivery of McCloud, pension dashboards, the 2025 valuation, General Code, outcomes from the Good Governance Review, Government reform of pooling, development of Local Investment, Local Government devolution to name a few. This creates significant challenges and pressures on Fund resources.

27. Given the resource challenges LGPS Funds face, we welcome the recent letter from Scheme Advisory Board dated 27 January 2025, which can be read using this link: [January 2025 SAB letter to administering authorities on budget setting.pdf] . This letter highlights the importance of having an adequately resourced Fund to support delivery of business plans.

Budget 2025/26

28. The proposed budget for 2025/26 is set out as Part C of the Business Plan which also includes a comparison with the budget for 2024/25. Overall, there is an increase in the proposed budget from £20,742,000 to £26,742,000 (28.9%). The main element of the variation is explained in more detail below.

29. Other than inflationary increases, there are a number of points to note on increases in the budget.

30. The increase in the administration staffing budget reflects the proposed increased staffing to add an employer services manager role. This will enhance the service delivered to our diverse range of employers, focusing on reviewing all employer-based guidance and policies to ensure we remain compliant with our duties to employers. This is an area which has recently been highlighted as an area the Fund needed to improve and was included in the business priorities under both delivering further improvements to the governance arrangements of the Fund and to develop further the Fund's Funding service.

31. In line with our priority to deliver service enhancements and cost reductions through increased use of technology, the proposal to create a deputy technical and systems manager role will support this priority. In the scheme year 2024/25, the Fund has found it challenging due to resource constraints within this team to deliver both pensions technical projects and technological enhancements, as such this role is vital in order to make progress on many of the systems enhancement items carried over from 2024/25.

32. In both, cases the roles act to remove single points of failure from within the Fund and aid the succession plan for the future.

33. A further proposed change is to convert one of the existing benefit team leader roles, which is vacant due to internal promotion, to a benefits manager role. His will create an escalation route for informal complaint resolution, without impacting the independence of our Internal Dispute Resolution Procedure (IDRP). The IDRP stage 1 & 2 must be independent from previous complaints, with the current structure this is becoming increasingly difficult, this is an area of risk this change immediately resolves.

34. The increase in administrative employee costs is offset in other areas of administration, as a result overall administrative expenses are expected to decrease by circa £100k.

35. The largest increase in the budget is for Investment Management Fees, which has seen a significant increase from £14,800,000 to £20,500,000 and partly reflects the growth in the assumed average asset value over the course of the next year on which fees are payable. The Committee have no control over this aspect of the budget.

Training Plan

36. Annex 2 sets out the broad Training Plan for Committee and Board Members. This reflects the Knowledge Assessment and feedback from Committee and Board members in 2024. Various training sessions have been held throughout the year such as a session covering affordable housing. A session on Governance in the Brunel Pensions Partnership was held prior to the Committee Meeting on 13 December 2024. We have pre-Committee training at this meeting from the Scheme Actuary.

37. The Plan also includes reference to the on-line training offered by Hymans Robertson which all Members are encouraged to complete, a list of recommended external courses and conferences which Members are invited to consider as well as the offer of individual sessions with Officers and the development of a specific training plan to meet individual needs.

38. Since our last Committee meeting, we are encouraged to see a number of Committee and Board Members booking on the external courses and conferences, should you need any further information on these please see the links in the Training Plan (annex 2) and for any questions, please contact Anna Lloyd our Governance and Communications Officer.

Cash Management

39. The final section of the business plan, Part D, provides the annual cash management strategy for the Fund. The Strategy is based on the Treasury Management Strategy for the Council but has a significantly reduced number of counterparties reflecting the lower sums of cash involved, and the wider set of alternative investment classes open to the Pension Fund.

Lorna Baxter
Executive Director of Resources & Section 151 Officer

Annex: 1 – Business Plan 2025-26
2 - Oxfordshire Pension Fund Training Plan 2025-26

Background papers: Scheme Advisory Board letter dated January 2025
[January 2025 SAB letter to administering authorities on budget setting.pdf]

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March 2025

Annex 1

Oxfordshire Pension Fund: Business Plan 2025/26

Oxfordshire Pension Fund
www.oxfordshire.gov.uk/pensions

Service Definition:

- To administer the Local Government Pension Scheme and the Fire Fighters Pension Schemes on behalf of Oxfordshire County Council in line with the Regulatory Framework and the Committee's Fiduciary Duty.

Our Customers:

- Scheduled scheme employers e.g. County Council, District Councils, Oxford Brookes University, other Colleges and Academies
- Designating scheme employers e.g. Town & Parish Councils
- Admission Bodies including charitable organisations with a community of interest, and bodies where services have been transferred on contract from other Scheme Employers
- Contributory Employees
- Pensioners and their Dependants
- Council Tax payers

Key Objectives:

- Fulfil the Fiduciary Duty to all key stakeholders
- Administer pension benefits in accordance with the relevant regulations and the guidance as set out by the Pension Regulator, to a high service standard for scheme members
- To maintain a funding level above 100% (LGPS only)
- Ensure there are sufficient liquid resources available to meet the Fund's liabilities and commitments (LGPS only) and
- Maintain as nearly a constant employer contribution rate as is possible (LGPS only).

Part A - Service Activities

Service Activity	Outputs	Outcomes
Investment Management – LGPS Only		
Management of the Pension Fund Investments	The Fund is invested in assets in accordance with the Committee's wishes The Fund's assets are kept securely Quarterly reports to the Pension Fund Committee	Sufficient resources available to pay all pension benefits as they fall due Employer contribution rates maintained at a stable and affordable level Investments achieved in line with the Fund's Climate Change Policy
Management of the Pension Fund Accounts	Completion of the Annual Report and Accounts	No adverse comments from the Fund's auditors
Management of the Pension Fund Cash	Cash management strategy and outturn reports Cash Managed in accordance with the strategy	The Pension Fund cash is managed securely and effectively
Scheme Administration and Governance		
Management of the Pension Fund Administration	The administration procedures are robust and in accordance with regulations and service standards, with particular focus on regular reviews to safeguard scheme members from Pension Scams Changes to regulatory framework of the scheme	The workload is completed & checked in accordance with regulations and procedures Work is completed within specified time scales No adverse comments from the Fund's auditors, the Pension Regulator and Scheme Members/Employers Implementation of actions arising from regulation changes

Part B – Service Priorities

Objective	Actions	Measures of Success
Deliver further improvements to the governance arrangements of the Fund	Continue to develop and implement the **Workforce Strategy**	Complete the review of staffing needs Complete the identification of gaps in resource and skills Career pathways defined to support retention (to be completed in line with other OCC service areas during 2025) LGPS Academy rolled out across the team
	Continue to work on **General Code** compliance and provide external scrutiny/review	Review of GCOP compliance completed by officers end of March 2025 Independent review completed by end of summer 2025 Reviews demonstrate Fund is meeting Regulatory Requirements and TPR expectations
	Monitor, review and implement **Good Governance Review** outcomes once known	Governance review complete and plan in place to implement recommended changes (dates to be confirmed once Government confirms outcomes)
	National Knowledge Assessment (NKA) and Knowledge and Understanding	All Committee and Board members complete TPR Toolkit Maintain NKA score from previous year All Committee and Board members enrolled on LOLA and complete 50% of modules
	Local Government Reform - tracking and responding to potential risks and resource implications	Respond effectively to Government consultations Keep Committee and Board regularly consulted and updated Identify stakeholders impacted and track any associated risks through risk register
Deliver further operational effectiveness of the service delivery/administration function, including delivery of regulatory changes	Implement **McCloud** (data and IT requirements)	Process in place to confirm calculations carried out correctly and within SLA timeframes Issue all Annual Benefit Statements containing McCloud information with Plain English explanation by 31 August 2025
	Monitor and improve **Common Data** scores	Maintain data score at 95% Aim to exceed 95% and increase to 98%
	Employer Engagement/Client	Contributions reconciled monthly Member data reconciled monthly

	Relationship (including escalation process/fines)	Late data and/or contributions pursued within 1 week - large employers, smaller employers within 2 weeks Employer survey introduced Develop Employer Services team Improve employer knowledge and understanding of responsibilities through provision of a user guide Review and update of all Fund provided employer policies/processes and procedures completed
	Customer Satisfaction - (Compliments/complaints/feedback) [Employer and Member]	Improve scores from member surveys Reduce number of upheld complaints from members Improve scores from employer surveys
	Day to Day delivery of BAU activities	Administration SLAs – ▪ Call to helpdesk answered within 40 seconds ▪ Deaths processed in 10 days Reported KPI's all above 80%
	Implement Government **tax changes**	Full process map developed, reviewed and implemented
Develop further the Fund's Investment and Funding service	Deliver the **2025 Valuation**	Data provided to Actuary by requested date Less than 5% data quality queried by Actuary (actual % will be reported to Committee/Board) Maintain stability of costs i.e. employer contributions Achieve consensus around valuation assumptions with Committee by end of June 2025
	Cashflow modelling - Committee to see more information on how the Fund handle cashflow	Cashflow modelling policy introduced in 25/26 - with regular reporting, built into existing report
	Strategic Asset Allocation (subject to consultation)	Asset Allocation decided with scope for swift response to developing risk and opportunity, March 2026 Consultation with key stakeholders
	Implement **Government Policy**	Response issued to relevant consultations Take leading role through SPOG/PLSA and

		other cross industry groups in responding to consultations New Regulations complied with ahead of deadline (where practically possible)
	Responsible Investment Policy development	Leading/recognised accreditation scores within Stewardship Code
	Value for Money analysis	Ensure analysis is completed (active vs. passive) and next steps agreed. Cost transparency reviewed
Deliver service enhancements and cost reductions through increased use of technology	**Website** development and launch	Website domain and host agreed by mid-2025 New website launched by end of the scheme year (March 2026) Overwhelmingly positive feedback from users Accessible requirements completed - WCAG 2.2 requirements, useable on all devices (mobile, computer etc)
	Implement Pensions **Dashboard**	ISP contract in place – by March 2025 Connected to ecosystem by mid-October 2025 for both pension benefits and Additional Voluntary Contributions (AVCs) Report updates to Committee/Board and provide information on how successful connection has been
	Development of **iConnect** - continue to utilise further improvements to the service	Patches implemented on release day Regular engagement with Heywoods maintained to understand upcoming improvements and how to utilise them Training delivered to relevant officers
	Ensure all technology used is **compatible with Windows 11**	Engage support of host authority IT Team Complete review of all devices and software Replace those not compatible with Windows 11 by 30 September 2025
	Other developments – MSS, address checker, electronic pension payslips, EA2P, bank account verification	MSS development implemented Increased members uptake and online activity Positive user feedback in surveys received

Part C – Budget

	2025/26 Budget £'000		2024/25 Budget £'000
Administrative Expenses			
Administrative Employee Costs	2,067		1,861
Support Services including ICT	1,193		1,338
Printing and Stationery	78		82
Advisory and Consultancy Fees	5		165
Other	60		60
	3,403		**3,506**
Investment Management Expenses			
Management Fees	20,500		14,800
Custody Fees	30		30
Brunel Contract Costs	1,630		1,453
	22,160		**16,283**
Oversight and Governance			
Investment Employee Costs	470		444
Support Services Including ICT	13		13
Actuarial Fees	350		292
External Audit Fees	100		50
Internal Audit Fees	19		9
Advisory and Consultancy Fees	110		101
Committee and Board Costs	25		24
Subscriptions and Membership	92		20
	1,179		**953**
Total Pension Fund Budget	**26,742**		**20,742**

Part D - Pension Fund Cash Management Strategy 2025/26

Introduction

1. The Oxfordshire Pension Fund maintains a balance of cash arising from the receipt of employer and employee contributions, and income from internally managed investments. This incoming cash currently exceeds the amount of payments made on behalf of the Fund. The situation is forecast to continue for the whole of 2025/26. Income generated in investment portfolios is generally reinvested, the exceptions being listed private equity and some private market investments. Were the Pension Fund's cashflow to turn negative the Fund could look to have income generated from its portfolios paid back to the Fund as required to make up any cash shortfall. This could be achieved by switching to income share classes within a number of Brunel portfolios. The cash managed in-house by the Administering Authority, provides a working balance for the fund to meet its short-term commitments.

2. The Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016 state that administering authorities must hold in a separate bank account all monies held on behalf of the Pension Fund. The regulations also state that the Administering Authority must formulate an investment strategy to govern how the authority invests any Pension Fund money that is not needed immediately to make payments from the fund. This document sets out the strategy for cash for the financial year 2025/26.

Management Arrangements

3. The Pension Fund cash balances are managed by the Council's Treasury Management team and Pension Fund Investments team. Cash balances are reviewed on a daily basis and withdrawals and deposits arranged in accordance with the current strategy. Pension Fund cash deposits are held separately from the County Council's cash.

Rebalancing

4. The Fund's cash balance is regularly monitored and reviewed as part of a quarterly fund rebalancing exercise undertaken by officers and the Independent Investment Adviser.

5. Arrangements will be made for cash balances which are not required for cashflow purposes, to be transferred to the Pension Fund's Investment Managers in accordance with the decisions taken during the rebalancing exercises.

6. In general, a minimum cash balance of £40 million will be retained following a fund rebalancing exercise, to meet cashflow requirements and private market investment transactions. The level of cash balances will fluctuate on a daily basis and may be considerably higher than the minimum balance dependent upon the timing of transactions and strategic asset allocation decisions.

Investment Strategy

7. The Pension Fund cash investment policies and procedures will be in line with those of the administering authority. Priorities for the investment of cash will be:-

   (a) The security of capital
   (b) The liquidity of investments
   (c) Optimum return on investments commensurate with proper levels of security and liquidity

Investment of Pension Fund Cash

8. Management of the Pension Fund's cash balances will be in accordance with the Administering Authority's approved Treasury Management Strategy and policies and procedures.

9. The Pension Fund cash balances will be held predominantly in short-term instruments such as notice accounts, money market funds and short-term fixed deposits. Approved instruments for pension fund cash deposits will be the County Council's list of specified investments for maturities up to 1 year, excluding the Debt Management Account deposit facility which is not available to pension funds and UK Government Gilts which are managed by an external fund manager. The County Council's current approved list of specified investments is attached at appendix 1.

10. Pension Fund deposits will be restricted to a subset the County Council's approved counterparties at the time of deposit and will include the Fund's custodian bank. Approved counterparties as at 11th February 2025 are shown in appendix 2. There will be a limit of £30m for cash held with each counterparty.

Borrowing for Pension Fund

11. The Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016 give administering authorities a limited power to borrow on behalf of the pension fund for up to 90 days. The power cannot be used to invest, but only for cashflow management in specified circumstances which should in practice be exceptional, i.e. to ensure that benefits are paid on time, and in transition management situations when the allocation of a pension fund's assets is being amended. Money can only be borrowed for these purposes if, at the time of borrowing, the administering authority reasonably believes that the sum borrowed, and any interest charged as a result, can be repaid out of the pension fund within 90 days of the date when the money is borrowed.

12. Pension Fund management arrangements presume no borrowing normally, but the possibility remains of unexpected pressures occurring and in these circumstances the power would enable the Pension Fund to avoid becoming forced sellers of fund assets due to cashflow requirements.

13. The Executive Director of Resources and Section 151 Officer and Deputy Chief Executive has delegated authority to borrow money for the Pension Fund in accordance with the regulations but only in exceptional circumstances. It is proposed that the authority to borrow on behalf of the

Pension Fund continues to be delegated to the Executive Director of Resources and Section 151 Officer and Deputy Chief Executive during 2025/26.

Lorna Baxter
Executive Director of Resources and Section 151 officer and Deputy Chief Executive

February 2025

Oxfordshire County Council 2022/23 Approved Specified Investments for Maturities up to one year

Investment Instrument	Minimum Credit Criteria
Term Deposits – UK Government	N/A
Term Deposits – other Local Authorities	N/A
Term Deposits – Banks and Building Societies	Short-term F1, Long-term BBB+, Minimum Sovereign Rating AA+
Certificates of Deposit issued by Banks and Building Societies	A1 or P1
Money Market Funds	AAA
Other Money Market Funds and Collective Investment Schemes[1]	Minimum equivalent credit rating of A+. These funds do not have short-term or support ratings.
Reverse Repurchase Agreements – maturity under 1 year from arrangement and counterparty of high credit quality (not collateral)	Long-term Counterparty Rating A-
Covered Bonds – maturity under 1 year from arrangement	Minimum issue rating of A-

[1] I.e., credit rated funds which meet the definition of a collective investment scheme as defined in SI 2004 No 534 and SI 2007 No 573.

Appendix 2

Approved Counterparties

Aberdeen Standard Sterling Liquidity Fund
State Street Bank & Trust Company
Lloyds Bank Plc
Other Local Authorities

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Oxfordshire Pension Fund
Training Plan 2025/26

Regulatory Requirements

Pension Fund Committee and Local Pension Board Members face different requirements for gaining and maintaining knowledge and understanding. This reflects that their remit and responsibilities originate from different pieces of legislation. Knowledge requirements falling on Board members are defined statutorily under section 248a of the Public Service Pensions Act 2013 and are personal to each individual. Learning requirements for Committees have been less stringently defined in legislation and fall collegiately on Committees as collective bodies rather than on their members as individuals.

Though their learning obligations under legislation are different, Committee and Board members share significant common ground in terms of the sphere of knowledge and understanding they need to be conversant with. Across the range of Technical Knowledge and Skills Frameworks it has published to date, CIPFA has identified a syllabus of 8 core areas of knowledge under the CIPFA Knowledge and Skills Framework (2021) for LGPS Committee Members and LGPS Officers. These 8 core areas are as follows:

1. Pensions Legislation and Guidance
2. Pensions Governance
3. Fund Strategy and Actuarial Methods
4. Pensions Administration and Communications
5. Pensions Financial Strategy, Management Accounting, Report and Audit Standards
6. Investment Strategy, Asset Allocation, Pooling, Performance and Risk Management
7. Financial markets and product
8. Pension Services Procurement, Contract Management and Relationship Management

There is a separate technical knowledge and skills framework which is CIPFA Local Pension Boards (2015) with the following 8 core areas:

1. Pensions Legislation
2. Pensions Governance
3. Pensions Administration
4. Pensions Accounting and Auditing Standards
5. Pension Services Procurement and Relationship Management
6. Investment Performance and Risk Management
7. Financial Markets and Product Knowledge
8. Actuarial Methods. Standards and Practices

Mandatory Committee and Board Training Requirements

Committee and Board members are required to:

1. In the first year, and normally no later than 31 December in the year the member joins:
    a. Attend an induction on the Oxfordshire Pension Fund's Policies
    b. And either
        - The 3-day LGA Fundamentals Course or
        - The 5 Core and 4 DB on-line modules of the Pension Regulators Trustee Toolkit

2. In each subsequent year:
    a. All pre-Committee training, and a minimum of 2 days' additional training
    b. Complete the annual Knowledge Assessment exercise run by Hymans Robertson
    c. Maintain a score on the Knowledge and Assessment exercise consistent with their responsibilities as a serving member of the Pension Fund Committee or Pension Board as appropriate

3. Only named substitutes of the Committee are allowed where they have completed an induction on the Oxfordshire Pension Funds Policies

TPR Trustee Toolkit: https://trusteetoolkit.thepensionsregulator.gov.uk/

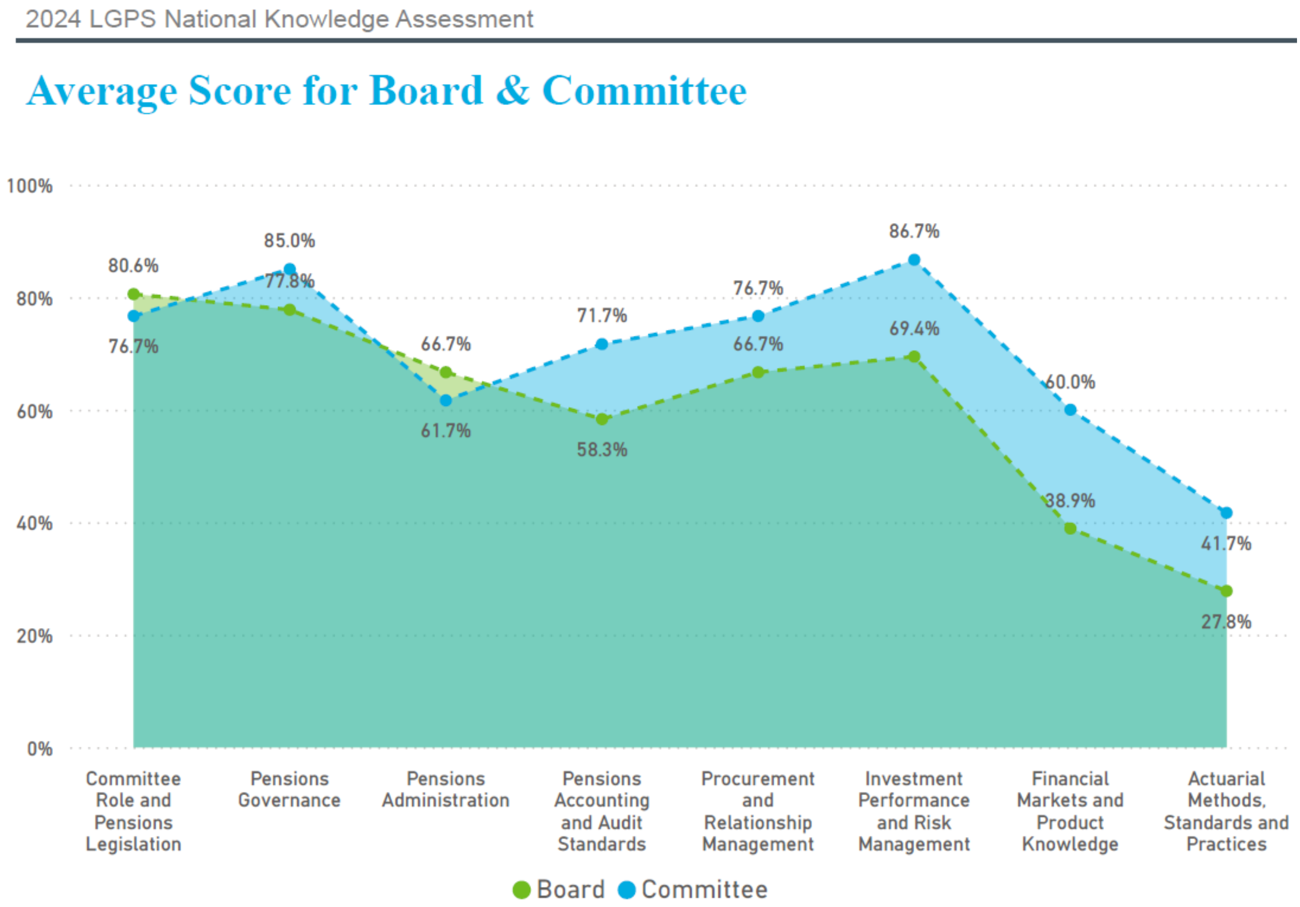
Training Needs Analysis 2024

A regular training needs analysis is carried out by the Fund to understand how best to meet the training needs of the Pension Fund Committee and Local Pension Board members. Most recently, Hymans Robertson ran the National Knowledge Assessment which was completed by Pension Fund Committee and the Local Pension Board members in Autumn 2024.

Each assessment consists of 48 multiple choice questions across 8 key areas. Each question contains the option "I currently have no knowledge relating to this topic" to discourage individuals from guessing answers and therefore potentially distorting the results. The 8 areas covered are:

- Committee Role and Pension Legislation
- Pensions Governance
- Pensions Administration
- Pensions Accounting and Audit Standards
- Procurement and Relationship Management
- Investment Performance and Risk Management
- Financial Markets and Product Knowledge
- Actuarial Methods, Standards and Practices

Key Findings of the Training Needs Analysis



- In terms of engagement, 100% of both the committee and board participated in the National Knowledge Assessment.
- The performance of the Committee (average overall score of 70.0 %) was stronger than that of the Board (average overall score of 60.8 %). This is reflection of the fact that the Committee has longer-serving members and a new member of the board took the assessment to provide us with a baseline for their training.
- The area of Actuarial Methods, Standards and Practices is the area where both groups saw a regression from the Knowledge Progress Assessment in 2023 to the 2024 assessment. As a result, future training will be focussed on this area to support understanding. Other lower scoring areas included Financial Markets and Product Knowledge which will be the focus for targeted training this year.
- Each member of the Committee and Board was given an individual score and assessment, enabling better targeted training.

<u>Training Plan 2025-6</u>

Hymans Robertsons – LGPS Online Learning Academy (LOLA)

All members of the Pension Fund Committee and the Local Pension Board to undertake all modules of the LGPS Online Learning Academy. The modules cover the following topics:

- Committee Role and Pension Legislation
- Pensions Governance
- Pensions Administration
- Pensions Accounting and Audit Standards
- Procurement and Relationship Management
- Investment Performance and Risk Management
- Financial Markets and Product Knowledge
- Actuarial Methods, Standards and Practices
- Current issues in the LGPS

This training is highly recommended for all Committee and Board Members.

Committee and Board members are recommended to complete all modules during the year and to continue to watch the 'Current Issues' videos as they are added to the platform.

Hymans also run live sessions on the platform which are advertised which are available as recordings after the event.

Hymans Robertson Knowledge Progress Assessment

Pension Fund Committee and Local Pension Board members will again be asked to participate in the Knowledge Progress Assessment (or equivalent) in the Autumn of 2025.

Business Plan and Current Issues Training

Potential training for the year will include workshops on

- Actuarial Methods, Standards and Practices - pre-committee training has been scheduled for March 2025 in this area
- Financial Markets and Product Knowledge - dates to be confirmed

We are evaluating a potential joint training event with another LGPS Fund as part of the Business Plan 2025/26.

Individual Training for Committee and Board Members

All members can arrange to meet with fund officers to discuss their individual training needs. Based on this meeting, an individualised training plan can be developed to best suit each individual member.

External Training

Training	Dates
Local Government Association:	
LGPS Fundamentals Training for newly Elected Members.	TBC – 3 days in the Autumn
LGA Governance Conference (Cardiff)	29 – 30 January 2026

LGA Annual Conference (Liverpool) Link: LGA Annual Conference and Exhibition 2025 LGPS-Live | Home Regular webinar hosted by the LGA and SAB on key LGPS issues	1 – 3 July 2025 Bi-monthly
PLSA Local Authority Conference (Bedfordshire) Link: Local Authority Conference | PLSA PLSA Local Authority Forum (London)	16 – 18 June 2025 TBC – December 2025
LGPS Pooling Symposium (Birmingham) LGPS Pooling Symposium	6 – 7 May 2025
LAPF Strategic Investment Forum (Hertfordshire) Link: LAPF Strategic Investment Forum	30 June – 1 July 2025
LAPFF Annual Conference	TBC – December 2025
The Pensions Regulator Trustee Toolkit https://trusteetoolkit.thepensionsregulator.gov.uk/	The Trustee toolkit is a free, online learning programme from The Pensions Regulator aimed at trustees of occupational pension schemes. The Trustee toolkit includes a series of online learning modules and downloadable resources developed to help you meet the minimum level of knowledge and understanding introduced in the Pensions Act 2004. This toolkit can form part of a committee/board member's 1st year training (see 'Mandatory Training' section).
The Pensions Regulator's Public Service Toolkit https://education.thepensionsregulator.gov.uk/login/	The Pensions Regulator also offers online training consisting of seven separate modules which support the General Code of Practice guidance.

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Division(s): n/a

ITEM 8

PENSION FUND COMMITTEE – 7 MARCH 2025

RISK REGISTER

Report by the Executive Director of Resources & Section 151 Officer

RECOMMENDATION

1. **The Committee is RECOMMENDED to note the latest risk register and accept that the risk register covers all key risks to the achievement of their statutory responsibilities, and that the mitigation plans, where required, are appropriate**.

Introduction

2. The risk register sets out the current risk scores in terms of impact and likelihood, and a target level of risk and a mitigation action plan to address those risks that are currently not at their target score. The risk register can be found at **APPENDIX 1**. This report sets out any progress on the mitigation actions agreed for those risks not yet at target and identifies any changes to the risks which have arisen since the register was last reviewed.

Comments from the Pension Board

3. The Local Pension Board did review and consider the risk register at its last meeting on the 24 January, however there were no comments for consideration.

Latest Position on Existing Risks/New Risks

New Emerging Risks

4. Having carried out a holistic review of all the current risks – it was determined that there are no new known emerging risks to assess and mitigate. However, fund officers recognise that there are various central government initiatives which have been initiated or are currently on-going. These may potentially result in emerging risks that the fund has to consider. These initiatives include:

   i) The 'fit for the future' Consultation;
   ii) Local Government devolution and reorganisation;
   iii) New Fair Deal.

The fund is closely monitoring each of these initiatives to ensure that any potential risks to the fund are quickly identified, such that mitigating actions can be agreed and actioned swiftly. Any such risks would be presented to Committee/Board on the risk register.

Increasing Risk

5. Risk 12 – 'Insufficient resources from Committee to deliver responsibilities' – has increased from a green rating to an amber rating. Increasing workload as a result of the OCC Transformation project which is underway. This is likely to increase the numbers of pension estimates that are requested. Additionally, the requirements for the national Pensions Dashboard and McCloud are likely to increase workloads for the fund.

Reducing Risk

6. None of the risks on the risk register were deemed as decreasing in their respective risk rating.

Risks removed from the Risk Register

7. None of the risks were removed from the Risk Register.

Same Risk Rating

8. Risk 14 – 'Insufficient Skills and Knowledge amongst Board Members' – this has remained at an amber rating. The Board results from the National Knowledge Assessment 2024, warrants the risk remaining at an amber rating. The training plan for 2025/26 will seek to address the training requirements for the Board.

9. Risk 15 – 'Insufficient Skills and Knowledge amongst officers' – the team continues to experience challenges in recruiting to lower-level management posts. As such, this risk has been assessed as remaining at an amber rating.

10. Risk 21 – 'Insufficient Resource and/or Data to comply with consequences of McCloud Judgement & Sergeant' – work on the project continues in earnest, and there has been some good progress. However, there is still work outstanding related to data uploads. There is a plan in place to ensure that all aspects of this project are completed effectively and in a timely manner. As such, this risk has been assessed as remaining at an amber rating at present.

11. Risk 24 – 'Impact of a potential turnover of Pension Fund Committee members as a result of the election' – the next elections are due in May 2025. Hence, this is an active risk and as such remains at an amber rating.

12. All other risks have been assessed as remaining the same as last quarter and are at the target risk rating.

13. The Pension Fund Committee are asked to note the Risk Register.

Lorna Baxter
Executive Director of Resources & Section 151 Officer

Contact Officer: Mukhtar Master Tel: 07732 826419 March 2025

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APPENDIX 1

Risk Register

Identification of Risks:

These are the risks that threaten the achievement of the Pension Services objectives. Risks have been analysed between:

- Funding, including delivering the funding strategy;
- Investment;
- Governance
- Operational; and
- Regulatory.

Key to Scoring

	Impact	Financial	Reputation	Performance
5	Most severe	Over £100m	Ministerial intervention, Public inquiry, remembered for years	Achievement of Council priority
4	Major	Between £10m and £100m	Adverse national media interest or sustained local media interest	Council priority impaired or service priority not achieved
3	Moderate	Between £1m and £10m	One off local media interest	Impact contained within directorate or service priority impaired.
2	Minor	Between £100k and £500k	A number of complaints but no media interest	Little impact on service priorities but operations disrupted
1	Insignificant	Under £100k	Minor complaints	Operational objectives not met, no impact on service priorities.

