



To: Members of the Pension Fund Committee

Notice of a Meeting of the Pension Fund Committee

Friday, 9 June 2023 at 10.15 am

Please Note – There will be a training session on the Pension Regulator's General Code of Practice run by Mukhtar Master immediately preceding the Committee Meeting, starting at 9:30

Rooms 1&2 - 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

May 2023

Committee Officer: **Chris Reynolds**
Tel: 07542 029441 E-mail chris.reynolds@oxfordshire.gov.uk

Membership

Chair – Councillor Bob Johnston
Deputy Chair – Councillor Kevin Bulmer

County Councillors

Imade Edosomwan

Nick Field-Johnson

John Howson

Non-voting Members of the Academy sector – Ms Shelley Cook and Mr Alan Staniforth
Non-voting Scheme Member Representative - Mr Steve Moran
Non-voting Member of Oxford Brookes University – Mr Alistair Fitt
Non-voting Member of District Councils – Councillor Jo Robb

Notes:

- ***Date of next meeting: 8 September 2023***



AGENDA

- 1. Election of Chair for the 2023/24 Council Year**
- 2. Election of Deputy Chair for the 2023/24 Council Year**
- 3. Apologies for Absence and Temporary Appointments**
- 4. Declarations of Interest - see guidance note**
- 5. Minutes (Pages 1 - 12)**

To approve the minutes of the meeting held on 3 March 2023 and to receive information arising from them.

6. 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 are asking that requests to speak are submitted by no later than 9am four working days before the meeting 9am on Monday 5 June 2023.

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 9am 2 working days before the meeting 9am 7 June 2023. Written submissions should be no longer than 1 A4 sheet.

7. Minutes of the Local Pension Board (Pages 13 - 22)

10:20

A copy of the unconfirmed Minutes of the Local Pension Board, which met on 5 May 2023 is attached for information only.

8. Report of the Local Pension Board (Pages 23 - 24)

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 in April 2023.

9. Annual Business Plan 2023/24 (Pages 25 - 58)

10:30

This report will review progress against the key priorities set out in the Annual Business Plan for 2023/24, including an update on our work on the Stewardship Code, and the key issues from the latest Carbon Metrics report.

10. Governance Policy and the Governance Compliance Statement (Pages 59 - 72)

10:50

The Committee will be recommended to approve the latest Governance Policy for the Fund and note the latest position as set out against the Governance Compliance Statement.

11. Regulatory Breaches Policy (Pages 73 - 86)

11:00

The Committee will be recommended to approve the latest Regulatory Breaches Policy and agree any additional reporting requirements they wish to see covered in future reports.

12. Risk Register (Pages 87 - 96)

11:15

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.

13. Administration Report (Pages 97 - 102)

11:25

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.

14. Report of the Independent Investment Advisor (Pages 103 - 162)

11:40

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 will update the Committee on the latest position regarding the changes to the Strategic Asset Allocation as discussed in their March meeting. The report includes the quarterly investment performance monitoring report from Brunel.

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.

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PENSION FUND COMMITTEE

MINUTES of the meeting held on Friday, 3 March 2023 commencing at 10.00 am and finishing at 12.40 pm

Present:

Voting Members: Councillor Bob Johnston – in the Chair

Councillor Imade Edosomwan
Councillor John Howson

Non-Voting Members: Steve Moran (Pension Scheme Member)
District Councillor Jo Robb (District Councils) (Remotely attended)

Local Pension Board Members in Attendance: Alistair Bastin (Remotely attended)
Marcia Slater (Remotely attended)
Stephen Davis (Remotely attended)

By Invitation: Tim Dickson (Client Relations Manager – Brunel)
Philip Hebson (Independent Investment Advisor)
David Vickers (Chief Investment Officer – Brunel)

Officers: Sean Collins (Service Manager Pensions, Insurance and Money Management)
Sally Fox (Pension Services Manager) (Remotely attended)
Gregory Ley (Financial Manager- Pension Fund Investment)
Mukhtar Master (Governance & Communications Manager) (Remotely attended)
Khalid Ahmed (Law and Governance)

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 copies of which are attached to the signed Minutes.