Likelihood

4	Very likely	This risk is very likely to occur (over 75% probability)
3	Likely	There is a distinct likelihood that this will happen (40%-75%)
2	Possible	There a possibility that this could happen (10% - 40%)
1	Unlikely	This is not likely to happen but it could (less than 10% probability)

RAG Status/Direction of Travel

(Red)	Risk requires urgent attention
(Amber)	Risks needs to be kept under regular review
(Green)	Risk does not require any attention in short term
↑	Overall Risk Rating Score is Increasing (Higher risk)
↔	Risk Rating Score is Stable
↓	Overall Risk Rating Score is Reducing (Improving Position)

APPENDIX 1

Ref	Risk	Scheme	Risk Category	Cause	Impact	Risk Owner	Controls in Place to Mitigate Risk	Current Risk Rating			RAG Status and Direction of Travel	Further Actions Required	Date for completion of Action	Target Risk Rating			Date of Review	Comment
								Impact	Likelihood	Score				Impact	Likelihood	Score		
1	Investment Strategy not aligned with Pension Liability Profile	LGPS	Investment	Pension Liabilities and asset attributes not understood and matched.	Long Term - Pension deficit not closed.	Head of Fund	Triennial Asset Allocation Review after Valuation.	4	1	4	↔			4	1	4	Mar 2025	At Target
2	Investment Strategy not aligned with Pension Liability Profile	LGPS	Investment	Pension Liabilities and asset attributes not understood and matched.	Short Term – Insufficient Funds to Pay Pensions.	Head of Fund	Monthly cash flow monitoring and retention of cash reserves.	4	1	4	↔			4	1	4	Mar 2025	At Target
3	Investment Strategy not aligned with Pension Liability Profile	LGPS	Investment	Poor understanding of Scheme Member choices.	Long Term - Pension deficit not closed. Short Term – Insufficient Funds to Pay Pensions.	Head of Fund	Monthly cash flow monitoring and retention of cash reserves.	3	1	3	↔			3	1	3	Mar 2025	At Target
4	Under performance of asset managers or asset classes	LGPS	Investment	Loss of key staff and change of investment approach at Brunel or underlying Fund Managers.	Long Term - Pension deficit not closed.	Financial Manager	Quarterly assurance review with Brunel. Diversification of asset allocations. As an open defined benefit scheme – investments are long-term.	3	2	6	↔			3	2	6	Mar 2025	At Target – however Brunel have announced the departure of their CIO.
5	Actual results vary to key financial assumptions in Valuation	LGPS	Funding	Market Forces	Long Term - Pension deficit not closed.	Head of Fund	Actuarial model is based on 5,000 economic scenarios, rather than specific financial assumptions. As an open defined benefit scheme – investments are long-term.	3	2	6	↔			3	2	6	Mar 2025	At Target

APPENDIX 1

Ref	Risk	Scheme	Risk Category	Cause	Impact	Risk Owner	Controls in Place to Mitigate Risk	Current Risk Rating			RAG Status and Direction of Travel	Further Actions Required	Date for completion of Action	Target Risk Rating			Date of Review	Comment
								Impact	Likelihood	Score				Impact	Likelihood	Score		
6	Under performance of pension investments due to ESG factors, including climate change.	LGPS	Investment	Failure to consider long term financial impact of ESG issues	Long Term - Pension deficit not closed.	Financial Manager	The Fund has an RI Policy requiring ESG factors to be considered in all investment decisions. The Fund have a Climate Change Policy and implementation plan.	4	1	4	↔			4	1	4	Mar 2025	At Target.
7	Loss of Funds through fraud or misappropriation.	LGPS	Investment	Poor Control Processes within Fund Managers and/or Custodian	Long Term - Pension deficit not closed	Financial Manager	Review of Annual Internal Controls Report from each Fund Manager. Clear separation of duties.	3	1	3	↔			3	1	3	Mar 2025	At Target
8	Employer Default – LGPS	LGPS	Funding	Market Forces, increased contribution rates, budget reductions.	Deficit Falls to be Met by Other Employers	Pension Services Manager	All new employers set up with ceding employer under-writing deficit, or bond put in place. Contribution escalation policy provides early indicator/warning.	3	2	6	↔			3	2	6	Mar 2025	At Target
9	Inaccurate or out of date pension liability data	LGPS	Funding	Late or Incomplete Returns from Employers	Errors in Pension Liability Profile impacting on Risks 1 and 2 above.	Pension Services Manager	Monitoring of Monthly returns	3	1	3	↔			3	1	3	Mar 2025	At Target
10	Inaccurate or out of date pension liability data from Employer	LGPS	Operational	Late or Incomplete Returns from Employers	Late Payment of Pension Benefits.	Pension Services Manager	Monitoring of Monthly returns. Direct contact with employers on individual basis.	3	1	3	↔			3	1	3	Mar 2025	At Target
11	Inaccurate or out of date pension liability data from Employer	LGPS	Operational	Late or Incomplete Returns from Employers	Improvement Notice and/or Fines issued by Pension Regulator.	Pension Services Manager	Monitoring of Monthly returns. Direct contact with employers on individual basis.	4	1	4	↔			4	1	4	Mar 2025	At Target
12	Insufficient resources from Committee to deliver responsibilities-	LGPS	Operational	Budget Reductions	Breach of Regulation	Head of Fund	Annual Budget Review as part of Business Plan.	4	2	8	↑	OCC transformation will increase workload based on numbers in scope and requesting	On-going	4	1	4	Mar 2025	Above target

APPENDIX 1

Ref	Risk	Scheme	Risk Category	Cause	Impact	Risk Owner	Controls in Place to Mitigate Risk	Current Risk Rating			RAG Status and Direction of Travel	Further Actions Required	Date for completion of Action	Target Risk Rating			Date of Review	Comment
								Impact	Likelihood	Score				Impact	Likelihood	Score		
												pension esitmates. Additionally, work on Pensions Dashboard and McCloud. Workforce Planning in progress.						
13	Insufficient Skills and Knowledge on Committee	LGPS	Operational	Poor Training Programme. New Committee Members.	Breach of Regulation. Loss of Professional Investor Status under MIFID II	Head of Fund	Training Review	4	1	4	↔	Implement new training plan 24/25 based on the outcomes of the National Knowledge Assessment from Hymans	Mar 2025	4	1	4	Mar 2025	At target
14	Insufficient Skills and Knowledge amongst Board Members	LGPS	Operational	Turnover of Board membership	Insufficient Scrutiny of work of Pension Fund Committee leading to Breach of Regulations	Head of Fund	Training Policy	4	2	8	↔	Implement new training plan 24/25 based on the outcomes of the National Knowledge Assessment from Hymans	Mar 2025	4	1	4	Mar 2025	Above target
15	Insufficient Skills and Knowledge amongst officers.	LGPS	Operational	Poor Training Programme and/or high staff turnover. Pay grades not reflecting market rates and affecting recruitment and retention.	Breach of Regulation, errors in Payments and ineffective scheme member engagement. Inability to effectively meet RI and Climate related objectives.	Head of Fund	Training Plan. Control checklists. Use of staff from 3rd party agencies	3	2	6	↔	The Workforce Strategy and workforce planning is work to be completed and changes to workforce agreed and implemented. Recruitment of Seniors currently happening.	Dec 2024 Dec 2024	3	1	3	Mar 2025	Above target .
16	Key System Failure	LGPS	Operational	Technical failure	Inability to process pension payments	Pension Services Manager	Disaster Recovery Programme, and Cyber Security Policy	4	1	4	↔	Quarterly Meetings with ICT Cybersecurity Lead have been established. Business Continuity plan being completed at present.	On going	4	1	4	Mar 2025	At Target
17	Breach of Data Security	LGPS / FPS	Operational	Poor Controls	Breach of Regulation, including GDPR	Pension Services Manager	Security Controls, passwords etc.	4	1	4	↔			4	1	4	Mar 2025	At Target

APPENDIX 1

Ref	Risk	Scheme	Risk Category	Cause	Impact	Risk Owner	Controls in Place to Mitigate Risk	Current Risk Rating			RAG Status and Direction of Travel	Further Actions Required	Date for completion of Action	Target Risk Rating			Date of Review	Comment
								Impact	Likelihood	Score				Impact	Likelihood	Score		
							GDPR Privacy Policy and Cyber Security Policy.											
18	Failure to Meet Government Requirements on Pooling	LGPS	Governance	Inability to agree proposals with other administering authorities.	Direct Intervention by Secretary of State	Head of Fund	Full engagement within Brunel Partnership	5	1	5	↔	Consultation completed and submitted. Working with Brunel for the submission of their return.	TBC	5	1	5	Mar 2025	At Target
19	Failure of Pooled Vehicle to meet local objectives	LGPS	Investment	Sub-Funds agreed not consistent with our liability profile.	Long Term - Pension deficit not closed	Head of Fund	Full engagement within Brunel Partnership	4	1	4	↔			4	1	4	Mar 2025	At Target
20	Significant change in liability profile or cash flow as a consequence of Structural Changes	LGPS	Funding	Significant Transfers Out from the Oxfordshire Fund, leading to loss of current contributions income.	Insufficient cash to pay pensions requiring a change to investment strategy and an increase in employer contributions	Head of Fund	Engagement with key projects to ensure impacts fully understood	4	1	4	↔	Increased focus on cashflow monitoring going forward. Monitoring developments in Local Government re-organisations.	On going	4	1	4	Mar 2025	At Target
21	Insufficient Resource and/or Data to comply with consequences of McCloud Judgement & Sergeant.	LGPS / FPS	Operational	Significant requirement to retrospectively re-calculate member benefits	Breach of Regulation and Errors in Payments	Pension Services Manager	Re-organising this work between the whole team based on existing skill sets.	4	2	8	↔	There has been some good progress however still work required in relation to uploading data.	On-Going	4	1	4	Mar 2025	Above target
22	Loss of strategic direction	LGPS / FPS	Governance	Loss of key person	Short term lack of direction on key strategic issues	Head of Fund	Establishment of a Governance & Communications Team provides the resilience that the fund requires.	2	1	2	↔			2	1	2	Mar 2025	At Target.
23	Impact of Pension Scams	LGPS FPS	Operational	Failure to follow TPR guidance for transfers out.	Financial loss to members. Potential cost to Fund for making good any loss. Potential TPR sanctions and reputational damage.	Pension Services Manager	TPR guidance for transfers out and the forthcoming regulations in the General Code of Practice. All processes are in line with the above.	3	1	3	↔			3	1	3	Mar 2025	At target

APPENDIX 1

Ref	Risk	Scheme	Risk Category	Cause	Impact	Risk Owner	Controls in Place to Mitigate Risk	Current Risk Rating			RAG Status and Direction of Travel	Further Actions Required	Date for completion of Action	Target Risk Rating			Date of Review	Comment
								Impact	Likelihood	Score				Impact	Likelihood	Score		
24	Impact of a potential turnover of Pension Fund Committee members as a result of the election.	LGPS FPS	Governance	Council Election in May 2025 and natural turnover leading to significantly new Pension Fund Committee members	Significant deterioration of knowledge and skills of the Pension Fund Committee. Impaired decision making due to lack of knowledge and skills.	Pension Services Manager	Additional resources devoted to ensure that Pension Fund Committee members are trained appropriately. Additional support for decision making possibly through a third-party or the Pension Board	4	2	8	↔	The training plan for 2025/26 to establish actions to implement the mitigations outlined.	Mar 2025	4	1	4	Mar 2025	Above target

Division(s): n/a

ITEM 9

PENSION FUND COMMITTEE – 7 MARCH 2025

GOVERNANCE & COMMUNICATIONS REPORT

Report by the Executive Director of Resources & Section 151 Officer

RECOMMENDATION

1. The Committee is RECOMMENDED to:

i) Note the Fund's update on the Pension Regulator's General Code of Practice.
ii) Note the Fund's annual review of Cyber Security.
iii) Note the latest quarter's breaches for the fund.
iv) Note the communications update.

General Code of Practice

2. The Pensions Regulator have recently published the final General Code of Practice which replaces the Code of Practice 14 for the Local Government Pension Scheme (LGPS).

3. The new General Code of Practice consists of 51 modules which relate to 5 main areas:

i) Governing Body – 18 modules
ii) Funding and Investments – 2 modules
iii) Administration – 10 modules
iv) Communications and Disclosure – 11 modules
v) Reporting to TPR – 4 modules.

4. All funds within the Local Government Pension Scheme (LGPS) need to be compliant to the new General Code of Practice by March 2025. To this end, the Oxfordshire Pension Fund have developed a plan to ensure compliance against the 51 modules. A visual plan has been developed which shows progress against the key stages of the plan with a red/amber/green (RAG) rating to show the current status of each key stage of the plan. This plan can be seen at **APPENDIX 1**.

5. Summary of the progress this quarter regarding the General Code of Practice:

i) Modules and actions completed satisfactorily this last quarter include:

(1) Review other LGPS fund compliance;
(2) Assurance of governance and internal controls (audit);

(3) Planning and maintaining administration;
(4) Cyber Controls;
(5) Maintenance of IT systems;
(6) Climate Change.

ii) A number of modules will require further work prior to being compliant:

(1) Planning and maintaining administration;
(2) General principles for member communications;
(3) Reporting payment failures;
(4) Continuity Planning.

These four modules will be complete and green after the completion of a couple of minor actions.

The fund continues to be on track to meet the March 2025 deadline of having reviewed all the required modules for the General Code of Practice.

6. Ensuring that the fund is compliant with the requirements of the General Code of Practice will remain a priority going into the new financial year. As such the fund will be looking into commissioning Hymans to carry out an independent oversight and challenge of the compliance work that has been carried out. Additionally, the fund will be looking to review the modules that were assessed as being compliant during the initial gap analysis carried out in 2023/24.

Annual Review of Cyber Security

7. In March 2024, the fund presented its first annual review of cyber security. This year's review encompasses the good practice which was adopted last year, but also incorporates the guidance and requirements that have been set out for fund's within the General Code of Practice.

8. All fund staff have successfully undertaken all the relevant training for cyber security and have also been 'tested' through mock phishing exercises run by OCC IT.

9. Quarterly meetings have been established with OCC IT to ensure that the fund is regularly briefed and updated on all the latest developments within this specialist area.

10. All suppliers to the fund have been asked to verify whether they are compliant with regards to effective management of cyber risk. All suppliers have confirmed this except for two who we are still waiting for.

3rd Party Supplier	Service Provided	Cyber Security Assurances Received	Response checked by OCC IT
Aquila Heywood	Pensions Software	03/02/2025	11/02/2025
Hymans Robertson	Actuarial and Governance Services	10/02/2025	11/02/2025
Prudential (M&G)	AVC Provider	20/01/2025	11/02/2025
Adare	Printing Services	14/01/2025	11/02/2025
Legal and General	AVC Provider	Chased 13/02/2025	
Bottomline	BACS Services	Chased 13/02/2025	

11. As reported above for the General Code of Practice update, the fund have reviewed the requirements set out within the ‘Cyber Controls’ module, and it was deemed that we met the those requirements.

12. **APPENDIX 2** is the ‘Pension Services – OCC Cyber Security’ report written by OCC IT. The report concludes that ‘No critical security issues have been identified.’

13. The fund has now established the systems and processes to ensure that the risk of a cyber security is minimised. It clearly does not entirely eradicate the risk, however it should provide assurance that the fund is taking all the necessary steps to do so.

Breaches for the period October to December 2024

14. There are various legislative and regulatory requirements for Pension Funds regarding breaches which include the Pensions Act 2004, the UK General Data Protection Regulation (UK GDPR) and the Pension Regulator's General Code of Practice (GCOP).

15. The following table shows the number of breaches in the last quarter – October to December 2024.

	2023/4	2024/5			
Breach Type	**Jan-Mar (Q4)**	**Apr-Jun (Q1)**	**Jul-Sept (Q2)**	**Oct-Dec (Q3)**	**Total**
Contribution - GCOP	8	18	21	10	57
Data - GCOP	30	32	35	35	132
Other - GCOP	0	0	1	0	1
Data - GDPR	2	1	1	1	5
Total	40	51	58	46	195

Escalations in Q3					
Type of Breach	**Contribution (GCOP)**	**Data (GCOP)**	**Other (GCOP)**	**Data (GDPR)**	**Total**
Number escalated	2	2	0	0	**4**
Number resolved	2	1	0	0	**3**
Number carried over to next quarter	0	1	0	0	**1**

Code of Practice Breaches

A breach is recorded every time a contributions payment or data return is submitted after the 19th of the month following payroll. A breach is also recorded when an employer fails to provide member data or information to the administration team in line with the escalation policy.

All contribution and data breaches, including 3 of the 4 which were escalated to the Team Leader, have been resolved. The remaining escalated case is awaiting admission paperwork and is being monitored by the Team Leader.

The 'Other' GCOP breach reported in Q2 related to the delay in issuing Firefighters' Pension Scheme annual benefit statements (ABS) to members who are eligible for the remedy in the McCloud/Sargeant cases. These have been further delayed. Members have been notified of the delay to their ABS by letter and statements will be issued by 28 February 2025. The TPR is already aware of the delays in the FPS annual benefit statements and a breach was reported to TPR in Q2.

Data Breaches

One data breach occurred in Q3, which was assessed and closed by the Information Management Team.

None of the Q3 breaches were materially significant and as such were not reported to either The Pensions Regulator or the Information Commissioner.

Communications Update

16. Work to review the arrangements for the Pension Fund website is underway. Fund Officers are in discussion with the OCC web team to agree the scope of the project with a view to having a new website rolled out by March 2026.

17. The Annual Employer Forum took place on 12th February with 66 attendees across 35 employers. The agenda focussed on the 2025 valuation and investment matters.

18. Preparation is in progress for a series of six member talks for OCC, at different locations across the county - to take place in March 2025.

Lorna Baxter
Executive Director of Resources & Section 151 Officer

Contact Officer: Mukhtar Master Tel: 07732 826419 March 2025

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Oxfordshire Pension Fund
General Code of Practice Action Plan 2024/5

Project Stage	#	Action/task	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25
Project Initialisation	1	Evaluate compliance checkers on the market.													
Project Initialisation	2	Research how other funds are tackling the their implementation of the GCOP													
Project Initialisation	3	Purchase compliance checker													
Project Initialisation	4	Determine which of the 51 modules apply to the fund													
Project Maintenance	5	Review other LGPS fund committee/board reports for updates on their GCOP compliance													
Project Maintenance	6	Prioritise modules based on levels of requirement													
Module Review 1	7	Managing advisers and service providers (Contract monitoring)													
Module Review 1	8	Assurance of governance and internal controls (audit)													
Module Review 2	9	Recruiting to governing body													
Module Review 2	10	Knowledge and understanding													
Module Review 2	11	Governance of knowledge and understanding													
Module Review 3	12	Publishing information about public service pension schemes													
Module Review 3	13	Notification of right to cash transfer sum or contribution refund													
Module Review 3	14	Financial transactions													
Module Review 3	15	Receiving contributions }													
Module Review 3	16	Monitoring contributions }													
Module Review 3	17	Resolving overdue contributions }													
Module Review 4	18	Planning and maintaining administration								Amber rated	Amber rated		Review actions		
Module Review 4	19	General principles for member communications							Amber rated			Review actions	Review actions		
Module Review 4	20	Reporting payment failures								Amber rated	Amber rated			Review actions	
Module Review 5	21	Cyber controls													
Module Review 5	22	Scheme records													
Module Review 5	23	Data monitoring													
Module Review 6	24	Maintenance of IT systems													
Module Review 6	25	Climate change													
Module Review 6	26	Continuity Planning												Review actions	Review actions

Scheduled tasks
Completed
Some requirements/actions still outstanding
Requirements/actions overdue

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Pension Services – OCC Cyber Security

Scope

This report provides an updated assessment of the high-level security posture of Pension Services systems and processes.

Including a technical review and vulnerability assessment of the following:

- "R Drive" – The Pension Services shared drive and operational file storage.
- Bottomline/PTX Server.

These services have not changed significantly since the last report and continue to rely primarily on externally hosted software managed by third-party providers. These continue to be checked on an annual basis for their security certifications to evidence compliance with expected standards. There are no concerns with any of the information provided or the wider security posture from these providers.

Summary

OCC IT have reviewed and verified the cyber security requirements detailed in the Pensions Regulator's General Code of Practice and are satisfied that appropriate controls are in place –
OCC maintains industry-standard cyber security controls, including robust technical measures, a comprehensive incident response plan, and regularly tested backups. Policies governing IT systems, data protection, and disaster recovery are reviewed annually, ensuring compliance with GDPR and the Data Protection Act. Staff complete mandatory training, and cyber security risks are actively managed through regular reviews and governance processes.

No critical security issues have been identified. All outstanding software vulnerabilities are in line with expected patching cycles and will be addressed as part of business-as-usual maintenance.

Vulnerabilities

This includes a check for any technical, software vulnerabilities, covering the Operating System and any supported applications.

- The "R Drive" has no significant security vulnerabilities.

- The Bottomline/PTX server has no outstanding vulnerabilities, following regular scheduled maintenance which took place on Sunday February 2nd, 2025.

Access Control

- Access to the R drive is marked as ‘Restricted’, subject to approval from Vicki Green and Mark Smith. 45 colleagues currently have access.

- Access to the ‘PTX-DataIn’ folder on the Bottomline/PTX server is restricted to the following individuals: Rachael Salsbury and Amy Middleton.

Outstanding actions

The opportunity to implement Single Sign-On for the Bottomline application is still being explored. This will simplify service access, enhance security, remove the manual 'leavers' process, and enable IT auditing. Real-time security checks will detect risks like 'impossible travel' and unusual access patterns.

This is awaiting technical details from the 3rd party, and implementation should be straightforward following planning and governance from IT. This is scheduled to take place in Q1 2025.

Division(s): n/a

ITEM 10

PENSION FUND COMMITTEE

07 March 2025

ADMINISTRATION REPORT

Report by Executive Director Resources and Section 151 Officer

RECOMMENDATION

1. **The Committee is RECOMMENDED to note the decision made on the Fire Remedy project by the delegated Manager on behalf of the Pension Fund Committee.**

Executive Summary

2. This report updates the Committee on the key administration topics including service performance, statutory compliance, staffing, debt recovery and write offs in the last quarter.

Service Performance

Benefit Administration

3. Annex 1 confirms a breakdown of the benefit administration work completed in the last quarter, October to December 2024.

4. There were 6,877 new cases created: an increase of 515 from the previous quarter, mainly relating to new starters, which increased by 744.

5. The team completed 6,800 cases, of which 87% were completed within SLA deadline, an increase of 7.2% from the previous quarter.

6. There were 1,912 cases outstanding at the end of the period, an increase of 170 from the previous quarter. At the time of writing this report, this number has reduced to 1,484.

7. Annex 2 contains the volume of e-mails received per month from April to December 2024. These include a mixture of new case requests and member queries.

8. Annex 3 contains the telephone statistics for the period October to December 2024. The two additional telephone numbers highlighted missing in the previous report are now included and shown as General Payroll Queries – AA and Pension-MSS-AA.

9. Telephone statistics will be built into monthly performance reviews from April 2025 to monitor and improve customer service. It should be noted that the current statistics are not considered a concern, and no complaints have been received on the service.

10. There is no pension scams reported in the last quarter October to December 2024. All transfer payments made from the scheme are checked vigilantly to ensure due diligence checks have been carried out correctly.

Statutory Returns

11. A breach report has been submitted to the Pension Regulator in connection with the Fire Scheme Active and Deferred benefit statements which were not issued by 31 August 2024 because of the complexity of the pension age discrimination remedy work.

Fire Service Administration

12. In the last quarter October to December 2024, the team completed 121 cases of which 75% were completed within SLA deadline. At the point of writing this report, there are 89 cases outstanding.

13. Annual benefit statements were issued to most Active scheme members by 31 October 2024. The deferred remediable service statements were further delayed pending a software update to enable these to be issued. This release has now been delivered, and testing is continuing to enable statements to be issued by the deadline of 31 March 2025.

Employer Monthly Returns

14. On 31 December 2024, 3.5% of returns (44 employers) were not vetted. This was due to performance related issues which have now been resolved. The workload is being redistributed across the remaining team.

15. The vetting process is currently under review to improve the quality of checks, reporting and monitoring of workload and performance. This will ultimately reduce time spent on the end of year process.

16. In the last quarter, to 31 December there is:
    - 2 new admissions.
    - 3 academy conversions.
      2 closure valuations, which will become 4 new admissions pending the employer telling us the new provider.

Member Self Service

17. Annex 4 confirms the latest numbers signed up to Member Self-service.

18. Communication has been issued to employers annually since 2019 offering a list of staff who have not made a positive election, to help encourage staff to sign up. The last communication was issued in July 2024.

19. Activation codes will be issued to members as part of the preparation of 2025 ABS to encourage members to sign up.

Employer SLA Monitoring

20. In the last quarter to 31 December 2024, no fines were issued to employers.

Financial Implications

Transfers

21. In the last quarter October to December 2024, a report on the values of transfers paid in and out of the fund confirmed £4.1 million was transferred into the fund and £4.8 million was transferred out of the fund.

Invoices Outstanding

22. On 31 December 2024, there were 11 outstanding invoices amounting to £328,392.56, of which £316,851.16 relates to an employer cost for early release of employee benefits. This has now since been paid.

Contribution Monitoring

23. In the quarter October to December 2024, 19 payments were made past the deadline of 19th month following payroll. These relate to 14 employers and affects a total of 148 employees.

24. There are 5 employers who missed the deadline on more than one occasion in the last quarter. This affects 12 employees in total, and we are working with these employers in line with the Administration Strategy to improve performance.

Complaints

25. The table below shows number of complaints for each financial year.

Year	Informal	Resolved	IDRP Stage 1	Upheld	IDRP Stage 2	Upheld	TPO
2023/24	18	16	9	1	8	2	1
2024/25	18	16	2	2	1	0	1

26. In the current year 2024/25, there have been 18 informal complaints to 31 December 2024, an increase of 3 cases from the previous quarter.

27. Two cases relate to the same person and is resolved and 1 has progressed to IDRP Stage 2 relating to an ill-health appeal, which is currently on-going.

28. The Pension Ombudsman case in the last report has been resolved informally. The complaint was upheld and Oxfordshire Pension Fund made payment of £500 compensation and £626.32 for financial redress to the member.

Historic Death Cases

29. The review of historical deaths highlighted in previous reports has been put on hold whilst we focus on statutory projects and deadlines, with a view that this has no ongoing impact on the pension fund or service. An update will continue to be provided at these meetings.

Legal Implications

Pension Dashboard Project

30. Annex 5 confirms The Pension Dashboard project plan. There has been no movement since the last report, however the contract is due to be completed by early March.

31. A new date to install the Integrated Software Provider (ISP) has been scheduled for March 2025, with a contractual agreement to complete by August 2025 ensuring we meet our statutory deadline of 31 October 2025.

32. Data cleansing of pension records is being carried out, including liaising with AVC providers to ensure we are compliant with the dashboard requirements.

McCloud Project

33. Annex 6 confirms the current position of the McCloud Project. The focus continues to be on status 1 and 4 records ahead of issuing Annual Benefit Statements (ABS) with the McCloud Remedy included by 31 August 2025.

34. OCC status 1 have 15 cases remaining that we are currently unable to run due to a system error. These are being investigated by our system provider.

35. OCC status 4 have had all data checked and uploaded. A bulk calculation is required to complete the outstanding 96 cases, after which these are complete.

36. For non-OCC cases, the team have a weekly completion target of 375 cases with a target end date to be completed by 31 May 2025 ready for ABS preparation. Regular meetings and feedback are being provided to stay on track.

37. There are 2FTE staff resourced to this project, and good progress has been made to date, however unforeseen absence has impacted this work and therefore remains an amber rating on the Risk Register.

Age Discrimination Remedy – Fire Service

38. Remedy work will conclude in March 2025 when the remaining pensioner members will be contacted with their options and any members where we are unable to carry out remediable work due to guidance still being awaited.

39. The remedy work has highlighted that if a firefighter has had a period of authorised unpaid absence since 2015, they have not been offered the opportunity to repay the pension contributions owing for the unpaid period.

40. The employer is working to rectify this error, and all regular firefighters will be individually contacted with full details of the contributions owing.

41. The Chief Fire Officer has decided that on-call firefighters will be contacted with details of their service breaks, and provided with a worked example of the effect that this could have on ongoing pension rights. A tailored quote will be provided on request if required.

On-call Second Options Exercise – Fire Service

42. The second options exercise for on-call firefighters was due to conclude on 31 March 2025, but a consultation has just ended, with the likelihood that the closing date will be extended by one year to 31 March 2026.

43. Any quotes issued by 31 March 2025 will require a decision to be made by the member by 31 March 2025, and this has been highlighted as a possible disparity in the consultation response submitted by the Local Government Association.

44. A decision has been taken by the Chief Fire Officer to carry on issuing quotes in the interim period up to 31 March, with the understanding that if anyone is unhappy, they can contact us individually.

Staffing

45. At the point of writing this report the team are carrying 2 Senior Administrator vacancies and 3 Administrator vacancies. There is also one Administrator on maternity leave and two Seniors on long-term sickness.

46. In the last recruitment for Administrator positions, we made an offer to 3 candidates; one withdrew due to finding alternative employment, one has started, and one is finalising pre-employment checks with a date to be confirmed.

47. A new post has been created in the team, to continue the work on the on-call second options in Fire Service administration, which is currently a temporary position held under the Fire Service due to end in May 2025.

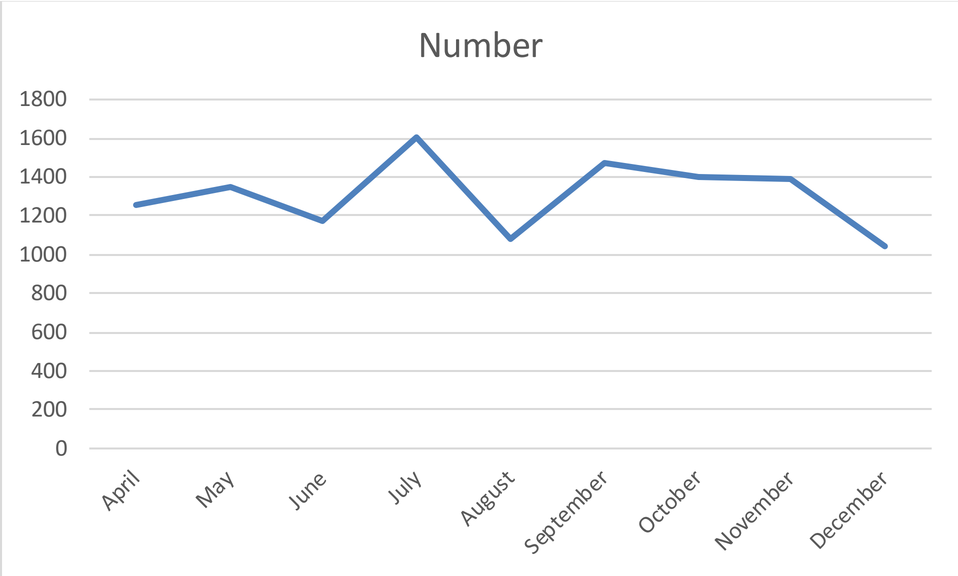
Lorna Baxter

Annex:	1 – Benefit Administration Statistics 2 – E-mail statistics 3 – Telephone statistics 4 – MSS Registration statistics 5 – Pension Dashboard project plan 6 – McCloud statistics
Background papers:	Nil
Contact Officer:	Vicki Green, Pension Administration Manager, 01865 323660, vicki.green@oxfordshire.gov.uk

March 2025

Subcategory	Complete at End of Period	# Completed Within Customer Target	% Complete Within Customer Target	# Completed Within Legally Required Response Time	% Complete Within Legal Target
Total	6,800	5,917	87.0%	4,266	98.6%
B1: Communication issued with acknowledgement of death of active, deferred, pensioner and dependent member	158	153	96.8%	24	
B2: Communication issued confirming benefits payable	140	130	92.9%	140	100.0%
B2: Communication issued confirming benefits payable (frozen refund)	1	1	100.0%	0	
B2: Communication issued confirming payment of death grant	17	17	100.0%	11	
B3: Communication issued to deferred member with confirmation of pension and lump sum options (actual)	229	225	98.3%	229	100.0%
B3: Communication issued to deferred member with pension and lump sum options (quotation)	172	168	97.7%	172	100.0%
B3: Payment of lump sum (both actives and deferreds)	343	308	89.8%	65	
B4: Communication issued to active member with confirmation of pension and lump sum options (actual)	128	115	89.8%	125	97.7%
B4: Communication issued to active member with pension and lump sum options (quotation)	8	8	100.0%	8	100.0%
B4: Communication issued to confirm recalculated benefits (actual)	9	6	66.7%	2	
B5: Communication issued with deferred benefit options	540	273	50.6%	488	90.4%
B5: Communication issued with frozen refund options	524	391	74.6%	506	96.6%
B5: Communication issued with recalculated deferred benefit options	32	26	81.3%	2	
B5: Communication issued with recalculated frozen refund options	4	3	75.0%	0	
B6: Communication issued to scheme member with completion of interfund in	93	72	77.4%	1	
B6: Communication issued to scheme member providing quotation of interfund in	154	117	76.0%	2	
B7: Communication issued to scheme member with completion of interfund out	81	58	71.6%	0	
B7: Communication issued to scheme memberproviding quotation of interfund out	44	37	84.1%	0	
B8: Payment of refund	189	184	97.4%	4	
B9: Divorce quotation	27	24	88.9%	27	100.0%
B10: Communication issued following actual divorce proceedings i.e application of a Pension Sharing Order	0	0		0	
B11: Member estimates requested by scheme member and employer	132	108	81.8%	3	
B12: Communication issued to new starters	1,820	1,820	100.0%	1,820	100.0%
B13: Communication issued to member who has rejoined the scheme (Actual)	136	125	91.9%	1	
B13: Communication issued to member who has rejoined the scheme (Quote)	35	22	62.9%	0	
B14: Transfers in (including club transfers) Actual	12	12	100.0%	1	
B14: Transfers in (including club transfers) Quotation	26	23	88.5%	26	100.0%
B15: Transfers out (including club transfers) Actual	16	11	68.8%	1	
B15: Transfers out (including club transfers) Quotation	92	75	81.5%	92	100.0%
B16: Communication issued to members to confirm set up of additional contributions	22	19	86.4%	0	
B17: Trivial commutation paperwork issued to member (payment)	8	8	100.0%	0	
B17: Trivial commutation paperwork issued to member (quotation)	11	10	90.9%	0	
B18: Communication issued with concurrent merge options	107	51	47.7%	1	
B19: Communication with member and provider for additional voluntary contributions	15	14	93.3%	0	
B20: Pension enquiry received from customer (member, 3rd party)	889	717	80.7%	206	
B21: Updating member's personal details	150	150	100.0%	41	
B22: Communication sent to members chasing decision on frozen refund	139	139	100.0%	1	
B22: Initial request issued to previous LG fund for interfund information	297	297	100.0%	267	

Incoming E-mail Statistics - April to December 2024



Month	Number
April	1260
May	1350
June	1173
July	1605
August	1084
September	1474
October	1399
November	1392
December	1043

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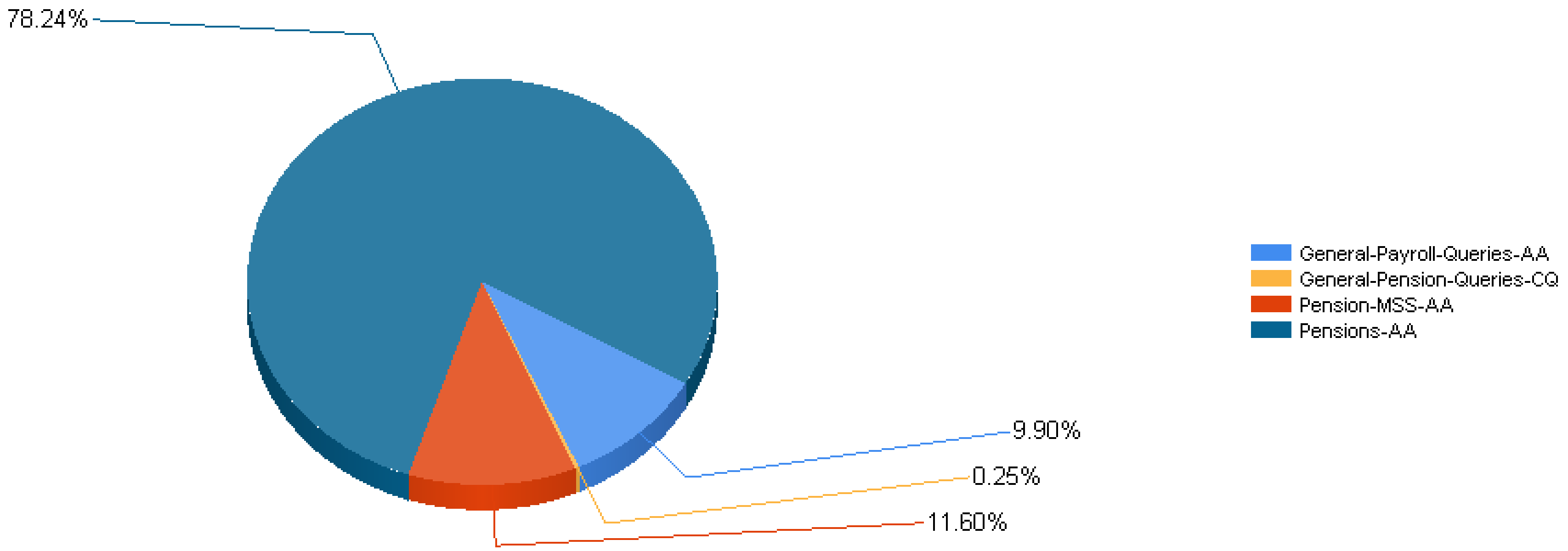
Summary grouped by Auto attendants, Queue

10/01/2024 - 12/31/2024 (UTC+00:00) Dublin, Edinburgh, Lisbon, London

Call Direction Out In Internal



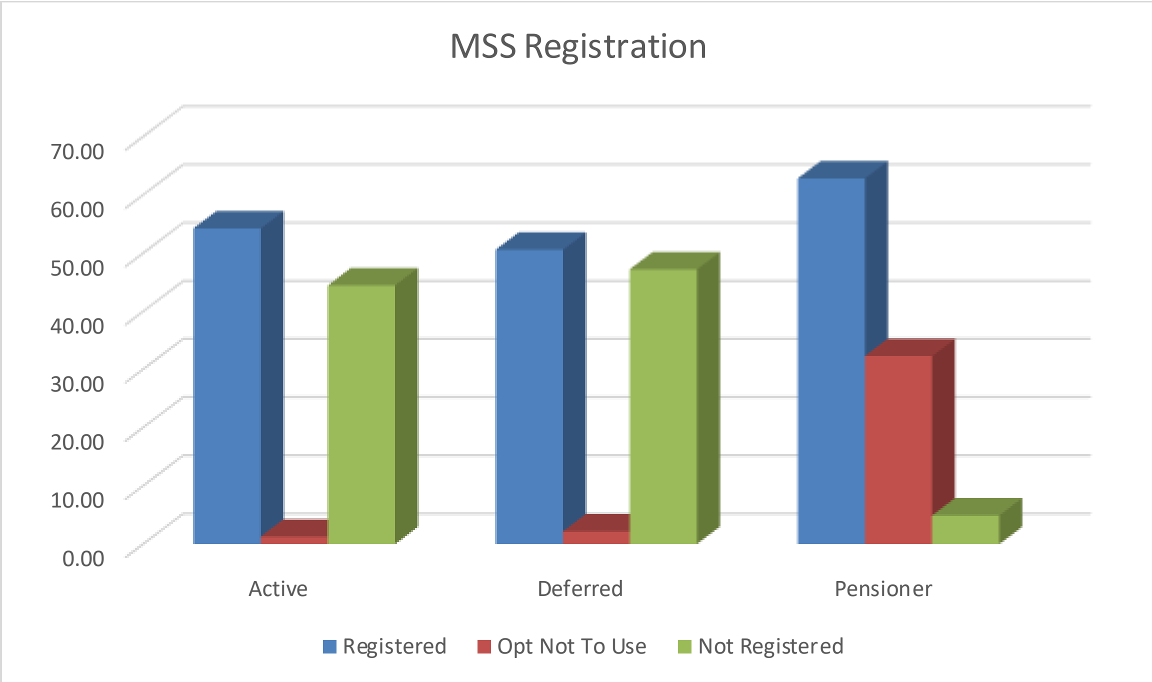
Summary grouped by Auto attendants, Queue

10/01/2024 - 12/31/2024 (UTC+00:00) Dublin, Edinburgh, Lisbon, London

Call Direction Out In Internal

Auto attendant	Queue name	Total Calls	Answered Calls	Answered Calls %	Missed Calls	Missed Calls %	Incoming Calls	Internal Calls	VM Calls	Answered Calls RT 0-60sec	Answered with RT over 61sec	Avg Ring time	Total Duration	Avg Duration
General-Payroll-Queries-AA	Pensions-Systems-Team-CQ	274	256	93.43	18	6.57	274	0	47	209	47	0:00:24	12:46:08	0:02:59
General-Pension-Queries-CQ	General-Pension-Queries-CQ	7	4	57.14	3	42.86	7	0	1	3	1	0:00:40	0:41:31	0:10:22
Pension-MSS-AA	Pension-MSS-CQ	321	297	92.52	24	7.48	321	0	84	209	88	0:00:40	13:48:12	0:02:47
Pensions-AA	pension-benefit-administration-CQ	1747	1626	93.07	121	6.93	1747	0	538	765	861	0:01:04	109:41:25	0:04:02
Pensions-AA	Pension-employer-team-CQ	99	95	95.96	4	4.04	99	0	76	56	39	0:00:58	1:54:23	0:01:12
Pensions-AA	pension-Fire-Service-Pension-Scheme-CQ	68	66	97.06	2	2.94	68	0	45	39	27	0:00:53	1:21:02	0:01:13
Pensions-AA	pension-payroll-CQ	172	163	94.77	9	5.23	172	0	79	117	46	0:00:53	5:15:54	0:01:56
Pensions-AA	pension-self-service-CQ	79	77	97.47	2	2.53	79	0	39	39	38	0:00:59	2:53:14	0:02:14
Total for 2767 calls		**2767**	**2584**	**93.39**	**183**	**6.61**	**2767**	**0**	**909**	**1437**	**1147**	**0:00:56**	**148:21:49**	**0:03:26**

Member Self Service Registration



Membership Status	Registered		Opted not to use		Not Registered	
	Number	%	Number	%	Number	%
Active	12,127	54.25%	286	1.28%	9,940	44.47%
Deferred	15,244	50.61%	654	2.17%	14,223	47.22%
Pensioner	10,990	62.82%	5,643	32.26%	860	4.92%

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Pension Dashboard

Oxfordshire Pension Fund

Project Start: Sat, 01/06/2024

Display Week: 1

TASK	ASSIGNED TO	PROGRESS	START	END
Planning				
Project Scoping	R Salsbury	25%	1/6/24	30/6/24
ISP Scoping / Decision	M Smith / V Green / R Salsbury	0%	17/6/24	30/11/24
Committee / Pension Board updates	V Green	0%	1/9/24	31/3/26
Monthly updates at Manager meetings	R Salsbury	0%	1/6/24	31/3/26
Testing - our connection deadline is 31/10/25				
ICT Healthcheck - tbc	Heywood?	0%		
ISP Connection set up - timings tbc		0%	1/1/25	31/10/25
Test connection - timings tbc		0%	1/1/25	31/3/25
Determine Matching criteria - timings tbc	Managers	0%	1/1/25	31/3/25
View Data Dashboard checks	Systems Team	0%	1/1/25	31/3/25
Find Data Dashboard checks	Systems Team	0%	1/1/25	31/3/25
Test access and enquiries	? Systems Team	0%	1/1/25	31/3/25
AVC (L&G and Prudential) - data connection tbc	R Salsbury	0%	1/1/25	31/10/25
Go Live Planning				
Enquiries - who will deal with these		0%	1/1/25	31/3/25
Workflow - what changes required		0%	1/1/25	31/3/25
Comms - what required for scheme members		0%	1/1/25	31/10/25
Employer communication - what involved		0%	1/1/25	31/10/25
Go Live execution				
Dashboards Available point - 6 months notice will be given by Central Government		0%	date	date
Team Training		0%	date	date
Processes documented		0%	date	date
Workflows set up		0%	date	date
		0%	date	date
Insert new rows ABOVE this one				

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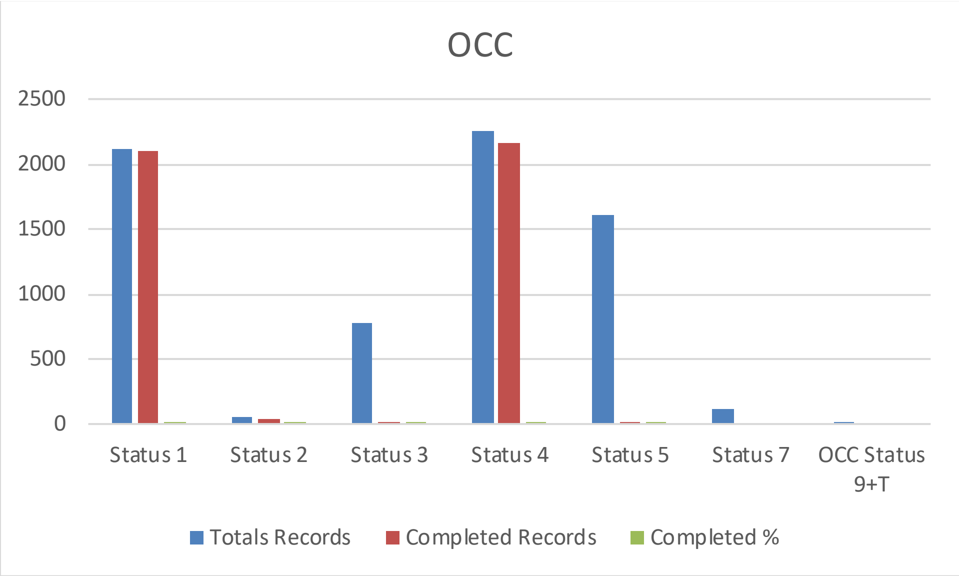
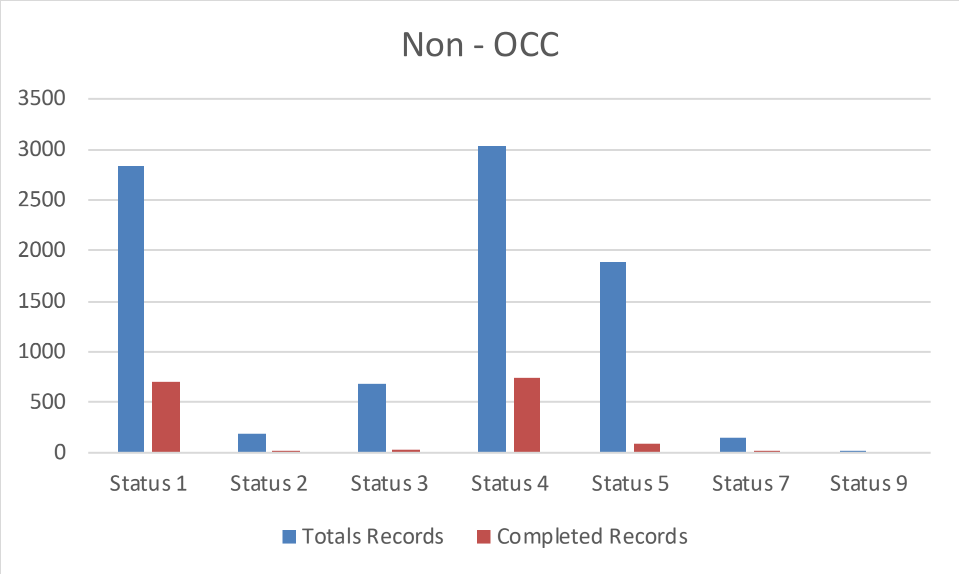
McCloud Statistics



OCC	Totals Records	Completed Records	%
Status 1	2115	2100	99%
Status 2	58	35	60%
Status 3	781	2	0%
Status 4	2251	2155	96%
Status 5	1612	5	0%
Status 7	112	0	0%
OCC Status 9+T	7	0	0%
Totals	**6936** **Totals**	**4297** **Completed**	**62%**



Non-OCC	Totals Records	Completed Records	%
Status 1	2840	704	25%
Status 2	187	17	9%
Status 3	690	38	6%
Status 4	3034	740	24%
Status 5	1882	87	5%
Status 7	156	10	6%
Status 9	7	0	0%
Totals	**8796**	**1596**	**18%**

APEX

Oxfordshire County Council

Pension Fund

Quarterly Investment Report

Q3 2024

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Key Indicators at a Glance

	Index (Local Currency)	Q4	YTD
Equities		**Total Return**	
UK Large-Cap Equities	FTSE 100	-0.18%	9.63%
UK All-Cap Equities	FTSE All-Share	-0.35%	9.47%
US Equities	S&P 500	2.41%	25.02%
European Equities	EURO STOXX 50 Price EUR	-1.83%	11.01%
Japanese Equities	Nikkei 225	5.35%	21.33%
EM Equities	MSCI Emerging Markets	-8.01%	7.50%
Global Equities	MSCI World	-0.16%	18.67%
Government Bonds			
UK Gilts	FTSE Actuaries UK Gilts TR All Stocks	-3.10%	-3.32%
UK Gilts Over 15 Years	FTSE Actuaries Uk Gilts Over 15 Yr	-7.15%	-10.63%
UK Index-Linked Gilts	FTSE Actuaries UK Index-Linked Gilts TR All Stocks	-5.98%	-8.32%
UK Index-Linked Gilts Over 15 Years	FTSE Actuaries UK Index-Linked Gilts TR Over 15 Yr	-10.11%	-15.40%
Euro Gov Bonds	Bloomberg EU Govt All Bonds TR	-0.10%	1.86%
US Gov Bonds	Bloomberg US Treasuries TR Unhedged	-3.14%	0.58%
EM Gov Bonds (Local)	J.P. Morgan Government Bond Index Emerging Markets Core Index	-6.70%	-2.40%
EM Gov Bonds (Hard/USD)	J.P. Morgan Emerging Markets Global Diversified Index	-1.94%	6.54%
Bond Indices			
UK Corporate Investment Grade (1)	S&P UK Investment Grade Corporate Bond Index TR (1)	-0.91%	1.29%
European Corporate Investment Grade	Bloomberg Pan-European Aggregate Corporate TR Unhedged	0.80%	4.99%
European Corporate High Yield	Bloomberg Pan-European HY TR Unhedged	2.00%	9.14%
US Corporate Investment Grade	Bloomberg US Corporate Investment Grade TR Unhedged	-3.04%	2.13%
US Corporate High Yield	Bloomberg US Corporate HY TR Unhedged	0.17%	8.19%
Commodities			
Brent Crude Oil	Generic 1st Crude Oil, Brent, USD/bbl	4.00%	-3.12%
Natural Gas (US)	Generic 1st Natural Gas, USD/MMBtu	24.29%	44.51%
Gold	Generic 1st Gold, USD/toz	0.19%	27.47%
Copper	Generic 1st Copper, USD/lb	-11.56%	3.50%
Currencies			
GBP/EUR	GBPEUR Exchange Rate	0.61%	4.77%
GBP/USD	GBPUSD Exchange Rate	-6.42%	-1.69%
EUR/USD	EURUSD Exchange Rate	-7.01%	-6.21%
USD/JPY	USDJPY Exchange Rate	9.45%	11.46%
Dollar Index	Dollar Index Spot	7.65%	7.06%
USD/CNY	USDCNY Exchange Rate	4.00%	2.81%
Alternatives			
Infrastructure	S&P Global Infrastructure Index	-2.53%	14.94%
Private Equity	S&P Listed Private Equity Index	3.23%	25.33%
Hedge Funds	Hedge Fund Research HFRI Fund-Weighted Composite Index	3.25%	10.22%
Global Real Estate	FTSE EPRA Nareit Global Index TR GBP	-3.23%	3.39%
Volatility		**Change in Volatility**	
VIX	Chicago Board Options Exchange SPX Volatility Index	3.71%	39.36%

Source: Bloomberg. All return figures quoted are total return, calculated with gross dividends/income reinvested and in local currency.

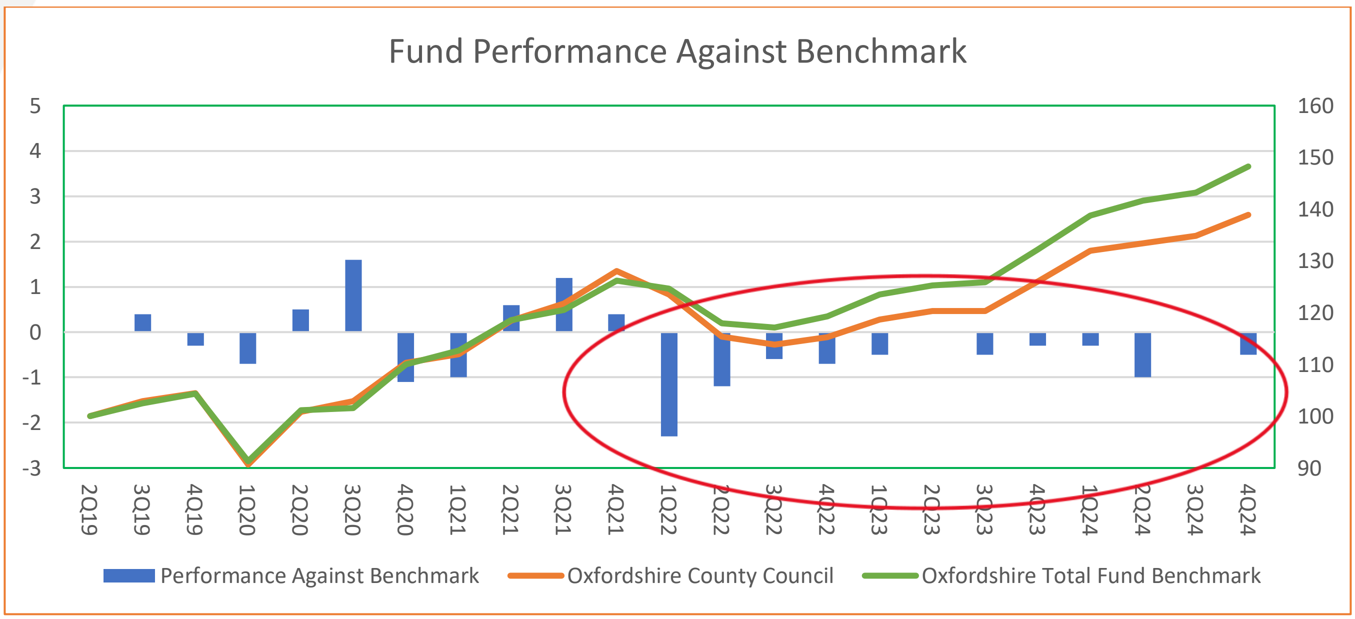
APEX

Performance

The Fund rose by 3.0% in the fourth quarter of 2024 to a value of £3.715bn. Markets were more difficult in Q4 and, although Japanese and US equity markets rose in local currency terms, EU and UK equities fell slightly and globally bond markets were weaker. Performance across Alternative sectors was also mixed with a positive return from Private Equity but more difficult trading in Infrastructure with some signs of an adjustment down in both solar and wind generation assumptions. The US Dollar was strong, rising over 6% against Sterling, aiding returns for a Sterling investor in what would otherwise have been a negative return for the quarter.

The Fund underperformed its benchmark in Q4 by -0.5%. Approximately 0.75% of the underperformance in the quarter came from the two active Global Equity mandates, Global High Alpha and Sustainable, which both continued their run of poor performance. It was, however, a difficult quarter for all active equity managers as the US equity market in particular was swayed by speculation over which companies would be winners and losers from their relationship with the new president, Donald Trump, and it felt like this speculation outweighed any fundamental investment analysis. If this is the case this effect should unwind in the current quarter and active managers outperform.

Chart 1: Oxfordshire Pension Fund Performance



The chart above shows the cumulative performance of the Total Fund against its Strategic Benchmark rebalanced to 100 (the lines) on the right hand scale and the Fund's quarterly relative performance against its strategic benchmark (in blocks) on the left hand scale. All of the Fund's underperformance has occurred since the transfer of assets to Brunel and, in particular, since the Russian invasion of Ukraine in 2022 and the subsequent rise in inflation and then interest rates and it is this that has driven the poor performance of their selected managers, particularly within the main active equity portfolios. Because of this the Fund continues to lag its benchmark over the longer term, underperforming over 1 year (by-1.9%) over 3 years (by -2.6%); 5 years (by -1.2%) and 10 years (by -0.2%).

Over the last 3 years the performance of the underlying managers selected by Brunel has been disappointing with over half the total underperformance of -2.6% relative to the Strategic Benchmark coming from the poor performance of the two main Global Equity portfolios, Sustainable and Global High Alpha. However, I believe this to be heavily influenced by the strong environmental slant which is a core part of Brunel's ethos. I continue to support this environmentally focused slant for the longer term, however, the poor performance is showing no signs of recovery at present and the fourth quarter was again disappointing.

US equity performance in the fourth quarter was focused on the election of the new US president, Donald Trump, and which stocks would gain whilst he is in power given the more radical political agenda and his history of rewarding those close to him. To illustrate the extremes this went to during Q4, the chart below shows the performance of Tesla which is 13% owned and led by Elon Musk, close confidant and cheerleader for Donald Trump.

Chart 2: Tesla share price over the last 12 months

This stock more than doubled in the month post the presidential election as market participants sought to buy shares which they believed would benefit from the support of the President. I would note that in the past it has only been common in emerging markets for the support of the governing party to be essential to the wellbeing of a business. It is, to me, unbelievable that the potential support of the President should be worth approximately USD700bn on the market capitalisation of Tesla at the peak. If this turns out to be a fair reflection of the benefits of a close relationship to the US president then the rules of capitalism have changed and the role and reach of the US Government is vastly different from what we have experienced in the past.

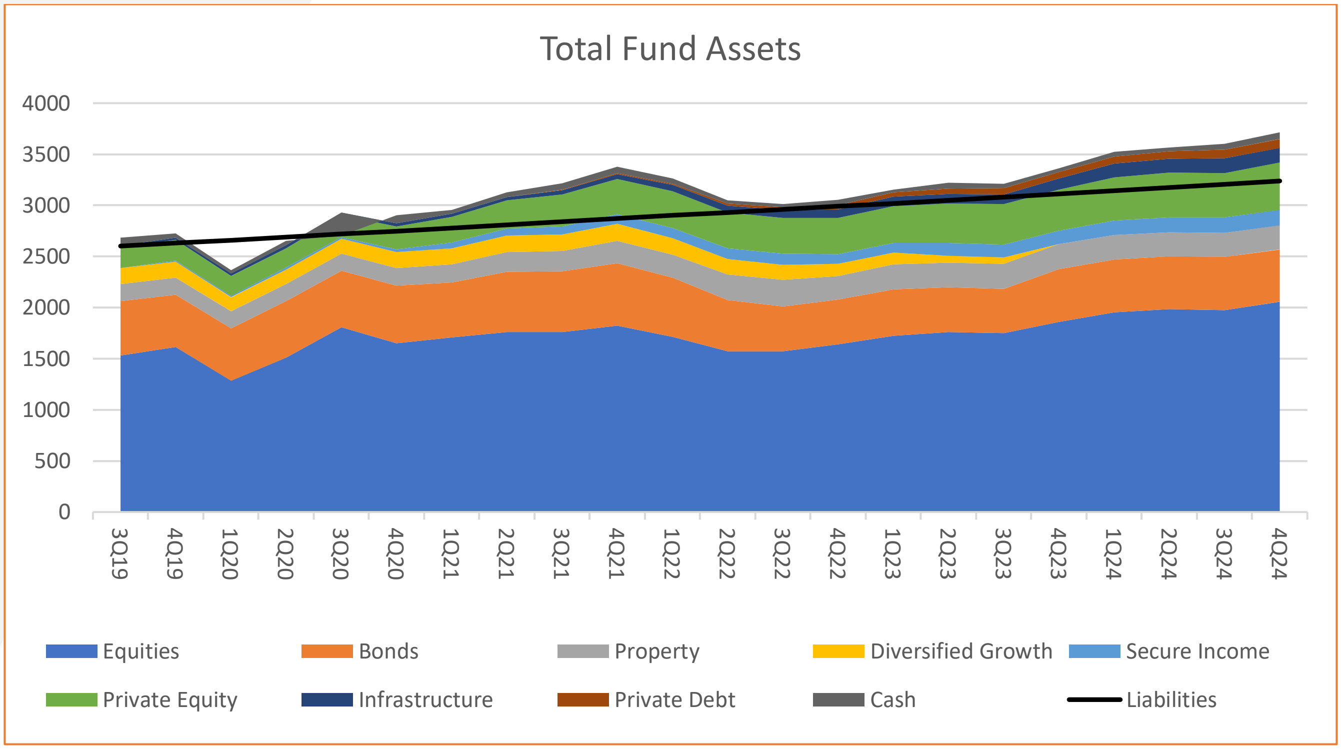
As can be seen in the right hand side of the chart above, this is beginning to unwind post quarter end and I would hope that long-term fundamental analysis will reassert itself in the coming quarters to the benefit of the active equity managers selected by Brunel.

Returns of 7.6% per annum over the last 10 years, being above the Fund's actuarial discount rate assumption for future investment returns, will have helped improve the funding ratio between the triennial actuarial revaluations.

I note the recent resignation of Brunel CIO David Vickers, this is a disappointment and underlines the rapid turnover in senior posts experienced across the LGPS pools. Given the Government's intention to push further responsibilities into the pools this raises a concern.

Chart 3 shows the assets of the Fund by asset class with the Fund currently at an all-time high valuation of £3.715bn as at 31/12/24. I have also shown a black line which is the assumed valuation of the liabilities. Please treat this with some caution, the liabilities are valued by the actuary every three years. At this time they calculate the value of all earnt pension benefits plus the expected value of all future pension entitlements by the existing membership. This future liability is discounted back to today's value using a discount rate which reflects market conditions on the day of the valuation so, in essence, a snapshot once every three years. At the time of the actuarial revaluation, the actuary also calculates the future investment return which gives them the required probability of maintaining full funding into the future. To create the line in the chart, I have compounded up the valuation of the liabilities in March 2022 by the required investment return for each quarter.

Chart 3: Oxfordshire Pension Fund Assets



As bond yields have risen since the last actuarial revaluation it is likely that the actuary will use a higher discount rate to value future pension liabilities when they revalue the liabilities on 31/3/25. this will reduce the current valuation of future pensions in today's money and, thereby, reduce the value of the liabilities and increase the funding level of the Fund all else being equal, but, in addition, the actuary is likely to require a higher investment return going forward. There are also a number of other assumptions that the actuary makes when calculating the value of the pension liabilities including longevity and I have not made any estimation for these.

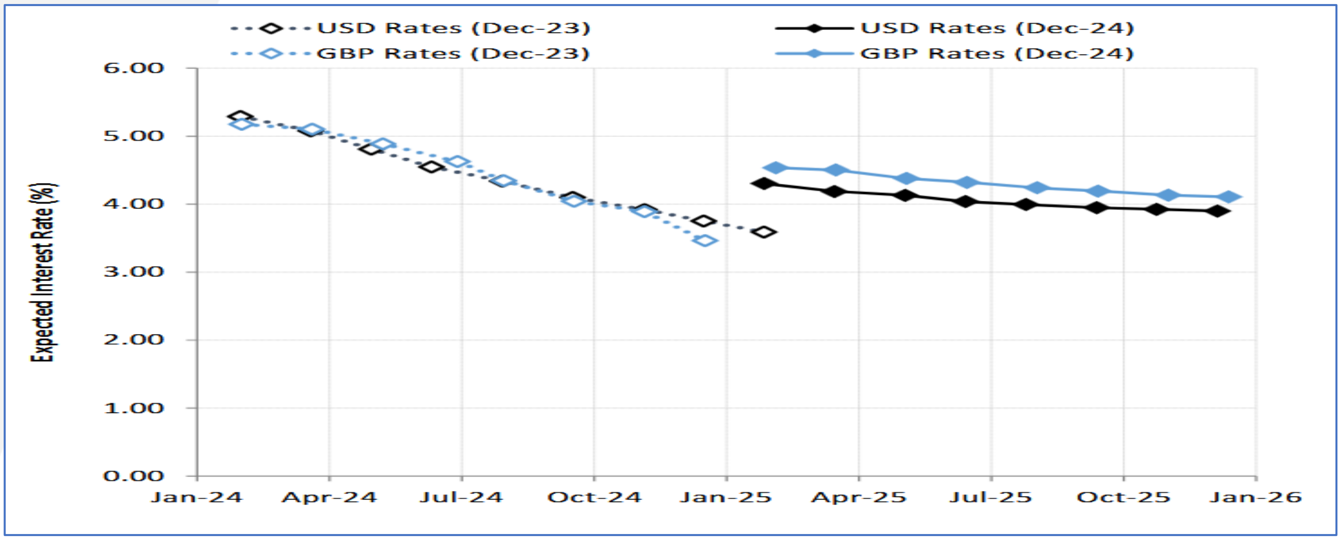
Comment

The surprise in 2024 was the strength of the US economy (again!). At the start of 2024 expectations for US GDP growth in 2024 were around 1.2% with many commentators seeing the risks to the downside and a potential recession as the US consumer finally felt the effects of higher interest rates. The outturn was US GDP growth of 2.8% over 2024, with annualised GDP growth in Q4 of over 3%, only marginally down from 2023's 3.2% and still robust enough to provide good earnings growth across much of the corporate sector. This lead to the strong US equity market performance and tightening credit spreads as the corporate sector continued in good health. In 2024 the main US equity index (S&P 500) was up 25% in US Dollar terms which followed a rise of 26% the previous year. This was supported by the very strong performance of US technology stocks, particularly those focused on AI. Elsewhere GDP growth came in close to expectations in 2024 with the EU and UK weak.

Chart 4 shows the predicted path of interest rates in the US and UK with the dotted line being forecasted in January 2024 and the solid line the forecast in January 2025. As can be seen, the strength of the US economy has led to a reappraisal of the timing and extent of the expected fall in interest rates but this has only been part of the story. President Trump's policies towards boosting growth, raising trade tariffs and clamping down on immigration are all inflationary and this is pushing bond yields higher (prices lower) at longer maturities. This has affected interest rate expectations across the developed world but, particularly in the UK, where it is mixed with stubborn wage inflation and high government borrowing which has limited the scope for interest rate cuts.

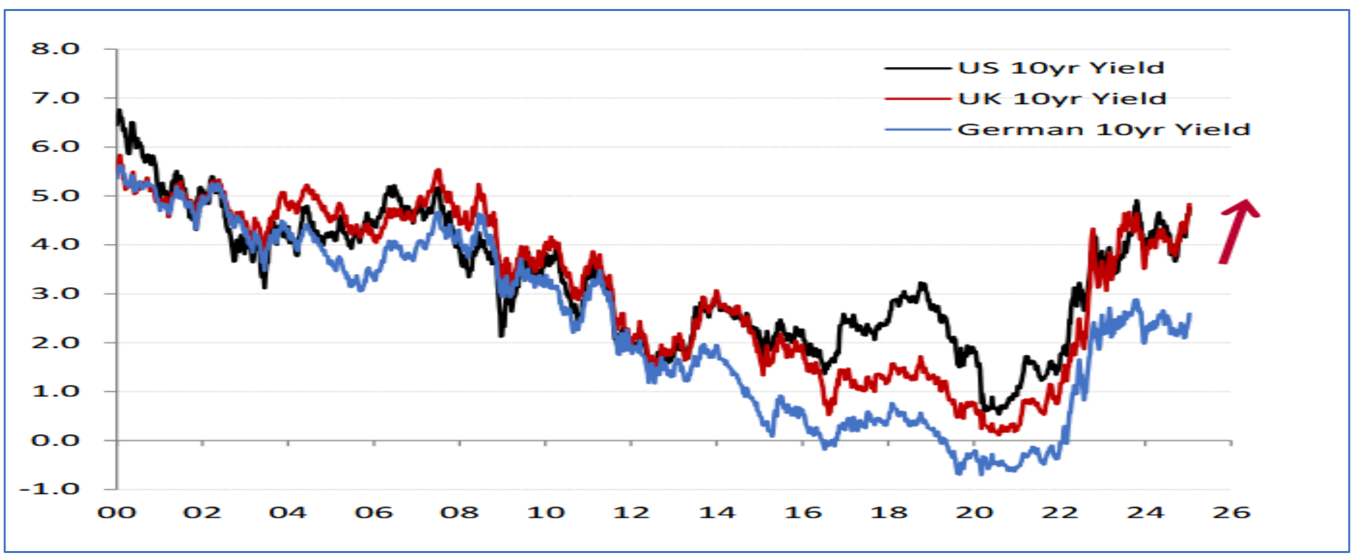
Going forward I expect central banks to continue gently cutting interest rates through 2025 despite inflation not hitting their 2% target, providing the Trump tariffs do not stoke immediate inflation.

Chart 4: US and UK interest rate expectations



If President Trump attempts to force short-term interest rates down to suit his political aims by replacing the current independent chair of the Federal Reserve (US Fed) Jerome Powell with someone more compliant, this could cause investors to lose confidence in the inflation outlook over the longer term and thereby push bond yields still higher (prices lower) in the belief that inflation will remain higher into the future. See Chart 5 below.

Chart 5: 10-year bond yields

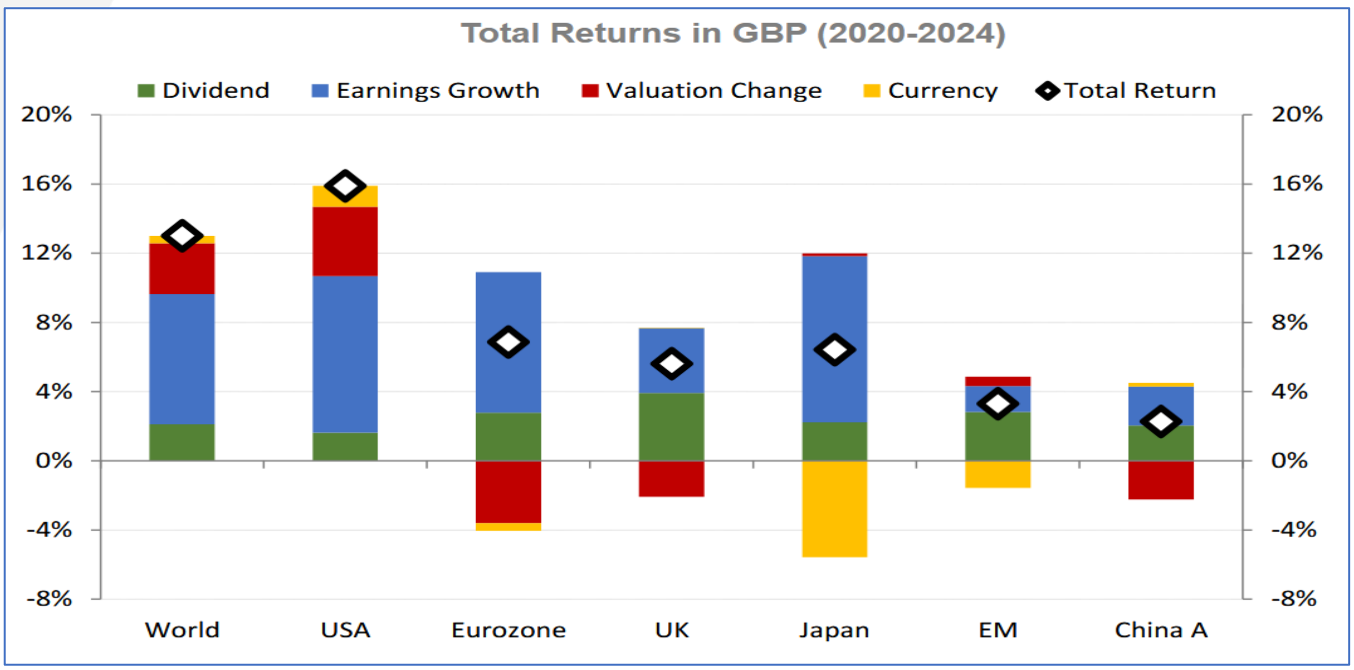


Looking at valuations across equity markets, the strength of US equities has not been driven entirely by rising profits, valuations have been pushed higher and now stand at an historically high level and at a stretched premium to other equity markets.

This makes some sense given the make-up of the US indices with a higher percentage of faster growing technology stocks but, given the premium valuation attributed to US stocks at present, particularly the US Technology sector, and the concentration of the index into a small number of very large stocks in the US, I would now be looking to bias equity portfolios away from the US.