1/23 APOLOGIES FOR ABSENCE AND TEMPORARY APPOINTMENTS

(Agenda No. 1)

Apologies for absence were submitted by Councillor Kevin Bulmer, Councillor Nick Field-Johnson and Alan Staniforth.

2/23 MINUTES

(Agenda No. 3)

The Minutes of the meeting held on 2 December 2022 were agreed as a correct record, subject to the inclusion of Marcia Slater (Member of the Local Pension Board) in attendance.

3/23 PETITIONS AND PUBLIC ADDRESS

(Agenda No. 4)

Sam Thomas, a representative of Oxfordshire County Council Staff-Led Climate Action Group attended the meeting and addressed the Committee.

“The Oxfordshire County Council Staff Climate Action Group asks you to instruct Brunel to provide:

1. An Active United Kingdom Paris Aligned Benchmark portfolio, that would allow Brunel client funds to invest directly in UK equities while avoiding exposure to companies engaged in Fossil Fuel activities.

2. ‘An Impact Fund’, which would focus on investing in companies that are developing solutions to the climate emergency, for example by providing capital to smaller, growing ‘green’ companies by directly buying their bonds or providing loans (in primary markets), therefore providing them with capital and liquidity. Brunel’s ‘Cornwall Low Impact’ Portfolio provides an encouraging local model along these lines.

Firstly, we would like to thank you for all the work you are doing to manage the Oxfordshire local government pension scheme and ensuring that investments are being made on behalf of scheme members to provide an adequate livelihood on retirement. We also appreciate and note that in last September’s report ‘Funding Strategy Statement and 2022 Fund Valuation’ it states: “climate risk considerations (are) to be built directly into funding strategy decisions”.

Further, we welcome the fact that you acknowledged the need to create a more ethical, sustainable pension fund and in 2021 you chose to move 15% of our money to the Passive Paris-Aligned Equities fund when that fund became available. The Staff Climate Action Group members feel this is a positive move in the right direction.

However, our members are becoming increasingly concerned about climate change and the actions that we must all make, collectively and at pace, to mitigate the rate of global heating for our world. Indeed, our employer, Oxfordshire County Council sets its key priority as “putting climate action at the heart of our work” and states an ambition of decarbonising the authority’s estate and operations by 2030, and transitioning Oxfordshire as a county to net zero ahead of the national target of 2050.

Moreover, our organisation has signposted us to the ‘Climate Action Oxfordshire’ website <https://www.climateactionoxfordshire.org.uk/> a website hosted on behalf of all

of the Oxfordshire Councils agreeing collective action on this agenda, to inform us how to change our own personal behaviours - at home and at work. We are encouraged to insulate our homes, turn down our thermostats, use active travel methods to commute to work and change to a plant-based diet. Furthermore – and which the website shows having the maximum impact on our carbon footprint – we are advised to “choose ethical banking, pensions and investments”, and it directs us to ‘Bank.Green’ for our personal banking, and ‘Ethex’ for a directory of investment opportunities in the sustainable sector. According to other sources eg a report by Make My Money Matter (MMMM), Aviva, and Route2, and widely reported by PensionsAge, the Guardian and the BBC, switching your pension to a ‘green’ investment portfolio has twenty one times the impact of other personal changes an individual can make; <https://makemymoneymatter.co.uk/21x/#act-now>;

Therefore, we feel it is hugely disappointing that the majority of our pension scheme continues to be invested in funds which include many companies, banks and products that do not have any positive environmental, ethical and sustainable credentials. We can see that at least four of the funds we hold include fossil fuel companies, who are involved in the active expansion and exploration of fossil fuels, including fracking. These funds are: Active UK, Active Global High Alpha, Active Emerging Market, Active Global Sustainable Equities and Multi-Asset Credit. Collectively, we invest about 35% of our Pension Fund into them.