Given the heightened level of political uncertainty and the uncharted waters we are entering with trade tariffs rising rapidly and an immigration clampdown in the US, it would seem probable that the law of unintended consequences will play out and in those circumstances I would rather be in cheaper markets than expensive ones.

Chart 6: Equity market valuations



Source MSCI/Davy

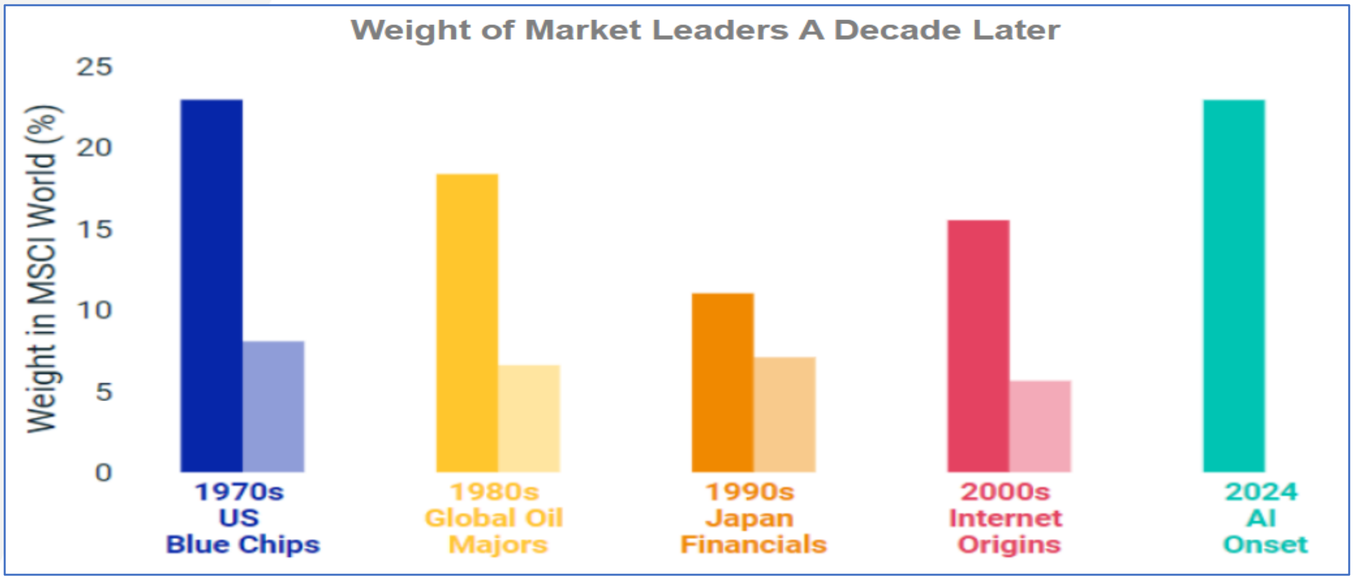
The chart above breaks down the total return achieved by different equity markets over the last 5 years (annualised). As can be seen, the level of earnings growth in the US, Japanese and European equity markets has not been too dissimilar over this post Covid period, but the return from the US equity market has been boosted by an increase in the valuation investors are prepared to pay.

This does not remove the probability that the US should see GDP growth above 2% in 2025 and the corporate sector continue to see good earnings growth. It seems likely that President Trump will support the US technology sector, particularly against judicial interference and any challenge from competition authorities, but by protecting them from outside forces he will dampen innovation in the longer term. History tells us that the stock market always over-values today's winners and never sees the threats approaching for them.

The chart on the following page (Chart 7) shows the maximum concentration of the largest 10 stocks in the MSCI World index at their peak and then again 10 years later. Each time the market has overestimated the peak and extrapolated a story beyond what is likely, or in some cases, even feasibly possible. The result is that the subsequent 10 years sees an unwinding of this over-valuation. The difficulty, of course, is telling when the peak is!

This index concentration has made life difficult for active managers. If the concentration begins to unwind, active managers should benefit from a broader, and perhaps, more rational market environment.

Chart 7: Market Concentration – weight of the largest 10 stocks in the MSCI world index

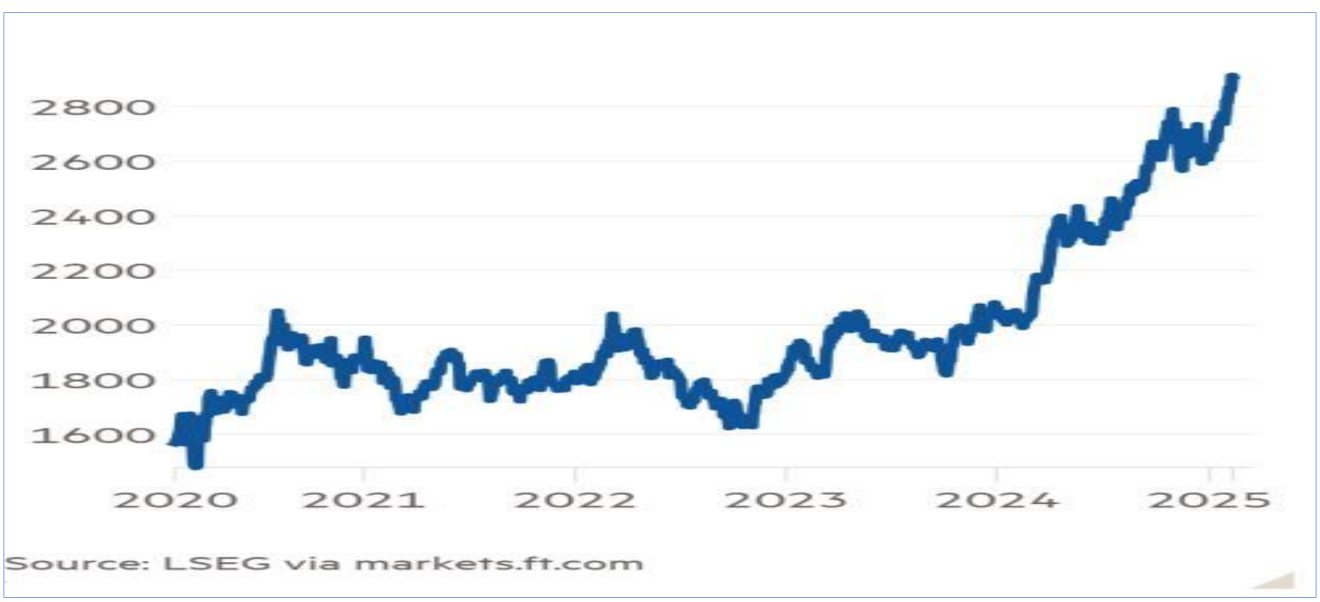


Source MSCI/Davy

It could be different this time and perhaps social media, data and the massive level of investment needed for AI to work naturally creates monopolies which reap excessive returns and last well into the future but that sounds too easy to fit with my experience.

The other market signal of stress is the gold price (See Chart 8). Gold has risen consistently through 2024 and accelerated again year-to-date. The obvious answer to why this is happening is more buyers than sellers! It appears that demand from central banks has increased, particularly from China who will be looking to diversify their Central Bank reserves which are largely in US Treasuries. However, the rise is also symbolic of greater political uncertainty and heightened inflation risk.

Chart 8: Gold price in US Dollars



Long Term Capital Market Assumptions

Table 1: J P Morgan LTCM assumptions for 2025

Return forecast in Sterling	2024 LTCM forecast	2025 LTCM forecast	Annualised Volatility
UK Cash	2.8%	2.9%	0.7%
UK Gilts	4.5%	4.2%	7.7%
UK Investment Grade Bonds	5.4%	5.2%	8.2%
UK Index Linked Bonds	5.3%	4.4%	11.2%
Multi-Asset Credit	6.3%	5.8%	8.8%
Global Equities	6.2%	6.3%	13.7%
Emerging Market Equities	7.2%	6.4%	17.9%
UK Core Real Estate	6.5%	7.6%	13.1%
Global Value-Added Real Estate	8.1%	9.0%	17.8%
Global Infrastructure	5.2%	5.5%	10.6%
Private Equity	8.1%	9.1%	17.2%
Private lending	6.9%	7.4%	15.4%
Gold	2.5%	3.3%	16.9%

As can be seen from the table above, investment return expectations for Bonds have fallen slightly as interest rates have fallen from recent highs but return assumptions for Equities and Alternative Assets have increased. J P Morgan have raised there expected Global Equity return on the back of greater investment and the benefits of AI but this only accrues to Developed Equity markets, expected returns on Emerging Market Equities fall. Alternatives see slightly raised return expectations across the board following a couple of more muted years with UK and International Property and Private Equity in particular looking attractive.

Table 2: Regional Equity Return Forecasts

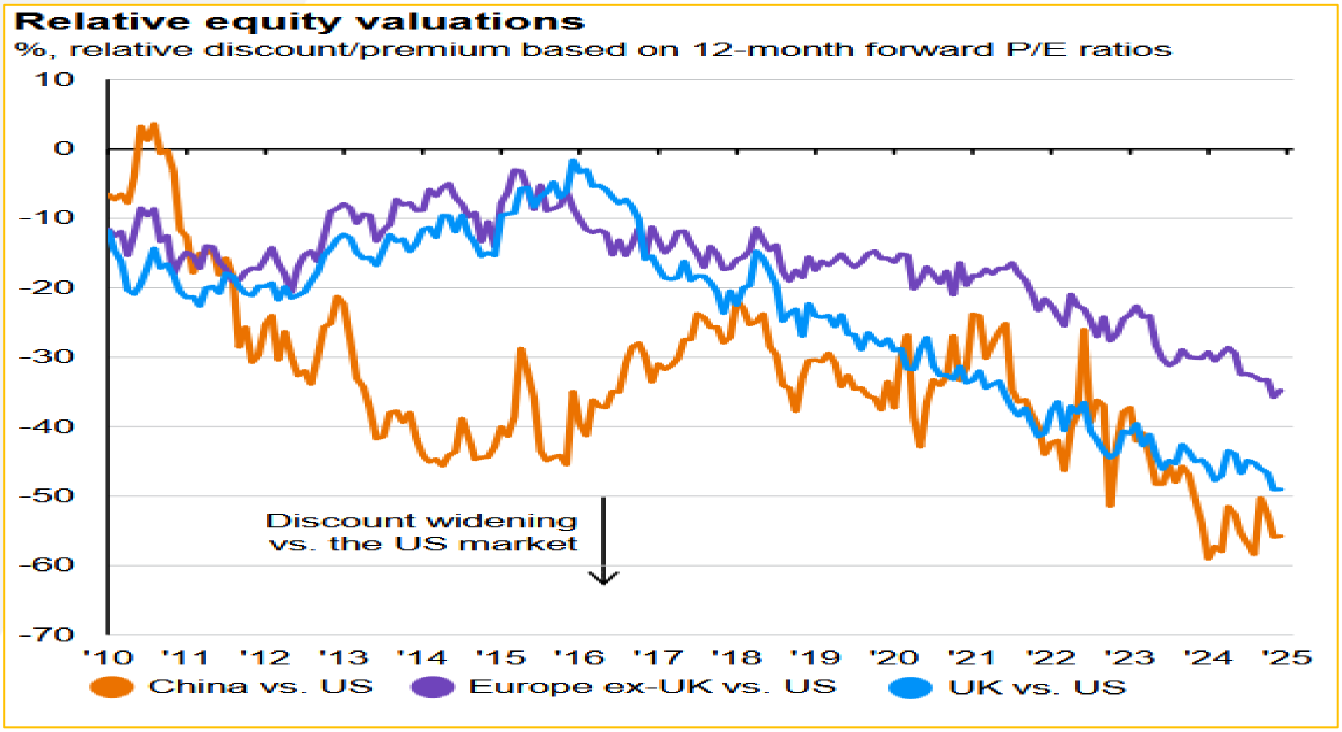
Return forecast in £	2024 LTCM Forecast	2025 LTCM Forecast
Global Equities	6.2%	6.3%
US Large Cap Equities	5.4%	5.9%
EU Large Cap Equities	8.1%	7.7%
UK Equities	7.2%	7.1%
Japanese Equities	7.7%	8.2%
EM Equities	7.2%	6.4%

As can be seen in the chart above, within Global Equities, the majority of the slight increase in return expectation is driven by a rise in the forecast return from US Equities although this still lags the returns forecasted elsewhere. In the short term, the US is looking likely to produce higher economic growth and hence corporate profit growth than elsewhere but the valuation of US Equities is looking increasingly stretched and my own preference is to believe that valuations matter and that exceptionalism is only ever a passing phase. The policies of President Trump are a destabilising factor and whilst the markets seem prepared to accept these at the current time, I do see the law of unintended consequences as more likely to be a factor during times of rapid and unpredictable change and, as such, would rather be invested where there is valuation support than not

The US market now makes up more the 70% of the Global Equity indices and is on a significant valuation premium to other markets. Whilst this might be justified for a while longer, I suspect investors are resorting to extrapolating current trends and then writing the justification for this rather than thinking about the longer term.

The chart on the following page shows the current valuation premium of US stocks against history.

Chart 9: US Valuation Premium



Active Versus Passive Equities

It should be an easy decision to invest passively within Global Equities given the better historical performance when compared with active management and cheaper investment management costs. Many commentators have tried to call a resurgence in the performance of active management only to be embarrassed again and again. However…

1) I do believe there is a subset of active managers who can outperform over the long-term. They have a strong investment philosophy, which drives a rigorous investment process, which requires significant resources to conduct their own primary research.
2) They invest for the long-term, otherwise the costs of researching investment ideas never gets paid off and they are more often owned as a partnership partnerships rather than part of a large investment firm which helps enable this longer term approach.
3) Their resulting portfolio tends to be concentrated with a relatively small number of high conviction holdings which means that its performance will be significantly different from the index. This can be mollified by employing a small number of such active managers, each with an individual investment approach, such that the combined portfolio has a lower investment risk and hence, lower volatility in relative performance.
4) Markets tend to go through phases when a particular style of investment works and then fades away. This partly explains why high conviction, active managers exhibit serial correlation of their relative performance against an index but, medium term, a reversion to the statistical mean. This means that if a manager has outperformed in the last quarter they are more likely to continue to outperform as market dynamics remain stable but their performance will ultimately return to the mean, or below for a period of time as the long-term market dynamics change. Nonetheless, if their primary research is well focused and thorough, they should add value over the long-term.

My understanding here actually fits with the approach that has been adopted by Brunel from the start when they first selected multiple managers for each of the Global High Alpha and the Sustainable portfolios. Unfortunately, their style biases have been a drag in performance over the last four years.

On top of this view, I do see markets today as unnaturally concentrated in a few large US tech stocks. Chart 7, earlier shows this concentration and how, previously, such concentrations have always unwound and I would assume this will again be the case at some stage. When this happens, the large tech stocks in the US will underperform for a prolonged period aiding active managers who are usually underweight these stocks due to internal risk constraints. When this happens, the US market itself will also underperform, particularly given its current raised valuation level. I cannot guess when this will happen and recognise that under President Trump monopolies in the tech space are likely to thrive as competition authorities are kept at bay and it may take longer for these monopolies to be undermined by competitive forces than in the past but the more they are protected, the less innovative they will become.

Lastly, from an ESG and Responsible Investment perspective, I see it as only really possible to enact a Responsible Investment policy through active ownership otherwise the ultimate lever, to disinvest if you do not believe a company is engaging properly with its broader societal or environmental responsibilities, no longer exists. Even engagement can be less effective when you have to hold the stock anyway.

Because of the above, I believe now is a time to stick with active equity manages rather than take the easier root and adopt a passive approach.

Asset Allocation

Table 3: The Fund's current asset allocation against the Strategic Benchmark

Asset class	Asset Allocation as at 31/12/24	Strategic Asset Allocation	Position against the SAA	Deviation in cash terms
UK Equities	10.3%	**10%**	+0.3%	-£11
Global Equities ex UK	45.1%	**41%**	+4.1%	-£152m
Fixed Interest	8.1%	**9%**	-0.9%	+£33m
Index-Linked Gilts	5.7%	**7%**	-1.3%	+£48m
Property	6.4%	**8%**	-1.6%	+£59m
Private Equity	12.4%	**10%**	2.4%	-£89m
Secure Income	4.2%	**5%**	-0.8%	+£29m
Private Debt	2.3%	**5%**	-2.7%	+£100m
Infrastructure	3.8%	**5%**	-1.2%	+£45m
Cash	1.8%	**0%**	+1.8%	-£67m

These figures are taken from the State Street report. Figures may not add up due to rounding.

The current deviation from the Fund's SAA is within acceptable bounds although I would recommend taking the equity weighting back to the benchmark and reinvesting UK Corporate Investment Grade Bonds particularly as this money has already been committed to invest into Alternative Asset Classes and is awaiting drawdown. This holding would be temporary as the money would be drawn down into the Alternative portfolios over time.

Points for Consideration

1) Performance of the two global equity portfolios was again poor in the fourth quarter and again there were plausible reasons for this in the concentration of stock aligned with President Trump benefitting from his election victory at the expense of any rational investment approach. Looking at share price movements so far in the current quarter, this appears to be unwinding and the two active global equity portfolios should outperform their benchmarks in this quarter but this has to now continue.

With so many of Brunel's portfolios underperforming, they will be under increasing pressure to take action and change managers. This always comes with a cost as the new manager wants to alter the portfolio they inherit but pressure should be kept on Brunel to explain manager changes. This should not purely be done on the basis of poor past performance. By the time you have suffered three years of past performance the investment style the market is rewarding may be about to change. This is where the vast majority of manager changes within LGPS funds have been shown to be badly timed historically. Brunel must give a clear rationale of any manager changes.

2) The move to a new, smaller cap focused UK Equity portfolio is ongoing. I would expect a review of this transition in due course.

Underlying Mandates

Rather than comment on each portfolio separately, duplicating the reporting from Brunel, the table below sets out each portfolio within the Fund with a note on my opinion of the management and performance using a traffic light system. Because of the transfer of assets to Brunel all the portfolios will have changed manager over the last four years. For this reason I have rated some of the portfolios amber purely because the performance history is too short to support an opinion.

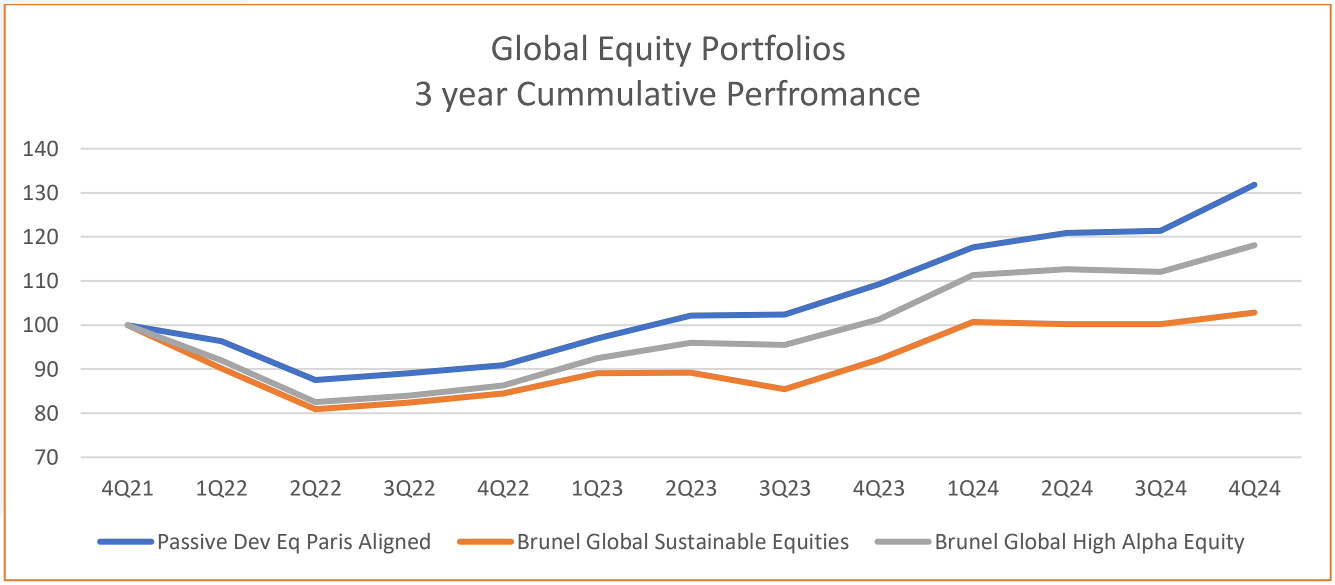
We now have 3-year performance figures for both Private equity and Infrastructure, and whilst the initial drawdowns to these portfolios were slow and Brunel's speed of commitment was initially poor this has now speeded up and performance figures do suggest that Brunel are achieving a reasonable level of return from these asset classes.

Portfolio	Benchmark	Inception	Performance	3 year relative p.a.	Comment
UK Equity	FT All-Share EX IT	09/18		-1.2%	Performance has been below benchmark across all longer term periods but appears to be recovering.
Global High Alpha	MSCI World Equity	09/19		-4.0%	Underperformance over three years of -4.0% but outperformance since inception in 6/19.
Global Sustainable	MSCI All World Equity	09/20		-7.8%	Performance a major concern with the portfolio underperforming by over 5% p.a. since inception in 10/20
Global Paris Aligned	MSCI Paris Aligned	07/18		n/a	Passive portfolio, yet to reach 3-year figures. I have some concerns over portfolio construction.
UK Fixed Interest	£ Non-Gilt Credit	11/21		1.1%	Acceptable performance in a strong credit environment.
Passive Index-Linked	FTSE >5 Year Index-Linked			0.1%	
Multi Asset Credit	Cash + 2%	11/21		-4.0%	Performance has lagged the benchmark since inception portfolio construction is heavily weighted to one, defensive manager.
Property	Property benchmark	04/20		n/a	UK Performance has been good but poor in International Property lagging by 5%.
Secure Income	Cash + 4%	07/20		n/a	Noticeable performance issues.
Infrastructure	CPI	01/19		n/a	Drawdown has been slow; performance looks OK.
Private Equity	MSCI All World Equity	01/19		n/a	Drawdown has been slow; performance looks good for cycle 1 but poor for cycle 2.
Private Debt	Cash + 5%	08/17		n/a	Drawdown has been slow; performance looks good.

Portfolio Performance

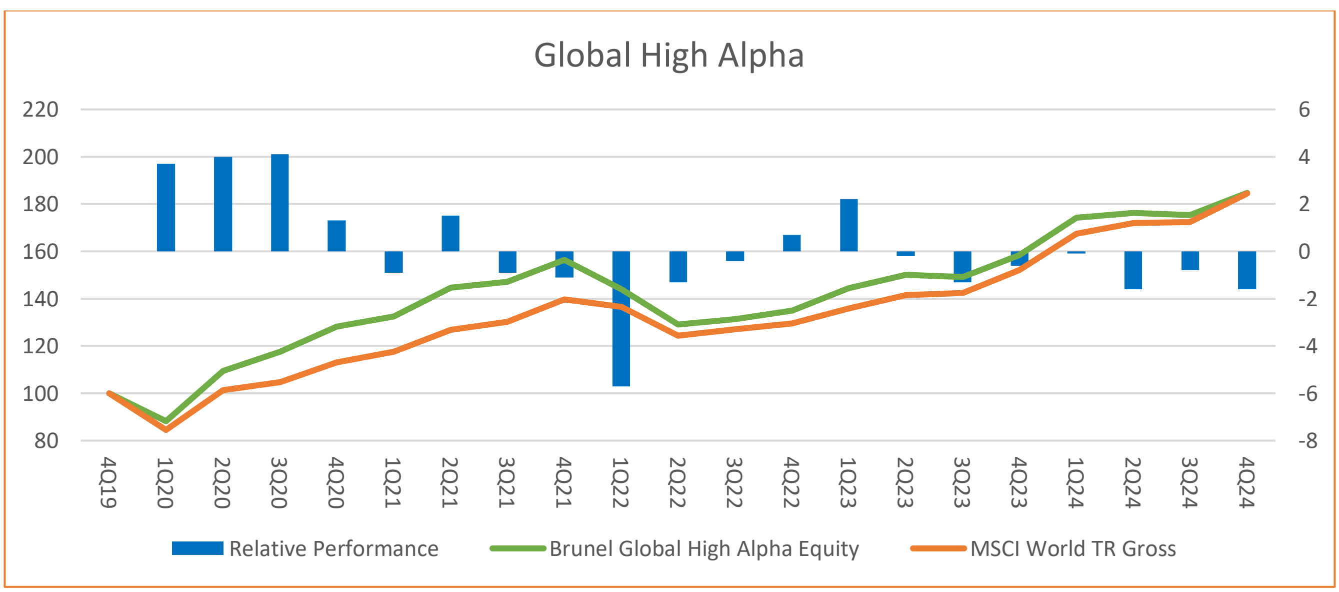
Global Equities

Chart 10: Global Equities



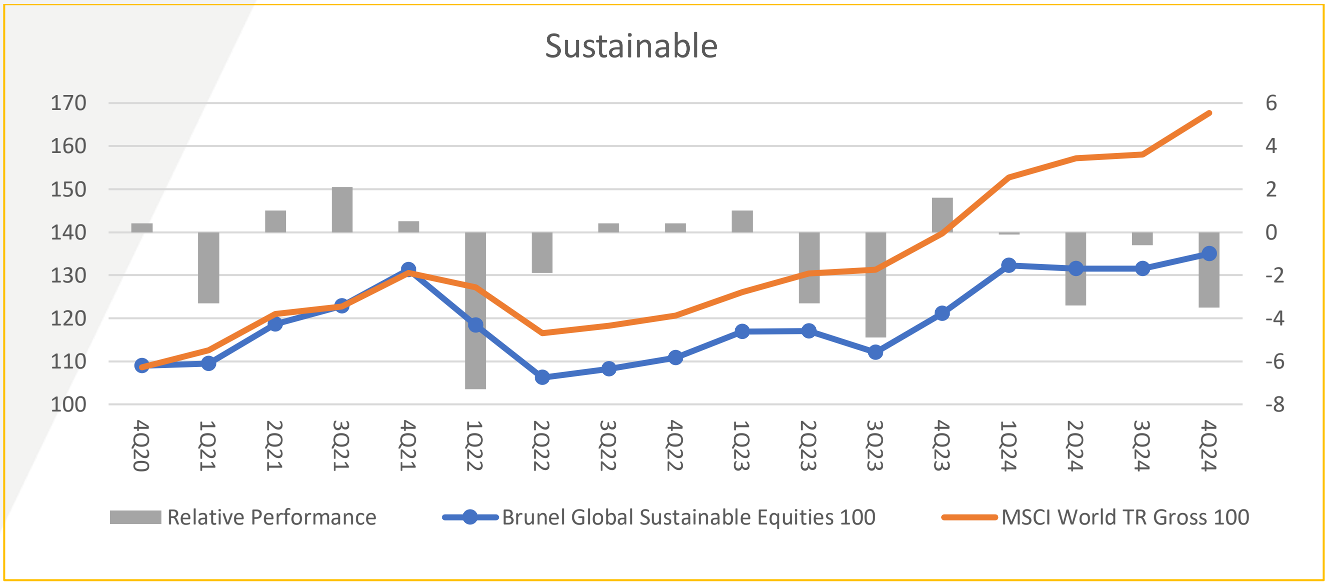
The chart above shows the cumulative performance of the Fund's three global equity portfolios over the last three years. Over that period, the effect of the underperformance of the two actively managed portfolios, Sustainable and Global High Alpha, against the performance of the Paris Aligned passive portfolio was over £150m. I.e. if the Fund had chosen to invest all its global equities into the Paris Aligned portfolio rather than across all three portfolios the Total Fund would now be approximately 5% larger. This underlines the scale of the underperformance by the managers appointed by Brunel to run the active Global Equity portfolios.

Chart 11: Global high Alpha portfolio



As can be seen from the above chart the initial performance of the Global High Alpha portfolio in 2020 was very strong but the Russian invasion of Ukraine, rising inflation and rising interest rates undermined the portfolio's performance against its benchmark and the portfolio is yet to show solid signs of recovery.

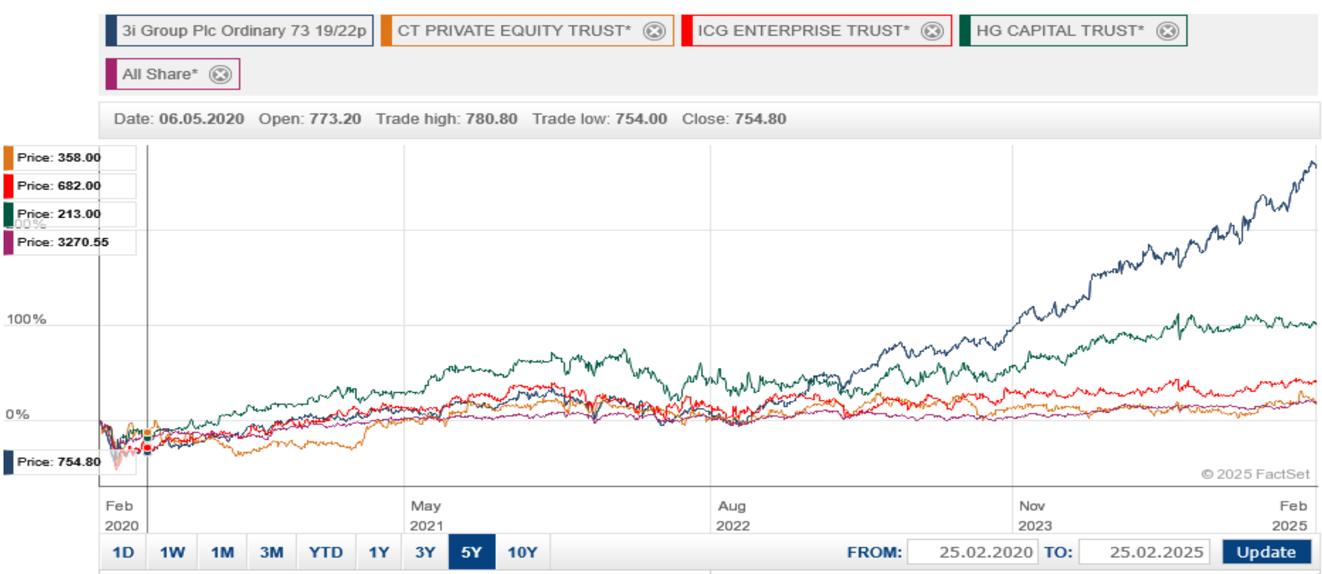
Chart 11: Sustainable Equity Portfolio



The Sustainable Equity portfolio was invested into a year after the Global High Alpha portfolio so missed out on the market conditions where a focus on innovative, smaller, fast growing companies, was rewarded by investors. Instead this portfolio has been held purely through a period when interest rates have been rising and companies with a strong environmental slant have been out of favour. Nonetheless, if you match the time periods between the two charts above and look at the bars (the quarterly relative performance) you will see a strong similarity. This is because Brunel's Responsible Investment and ESG mantra runs through all of their manager selection briefs thereby giving all of the portfolios they produce an overriding style bias which will have a dominant effect on each portfolio's performance against its benchmark.

Private Equity

Chart 12 quoted Private Equity performance



The chart on the previous page shows the 5 year cumulative return of four of the Funds quoted Private Equity Investment Trusts. Unfortunately I could not find the data for the fifth, Patria Private Equity Trust (ex Abrdn). The chart shows that, over the last 5-years, only the CT Private Equity Trust has struggled to outperform the UK FT All -Share. The outstanding performer has been 3i Group. However, I believe this to be driven partly by one very good investment and have some concern that this performance may not be repeatable. I am not able to advise on single stock selections under my FCA registration but I would suggest that your officers analyse this stock and ensure that they are happy with the current valuation and future prospects.

Market Summary

- Trump's clean sweep of the house and senate in the US Presidential Election triggered a US-based risk-on rally led by the 'Magnificent 7' (with small/mid-caps temporarily benefitting) due to higher expectations of growth, reduced taxation and cuts to regulation. All other developed regions, bar Japan, saw modest equity declines with emerging markets worse hit (-8%), reflective of increased tariffs / protectionism and geopolitical risk. YTD returns nonetheless remain up across all major regions. Despite further interest rate cuts by the US Fed, BoE and ECB, government bonds sold-off across the board, notably the UK, and with US Fed commentary hinting at a slower pace of cuts in 2025 (reflective of higher inflation expectations), this compares to concerns over EU growth but with more controlled inflation leading to some divergence on rate paths. The US Dollar index was up 8% (+7% on the Euro), with Sterling continuing modest gains on the Euro (as of quarter end). Leading economic indicators were mixed, with manufacturing Purchasing Managers Indices (PMI) below 50 across all major regions, with continued weakness in the Eurozone (Q4 average 45.43) and the UK also contracting (48.30) alongside the US (49.20). US Service PMIs expanded to 56.8 in December versus 55.2 in September. Inflation remains above 2% across all major developed economies. Q4 annual real GDP growth was led by the US (2.7%), versus more muted activity in the UK (0.9%), the Eurozone (0.9%) and Japan (0.5%). US growth remains supported by high fiscal spending.
- Global markets deteriorated versus performance in the first 9 months of the year, although the S&P500 was up 2.4% (led by the 'Magnificent 7' and cyclical sectors), with the Nikkei also up (+5.4%) supported by a weaker Yen. However, most asset classes finished 2024 up year-on-year, with a notable exception of Gilts. Equities were muted across other regions bar emerging markets which suffered declines over the quarter. All regions posted healthy full year returns, with the US a notable outperformer (+25%), driven by the 'Magnificent 7' (up on average by 67%, largely due to AI-related themes). We note concerns are rising over 'Magnificent 7' future capex requirements and concentration risk. Gilts declined c.3% in Q4 as concerns over stagnation rose alongside the longer duration of UK debt. US government bonds also fell by c.3% on inflation concerns accompanied by hawkish US Fed commentary. By contrast the EU inflation outlook is more muted and bonds were supported by clearer central bank guidance from the ECB. Growth concerns and political instability nonetheless remain at the fore, ultimately leaving Euro government bonds unchanged. Corporate debt was mixed and more muted, with the US underperforming Europe. Commodities generally rose during the quarter, with natural gas +24% and oil +4%, and agriculture, coffee and cocoa prices were significantly higher, while cotton and sugar prices were significantly lower. Copper fell by 12%, with gold unchanged. Bitcoin increased 47% in the quarter, reflecting excitement from the pro-crypto Trump administration and significant ETF inflows. Altcoins similarly benefitted.

We highlight the following themes impacting investment markets:

- **America first policy signals increased geopolitical uncertainty:** Trump 2.0 embodies America-first policies resulting in a strengthening of the US Dollar and supportive of US cyclical, risk-on assets. Domestically, expectations are of fiscal stimulus, higher growth and higher inflation accompanied by a deteriorating fiscal balance sheet and associated higher government bond yields. For the rest of the world, a second Trump presidency poses a spectrum of risks: threats of tariffs, threats of leaving NATO, and a greater degree of unpredictability. Biden's administration likely marks the last one wedded to the post-WW2 Washington Consensus.
- **A magnificent US rally but risks ahead:** The 'Magnificent 7' rose by 67% in 2024, driven by AI-excitement (Nvidia: +186%), strong earnings, inflows from passive investing and increased risk appetite. Collectively they drove more than half of the S&P 500's +25% performance in 2024 and these seven stocks now represent one third of the index. Given this concentration and concerns over future capex requirements, US equity indices may be exposed to a correction, with some expectations that the 'Magnificent 7' may possibly act as a future drag on overall index performance.
- **Government bond volatility / regional divergence:** Both US and UK government bond yields are at levels not seen since the financial crisis. In the US, alongside higher inflation expectations, while the US Dollar's reserve currency status provides greater fiscal headroom than peers, concerns are growing that prolonged large deficits are stretching this advantage to a point where the country's long-term fiscal stability is being questioned. Additionally, questions persist about the political ability of the US to achieve a balanced budget. Rising borrowing costs in the UK reflect high inflation and more acute budgetary concerns, with the growth outlook considerably weaker than the US, pointing towards stagnation. The situation is concerning, with rising yields squeezing fiscal headroom resulting in a further deterioration of the economic outlook and leading to higher yields. The Eurozone is also experiencing economic weakness but has a clearer outlook on inflation, tempering any material change in bond yields. As such there has been a notable divergence to US / UK yields (with the 10-yr yield on Euro government debt trading at 2.4% versus 4.6% in the US and UK at quarter-end, with that spread having increased by 0.4% since Q3).

Regional Commentary

- In the US, the total return of the S&P500 was up 2.4%, capping off a strong year (+25%) dominated by the 'Magnificent 7' (which accounted for half of this growth) and notably outperformed in Q4 (+15%). Otherwise, equity gainers in the quarter were communication services, information technology and consumer discretionary sectors, the weakest sector was materials. The US Fed made consecutive 25bps cuts in November and December, however hawkish 2025 commentary led to a stock market sell-off, particularly for small caps. Real annual CPI inflation increased from 2.4% in September to 2.7% in November. Government and investment grade bonds declined 3%, whereas high yield rose 0.2%, potentially on the improved growth outlook. Real GDP grew 2.7% YoY in Q4. US Dollar strength was notable, up 7% and against all major currencies, again driven by the implications of Trump's second presidency. US services PMI remains expansionary, rising to 56.8 from 55.2 in September, by contrast, manufacturing continues to contract (49.4).
- The EuroStoxx 50 total return was -1.8% (YTD: +11.0%), with recession fears alongside political instability in France and Germany compounded by concerns over trade wars sparked by Trump tariffs. The weakest sectors for the quarter included materials, real estate and consumer staples. Sectors posting gains included industrials. The ECB cut rates by 25bps in both October and December, with ECB President Christine Lagarde saying the 'direction of travel is very clear' regarding rate cuts and reflective of low growth and slowing inflation (averaging 2.2% in the quarter). Eurozone bonds held up well compared to other regions, led by high yield (+2.0%). Manufacturing PMIs remain a key concern (45.1, having been in contraction for

over two and a half years) with services showing modest expansion (51.6). GDP growth remains sluggish (Q4 yoy: +0.9%).

- The FTSE all-share index declined 0.4% (YTD: +9.5%) amid rising bond yields and concerns over the macroeconomic backdrop, with sentiment exacerbated by cost increases announced in the Budget alongside an increase in borrowing. The BoE cut interest rates by 25bps in November but held steady at 4.75% in December, citing persistent inflation concerns and economic uncertainties. Gilt yields rose significantly, with the 10 year increasing to 4.6% from 4.0% in Q3, increasing borrowing costs are raising concerns that spending cuts or tax rises may be necessary and would further weaken the economy. Services PMI remained positive (51.1) while manufacturing PMIs were below 50 in each month for the quarter (vs 52 on average in Q3). Real YoY GDP growth of 0.9% came against a backdrop of rising inflation (2.6% in November YoY vs 1.7% in September) raising concerns about stagnation.
- The Nikkei 225 total return was 5.4% (YTD: +21.3%), driven by a weakening Yen (which improved the outlook for large-cap exporters) and developments in the US. The implications of Trump's second presidency are less clear for the country than its international counterparts given its significance in US-China relations. During the quarter, most Japanese companies released their semi-annual earnings, with results mixed across sectors. Share buybacks continued to rise, and firms announcing additional buybacks generally received positive market responses. The BoJ maintained interest rates at its December meeting, taking a softer stance than in July, citing insufficient macroeconomic strength to boost domestic demand despite improving business sentiment. PMIs were tightly dispersed between 49-51, with services outperforming. GDP growth remains weak (+0.5% YoY).
- Emerging markets equities declined 8.0% during the quarter (YTD: +7.5%) and were particularly affected by tariff threats from the US. Brazilian shares led EM declines on fiscal concerns, while South Korea fell amid political instability following two presidential impeachments. South Africa, India, and China also posted losses, with China impacted by uncertainty over stimulus measures and potential US tariffs. Saudi Arabia declined but outperformed the index, while only four EMs (Czech Republic, Kuwait, Taiwan, and the UAE) saw positive returns, with Taiwan boosted by AI demand.
- In commodities, Brent crude increased 4% (YTD: -3.1%), natural gas increased 24.3% (YTD: +44.5%), gold increased 0.2% (YTD: +27.5%), copper decreased 11.6% (YTD: +3.5%). The Goldman Sachs Commodity Index increased 3.1% (YTD: +4.2%), within which energy and livestock were the strongest performers, while industrial and precious metals lagged.

Global listed property fell, with the FTSE EPRA Nareit Global Index declining by 3.2% (YTD: +2.6%). The Nationwide House Price Index in the UK posted solid gains throughout the quarter, culminating in 4.7% growth in December, the fastest pace since Oct-22. House prices remain just below the record high in the summer of 2022.

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Oxfordshire Pension Fund Performance Report

Quarter ending 31 December 2024

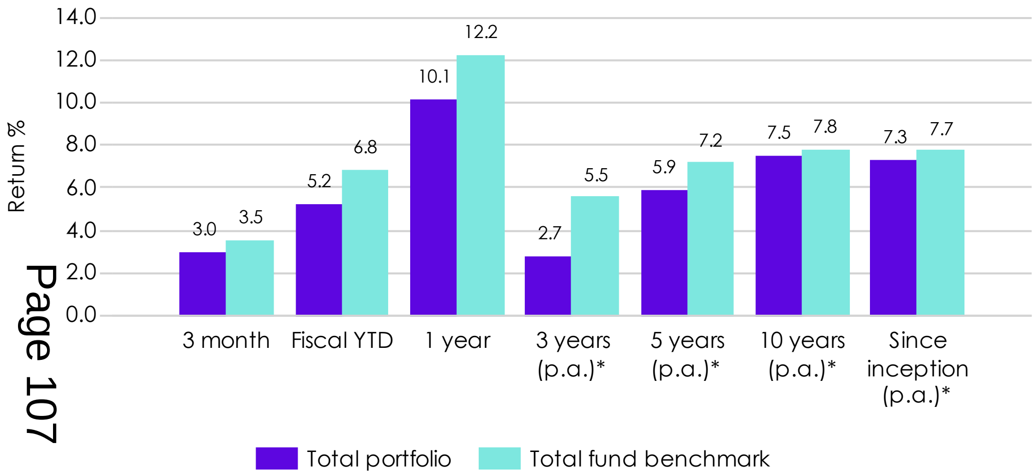
Oxfordshire Pension Fund
www.oxfordshire.gov.uk/pensions

Brunel Pension Partnership

Contents

Pension Fund performance

Performance (annualised)



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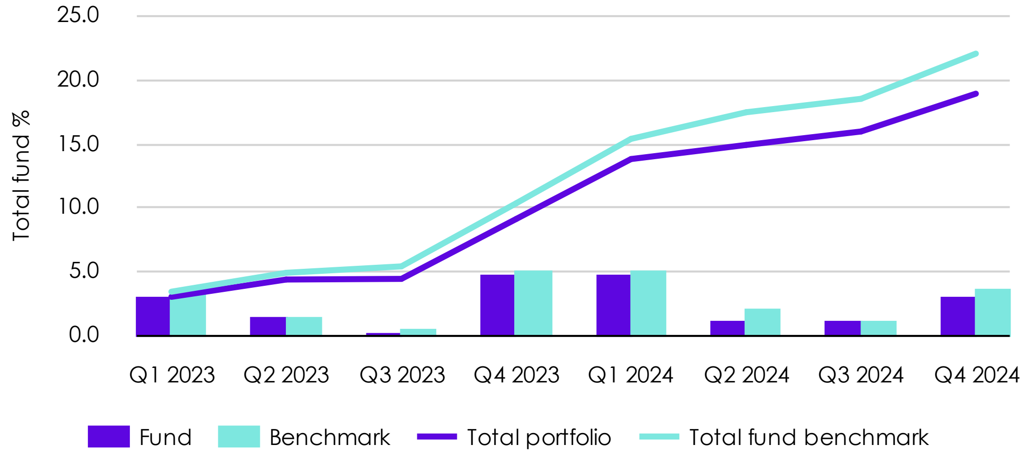
Source: State Street Global Services
*per annum. Net of all fees.

Quarterly performance



Source: State Street Global Services. Net of all fees.

Key events

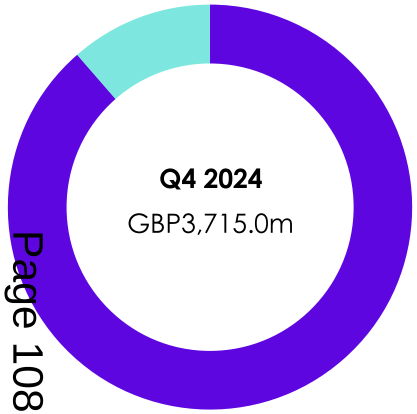
The fourth quarter saw continued positive returns in the US, which was enough to keep global equities in positive territory. Indeed, the UK, Europe and Emerging Markets were all negative during the quarter. Sterling was weak, leading to unhedged returns beating hedged returns. Meanwhile, fixed income was disappointing, with both US and UK government bond markets witnessing higher yields. Many of these moves reflected reaction to the US election, with the "red sweep" leading investors to expect tax cut extensions, deregulation, and trade policy turbulence. Looking to 2025, it seems unlikely that equities will repeat the strong performance of 2024, as valuations look historically high. Concerns are also rising around the private credit market.

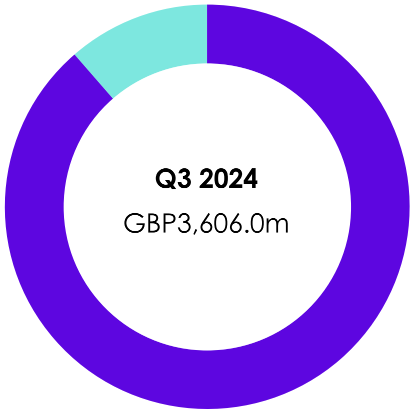
The total portfolio rose 3% during the quarter, whilst the benchmark rose by 3.5%. During 2024, the fund rose 10.1%, against a benchmark return of 12.2%.

In absolute terms, most Brunel portfolios ended higher. Global unhedged portfolios performed particularly well.

Asset summary

Assets transitioned to Brunel

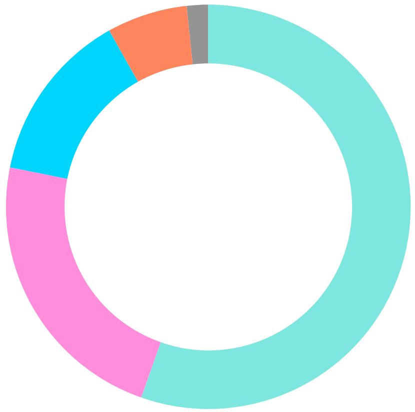




	Q4 2024		Q3 2024
Transitioned	88.57%	Transitioned	88.60%
Non-pooled assets	11.43%	Non-pooled assets	11.40%

Source: State Street Global Services. Net of all fees.

Asset allocation breakdown



Key:

Equities	55.38%
Private markets	22.75%
Fixed income	13.73%
Property	6.43%
Cash	1.71%

Source: State Street Global Services. Net of all fees.
Data includes non-pooled assets

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Overview of assets

Detailed asset allocation

Equities	£2,057.25m	55.38%
PAB Passive Global Equities	£671.43m	18.07%
Global Sustainable Equities	£628.39m	16.91%
UK Active Equities	£383.75m	10.33%
Global High Alpha Equities	£373.57m	10.06%
Non-pooled Assets	£0.10m	0.00%

Fixed income	£510.04m	13.73%
Passive Index Linked Gilts over 5 years	£210.17m	5.66%
Multi-Asset Credit	£160.31m	4.32%
Sterling Corporate Bonds	£139.55m	3.76%
Non-pooled Assets	£0.01m	0.00%

Private markets (incl. property)	£1,084.06m	29.18%
UK Property	£164.72m	4.43%
Private Equity Cycle 1	£105.56m	2.84%
Secured Income Cycle 3	£61.88m	1.67%
Private Equity Cycle 2	£56.45m	1.52%
International Property	£55.41m	1.49%
Secured Income Cycle 1	£54.66m	1.47%
Private Debt Cycle 2	£52.61m	1.42%
Infrastructure Cycle 1	£50.06m	1.35%
Secured Income Cycle 2	£35.52m	0.96%
Private Debt Cycle 3	£33.02m	0.89%
Infrastructure Cycle 3	£21.71m	0.58%
Infrastructure (General) Cycle 2	£17.02m	0.46%
Infrastructure (Renewables) Cycle 2	£14.56m	0.39%
Non-pooled Assets	£360.87m	9.71%

Cash not included

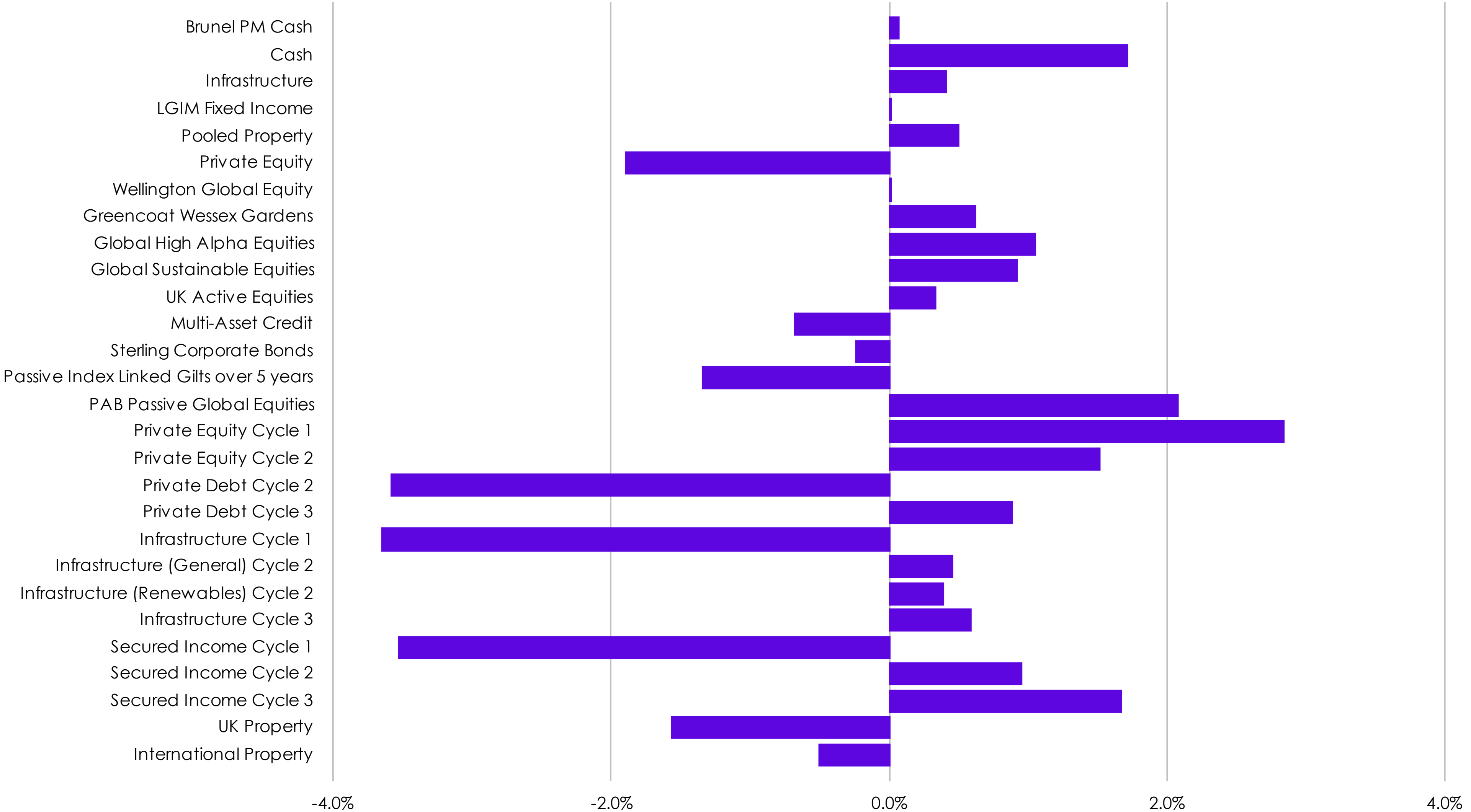
Overview of assets

Top 10 Equity Holdings at Pension Fund

ISIN	Security Name	Sector	Sub-sector	Country	Market Value (£)	% of Pension fund	ESG Score
US5949181045	MICROSOFT CORP	Information Technology	Systems Software	UNITED STATES	67,836,651.05	1.83%	14.23
US0231351067	AMAZON.COM INC	Consumer Discretionary	Broadline Retail	UNITED STATES	67,409,267.45	1.81%	26.10
US88160R1014	TESLA INC	Consumer Discretionary	Automobile Manufacturers	UNITED STATES	50,414,696.24	1.36%	24.73
US67066G1040	NVIDIA CORP	Information Technology	Semiconductors	UNITED STATES	42,122,929.06	1.13%	12.23
US0378331005	APPLE INC	Information Technology	Technology Hardware	UNITED STATES	40,067,635.08	1.08%	16.79
US02079K3059	ALPHABET INC-CL A	Communication Services	Interactive Media &	UNITED STATES	33,987,888.80	0.91%	24.89
US57636Q1040	MASTERCARD INC - A	Financials	Transaction & Payment	UNITED STATES	32,289,272.67	0.87%	16.13
GB00B10RZP78	UNILEVER PLC	Consumer Staples	Personal Care Products	UNITED KINGDOM	30,208,490.23	0.81%	21.55
GB0009895292	ASTRAZENECA PLC	Health Care	Pharmaceuticals	UNITED KINGDOM	27,465,602.98	0.74%	21.49
US8740391003	TAIWAN SEMICONDUCTOR-SP ADR	Information Technology	Semiconductors	TAIWAN	21,349,887.99	0.57%	13.72

Table excludes cash and non-pooled assets. This is an estimated aggregate position using Brunel Portfolios.

Strategic asset allocation



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Performance attribution

Pension fund performance attribution - to quarter end

	End market value £'000	Actual % allocation at end of quarter	Strategic asset allocation (%)	Difference (%)	Fund return (%): 3 months	Contribution to return: 3 month
Brunel PM Cash	2,664	0.1%	-	0.1%	5.0%	0.0%
Cash	63,674	1.7%	-	1.7%	1.2%	0.0%
Infrastructure	15,090	0.4%	-	0.4%	1.9%	0.0%
LGIM Fixed Income	13	0.0%	-	0.0%	7.2%	0.0%
Pooled Property	18,733	0.5%	-	0.5%	-4.2%	-0.0%
Private Equity	301,168	8.1%	10.00%	-1.9%	5.7%	0.5%
Wellington Global Equity	97	0.0%	-	0.0%	-0.6%	-0.0%
Greencoat Wessex Gardens	23,217	0.6%	-	0.6%	0.4%	0.0%
Global High Alpha Equities	373,571	10.1%	9.00%	1.1%	5.4%	0.5%
Global Sustainable Equities	628,394	16.9%	16.00%	0.9%	2.6%	0.4%
UK Active Equities	383,754	10.3%	10.00%	0.3%	-1.0%	-0.1%
Multi-Asset Credit	160,306	4.3%	5.00%	-0.7%	0.7%	0.0%
Sterling Corporate Bonds	139,549	3.8%	4.00%	-0.2%	0.2%	0.0%
Passive Index Linked Gilts over 5 years	210,170	5.7%	7.00%	-1.3%	-7.3%	-0.5%
PAB Passive Global Equities	671,434	18.1%	16.00%	2.1%	8.6%	1.5%
Private Equity Cycle 1	105,555	2.8%	-	2.8%	N/M	N/M

Performance attribution

Pension fund performance attribution - to quarter end

	End market value £'000	Actual % allocation at end of quarter	Strategic asset allocation (%)	Difference (%)	Fund return (%): 3 months	Contribution to return: 3 month
Private Equity Cycle 2	56,449	1.5%	-	1.5%	N/M	N/M
Private Debt Cycle 2	52,609	1.4%	5.00%	-3.6%	N/M	N/M
Private Debt Cycle 3	33,025	0.9%	-	0.9%	N/M	N/M
Infrastructure Cycle 1	50,063	1.3%	5.00%	-3.7%	N/M	N/M
Infrastructure (General) Cycle 2	17,022	0.5%	-	0.5%	N/M	N/M
Infrastructure (Renewables) Cycle 2	14,557	0.4%	-	0.4%	N/M	N/M
Infrastructure Cycle 3	21,715	0.6%	-	0.6%	N/M	N/M
Secured Income Cycle 1	54,662	1.5%	5.00%	-3.5%	N/M	N/M
Secured Income Cycle 2	35,523	1.0%	-	1.0%	N/M	N/M
Secured Income Cycle 3	61,883	1.7%	-	1.7%	N/M	N/M
UK Property	164,721	4.4%	6.00%	-1.6%	N/M	N/M
International Property	55,407	1.5%	2.00%	-0.5%	N/M	N/M

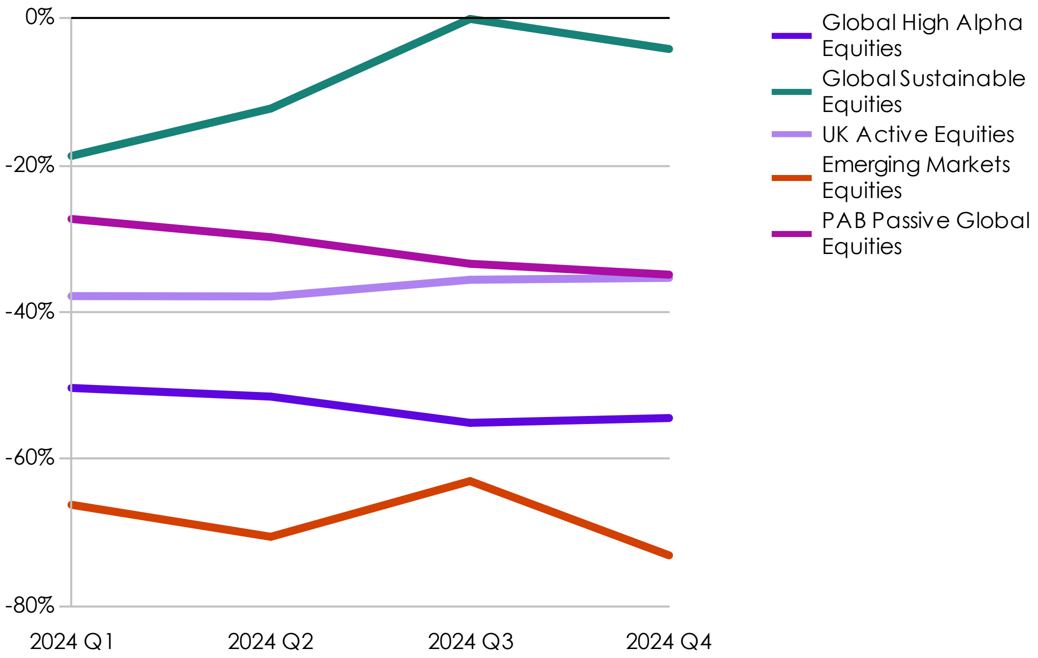
Private Markets 3 month performance is not material. Private Markets interim period performance is calculated using NAVs provided on business day 8. Later revisions to these NAVs are not captured in the calculations so please use caution when using this data.

Stewardship and climate metrics

Portfolio	WACI		Total Extractive Exposure[1]		Extractive Industries (VOH)[2]	
	2024 Q3	2024 Q4	2024 Q3	2024 Q4	2024 Q3	2024 Q4
Global High Alpha Equities	**62**	**53**	**1.0**	**1.0**	**1.8**	**1.7**
MSCI World*	137	117	3.5	3.2	8.0	7.3
Global Sustainable Equities	**172**	**139**	**1.6**	**1.5**	**8.2**	**7.3**
MSCI ACWI*	172	145	3.5	3.2	8.0	7.4
UK Active Equities	**68**	**68**	**5.3**	**5.0**	**10.3**	**10.1**
FTSE All Share ex Inv Tr*	105	105	6.3	6.2	17.3	16.7
Emerging Markets Equities	**175**	**108**	**1.6**	**0.6**	**3.9**	**2.4**
MSCI Emerging Markets*	474	402	6.1	5.8	7.9	7.5
PAB Passive Global Equities	**94**	**78**	**1.0**	**0.9**	**3.6**	**3.1**
FTSE Dev World TR UKPD*	141	120	3.3	3.1	8.3	7.6

*Benchmark. [1] Extractive revenue exposure as share (%) of total revenue. [2] Value of holdings (VOH) - companies who derive revenues from extractives. Source: Trucost. Changes between quarters may reflect improved data quality and coverage.

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/

Risk and return summary

Brunel portfolio performance - 3 year

	Annualised return	Risk (standard deviation)	Benchmark return	Benchmark standard deviation
Equities				
Global High Alpha Equities	5.7%	13.2%	9.7%	11.7%
Global Sustainable Equities	1.0%	13.8%	8.7%	11.1%
UK Active Equities	5.2%	11.8%	6.4%	10.8%
PAB Passive Global Equities	9.6%	12.1%	9.7%	12.1%
Fixed income				
Multi-Asset Credit	3.8%	6.3%	7.9%	0.5%
Sterling Corporate Bonds	-2.0%	9.4%	-3.1%	9.1%
Passive Index Linked Gilts over 5 years	-17.8%	15.9%	-17.9%	15.9%
Private markets (incl. property)				
Private Equity Cycle 1	10.1%	8.8%	8.7%	11.1%
Private Equity Cycle 2	6.5%	11.6%	8.7%	11.1%
Private Debt Cycle 2	8.4%	11.0%	7.9%	0.5%
Infrastructure Cycle 1	8.5%	3.7%	5.6%	2.2%
Infrastructure (General) Cycle 2	6.1%	5.5%	5.6%	2.2%

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Risk and return summary

Brunel portfolio performance - 3 year

	Annualised return	Risk (standard deviation)	Benchmark return	Benchmark standard deviation
Private markets (incl. property)				
Infrastructure (Renewables) Cycle 2	5.8%	6.7%	5.6%	2.2%
Secured Income Cycle 1	-3.1%	8.1%	5.6%	2.2%
Secured Income Cycle 2	-2.4%	11.7%	5.6%	2.2%
UK Property	-1.7%	5.8%	-2.4%	9.1%
International Property**	-6.0%	8.5%	-	6.2%

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**Performance data shown up to 30 September 2024

Risk and return summary

Legacy manager performance - 3 year

	Annualised return	Risk (standard deviation)	Benchmark return	Benchmark standard deviation
Brunel PM Cash	63.0%	68.6%	0.0%	-
Cash	9.4%	4.2%	3.7%	0.5%
Infrastructure	7.5%	11.9%	9.9%	2.1%
Pooled Property	-5.6%	11.3%	-2.0%	9.7%
Private Equity	7.9%	10.0%	8.7%	11.1%
Wellington Global Equity	-7.9%	13.0%	8.7%	11.1%
Oxfordshire County Council	2.7%	7.8%	5.5%	7.4%
LGIM Fixed Income	-	266.0%	-8.5%	9.8%

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 (55.37%)			**2,057.15**									
Global High Alpha Equities	MSCI World	+2-3%	373.57	5.4%	-1.6%	16.4%	-4.9%	5.7%	-4.0%	13.0%	0.1%	15 Nov 2019
Global Sustainable Equities	MSCI ACWI	+2%	628.39	2.6%	-3.5%	11.5%	-8.6%	1.0%	-7.8%	7.3%	-5.6%	30 Sep 2020
UK Active Equities	FTSE All Share ex Inv Tr	+2%	383.75	-1.0%	-0.5%	11.0%	1.5%	5.2%	-1.2%	5.9%	-0.5%	21 Nov 2018
PAB Passive Global Equities	FTSE Dev World PAB	Match	671.43	8.6%	-	20.6%	-0.2%	9.6%	-0.1%	10.4%	-0.1%	29 Oct 2021
Fixed income (13.73%)			**510.02**									
Multi-Asset Credit	SONIA +4%	0% to +1.0%	160.31	0.7%	-1.5%	9.0%	-0.4%	3.8%	-4.0%	3.6%	-3.7%	01 Jun 2021
Sterling Corporate Bonds	iBoxx Sterling Non Gilt x	+1%	139.55	0.2%	0.6%	4.1%	2.4%	-2.0%	1.1%	-1.8%	1.1%	02 Jul 2021
Passive Index Linked Gilts over 5 years	FTSE-A UK ILG >5Y	Match	210.17	-7.3%	-	-10.7%	-	-17.8%	0.1%	-13.8%	0.1%	09 Jun 2021
Private markets (incl. property) (19.47%)			**723.19**									
Private Equity Cycle 1	MSCI ACWI	+3%	105.56	N/M	N/M	11.0%	-9.2%	10.1%	1.3%	13.5%	0.8%	26 Mar 2019
Private Equity Cycle 2	MSCI ACWI	+3%	56.45	N/M	N/M	10.1%	-10.0%	6.5%	-2.3%	7.5%	-4.0%	05 Jan 2021
Private Debt Cycle 2	SONIA	+4%	52.61	N/M	N/M	6.5%	-2.9%	8.4%	0.5%	8.3%	0.7%	17 Sep 2021
Private Debt Cycle 3	SONIA	+4%	33.02	N/M	N/M	9.5%	0.1%	-	-	10.6%	1.5%	20 Dec 2022
Infrastructure Cycle 1	CPI	+4%	50.06	N/M	N/M	7.7%	5.2%	8.5%	2.9%	7.9%	3.9%	02 Jan 2019
Infrastructure (General) Cycle 2	CPI	+4%	17.02	N/M	N/M	5.6%	3.0%	6.1%	0.5%	5.8%	0.5%	19 Oct 2020

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) (19.47%)			**723.19**									
Infrastructure (Renewables) Cycle 2	CPI	+4%	14.56	N/M	N/M	1.5%	-1.0%	5.8%	0.2%	5.7%	0.4%	12 Oct 2020
Infrastructure Cycle 3	n/a - absolute return target	net 8% IRR	21.71	N/M	N/M	6.7%	4.1%	-	-	2.1%	-2.1%	13 Oct 2022
Secured Income Cycle 1	CPI	+2%	54.66	N/M	N/M	3.0%	0.4%	-3.1%	-8.7%	-0.2%	-4.2%	15 Jan 2019
Secured Income Cycle 2	CPI	+2%	35.52	N/M	N/M	0.6%	-2.0%	-2.4%	-8.0%	-0.9%	-6.7%	01 Mar 2021
Secured Income Cycle 3	CPI	+2%	61.88	N/M	N/M	2.5%	-	-	-	-	-2.1%	01 Jun 2023
UK Property	MSCI/AREF UK	+0.5%	164.72	N/M	N/M	3.3%	-1.8%	-1.7%	0.6%	2.6%	0.3%	01 Jul 2020
International Property**	GREFI	+0.5%	55.41	N/M	N/M	-14.1%	-9.7%	-6.0%	-6.0%	-5.3%	-7.7%	01 Jul 2020
Total Brunel assets (excl. cash) (88.57%)			**3,290.37**									

*Since initial investment
**Performance data shown up to 30 September 2024
+ Excess to benchmark, may not include outperformance
Private Markets 3 month performance is not material. Private Markets interim period performance is calculated using NAVs provided on business day 8. Later revisions to these NAVs are not captured in the calculations so please use caution when using this data.

Portfolio overview

Legacy assets

Portfolio	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 (0.00%)			**0.10**							
Wellington Global Equity	0.10	-0.6%	-6.8%	-4.6%	-24.7%	-7.9%	-16.7%	5.1%	-7.5%	01 Oct 2012
Fixed income (0.00%)			**0.01**							
LGIM Fixed Income	0.01	7.2%	10.1%	124.2%	127.8%	-	8.5%	-	-3.7%	01 Oct 2003
Private markets (incl. property) (9.71%)			**360.87**							
Brunel PM Cash	2.66	5.0%	5.0%	7.4%	7.4%	63.0%	63.0%	36.2%	36.2%	14 Dec 2018
Infrastructure	15.09	1.9%	-0.1%	4.3%	-2.5%	7.5%	-2.4%	7.8%	0.8%	01 Oct 2017
Pooled Property	18.73	-4.2%	-6.6%	-15.9%	-21.3%	-5.6%	-3.6%	5.7%	-0.2%	01 Jan 2010
Private Equity	301.17	5.7%	-0.5%	14.7%	-5.4%	7.9%	-0.8%	12.5%	4.8%	01 Apr 2005
Greencoat Wessex Gardens	23.22	0.4%	-1.6%	-	-	-	-	6.2%	-0.7%	12 Feb 2024
Other (1.71%)			**63.67**							
Cash	63.67	1.2%	-	6.3%	1.2%	9.4%	5.7%	2.9%	1.1%	01 Apr 2005
Total legacy assets (excl. cash) (11.43%)	**424.66**									

*Since initial investment
⁺ Excess to benchmark, may not include outperformance

Chief Investment Officer commentary

The fourth quarter was another positive one for global equity markets. The rally, which had been very strong for 12 months, did appear to run out of steam. Indeed, were it not for the US market, and those same seven names, the global market would have been in negative territory, as the UK, Europe and Emerging Markets were all lower over the period. The other offset to investors was the exceptional weakness of sterling, which significantly boosted unhedged returns.

Fixed income returns were also diverse. Whilst spreads were tighter in most credit markets, the duration profile of the asset class is what drove those divergent returns. Assets with more interest rate sensitivity came under more pressure, as US Treasuries and UK Gilts fell in excess of 3%. UK Index-linked Gilts fell by a more startling 6%. The Labour government's first budget certainly helped amplify these trends, as concerns over projected borrowing figures grew, but the broader trend (set in the US) was already firmly negative.

A significant driver of all asset returns was the US election. The "red sweep" and the perceived sensitivity of assets and sectors to Trump's potential policies, particularly those related to taxes, trade and regulation, was a key determinant of pricing. There are of course likely to be relative winners and losers, but also cross-currents affecting assets across differing timeframes. For example, an extension of his Tax Cuts and Jobs Act could be supportive in the short term for lofty US multiples. But ultimately such policies are inflationary, and could, as we have seen before, increase the discount rate and put pressure on valuations in the longer term. It is also important to note that, unlike tax changes, both trade policy and tariffs (which are arguably what the market is most concerned about) can be directly implemented by executive presidential order.

The other main driver of returns, which isn't completely isolated from concerns over the inflationary consequences of US political policies, is FED policy. The US central bank began easing in September with a 50bp cut in interest rates and, in the accompanying statement, made clear that it has limited tolerance for further economic weakening. By the end of the year, however, after cutting only a further two times, the narrative had pivoted to suggest that the FED may now be close to the elusive neutral rate, which signals FOMC members believe they may be near the end of the rate-cutting cycle. This view was supported by an increase in PCE – the FED's preferred inflation measure - of 2.8% and a much stronger than expected employment figure. Fears of rates being higher for longer unwound most of the early gains in markets.

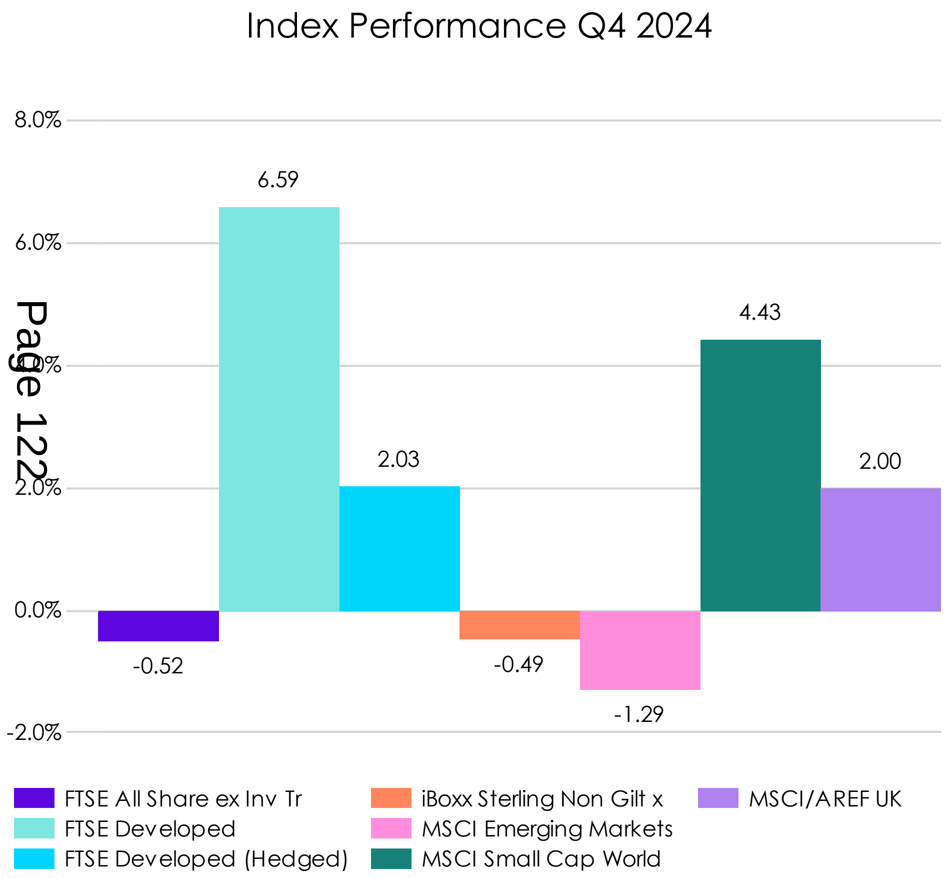
Elsewhere, spreads in private credit were reported to have widened and news reports of high profile write downs grew more common. Our private debt portfolios, however, proved robust, aided by our decision to orientate our programmes towards senior secured direct lending funds with a bias towards defensive sectors.

Private Equity activity increased significantly in Europe during 2024, with managers taking advantage of depressed public market valuations to take companies private. According to Dealogic data, the total value of majority-European buyout deals increased at more than twice the rate set in the rest of the world - only just shy of the all-time highs of 2021-2022.

Infrastructure, however, remained very much in the political crosshairs globally. 2024 was a challenging year for the asset class, A well-known fund manager (whose fund Brunel did not invest in) saw two write-offs in its global renewable power fund, as well as broad write downs across Electric Vehicle and battery storage platforms. Looking forward, Donald Trump's imminent return suggested further uncertainty and a more difficult backdrop for renewable infrastructure.

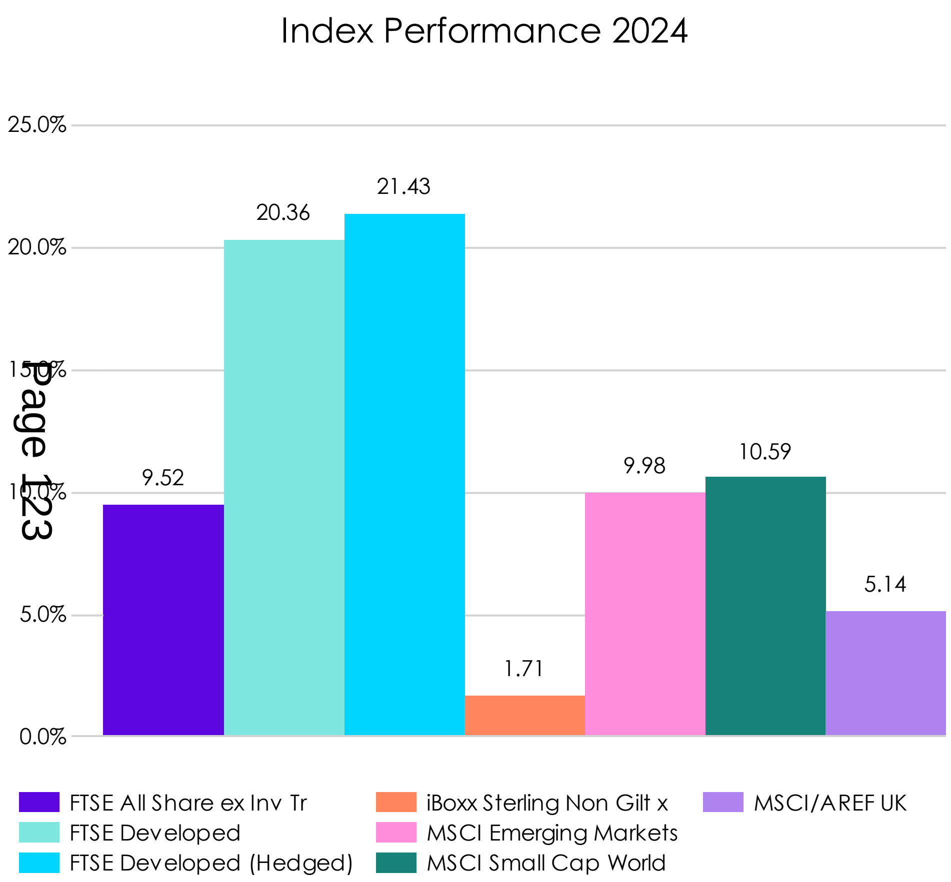
Looking ahead, based on the balance of probabilities and through the lens of long term valuations, an anchor for all long-term prognosis, it is unlikely that 2025 will be as fruitful a year as 2024 for risk assets. Equity and credit markets are in expensive territory and economic volatility is likely to be higher given the warm blanket of lower rates and disinflation are consigned to the past. As mentioned above, cracks are already beginning to appear in the private credit markets, with defaults rising. As such, given so much today is invested in private markets, how you perform in 2025 will more than likely be determined by how you invested in 2021-23 rather than what you do in 2025!

Chief Investment Officer commentary



Source: State Street

Chief Investment Officer commentary



Source: State Street

Global High Alpha Equities

Launch date

6 December 2019

Investment strategy & key drivers

High conviction, unconstrained global equity portfolio

Liquidity

Managed

Benchmark

MSCI World

Outperformance target

+2-3%

Total fund value

£4,572m

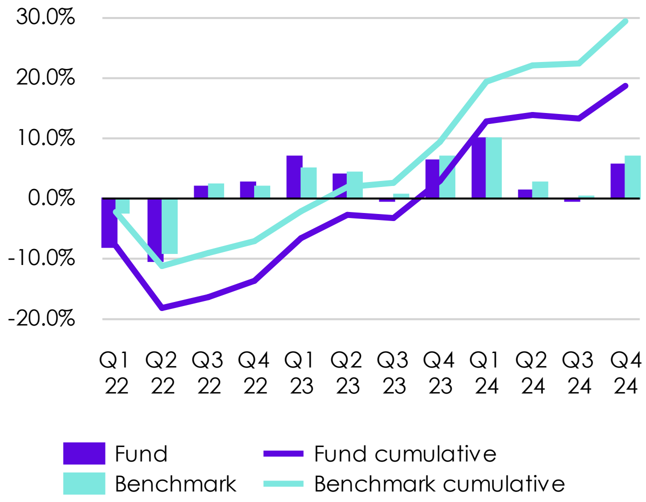
Risk profile

High

Oxfordshire's Holding:

GBP374m

Rolling 3yr performance



Performance to quarter end

Performance	3 month	1 year	3 year*	Since inception*
Fund	5.4	16.4	5.7	13.5
MSCI World	7.0	21.3	9.7	13.4
Excess	-1.6	-4.9	-4.0	0.1

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

Performance commentary

Global developed equities (as proxied by the MSCI World index) returned 7% in GBP terms over the quarter, mostly in November! The US drove returns, with many commentators highlighting continuing US exceptionalism. Cyclical sectors outperformed with Consumer Discretionary and Communications Services leading. IT and Financials also performed well, the former benefitting from AI enthusiasm. Style indices showed Growth outperformed.

The portfolio returned 5.4%, underperforming the index by 1.6%, as weak stock selection more than offset the benefits from sector allocation and the portfolio's tilt to growth.

Sector attribution showed selection was the main driver of underperformance. Selection was particularly weak in the Consumer Discretionary sector, where the underweight holding in Tesla was the largest detractor, as the company returned 65%, reporting strong performance for Q4 2024. Selection within IT was also weak, impacted by underweight holdings in the two largest semiconductor names (NVIDIA and Broadcom), which both outperformed their peers. Sector allocation was positive as the overweight in the Consumer Discretionary sector (the best-performing sector) benefitted.

Four out of five managers underperformed during the quarter. Only BG posted a positive relative return due to its overweight exposure to high-performing sectors (Consumer Discretionary and Communications Services) and strong selection within IT. Within the latter, software and IT services names that had performed poorly year-to-date (such as Atlassian, Shopify and Cloudflare), bounced back to make material contributions. Of the four underperforming managers, perhaps the most disappointing was AB, which was unable to benefit from Growth outperforming Value, partly a result of being significantly underweight the largest index growth names , as these drove performance. The portfolio underperformed in 2024 by 4.9%, with only BG and RLAM able to outperform the index. It is no coincidence that these two managers had the highest average weight in the 'Magnificent 7'. The portfolio's underweight to these names detracted 3% from relative returns during the year. From inception to quarter-end, the portfolio outperformed the benchmark by 0.1% p.a.

Global High Alpha Equities

Top 5 holdings

	Weight %	B'mark weight %	Client value (GBP)*
MICROSOFT CORP	5.77	4.26	21,566,117
AMAZON.COM INC	4.90	2.97	18,318,401
ALPHABET INC	3.54	2.96	13,225,168
TAIWAN SEMICONDUCTOR	3.23	-	12,049,204
MASTERCARD INC	3.11	0.62	11,602,039

*Estimated client value

Top 5 active overweights

	Weight %	Benchmark weight %
TAIWAN SEMICONDUCTOR	3.23	-
MASTERCARD INC	3.11	0.62
AMAZON.COM INC	4.90	2.97
LVMH MOET HENNESSY LOUIS	1.77	0.26
MICROSOFT CORP	5.77	4.26

Top 5 active underweights

	Weight %	Benchmark weight %
APPLE INC	1.08	5.45
NVIDIA CORP	2.18	4.72
META PLATFORMS INC	-	1.83
BROADCOM INC	-	1.47
TESLA INC	0.47	1.66

Largest contributors to ESG risk

	ESG risk score* Q3 2024	ESG risk score* Q4 2024
AMAZON.COM INC	29.01	26.10
ALPHABET INC-CL A	23.89	24.89
MICROSOFT CORP	14.23	14.23
MASTERCARD INC - A	15.59	16.13
TAIWAN SEMICONDUCTOR-SP	13.48	13.72

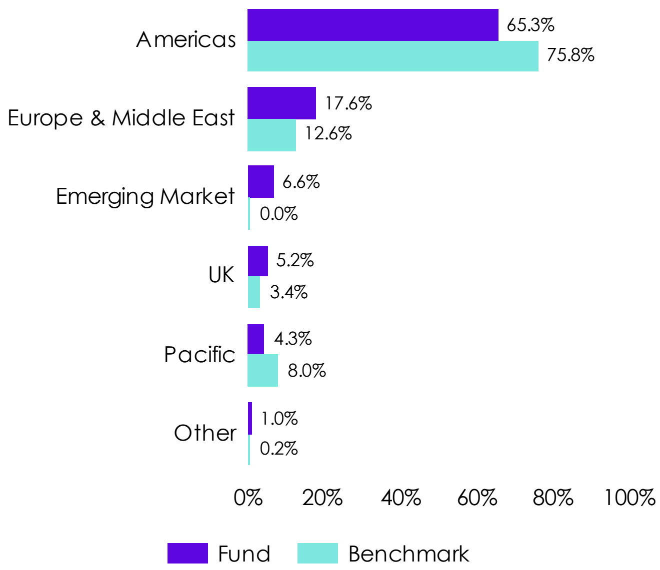
*Source: Sustainanalytics. The table is ordered by negative overall ESG impact on the portfolio, with the most impactful at the top. ESG Risk Score reference: 0-10 is Negligible, 10-20 is Low, 20-30 is Medium, 30-40 is High, 40+ is Severe.

Carbon metrics

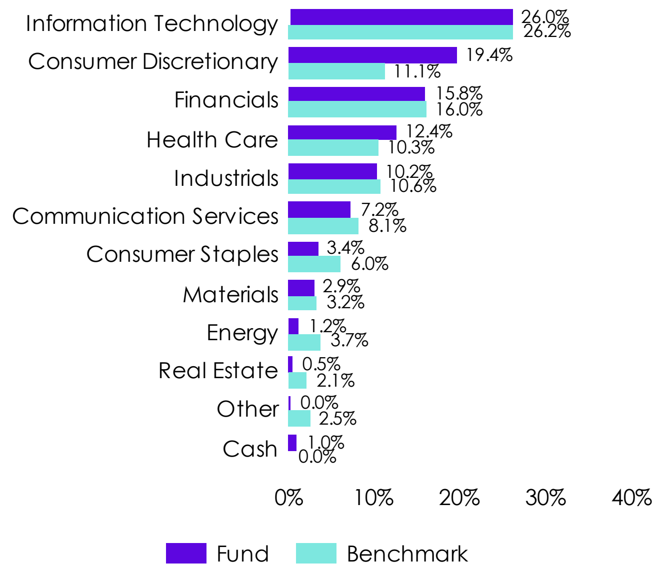
Portfolio	WACI		Total Extractive Exposure[1]		Extractive Industries (VOH)[2]	
	2024 Q3	2024 Q4	2024 Q3	2024 Q4	2024 Q3	2024 Q4
Global High Alpha	62	53	1.01	0.96	1.84	1.69
MSCI World*	137	117	3.48	3.16	8.03	7.35

*Benchmark. [1] Extractive revenue exposure as share (%) of total revenue. [2] Value of holdings (VOH) - companies who derive revenues from extractives. Source: Trucost. Changes between quarters may reflect improved data quality and coverage.

Regional exposure



Sector exposure



Global Sustainable Equities

Launch date
20 October 2020

Investment strategy & key drivers
Global equity exposure concentrating on ESG factors

Liquidity
Managed

Benchmark
MSCI ACWI

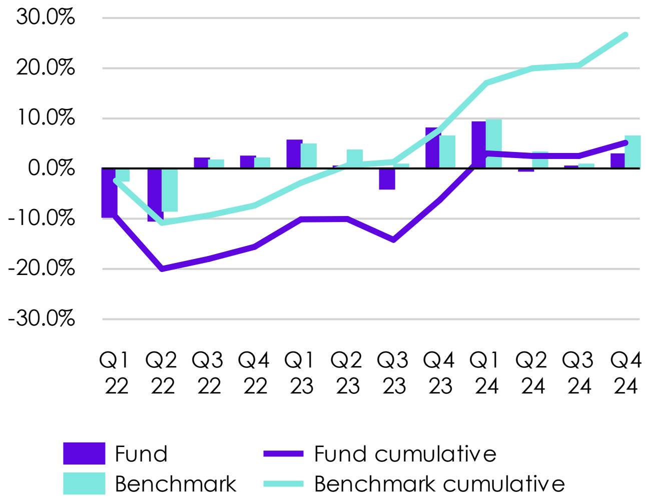
Outperformance target
+2%

Total fund value
£3,866m

Risk profile
High

Oxfordshire's Holding:
GBP628m

Rolling 3yr performance



Performance to quarter end

Performance	3 month	1 year	3 year*	Since inception*
Fund	2.6	11.5	1.0	6.9
MSCI ACWI	6.1	20.1	8.7	12.6
Excess	-3.5	-8.6	-7.8	-5.6

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

Performance commentary

The portfolio returned 2.6% net of fees over Q4 2024, which brought the one-year return for 2024 to 11.5%, net of fees. In any year, a double-digit absolute return is seen as a great result and can't be overlooked. However, when we look at the global equity market, the MSCI ACWI returned 20.1% for the year 2024, and returned 6.1% during Q4.

The early parts of the quarter were characterised by the continuation of the rally seen at the end of Q3 after the FED cut rates by 50bps. Nvidia was the notable winner in October, contributing to 25% of the market's return. November was then defined by Trump's election victory, which raised the entire market, small caps and US domestic stocks benefiting alongside mega caps. However, the reality of political uncertainty and the potential for further inflation hit home in December and investors ran for cover in the mega caps once more.

The Global Sustainable Equities portfolio has a 14% underweight position to the 'Mag 7' (+Broadcomm), which now account for 21% of the 3000 stock MSCI ACWI. This underweight contributed -2% to the -3.3% relative performance.

The continued dominance of the eight stocks cited above was a common theme throughout 2024. They contributed close to half of the 20% index return for the year - notably, NVIDIA contributed 3.4%. An equally-weighted index returned 7%, which highlights the impact of weightings in benchmark returns.

It is worth highlighting that we do have sub-managers within the Sustainable Equity fund that have outperformed the MSCI ACWI over Q4 and 2024. Notably, RBC outperformed the MSCI ACWI by 3.5% in 2024. Relative to peers, this puts them right at the very top of the 1st quartile. Sustainable managers in general struggled to beat the MSCI ACWI over Q4 and the fund itself was around the median of peers. Of the few sustainable managers that beat the ACWI, they all had the common trend of being overweight in a few of the magnificent 8 stocks, notably Microsoft and Nvidia. This presents a challenge when building a diversified portfolio of five managers, as the portfolio itself would then have an overweight exposure to a handful of names - presenting a large concentration risk within the portfolio.

Global Sustainable Equities

Top 5 holdings

	Weight %	B'mark weight %	Client value (GBP)*
MICROSOFT CORP	2.99	3.84	18,818,027
MASTERCARD INC	2.64	0.56	16,613,305
NVIDIA CORP	2.55	4.25	16,036,501
TAIWAN SEMICONDUCTOR	2.05	1.04	12,880,579
WASTE MANAGEMENT INC	1.81	0.10	11,374,380

*Estimated client value

Top 5 active overweights

	Weight %	Benchmark weight %
MASTERCARD INC	2.64	0.56
WASTE MANAGEMENT INC	1.81	0.10
ACCENTURE PLC	1.81	0.28
ASML HOLDING NV	1.73	0.36
ANSYS INC	1.39	0.04

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Top 5 active underweights

	Weight %	Benchmark weight %
APPLE INC	-	4.91
ALPHABET INC	-	2.67
NVIDIA CORP	2.55	4.25
META PLATFORMS INC	-	1.65
TESLA INC	-	1.50

Largest contributors to ESG risk

	ESG risk score* Q3 2024	Q4 2024
MASTERCARD INC - A	15.59	16.13
MICROSOFT CORP	14.23	14.23
AMAZON.COM INC	29.01	26.10
WASTE MANAGEMENT INC	18.83	18.61
ECOLAB INC	23.86	23.86

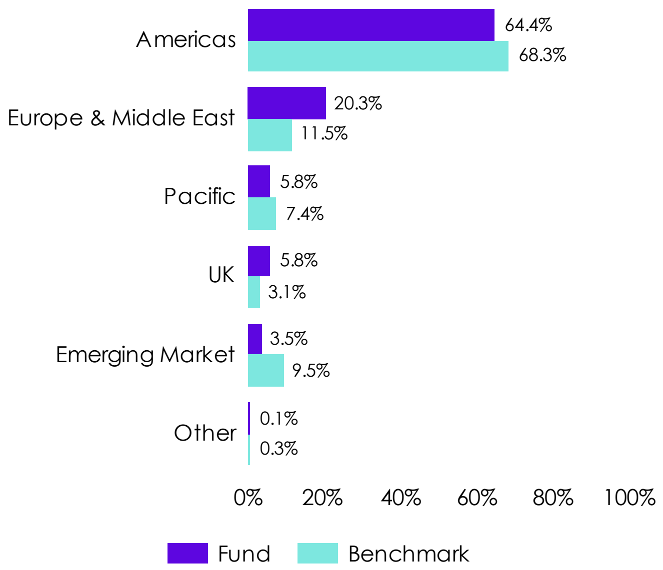
*Source: Sustainalytics. The table is ordered by negative overall ESG impact on the portfolio, with the most impactful at the top. ESG Risk Score reference: 0-10 is Negligible, 10-20 is Low, 20-30 is Medium, 30-40 is High, 40+ is Severe.

Carbon metrics

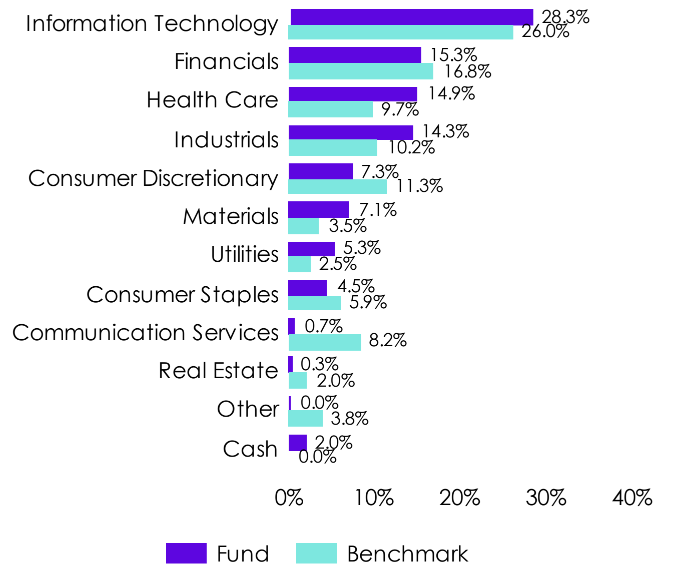
Portfolio	WACI 2024 Q3	WACI 2024 Q4	Total Extractive Exposure[1] 2024 Q3	Total Extractive Exposure[1] 2024 Q4	Extractive Industries (VOH)[2] 2024 Q3	Extractive Industries (VOH)[2] 2024 Q4
Global Sustainable	172	139	1.59	1.54	8.19	7.34
MSCI ACWI*	172	145	3.53	3.21	8.01	7.36

*Benchmark. [1] Extractive revenue exposure as share (%) of total revenue. [2] Value of holdings (VOH) - companies who derive revenues from extractives. Source: Trucost. Changes between quarters may reflect improved data quality and coverage.

Regional exposure



Sector exposure



UK Active Equities

Launch date
1 December 2018

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%

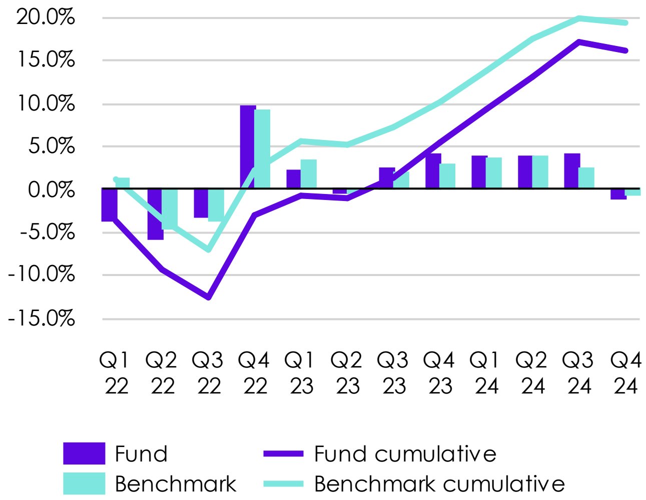
Total fund value
£1,375m

Risk profile
High

Page 128

Oxfordshire's Holding:
GBP384m

Rolling 3yr performance



Performance to quarter end

Performance	3 month	1 year	3 year*	Since inception*
Fund	-1.0	11.0	5.1	5.8
FTSE All Share ex Inv Tr	-0.5	9.5	6.4	6.3
Excess	-0.5	1.5	-1.2	-0.5

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

Performance commentary

This quarter, the FTSE All-Share Index excluding Investment Trusts returned -0.5%, underperforming the developed market index (MSCI World) by 7.5% in GBP terms. This partly reflected the UK's lower allocation to Consumer Discretionary and tech-related sectors that drove global returns. In a reversal compared to last quarter, the FTSE 100 beat the FTSE 250, and factor returns showed that Size (small) underperformed along with Quality, whilst Momentum was the strongest performer.

The portfolio returned -1% during the period, underperforming the benchmark by 0.5%, ending a run of six successive quarters of outperformance.

Sector attribution showed a positive impact from allocation, driven by the overweight to the Financials sector, which was the strongest-performing sector. Underweights to the Healthcare and Basic Materials sectors also contributed. Selection was negative and was weakest in the Consumer Discretionary sector where overweight holdings in housebuilding-related names (Persimmon, Bellway and Howden Joinery) detracted. Selection in the Consumer Staples sector was also weak, impacted by not holding tobacco names (Imperial and BAT) which were the strongest performers. The underweight in HSBC had the largest single-name relative impact, detracting 0.5%. Market cap allocation was a headwind over the quarter, detracting 0.5%, driven by the portfolio's overweight to the quintile of smallest companies, as this was the worst-performing quintile.

On a manager-by-manager basis, Invesco performed in line with the index, as the positive contributions from the Quality and Value factors and the overweight to the Financials sector was offset by the negative impact of stock selection. Baillie Gifford underperformed by 1.2% over the quarter, driven by weak selection in the Financials and Technology sectors. Sector allocation was positive, resulting from large underweights to Basic Materials and Healthcare. Market Cap allocation had a negative impact on relative returns, with an overweight to the smallest quintile detracting 0.9% from relative returns.

Over 2024, the portfolio outperformed the index 1.5%, with Invesco the largest contributor, supported by a small outperformance by Baillie Gifford. From inception to quarter-end, the portfolio underperformed the benchmark by 0.5% per annum.

UK Active Equities

Top 5 holdings

	Weight %	B'mark weight %	Client value (GBP)*
ASTRAZENECA PLC	6.12	7.08	23,473,199
UNILEVER PLC	5.71	5.06	21,910,054
SHELL PLC	3.76	6.92	14,432,568
HSBC HOLDINGS PLC	3.31	6.44	12,683,302
STANDARD CHARTERED PLC	2.80	0.90	10,745,958

*Estimated client value

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Top 5 active overweights

	Weight %	Benchmark weight %
MARKS & SPENCER GROUP PLC	2.52	0.35
STANDARD CHARTERED PLC	2.80	0.90
BUNZL PLC	2.10	0.50
AUTO TRADER GROUP PLC	1.78	0.32
JUST GROUP PLC	1.52	0.08

Top 5 active underweights

	Weight %	Benchmark weight %
SHELL PLC	3.76	6.92
HSBC HOLDINGS PLC	3.31	6.44
BRITISH AMERICAN TOBACCO PLC	-	2.60
NATIONAL GRID PLC	-	2.09
LONDON STOCK EXCHANGE	0.76	2.53

Largest contributors to ESG risk

	ESG risk score* Q3 2024	ESG risk score* Q4 2024
SHELL PLC	32.43	38.07
ASTRAZENECA PLC	21.49	21.49
UNILEVER PLC	21.15	21.55
HSBC HOLDINGS PLC	24.22	24.22
BP PLC	33.82	33.20

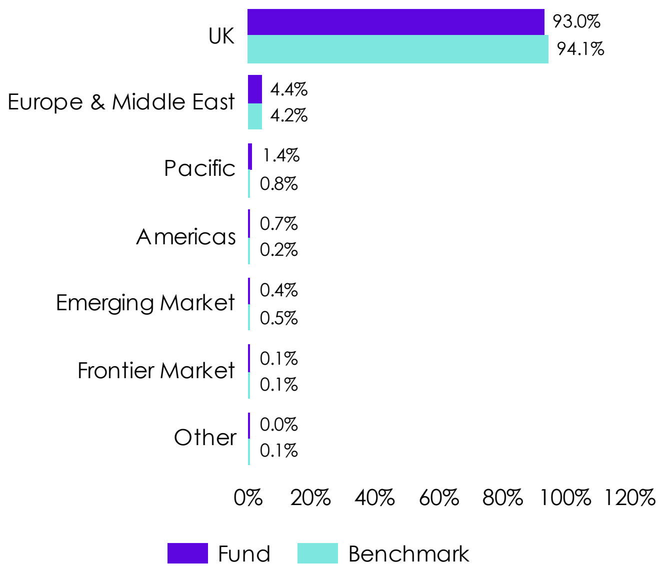
*Source: Sustainalytics. The table is ordered by negative overall ESG impact on the portfolio, with the most impactful at the top. ESG Risk Score reference: 0-10 is Negligible, 10-20 is Low, 20-30 is Medium, 30-40 is High, 40+ is Severe.

Carbon metrics

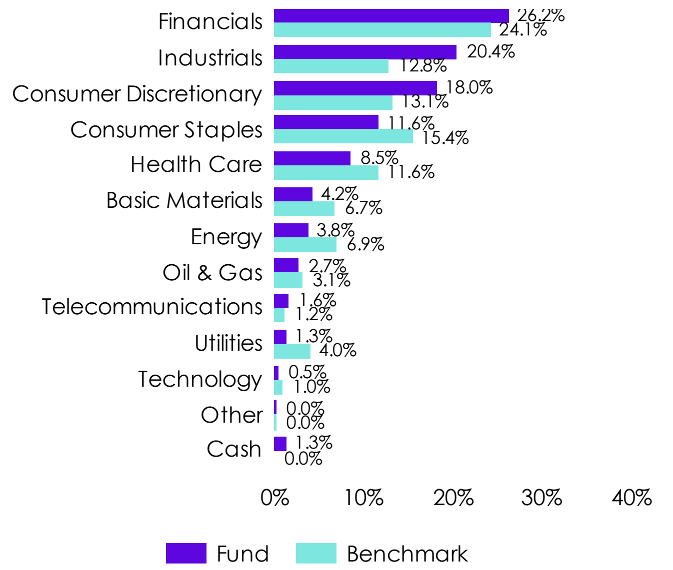
Portfolio	WACI 2024 Q3	WACI 2024 Q4	Total Extractive Exposure[1] 2024 Q3	Total Extractive Exposure[1] 2024 Q4	Extractive Industries (VOH)[2] 2024 Q3	Extractive Industries (VOH)[2] 2024 Q4
UK Active Equities	68	67	5.25	5.01	10.29	10.11
FTSE All Share ex Inv	105	105	6.31	6.18	17.30	16.74

*Benchmark. [1] Extractive revenue exposure as share (%) of total revenue. [2] Value of holdings (VOH) - companies who derive revenues from extractives. Source: Trucost. Changes between quarters may reflect improved data quality and coverage.

Regional exposure



Sector exposure



Multi-Asset Credit

Launch date
7 July 2021

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
£3,165m

Risk profile
Moderate

Oxfordshire's Holding:
GBP160m

Insufficient data to show rolling performance chart

Performance to quarter end

Performance	3 month	1 year	3 year*	Since inception*
Fund	**0.7**	**9.0**	**3.8**	**3.6**
SONIA +4%	**2.2**	**9.4**	**7.9**	**7.4**
Excess	**-1.5**	**-0.4**	**-4.0**	**-3.7**
Bloomberg Global High Yield Index	**1.0**	**10.4**	**2.9**	**2.3**
Morningstar LSTA US Leveraged Loan Index	**2.3**	**8.7**	**6.5**	**6.0**

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

Performance commentary

Credit experienced another eventful quarter, as interest rate expectations once again changed significantly. Yields rose right across the curve as investors digested the news of strong employment, an increasing deficit and sticky inflation in the US, which cast doubt on the speed of interest rate cuts. US 2yr & 10yr yields rose by 40 basis points (bps) & 78bps respectively.

Credit spreads generally fell across all areas of leveraged finance. High Yield bond spreads fell to 329bps, down from 364bps at the start of the quarter. The move was driven by resilience in the US economy, accompanied by strong investor demand for credit.

The conflicting moves in interest rates vs spreads led to a muted return outcome for most asset classes within leveraged finance. Floating rate assets – which account for over 50% of the portfolio - were the clear winners, given the rising rate environment accompanied by falling spreads. Leveraged loans returned more than +2% in local terms, with lower tranche Collateralised Loan Obligations returning in excess of +3% in local terms. Fixed rate assets struggled, especially Investment Grade, which fell almost 4% in local terms due to higher duration.

The Multi-Asset Credit portfolio returned +0.7%, behind both the primary target (SONIA+4%) and composite secondary benchmarks, which returned +2.2% and +1.8% respectively. Underperformance was driven by the Investment Grade allocation, which was approximately 8% as of last quarter.

The past couple of years demonstrated how difficult it is for markets to price in interest rates. Investors should be wary of both this and tighter credit spreads, which may lead to continued volatility. However, carry remains at a healthy level, with the portfolio still offering an attractive yield of 7.9%.

Sterling Corporate Bonds

Launch date
2 July 2021

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
£2,378m

Risk profile
Moderate

Oxfordshire's Holding:
GBP140m

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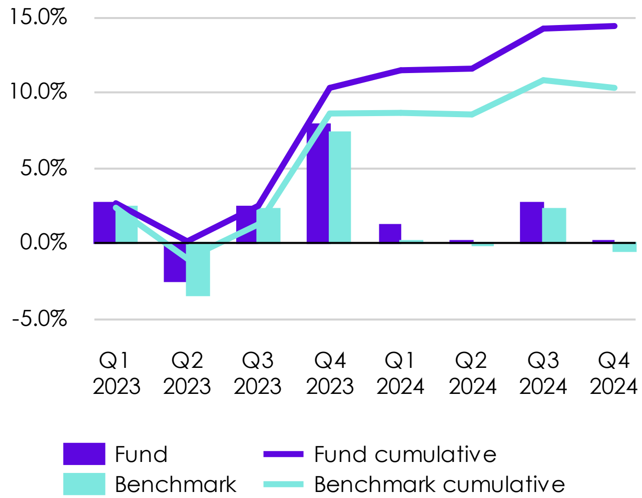
Rolling 2yr performance



Performance to quarter end

Performance	3 month	1 year	3 year*	Since inception*
Fund	0.2	4.1	-2.0	-1.8
iBoxx Sterling Non Gilt x	-0.5	1.7	-3.1	-2.9
Excess	0.6	2.4	1.1	1.1

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

Performance commentary

The final quarter of 2024 was turbulent for fixed income investors, amid a series of headwinds created by rising government bond yields, ongoing political volatility – at home and abroad – and differences in central bank policies. Credit spreads ended at all-time tights, and gilt yields at multi-decade highs. Yet we still believe that all-in yield from credit is attractive and that the risk of downgrade or default is still well compensated at current spread levels.

Despite this, the portfolio was able to achieve strong outperformance in the quarter, driven by its diversification and by its capacity to mitigate risk.

Amid the rising government bond yield environment, the portfolio's overall duration positioning was reduced from a small long to a small short by the end of the quarter, reducing the impact of the yield move, resulting in a small overall positive contribution to relative performance over the period. Gilt yields moved higher following the UK budget, where concern lingered around inflation pressures and focus then shifted to the pace of interest cuts from the Bank of England.

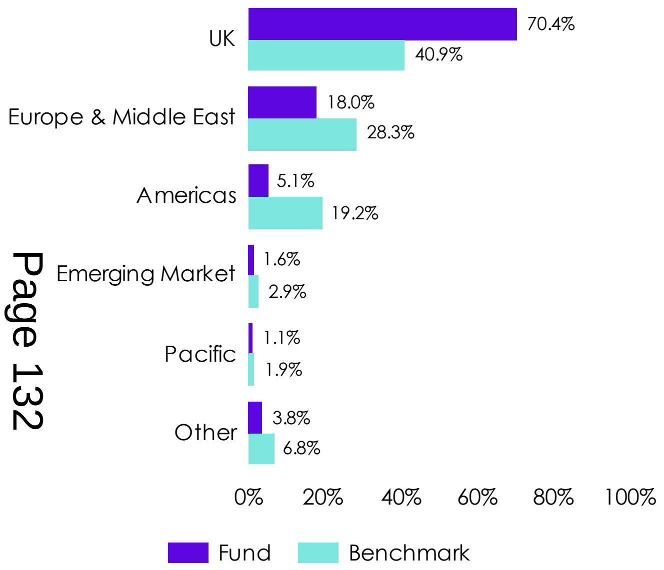
Driving the outperformance was our credit allocation and stock selection. Our overweight exposures to insurance and structured bonds, and underweight exposure to supranationals all contributed positively. By stock selection, our bank and insurance bonds were standout performers, led by insurance perpetual bonds from Axa, Esure, Just Group and Allianz.

Stock selection in structured bonds was also positive for performance, including positive contributions in relation to water sector exposure. Following a series of negative headlines there has been a lot of volatility in the sector.

Ofwat released their final determination for the water sector in December, which saw a softening in stance from the regulator versus its draft in the summer and leaves a package that likely works for most firms. It was positive for the sector overall, as it removes a big overhang and should see spreads for most firms in the sector continue to normalise. We also expect to see more issuance as the water firms look to fund this big rise in infrastructure spending.

Sterling Corporate Bonds

Regional exposure



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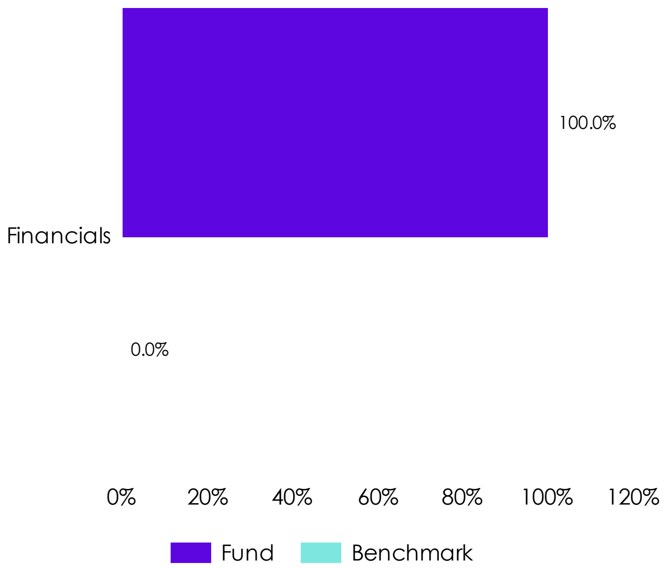
Sector exposure



Passive Index Linked Gilts over 5 years

Launch date
9 June 2021

Investment strategy & key drivers
Passive exposure to index linked gilts with over 5 year duration

Liquidity
High

Benchmark
FTSE-A UK ILG >5Y

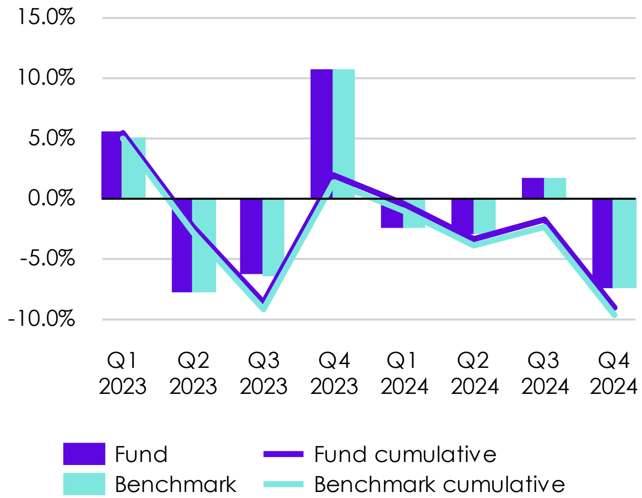
Outperformance target
Match

Total fund value
£897m

Risk profile
Low

Oxfordshire's Holding:
GBP210m

Rolling 2yr performance



Performance to quarter end

Performance	3 month	1 year	3 year*	Since inception*
Fund	-7.3	-10.7	-17.8	-13.8
FTSE-A UK ILG >5Y	-7.3	-10.8	-17.9	-13.8
Excess	0.0	0.0	0.1	0.1

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

Performance commentary

The portfolio performed in line with the FTSE Actuaries UK Inflation-Linked Gilts Over 5 Years Benchmark, returning -7.3% over the quarter.

The absolute return was driven by increasing inflation expectations and the number of interest rate cuts during the quarter coming in lower than anticipated. Inflation expectations for future years remained stubbornly high, which significantly drove down prices of longer-duration index-linked securities. This trend was partially driven by investor reactions to the UK Autumn Budget. Actual inflation prints also remained stubbornly high over the quarter but were ultimately lower than consensus. The Bank of England only made one rate cut in Q4 2024; rates were cut by 25bps in the November meeting to 4.75%. Investors had previously priced in more rate cuts for the quarter, resulting in an upward movement in yields.

More broadly, UK yields rose across the curve over the quarter. The UK 2yr and 10yr yields rose by 40bps & 57bps respectively, resulting in greater price pressures on higher duration assets.

PAB Passive Global Equities

Launch date
1 November 2021

Investment strategy & key drivers
Passive global equity exposure aligned to Paris Agreement climate goals

Liquidity
High

Benchmark
FTSE Dev World PAB

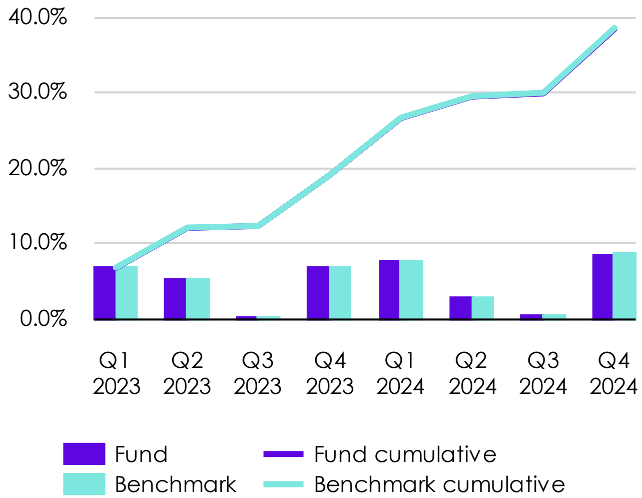
Outperformance target
Match

Total fund value
£2,863m

Risk profile
High

Oxfordshire's Holding:
GBP671m

Rolling 2yr performance



Performance to quarter end

Performance	3 month	1 year	3 year*	Since inception*
Fund	8.6	20.6	9.6	10.4
FTSE Dev World PAB	8.6	20.8	9.7	10.4
Excess	-0.0	-0.2	-0.1	-0.1

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

Performance commentary

The FTSE Developed Paris Aligned index (PAB) returned 8.6% over Q4 2024 and 20.8% across 2024 as a whole. The PAB Passive Global Equities product closely replicated the performance of the benchmark over these periods.

The PAB's large holding in Tesla made a significant contribution to returns, as the stock rose 65.3% over the period. Tesla was volatile across 2024 but rallied in the fourth quarter, as investors speculated that Elon Musk's relationship with President-elect Trump (as was) would benefit the company. Tesla is a large weight in the PAB due to strong scoring on Scope 1& 2 Carbon Emissions Intensity, Scope 3 Carbon Emissions Intensity, Green Revenues, and TPI CP 2050 Scenario Alignment. Within FTSE's model, strong scores for these metrics more than offset a low TPI Management Quality score.

The product also benefitted from a high level of exposure to the Technology sector, with Apple, Nvidia and Alphabet all making solid contributions to portfolio returns.

The PAB's underweight exposure to the Energy sector was beneficial, as the sector underperformed the broader market. However, the only Energy sector exposure in the PAB was to renewable energy companies, which suffered weaker performance following Trump's election. Overall, the impact of Energy sector exposure on performance was negligible.

The product is designed to ensure that EVIC-derived carbon exposure decreases on the required trajectory at each rebalance date. This requirement was met at the last rebalance in September 2024. Between rebalance dates, the product's carbon exposure has the potential to drift ahead of, or behind, the target decarbonisation trajectory.

PAB Passive Global Equities

Top 5 holdings

	Weight %	Client value (GBP)*
TESLA INC	**7.24**	**48,640,881**
AMAZON.COM INC	**5.98**	**40,180,479**
ALPHABET INC	**5.70**	**38,265,819**
APPLE INC	**5.37**	**36,024,036**
MICROSOFT CORP	**4.09**	**27,452,511**

*Estimated client value

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Largest contributors to ESG risk

	ESG risk score* Q3 2024	ESG risk score* Q4 2024
TESLA INC	**24.73**	**24.73**
AMAZON.COM INC	**29.01**	**26.10**
APPLE INC	**16.79**	**16.79**
ALPHABET INC-CL A	**23.89**	**24.89**
ALPHABET INC-CL C	**23.89**	**24.89**

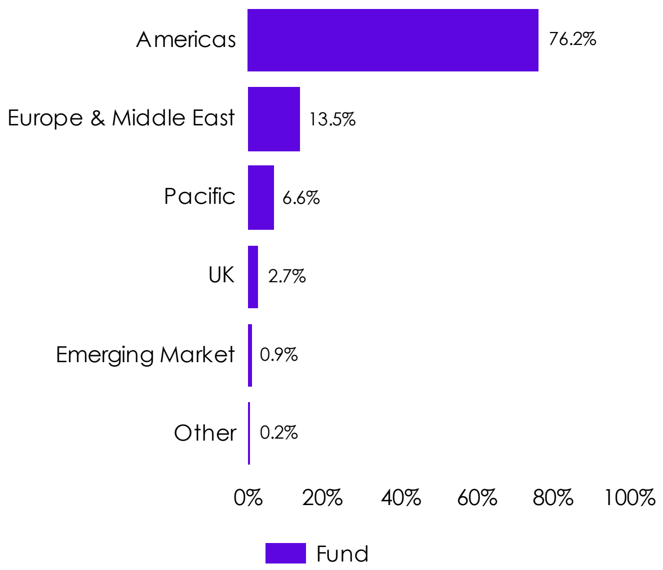
*Source: Sustainalytics. The table is ordered by negative overall ESG impact on the portfolio, with the most impactful at the top. ESG Risk Score reference: 0-10 is Negligible, 10-20 is Low, 20-30 is Medium, 30-40 is High, 40+ is Severe.

Carbon metrics

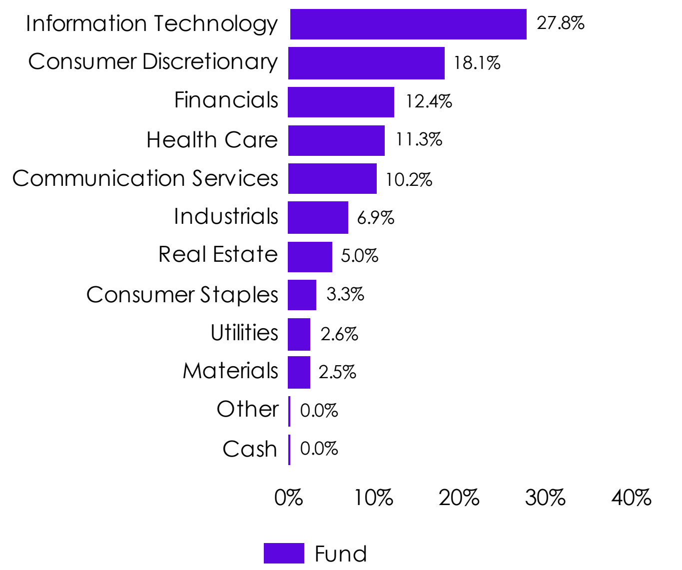
Portfolio	WACI		Total Extractive Exposure[1]		Extractive Industries (VOH)[2]	
	2024 Q3	2024 Q4	2024 Q3	2024 Q4	2024 Q3	2024 Q4
PAB Passive Global	**94**	**78**	0.99	0.90	3.61	3.09
FTSE Dev World TR	**141**	**120**	3.34	3.08	8.26	7.60

*Benchmark. [1] Extractive revenue exposure as share (%) of total revenue. [2] Value of holdings (VOH) - companies who derive revenues from extractives. Source: Trucost. Changes between quarters may reflect improved data quality and coverage.

Regional exposure



Sector exposure



Private Equity Cycle 1

Investment objective
Global portfolio of private equity investments

Benchmark
MSCI ACWI

Outperformance target
+3%

Launch date
1 October 2018

Commitment to portfolio
£100.00m

The fund is denominated in GBP

Commitment to Investment
£100.12m

Amount Called
£82.11m

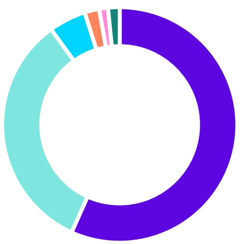
% called to date
82.01

Number of underlying funds
7

Oxfordshire's Holding:
GBP105.56m

Country

Invested in underlying investments

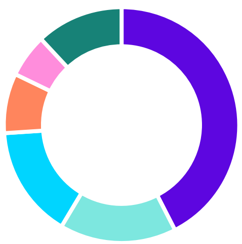


North America	56.7%
Western Europe	33.4%
Asia Pacific	5.1%
Global	2.0%
Middle-East/North Africa	1.2%
Other	1.6%

Source: Colmore
Country data is as of latest available Q1 24

Sector

GICs level 1



Financials	42.5%
Information Technology	16.0%
Health Care	15.4%
Industrials	8.2%
Consumer Discretionary	5.9%
Other	12.0%

Source: Colmore
Sector data is as of latest available Q1 24

Performance commentary

Deal activity showed signs of stabilisation, however, secondary transaction volumes hit record levels in 2024, reflecting the growing demand for liquidity. PE funds continued to sit on a record number of unsold investments, pushing out hold periods and hampering fundraising. In the large cap space activity was typically in sponsor-to-sponsor, as GPs held onto assets waiting for the IPO markets to come back. Activity levels were higher in the lower mid-market, with LPs showing a preference for these in fundraising due to exit optionality. Company valuations were showing signs of improvement but were still trading at modest discounts to historical multiples.

The volume of European take-private deals involving a majority stake of more than $1bn jumped by 44% in 2024. The strength of the US dollar, coupled with European equities trading at lower valuations, primed the European market for activity. Large transactions included a $6.9bn consortium agreement for investment platform Hargreaves Lansdown and a $5.5bn deal by Thoma Bravo to take private Darktrace. This is a growing trend in the UK, with over 40 companies delisted in 2024, the highest level since 2010. The growth of alternatives is filling a void in the lower-mid market listed space, where being public is becoming less efficient. 2025 is primed to be a busy year of activity with all the necessary ingredients in place for dealmaking.

Portfolio deployment now stands at ~82% invested and, 100% committed as at end-Q4 2024. Portfolio performance remains positive and is flat vs the prior quarter.

Pipeline - fully committed so no pipeline.

Portfolio summary

Market value (GBP millions)	1 Year MWR*	Since Inception MWR*	Inflows latest quarter	Outflows latest quarter	Net cash flow latest quarter	Value added latest quarter	TVPI	Contribution to return: 1 year	Contribution to return: since inception
105.6	11.0%	13.5%	2,248,427	950,978	1,297,449	9,408,550	1.42	0.3%	0.0%

*Money weighted return. Net of all fees. Private Markets interim period performance is calculated using NAVs provided on business day 8. Later revisions to these NAVs are not captured in the calculations so please use caution when using this data.

Private Equity Cycle 2

Investment objective
Global portfolio of private equity investments

Benchmark
MSCI ACWI

Outperformance target
+3%

Launch date
1 May 2020

Commitment to portfolio
£70.00m

The fund is denominated in GBP

Commitment to Investment
£69.70m

Amount Called
£47.07m

% called to date
67.53

Number of underlying funds
14

Oxfordshire's Holding:
GBP56.45m

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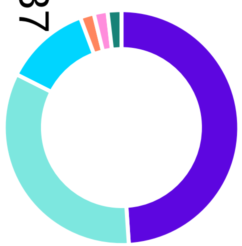
Country

Invested in underlying investments

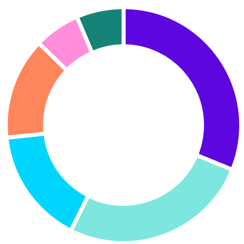


North America	49.0%
Western Europe	33.5%
Asia Pacific	11.8%
Global	1.9%
Middle-East/North Africa	1.9%
Other	1.9%

Source: Colmore
Country data is as of latest available Q1 24

Sector

GICs level 1



Information Technology	31.2%
Financials	26.2%
Health Care	15.9%
Industrials	13.9%
Consumer Discretionary	6.3%
Other	6.5%

Source: Colmore
Sector data is as of latest available Q1 24

Performance commentary

Deal activity showed signs of stabilisation, however, secondary transaction volumes hit record levels in 2024, reflecting the growing demand for liquidity. PE funds continued to sit on a record number of unsold investments, pushing out holding periods and hampering fundraising. In the large-cap space activity was typically in sponsor-to-sponsor, as GPs held onto assets waiting for the IPO markets to come back. Activity levels were higher in the lower mid-market, with LPs showing a preference for these in fundraising due to exit optionality. Company valuations were showing signs of improvement but were still trading at modest discounts to historical multiples.

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The pace of portfolio deployment remains strong, with the portfolio now ~67% invested, 100% committed as of end-Q4 2024. All funds in the portfolio have now called capital. Performance was flat across funds in the portfolio vs the prior quarter but remained positive. There is no pipeline.

Portfolio summary

Market value (GBP millions)	1 Year MWR*	Since Inception MWR*	Inflows latest quarter	Outflows latest quarter	Net cash flow latest quarter	Value added latest quarter	TVPI	Contribution to return: 1 year	Contribution to return: since inception
56.4	10.1%	7.5%	4,152,443	469,573	3,682,870	4,741,280	1.14	0.1%	0.0%

*Money weighted return. Net of all fees. Private Markets interim period performance is calculated using NAVs provided on business day 8. Later revisions to these NAVs are not captured in the calculations so please use caution when using this data.

Private Debt Cycle 2

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

Benchmark
SONIA

Outperformance target
+4%

Launch date
1 May 2020

Commitment to portfolio
£70.00m

The fund is denominated in GBP

Commitment to Investment
£70.00m

Amount Called
£53.78m

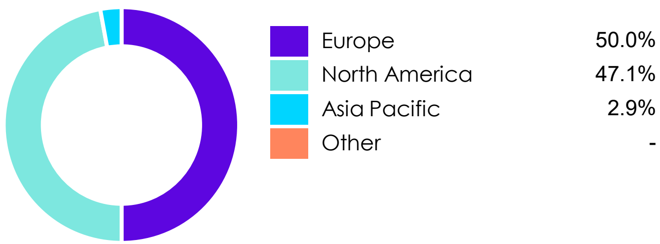
% called to date
76.83

Number of underlying funds
1

Oxfordshire's Holding:
GBP52.61m

Country

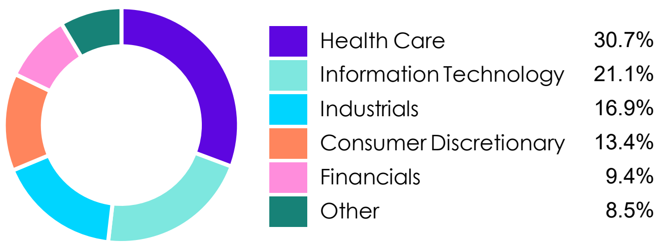
Invested in underlying investments



Source: Aksia and underlying managers
Country data is as of latest available Q2 24

Sector

GICs level 1



Source: Aksia and underlying managers
Sector data is as of latest available Q2 24

Performance commentary

Direct lending continued to be an attractive financing option for private equity sponsors. The resurgence of the broadly syndicated market drove many lenders back towards the middle market after a brief yet important time in the large cap space. Movement towards the middle market increased competition, which resulted in tighter pricing and looser documentation. However, with interest rates remaining elevated for longer than anticipated, senior secured direct lending remained a compelling asset class for those seeking attractive risk-adjusted returns. Private debt fundraising in 2024 was robust, underscoring the positive attributes of the asset class and the absence of significant stress. Defaults have been minimal, as lenders and sponsors have proactively amended and extended covenant packages to address potential issues before they become problematic. Looking ahead, 2025 is poised to be a busy year for deal activity. Given the substantial funds raised and the involvement of well-established names, the direct lending market is expected to be as competitive as ever.

At the end of Q4, the portfolio was ~77% invested and 100% committed. All managers have now called investor capital, and some managers are coming towards the end of their investment periods. Portfolio performance was positive across the portfolio and underlying funds over the quarter. The Barings fund (which we have already flagged as having been paused owing to a Key Person Event) has now received LP approval to resume investment activity in regions outside of Europe.

Pipeline

There is no fund pipeline, with the portfolio fully committed.

Portfolio summary

Market value (GBP millions)	1 Year MWR*	Since Inception MWR*	Inflows latest quarter	Outflows latest quarter	Net cash flow latest quarter	Value added latest quarter	TVPI	Contribution to return: 1 year	Contribution to return: since inception
52.6	6.5%	8.3%	0	0	0	-1,475,700	1.16	0.1%	0.0%

*Money weighted return. Net of all fees. Private Markets interim period performance is calculated using NAVs provided on business day 8. Later revisions to these NAVs are not captured in the calculations so please use caution when using this data.

Private Debt Cycle 3

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

Benchmark
SONIA

Outperformance target
+4%

Launch date
1 April 2022

Commitment to portfolio
£90.00m

The fund is denominated in GBP

Commitment to Investment
£90.02m

Amount Called
£32.87m

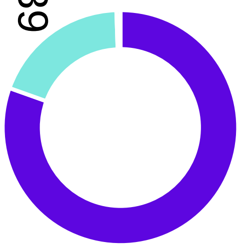
% called to date
36.52

Number of underlying funds
6

Oxfordshire's Holding:
GBP33.02m

Country

Invested in underlying investments

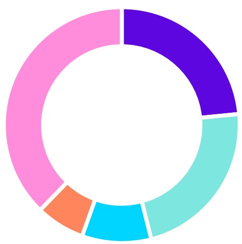


Europe	80.4%
North America	19.0%
Asia Pacific	0.5%
Other	0.1%

Source: Aksia and underlying managers
Country data is as of latest available Q1 24

Sector

GICs level 1



Software	23.5%
Health Care	22.5%
Financials & Insurance	9.5%
Professional Services	6.7%
Other	37.8%

Source: Aksia and underlying managers
Sector data is as of latest available Q1 24

Performance commentary

Direct lending continues to be an attractive financing option for private equity sponsors. The resurgence of the broadly syndicated market has driven many lenders back towards the middle market after a brief yet important time in the large cap space. Movement towards the middle market has increased competition which resulted in tighter pricing and looser documentation. However, with interest rates remaining elevated for longer than anticipated, senior secured direct lending remains a compelling asset class for those seeking attractive, risk-adjusted returns. Private debt fundraising in 2024 was robust, underscoring the positive attributes of the asset class and the absence of significant stress. Defaults have been minimal, as lenders and sponsors have proactively amended and extended covenant packages to address potential issues before they become problematic. Looking ahead, 2025 is poised to be a busy year for deal activity. Given the substantial funds raised and the involvement of well-established names, the direct lending market is expected to be as competitive as ever.

At the end of Q4, the portfolio had made all of its commitments across six funds (3 European, 3 US) with all having called capital. The portfolio ended the quarter ~37% invested and performance had been positive but flat vs the prior quarter.

Pipeline

There is no fund pipeline, with the portfolio fully committed as of April 2024. Work has commenced on identifying funds for Cycle IV, with some having received approval for investment (which will be discussed in greater detail in future reports).

Portfolio summary

Market value (GBP millions)	1 Year MWR*	Since Inception MWR*	Inflows latest quarter	Outflows latest quarter	Net cash flow latest quarter	Value added latest quarter	TVPI	Contribution to return: 1 year	Contribution to return: since inception
33.0	9.5%	10.6%	3,361,069	759,601	2,601,468	482,720	1.10	0.1%	0.0%

*Money weighted return. Net of all fees. Private Markets interim period performance is calculated using NAVs provided on business day 8. Later revisions to these NAVs are not captured in the calculations so please use caution when using this data.

Infrastructure Cycle 1

Investment objective
Portfolio of predominantly European sustainable infrastructure assets

Benchmark
CPI

Outperformance target
+4%

Launch date
1 October 2018

Commitment to portfolio
£50.00m

The fund is denominated in GBP

Commitment to Investment
£49.86m

Amount Called
£46.67m

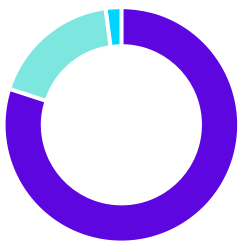
% called to date
93.60

Number of underlying funds
5

Oxfordshire's Holding:
GBP50.06m

Country

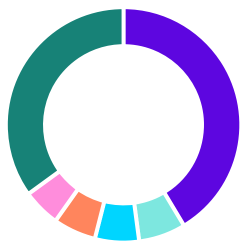
Commitment in underlying investments



Europe (incl. UK)	79.9%
North America	17.9%
Rest Of World	2.2%

Source: Stepstone
Country data is as of latest available Q2 24

Sector



Wind & Solar	41.4%
Rail	6.5%
Diversified Social	6.1%
Distributed Energy	5.9%
Diversified Renewables	5.2%
Other	34.9%

Source: Stepstone.
Sector data is as of latest available Q2 24

Performance commentary

2024 proved a challenging year for Infrastructure fundraising. Funds closed in 2024 spent more than 31 months on the road, a big increase on the less than 18 months it took on average to raise a fund from 2019-2023. In addition, in 2024 fundraising dipped below the $100bn mark for the first time in nearly a decade. We saw signs of this trend reversing in late 2024 as the demand for AI infrastructure and energy transition investments continued to increase.

The final quarter of 2024 saw continued macroeconomic volatility and heightened political uncertainty in Europe, following the collapses of the French government in December and the German government in November. Meanwhile, the new US administration spurred a rally in US equity markets. The focus in the US remained on tariffs and their potential impact on key infrastructure sectors. That includes renewables, due to the higher costs they could impose on the economy and financial markets, as well as to anti-green sentiment.

Global Net Zero targets remained a priority but concerns about energy security and affordability are becoming more prominent. Consequently, investors in decarbonisation infrastructure need to expand their investment attention beyond just reducing greenhouse gas emissions, taking geopolitical factors into account during the underwriting process. Two notable bankruptcies in Q4 highlighted the risks associated with investing in the broader energy transition. Northvolt, Swedish electric vehicle battery supplier, filed for bankruptcy in the US, with approximately $5.84 billion in debt and $30 million in available cash. Similarly, SolarZero, a New Zealand-based solar energy company, went into liquidation last month due to unsustainable operating losses and liquidity

Portfolio summary

Market value (GBP millions)	1 Year MWR*	Since Inception MWR*	Inflows latest quarter	Outflows latest quarter	Net cash flow latest quarter	Value added latest quarter	TVPI	Contribution to return: 1 year	Contribution to return: since inception
50.1	7.7%	7.9%	345,016	2,326,205	-1,981,189	786,652	1.26	0.1%	0.0%

*Money weighted return. Net of all fees. Private Markets interim period performance is calculated using NAVs provided on business day 8. Later revisions to these NAVs are not captured in the calculations so please use caution when using this data.

Infrastructure Cycle 1

issues. In addition, many Western countries worried about the future economic dependency on China: the International Energy Agency expects 60% of new renewable energy capacity by 2030 to come from China. Examples like Northvolt highlight that the West is lagging China. In order to meet global emission targets, the world needs to leverage China's low-cost green technologies while developing and diversifying their own supply chains.

In other news, APG and Australian Retirement Trust acquired Riverstone's stake in Pattern Energy. Brunel coinvested in Pattern Energy alongside the GP, Riverstone, and the Canadian State Pension fund, CPPIB, in 2020 as part of the Cycle 1 Infrastructure tactical portfolio. Since then, Pattern Energy's management has successfully developed 5.6 GW of renewable energy projects. That includes the historic SunZia Wind and Transmission project, the largest renewable energy infrastructure project in US history, which will generate enough clean, reliable electricity to meet the needs of more than 3 million Americans.

APG and APT will help Pattern to advance its market-leading development pipeline of over 25 gigawatts (GW) of renewable energy and transmission projects and support its operating facilities and in-construction portfolio of nearly 10,000 megawatts (MW) across North America.

The Cycle 1 portfolio is fully committed to nine primary funds and seven tactical investments. As at the end of Q4 2024, the portfolio was ~94% invested and 97% committed. Overall, we are pleased with the evolution of Cycle 1. The portfolio is well diversified across sectors, technologies, geographies, managers and vintages and has proven to be resilient to market volatility. Thus it continued to deliver performance, both in terms of returns and in terms of societal and environmental sustainability, in line with target and with the ambition set at inception. We hope to be able to share positive news about portfolio exits in the not-too-distant future, both tacticals and from funds.

Pipeline

Cycle 1 is fully committed and almost fully invested, so no new investments are required.

Infrastructure (General) Cycle 2

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

Commitment to portfolio
£20.00m

The fund is denominated in GBP

Commitment to Investment
£20.00m

Amount Called
£16.59m

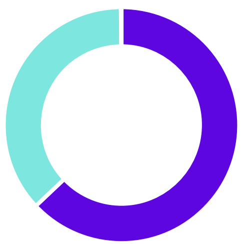
% called to date
82.93

Number of underlying funds
1

Oxfordshire's Holding:
GBP17.02m

Country

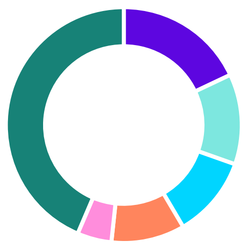
Commitment in underlying investments



Europe (incl. UK)	63.0%
North America	37.0%
Other	-

Source: Stepstone
Country data is as of latest available Q2 24

Sector



Fibre	18.0%
Energy Efficiency	12.4%
Mass Transit	11.2%
Heating & Cooling	10.1%
Towers	4.7%
Other	43.6%

Source: Stepstone.
Sector data is as of latest available Q2 24

Performance commentary

2024 proved a challenging year for Infrastructure fundraising. Funds closed in 2024 spent more than 31 months on the road, a big increase on the less than 18 it took on average to raise a fund from 2019 to 2023. In addition, in 2024 fundraising dipped below the $100bn mark for the first time in nearly a decade. We saw signs of this trend reversing in late 2024, as the demand for AI infrastructure and energy transition investments continued to increase.

The final quarter of 2024 saw continued macroeconomic volatility and heightened political uncertainty in Europe, following the collapse of both the French and German governments late in the year. Meanwhile, the new US administration spurred a rally in US equity markets. The focus in the US remains on tariffs and the potential impact on key infrastructure sectors, including renewables, due to the higher costs they could impose on the economy and financial markets as well as anti-green sentiment.

Global Net Zero targets remained a priority but concerns about energy security and affordability became more prominent. Consequently, those investing in decarbonisation infrastructure need to expand their investment attention beyond just reducing greenhouse gas emissions, taking geopolitical factors into account during the underwriting process. Two notable bankruptcies in Q4 highlighted the risks associated with investing in the energy transition. Northvolt, a Swedish electric vehicle battery supplier, filed for bankruptcy in the US with approximately $5.84 billion in debt and $30 million in available cash. Similarly, SolarZero, a New Zealand-based solar energy company, went into liquidation due to unsustainable operating losses and liquidity issues. In addition, many Western countries worried about future

Portfolio summary

Market value (GBP millions)	1 Year MWR*	Since Inception MWR*	Inflows latest quarter	Outflows latest quarter	Net cash flow latest quarter	Value added latest quarter	TVPI	Contribution to return: 1 year	Contribution to return: since inception
17.0	5.6%	5.8%	294,164	421,985	-127,821	-254,535	1.14	0.0%	0.0%

*Money weighted return. Net of all fees. Private Markets interim period performance is calculated using NAVs provided on business day 8. Later revisions to these NAVs are not captured in the calculations so please use caution when using this data.

Infrastructure (General) Cycle 2

economic dependency on China - the International Energy Agency expects 60% of new renewable energy capacity by 2030 to come from China. Examples like Northvolt highlight that the West is lagging China. In order to meet global emission targets, the world needs to leverage China's low-cost green technologies while developing and diversifying their own supply chains.

The Cycle 2 General portfolio is fully committed to six primary funds and seven tactical investments in total. At the end of Q4 2024, the portfolio was ~83% invested and ~94% committed. On the whole, early performance indicates good resilience to market turbulence. We are pleased with how the portfolio has already developed and with its current trajectory. The portfolio is diversified across geographies, sectors, managers and vintages, and invested in opportunities that we believe will provide strong performance, both in terms of returns and societal and environmental sustainability. For non-GBP denominated investments, Q3 GBP valuations were impacted by the strengthening of the pound. However, this trend reversed in Q4, which should reflect more positively in the Q4 NAVs.

Pipeline

The Cycle 2 General portfolio is now fully committed, so no new investments are required.

Infrastructure (Renewables) Cycle 2

Investment objective
Global portfolio of renewable energy and associated infrastructure assets

Benchmark
CPI

Outperformance target
+4%

Launch date
1 May 2020

Commitment to portfolio
£20.00m

The fund is denominated in GBP

Commitment to Investment
£20.00m

Amount Called
£13.98m

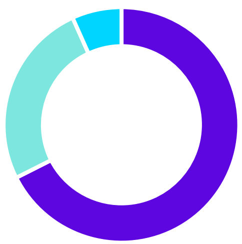
% called to date
69.89

Number of underlying funds
1

Oxfordshire's Holding:
GBP14.56m

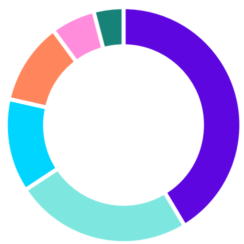
Country

Commitment in underlying investments



Source: Stepstone
Country data is as of latest available Q2 24

Sector



Source: Stepstone.
Sector data is as of latest available Q2 24

Performance commentary

2024 proved a challenging year for Infrastructure fundraising with funds needing more than 31 months on the road before closing, up from 18 months in 2019-2023. 2024 fundraising dipped below the $100bn mark for the first time in nearly a decade, although there were signs this trend is reversing with demand for AI infrastructure and energy transition increasing.

The end of 2024 saw more macroeconomic volatility and political uncertainty in Europe, with the collapse of the French and German governments. Meanwhile, the new US administration spurred a rally in US equity markets. The focus in the US remained on tariffs and their potential impact on key infrastructure sectors, including renewables. Global Net Zero targets remain a priority but concerns about energy security and affordability are prominent. Investors in decarbonization need to expand their investment attention beyond reducing greenhouse gas emissions. There were 2 notable bankruptcies in Q4 highlighting the risks; Northvolt, the Swedish EV battery supplier, filed for bankruptcy in the US, and SolarZero, a NZ-based solar energy company, went into liquidation due to unsustainable operating losses. Many Western countries worried about the future economic dependency on China - the IEA expects 60% of new renewable energy capacity by 2030 to come from China. In order to meet global emission targets, the world needs to leverage China's low-cost green technologies while developing and diversifying their own supply chains.

At the end of Q4 2024, the Cycle 2 Renewables portfolio is ~94% committed and ~70% invested across seven primary funds and twelve tactical investments. There is no pipeline.

Portfolio summary

Market value (GBP millions)	1 Year MWR*	Since Inception MWR*	Inflows latest quarter	Outflows latest quarter	Net cash flow latest quarter	Value added latest quarter	TVPI	Contribution to return: 1 year	Contribution to return: since inception
14.6	1.5%	5.7%	129,996	85,818	44,178	-50,246	1.13	0.0%	0.0%

*Money weighted return. Net of all fees. Private Markets interim period performance is calculated using NAVs provided on business day 8. Later revisions to these NAVs are not captured in the calculations so please use caution when using this data.

Infrastructure Cycle 3

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

Commitment to portfolio
£60.00m

The fund is denominated in GBP

Commitment to Investment
£60.00m

Amount Called
£21.15m

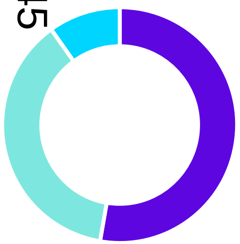
% called to date
35.25

Number of underlying funds
1

Oxfordshire's Holding:
GBP21.71m

Country

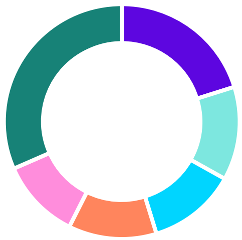
Commitment in underlying investments



Europe (incl. UK)	52.7%
North America	37.4%
Rest Of World	9.9%

Source: Stepstone
Country data is as of latest available Q2 24

Sector



Diversified Renewables	20.3%
Fibre	12.8%
Timber	12.2%
Wind	12.1%
Utilities	11.1%
Other	31.5%

Source: Stepstone.
Sector data is as of latest available Q2 24

Performance commentary

2024 proved a challenging year for Infrastructure fundraising. Funds closed in 2024 spent more than 31 months on the road, a big increase on the less than 18 months it took on average to raise a fund in 2019-2023. In addition, in 2024 fundraising dipped below the $100bn mark for the first time in nearly a decade. We saw signs of this trend reversing in late 2024 as the demand for AI infrastructure and energy transition investments continued to increase. Cycle 3 funds that are still raising were not immune to this trend, but many saw a pick-up in fundraising activity, and we don't expect there to be any strategy risks to the funds as a result.

The final quarter of 2024 saw continued macroeconomic volatility and heightened political uncertainty in Europe, following the collapses of both the French and German governments late in the year. Meanwhile, the new US administration spurred a rally in US equity markets. The focus in the US remained on tariffs and their potential impact on key infrastructure sectors. Those sectors include renewables, due to the higher costs they could impose on the economy and financial markets and anti-green sentiment.

Global Net Zero targets remain a priority, but concerns about energy security and affordability are becoming more prominent. Consequently, investors in decarbonization infrastructure need to expand their investment attention beyond just reducing greenhouse gas emissions, taking geopolitical factors into account during the underwriting process. Two notable bankruptcies in Q4 highlighted the risks associated with investing in the energy transition. Northvolt, the Swedish electric vehicle battery supplier, filed for bankruptcy in the US with approximately $5.84 billion in debt and $30 million in available cash. Similarly, SolarZero, a New

Portfolio summary

Market value (GBP millions)	1 Year MWR*	Since Inception MWR*	Inflows latest quarter	Outflows latest quarter	Net cash flow latest quarter	Value added latest quarter	TVPI	Contribution to return: 1 year	Contribution to return: since inception
21.7	6.7%	2.1%	605,819	233,161	372,658	79,552	1.03	0.0%	0.0%

*Money weighted return. Net of all fees. Private Markets interim period performance is calculated using NAVs provided on business day 8. Later revisions to these NAVs are not captured in the calculations so please use caution when using this data.

Infrastructure Cycle 3

Zealand-based solar energy company, went into liquidation due to unsustainable operating losses and liquidity issues. In addition, many Western countries worry about the future economic dependency on China. The International Energy Agency expects 60% of new renewable energy capacity by 2030 to come from China. Examples like Northvolt highlight that the West is lagging China and, in order to meet global emission targets, the world needs to leverage China's low-cost green technologies, while developing and diversifying their own supply chains.

Cycle 3 Infrastructure is progressing well, with pro-forma portfolio construction indicating 73% of client capital will be invested in Sustainable Infrastructure (as defined by Brunel and Stepstone's agreed LPA definitions). The portfolio will be comprised of: 14% Natural Capital, 26% Renewable Energy, 25% Energy-Transition/Efficiency, 28% Generalist, with 7% reserved.

By agreement per the specification, the portfolio will again be skewed to Core/Core+ assets at c.60%, with Value-Add making up c.32%.

At the end of Q4 2024, Cycle 3 was ~68% committed and ~36% invested across 11 Primaries and 11 Tacticals. During the quarte,r two Primary investments were approved by Brunel including a commitment to DWS PEIF IV and a Secondaries-focused strategy, Ares Secondaries Infrastructure Solutions III (ASIS III). Brunel believes ASIS is a complementary Secondary strategy to StepStone's mini-Secondaries portfolio, which is progressing well. These commitments, alongside small top-ups to BETP IV, ICG 02, conclude the Cycle 3 Primary commitment. Project Prunus, a co-investment alongside Cibus, also closed in the quarter. That left ~2 co-investments to be sourced to complete the commitment of Cycle 3 Infrastructure.

Pipeline

Work continues reviewing new tactical opportunities that are currently in the pipeline.

Secured Income Cycle 1

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

Commitment to portfolio
£60.00m

The fund is denominated in GBP

Commitment to Investment
£60.00m

Amount Called
£59.89m

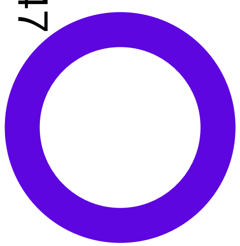
% called to date
99.82

Number of underlying funds
3

Oxfordshire's Holding:
GBP54.66m

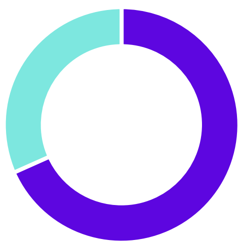
Country

Invested in underlying investments



Source: Colmore
Country data is as of latest available Q2 24

Strategy



Source: Colmore
Strategy data is lagged by one quarter

Performance commentary

Performance has turned during 2024 in the long lease property funds, where quarterly negative returns slowly flattened before turning positive over the year, as the Bank of England rate cuts brought yields down.

Open-ended long lease property funds, including M&G Secured Property Income Fund (SPIF) and abrdn Long Lease Property (LLP), made progress with paying down redemption queues. SPIF saw inflows towards the end of 2024. If it wins further mandates, it will be in a position to consider asset acquisitions over 2025.

GRI reached over £1.35bn investor commitments in Q3, with the final close in December 2024; 88.5% was called as at end-Q3. Q3 calls were invested into Project Hornbill, a solar & battery storage project in Nottinghamshire, as well as topping up the Green Hydrogen Energy Company. During Q4, the changes to anticipated power price assumptions impacted valuations. Gross hold to life remained above fund target at 7.9% (as at end-Q3), and annual cash yield was high at 7.1%.

All three portfolio funds submitted to GRESB in 2024 and received results in October. Despite most funds dropping points due to methodology changes, both GRI and SPIF managed to improve their scores, achieving 92 and 88 / 100 respectively. LLP scored 75.

Forecasts for each individual fund are healthy and expected to be driven primarily by income.

Pipeline

There is no fund pipeline, with the portfolio fully committed and invested.

Portfolio summary

Market value (GBP millions)	1 Year MWR*	Since Inception MWR*	Inflows latest quarter	Outflows latest quarter	Net cash flow latest quarter	Value added latest quarter	TVPI	Contribution to return: 1 year	Contribution to return: since inception
54.7	3.0%	-0.2%	269,429	1,145,192	-875,764	1,237,120	0.99	0.0%	-0.0%

*Money weighted return. Net of all fees. Private Markets interim period performance is calculated using NAVs provided on business day 8. Later revisions to these NAVs are not captured in the calculations so please use caution when using this data.

Secured Income Cycle 2

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

Commitment to portfolio
£40.00m

The fund is denominated in GBP

Commitment to Investment
£40.00m

Amount Called
£39.98m

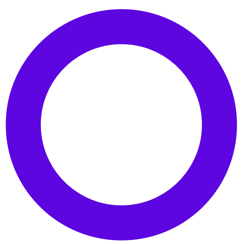
% called to date
99.96

Number of underlying funds
3

Oxfordshire's Holding:
GBP35.52m

Country

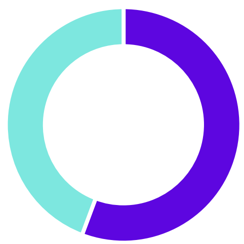
Invested in underlying investments



United Kingdom	100.0%

Source: Colmore
Country data is as of latest available Q2 24

Strategy



Long Lease Property	55.7%
Operational	44.3%

Source: Colmore
Strategy data is lagged by one quarter

Performance commentary

Performance turned during 2024 in the long lease property funds, where quarterly negative returns slowly flattened before turning positive over the year, as the Bank of England rate cuts brought yields down.

Open-ended long lease property funds, including M&G Secured Property Income Fund (SPIF) and abrdn Long Lease Property (LLP), made progress with paying down redemption queues. SPIF saw inflows towards the end of 2024. If it wins further mandates, it will be in a position to consider asset acquisitions over 2025.

GRI reached over £1.35bn investor commitments in Q3, with the final close in December 2024; 88.5% was called as at end-Q3. Q3 calls were invested into Project Hornbill, a solar & battery storage project in Nottinghamshire, as well as topping up the Green Hydrogen Energy Company. Over the autumn, the changes to anticipated power price assumptions impacted valuations. Gross hold to life remained above fund target at 7.9% as at Q3, and annual cash yield was 7.1%.

All three portfolio funds submitted to GRESB in 2024 and received results in October. Despite most funds dropping points (due to methodology changes), both GRI and SPIF managed to improve their scores, achieving 92 and 88 / 100 respectively. LLP scored 75.

Forecasts for each individual fund are healthy and expected to be driven primarily by income.

Pipeline

There is no fund pipeline, with the portfolio fully committed and invested.

Portfolio summary

Market value (GBP millions)	1 Year MWR*	Since Inception MWR*	Inflows latest quarter	Outflows latest quarter	Net cash flow latest quarter	Value added latest quarter	TVPI	Contribution to return: 1 year	Contribution to return: since inception
35.5	0.6%	-0.9%	140,172	138,669	1,503	73,588	0.97	0.0%	-0.0%

*Money weighted return. Net of all fees. Private Markets interim period performance is calculated using NAVs provided on business day 8. Later revisions to these NAVs are not captured in the calculations so please use caution when using this data.

Secured Income Cycle 3

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

Benchmark
CPI

Outperformance target
+2%

Launch date
1 April 2022

Commitment to portfolio
£60.00m

The fund is denominated in GBP

Commitment to Investment
£60.00m

Amount Called
£59.36m

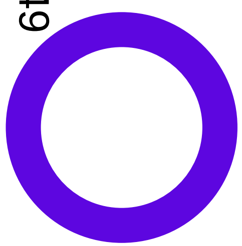
% called to date
98.93

Number of underlying funds
3

Oxfordshire's Holding:
GBP61.88m

Country

Invested in underlying investments



United Kingdom	100.0%

Source: Colmore
Country data is as of latest available Q2 24

Strategy

Long Lease Property	60.0%
Operational	40.0%

Source: Colmore
Strategy data is lagged by one quarter

Performance commentary

Performance turned during 2024 in the long lease property funds, where quarterly negative returns slowly flattened before turning positive over the year, as the Bank of England rate cuts brought yields down.

Open-ended long lease property funds, including M&G Secured Property Income Fund (SPIF) and abrdn Long Lease Property (LLP), made progress with paying down redemption queues. SPIF saw inflows towards the end of 2024. If it wins further mandates, SPIF will be in a position to consider asset acquisitions over 2025.

GRI reached over £1.35bn investor commitments in Q3, with the final close in December 2024; 88.5% was called as at Q3. Q3 calls were invested into Project Hornbill, a solar & battery storage project in Nottinghamshire, as well as topping up the Green Hydrogen Energy Company. Over the autumn, the changes to anticipated power price assumptions impacted valuations. Gross hold to life remained above fund target at 7.9% (as at end-Q3), and annual cash yield was high at 7.1%.

All three portfolio funds submitted to GRESB in 2024 and received results in October. Despite most funds dropping points due to methodology changes, both GRI and SPIF managed to improve their scores, achieving 92 and 88 / 100 respectively. LLP scored 75.

Forecasts for each individual fund are healthy and expected to be driven primarily by income.

Pipeline

There is no fund pipeline, with the portfolio fully committed and invested.

Portfolio summary

Market value (GBP millions)	1 Year MWR*	Since Inception MWR*	Inflows latest quarter	Outflows latest quarter	Net cash flow latest quarter	Value added latest quarter	TVPI	Contribution to return: 1 year	Contribution to return: since inception
61.9	2.5%	-	264,755	261,964	2,791	427,215	1.05	0.0%	0.0%

*Money weighted return. Net of all fees. Private Markets interim period performance is calculated using NAVs provided on business day 8. Later revisions to these NAVs are not captured in the calculations so please use caution when using this data.

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%

Commitment to portfolio

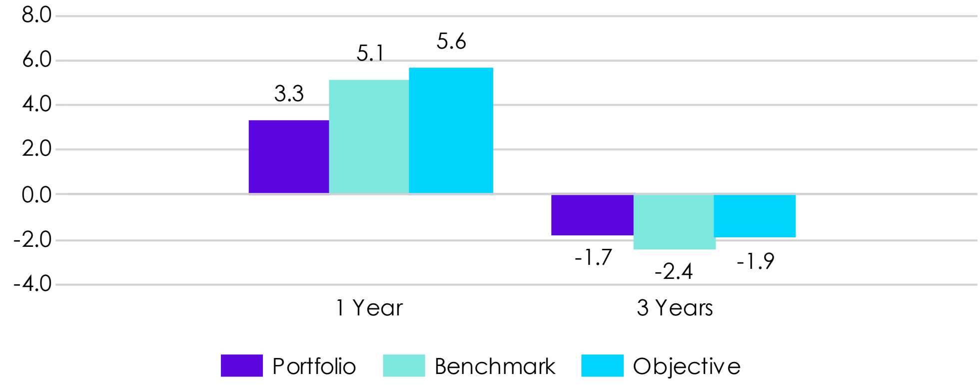
£150.0m

Amount Called

£159.2m

Number of portfolios

16



Performance commentary

Although 2024 felt like a repeat of the previous year, with the UK's economy faltering and high interest rates, improving sentiment towards UK commercial property was reflected in rising activity and stabilising yields. At year-end, there was a growing sense that brighter days lie ahead.

Economic performance remains uncertain due to higher taxes, interest rates, and regulatory issues. December's GDP data suggests the economy may be weaker in 2025 than expected.

Prime office spaces continue to attract occupiers and long-term investors, despite negative rhetoric. The industrial sector faced challenges, with negative net absorption and a shift towards energy-efficient facilities.

New construction starts fell to their lowest since 2012 due to high costs and rising vacancies. Shopping centres saw increased sales at lower prices, attracting new investors.

The market is expected to become more asset-driven, with residential properties likely to outperform due to stronger rental growth. Interest rates are expected to fall in 2025, potentially boosting investment activity as financing conditions improve.

Following the wave of redemptions in the Federated Hermes Property Unit Trust in 2024, there is an investor consultation process underway. This will either lead to an orderly wind-up or merger with another fund, which is subject to an EGM vote in January 2025.

Pipeline

There is no fund pipeline, with the portfolio fully committed to model funds.

Property holdings summary

Holding	Cost (GBP millions)	Market value (GBP millions)	Perf. 1 year	Perf. 3 year	Perf. 5 year	Perf. SII*	TVPI	Inception Date
Brunel UK Property	159.5	164.7	3.3%	-1.7%	-	2.6%	1.25	Jul 2020

*Since initial investment

International Property

Investment strategy & key drivers

Portfolio of active International property funds seeking capital & income returns

Liquidity

Illiquid

Benchmark

GREFI

Outperformance target

+0.5%

Commitment to portfolio

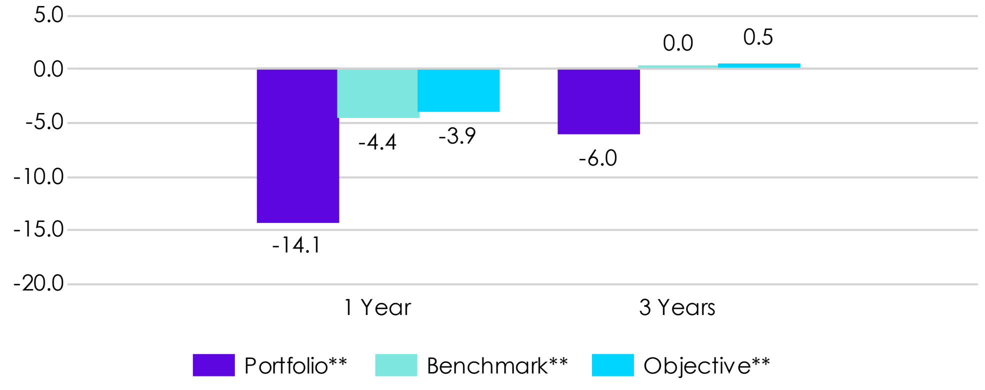
£61.0m

Amount Called

£59.9m

Number of portfolios

11



**Performance data shown up to 30 September 2024

Performance commentary

While the environment for global property has improved, markets are not expecting the same recovery as post-GFC given weaker growth and higher interest rates. Most funds hope the 'Great Property Reset' is almost done, though this will not be the case across all sectors and geographies.

Over Q3 2024 the benchmark, INREV GREFI, finally turned positive for the first quarter since Q2 2022. All regions delivered positive returns, with APAC outperforming, followed by Europe and then the US. Core funds slightly outperformed their riskier counterparts. Over the 12 months to end-Q3, Europe led performance with a nearly flat year, while APAC and the US were negative, although across 3 years, all regions delivered flat returns.

Open-ended funds continued to pay down redemption queues built up over 2022 and 2023, where cash generation is appropriate. Some of the larger US funds are beginning to see more meaningful rescissions, helping reduce queues. Prologis European Logistics Fund (PELF) reported good returns in Q4, as both income and capital appreciation drove returns. The fund acquired a portfolio of ten high-quality assets in five existing markets totalling € 225m.

During Q4, a number of extreme weather events impacted regions where Brunel funds operate, including Spanish floods and US hurricanes. Fortunately, all staff and tenants were safe, with assets only incurring minor damage such as landscaping and some water incursion. Funds are working with their insurers to cover costs.

Looking ahead, expectations are that the recovery will be an income growth story, which should benefit Brunel's primarily core holdings.

Pipeline

There is no fund pipeline at present. The model for the international property portfolio was updated to introduce a US Alternatives Fund.

Property holdings summary

Holding	Cost (GBP millions)	Market value (GBP millions)	Perf. 1 year**	Perf. 3 year**	Perf. 5 year**	Perf. SII***	TVPI	Inception Date
Brunel International Property	59.9	55.4	-14.1%	-6.0%	-	-3.4%	0.98	Jul 2020

*Since initial investment

**Performance data shown up to 30 September 2024

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	The Morningstar Sustainalytics ESG Risk Ratings are based on an assessment of a company's exposure to risk and how well it manages those risks, resulting in a single score that indicates the company's overall ESG risk level. The rating is comprised of three central building blocks: corporate governance, Material ESG Issues (MEIs), and idiosyncratic issues. The scores are categorized across five risk levels: negligible, low, medium, high, and severe.
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

Glossary

Term	Comment
LP or limited partner	In private equity, an LP is usually a third party investor in the fund
M&A	Mergers and acquisitions
Momentum	An investment strategy that aims to capitalize on the continuance of existing trends in the market
Money-weighted return	A performance measure that takes into account the timing and size of cash flows, including contributions and withdrawals.
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

Term	Comment
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 performance measure that eliminates the impact of cash flows, focussing solely on the investment's rate of return over a specific time period. It does not account for the timing and size of contributions and withdrawals.
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	WACI should read Weighted Average Carbon Intensity = Weight of Portfolio * (Carbon Emissions / Revenue)
yield to worst	Lowest possible yield on a bond portfolio assuming no defaults

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Dorset County Pension Fund
administered by Dorset Council
Environment Agency Pension Fund
Somerset Council
Avon Pension Fund
Cornwall Pension Fund
Devon County Council
Wiltshire Pension Fund
Oxfordshire Pension Fund
www.oxfordshire.gov.uk/pensions
Buckinghamshire Council
Buckinghamshire Pension Fund
Gloucestershire Pension Fund
Brunel Pension Partnership

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TABLE 1

OXFORDSHIRE COUNTY COUNCIL PENSION FUND
OVERALL VALUATION OF FUND AS AT 31st DECEMBER 2024

	COMBINED PORTFOLIO 01.10.2024	Brunel Pension Partnership Active Equities		Brunel Pension Partnership Passive Equities		Legal & General Fixed Interest		Brunel Pension Partnership Fixed Interest		Brunel Pension Partnership Property		Brunel Pension Partnership Other Investments		In House Other Investments		COMBINED PORTFOLIO 31.12.2024		
Investment	**Value £' 000**	**Value £' 000**	**% of Total Value**	**Value £' 000**	**% of Total Value**	**Value £' 000**	**% of Total Value**	**Value £' 000**	**% of Total Value**	**Value £' 000**	**% of Total Value**	**Value £' 000**	**% of Total Value**	**Value £' 000**	**% of Total Value**	**Value £' 000**	**% of Total Value**	**Target %**
EQUITIES																		
UK Equities*	**406,891**	**383,754**	**27.7%**	**18,599**	**2.8%**	**0**	**0.0%**	**0**	**0.0%**	**0**	**0.0%**	**0**	**0.0%**	**0**	**0.0%**	**402,353**	**10.8%**	**10.0%**
Global High Alpha Equities	354,390	373,571														373,571	10.1%	9.0%
Sustainable Equities	612,369	628,394														628,394	16.9%	16.0%
Paris Aligned Benchmark Global Equities	599,272			652,835												652,835	17.6%	16.0%
TotalOverseas Equities	**1,566,031**	**1,001,965**	**72.3%**	**652,835**	**97.2%**	**0**	**0.0%**	**0**	**0.0%**	**0**	**0.0%**	**0**	**0.0%**	**0**	**0.0%**	**1,654,800**	**44.5%**	**41.0%**
BONDS																		
Corporate Bonds	139,326	0	0.0%	0	**0.0%**	0	0.0%	139,549	27.4%	0	0.0%	0	0.0%	0	0.0%	139,549	3.8%	4.0%
Index-Linked	226,749	0	0.0%	0	**0.0%**	0	0.0%	210,170	41.2%	0	0.0%	0	0.0%	0	0.0%	210,170	5.7%	7.0%
Multi Asset - Credit	159,173	0	0.0%	0	**0.0%**	0	0.0%	160,305	31.4%	0	0.0%	0	0.0%	0	0.0%	160,305	4.3%	5.0%
Total Bonds	**525,248**	**0**	**0%**	**0**	**0.0%**	**0**	**0.0%**	**510,024**	**100.0%**	**0**	**0.0%**	**0**	**0.0%**	**0**	**0.0%**	**510,024**	**13.7%**	**16.0%**
ALTERNATIVE INVESTMENTS																		
Property	224,033	0	0.0%	0	**0.0%**	0	0.0%	0	0.0%	209,913	95.4%	0	0.0%	18,733	4.4%	228,646	6.2%	8.0%
Private Equity	433,571	0	0.0%	0	**0.0%**	0	0.0%	0	0.0%	0	0.0%	162,004	32.0%	300,658	71.3%	462,662	12.5%	10.0%
Infrastructure	142,724	0	0.0%	0	**0.0%**	0	0.0%	0	0.0%	0	0.0%	103,357	20.5%	38,307	9.1%	141,664	3.8%	5.0%
Secured Income	151,201	0	0.0%	0	**0.0%**	0	0.0%	0	0.0%		0.0%	152,067	30.1%		0.0%	152,067	4.1%	5.0%
Private Debt	84,025	0	0.0%	0	**0.0%**	0	0.0%	0	0.0%	0	0.0%	85,634	0.0%		0.0%	85,634	2.3%	5.0%
Total Alternative Investments	**1,035,554**	**0**	**0.0%**	**0**	**0.0%**	**0**	**0.0%**	**0**	**0.0%**	**209,913**	**95.4%**	**503,062**	**99.5%**	**357,698**	**84.8%**	**1,070,673**	**28.8%**	**33.0%**
CASH	**72,296**	**109**	**0.0%**	**0**	**0.0%**	**13**	**100.0%**	**0**	**0.0%**	**10,216**	**4.6%**	**2,664**	**0.5%**	**64,183**	**15.2%**	**77,185**	**2.1%**	**0.0%**
TOTAL ASSETS	**3,606,020**	**1,385,828**	**100.0%**	**671,434**	**100.0%**	**13**	**100.0%**	**510,024**	**100.0%**	**220,129**	**100.0%**	**505,726**	**100.0%**	**421,881**	**100.0%**	**3,715,035**	**100.0%**	**100.0%**
% of total Fund		37.30%		18.07%		0.00%		13.73%		5.93%		13.61%		11.36%		100.00%		

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Responsible Investment report March 2025 Pension Committee

Top 10 emitters

Brunel are now supplying us with a report identifying the top 10 greenhouse gas emitters in our equity portfolios. The table below provides a snapshot of the companies that are responsible for the greatest volume of emissions (Scope 1 & 2).

The report also includes details of the engagement activity that is taking place with these companies. Given the extremely sensitive nature of those engagements and the fact that this section of the report includes market-sensitive information this engagement information can only be discussed in a closed session of the Pension Committee meeting. The engagement data in the report also needs to be treated as confidential, which is why it hasn't been included in the papers for this meeting.

If the Committee feel that the engagement being undertaken with the top 10 emitters is something that should be discussed at a Pension Committee meeting then a closed session can be added to a future agenda and the full report can be discussed.

Top 10 emitters:

Company Name	Subindustry	Scope 1 + Scope 2 (tCO_2e)	Scope 1 + Scope 2 (%)	Value of Holding
Waste Management, Inc.	Environmental & Facilities Services	5026.02	6.75%	£14,482,040.03
Shell plc	Integrated Oil & Gas	4589.33	6.17%	£19,028,259.05
WestRock Company	Paper & Plastic Packaging Products	3889.94	5.23%	£2,900,736.71
Glencore plc	Diversified Metals & Mining	3573.97	4.80%	£9,841,530.27
Mondi plc	Paper Products	2846.31	3.82%	£2,222,345.95
NextEra Energy, Inc.	Electric Utilities	2566.17	3.45%	£11,565,014.77
L'Air Liquide S.A.	Industrial Gases	2487.80	3.34%	£6,080,254.41
BP p.l.c.	Integrated Oil & Gas	2448.10	3.29%	£9,309,647.04
Delta Air Lines, Inc.	Passenger Airlines	2335.90	3.14%	£3,229,434.77
CRH plc	Construction Materials	1914.22	2.57%	£3,171,234.35

Please note that the data in the table is as at 06-2024. There may have been some changes to portfolio composition since then.

It is worth noting that these 10 companies represent nearly 40% of the Scope 1 & 2 emissions from the fund's equity portfolios, demonstrating that there is a significant concentration of risk.

However, despite their comparatively high emissions, some of these companies are integral to the energy transition. Waste Management Inc is responsible for a wide range of recycling activities at its waste management plants, as well as gas capture for energy production. Next Era Energy has made significant progress in moving away from fossil fuels, with less than 50% of its energy production coming from hydrocarbons. The company has an ambitious programme of bringing more renewable sources of energy online, targeting a full phase out of fossil fuels by 2045. This shows that there is nuance to this data, rather than it just being a case of high emissions meaning the company is performing badly.

LAPFF engagements

The Local Authority Pension Fund Forum (LAPFF) works on behalf of its LGPS members to engage directly with company chairs and boards to affect change at investee companies.

Each month a quarterly engagement report is produced by LAPFF which highlights the key engagements undertaken and also lists out all other engagements in the quarter.

The table below outlines which companies from the LAPFF engagements are also held within the Oxfordshire equity portfolios (both active and passive) and what engagement activity has been carried out over the last 12 months by Brunel in relation to the issue that LAPFF have engaged on.

Company	Portfolio*	LAPFF Issue	LAPFF Status	Brunel Voting on this issue in last 12 months?	Other Brunel engagement
BOOKING HOLDINGS INC.	GHA; Passive	Human Rights	Dialogue	No	Brunel is engaging closely with companies that operate in the Occupied Territories
BP	UKA	Energy Transition	Dialogue	No	Dialogue
CHIPOTLE MEXICAN GRILL INC	Passive	Environmental Risk	Small Improvement	A vote against management was applied in June 2024 as the company is deemed to not meet minimum standards with regard to LGIM's	

				deforestation policy.	
DRAX GROUP PLC	UKA	Environmental Risk	Dialogue	No	
GENERAL MOTORS COMPANY	GHA	Human Rights	Small Improvement	Voted against management to support a shareholder resolution that would have required the company to report on sustainability risks	
INTERCONTINENTAL HOTELS GROUP PLC	GHS; GSE	Employment Standards	Dialogue	No	
MERCEDES-BENZ GROUP AG	GHA; Passive	Human Rights	Moderate Improvement	No	
MERCK & CO. INC.	Passive	Environmental Risk	Change in Process	Voted against company over its use of private jets.	
MITSUBISHI UFJ FINANCIAL GRP	Passive	Climate Change	Moderate Improvement	Voted in favour of a shareholder resolution seeking to ensure the management of climate-related business risk and opportunities is embedded in the Company's core management strategy. Voted in favour of a shareholder resolution seeking greater transparency on the pricing of climate risk in client transactions.	
MIZUHO FINANCIAL GROUP INC	Passive	Climate Change	Moderate Improvement	Voted in favour of a shareholder resolution seeking to ensure the management of climate-related business risk and opportunities is embedded in the Company's core	

				management strategy. Voted in favour of a shareholder resolution seeking greater transparency on the pricing of climate risk in client transactions.	
MOTOROLA SOLUTIONS INC.	Passive	Human Rights	Dialogue	No	Brunel is engaging closely with companies that operate in the Occupied Territories
NATIONAL GRID PLC	GSE; Passive	Environmental Risk	Change in Process	No	
NOVO NORDISK A/S	GHA; GSE; Passive	Environmental Risk	Change in Process	No	
PERSIMMON PLC	UKA; Passive	Audit Practices	Moderate Improvement	No	
SHELL	GHA; UK	Energy Transition	Dialogue	Voted against board at last AGM	
SUMITOMO MITSUI FINANCIAL GROUP	GHA; Passive	Climate Change	Dialogue	Voted in favour of a resolution Disclosing information on how climate-related risks and opportunities are factored in the selection of outside directors and the board evaluation as this would be of value to SMBC shareholders given the climate risk and other environmental impacts of the company's current strategy. Supporting this resolution would direct the company to continue enhancing its disclosure and fossil fuel financing policy in line with the investor's expectations	
ZOETIS INC.	GHA; GSE; Passive	Environmental Risk	Dialogue	No	

*GHA = Global High Alpha
GSE = Global Sustainable Equities

UKA = UK Active

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