If we focus on: ‘Active UK Equity’, where we invest about 15% of our members’ money, these holdings include: Shell, Harbour Energy and BP. These are just a few of the many global companies in several of the Brunel holdings which are causing great harm to people and planet. This undermines the Brunel claim that; ‘In collaboration with all our stakeholders we are forging better futures by investing for a world worth living in.’ (Brunel Pension Partnership, 2021)

In line with the International Energy Agency’s report (International Energy Agency, 2021) looking at suitable pathways to achieving net zero by 2050, one of the key policy recommendations is to stop investment into new fossil fuel exploration. It is clear that the companies referred to above, and many other oil and gas companies, are pursuing new and existing activities that are clearly not in line with achieving the representative Councils’, the UK’s and the Paris Commitments’ net zero ambition. This is very evident from a recent report by Carbon Tracker on major oil and gas companies’ future capital expenditure plans, and informs us that, ‘regarding the expansion of their capex plans: 62% of investments approved in 2021/Q1 2022 (or \$103bn) were inconsistent with a Paris-aligned pathway (the IEA’s 1.7°C Announced Pledges Scenario), including \$58bn that was outside even a 2.5°C outcome.’ <https://carbontracker.org/reports/paris-maligned/>

We are also concerned about the Pension Funds’ continued investments in oil and gas companies from the perspective of the potential negative impact on future value, with several large financial institutions now warning of massive write-downs due to stranded assets eg ‘The rapidly-diminishing returns of oil production may result in investors suffering from stranded assets as a result of their inability to profit from depreciating energy reserves. Even the investment bank Goldman Sachs has acknowledged the scale of this problem, publishing a study in December 2015 finding that \$1 trillion of future oil investments are unprofitable. Past research carried out by

the Carbon Tracker Initiative has also shown that major fossil fuel companies risk wasting \$2.2 trillion in investments which may turn out to be uneconomic.' <https://bylinetimes.com/2023/01/05/energy-firms-fossil-fuel-investments-radically-at-odds-with-climate-change-obligations/>

We warmly welcome Brunel's commitment to net zero, and the launch of a new series of Paris-aligned benchmarks that have been developed in coordination with FTSE Russell. We are also mindful of Brunel's moves in the right direction on climate related issues and the fact that this year Brunel has been awarded Europe's 'IPE Award' which focused on its launch of the 'Cornwall Low Impact Pension Portfolio'; a fund that invests in renewables and affordable housing in Cornwall: [Brunel wins Europe-wide IPE Impact Investing award - Brunel Pension Partnership](#) (Brunel Pension Partnership, 2022).

We appreciate the continued transparency, clear information and engagement we have had on this complex subject with Brunel through Sean Collins - Service Manager, Pensions, and Alistair Bastin - Pension Board member. We recommend that this dialogue with members continues and ensures that our members' voices are heard, as we urge Brunel to make further rapid changes to our investment holdings, including the development of new and climate appropriate funds.

Brunel is promising us 'better futures by investing for a world worth living in.' In bleak times with ever worsening news about the state of our planet, the Staff Climate Action Group desperately hopes that these aren't just empty words or, worse still, greenwashing. We hope that you will urge Brunel to consider an Active UK PAB zero fossil fuel companies fund and an Impact Fund that we are suggesting, such that the LGPS can be part of the solution to the climate emergency rather than an ongoing part of the problem."

4/23 REPORT OF THE INDEPENDENT INVESTMENT ADVISOR

(Agenda No. 5)

The Independent Investment Advisor submitted a report which provided 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 included the quarterly investment performance monitoring reports, including the newly designed report from Brunel.

Members were informed that the Fund had not suffered unduly in absolute value terms from the challenges that have faced the markets over 2022. This had been helped by the diversified spread of assets. For Quarter 4, there was some stability, with public markets recovering whilst in private markets there was an element of catch up in valuations.

The UK property sector had fallen 22% in value terms last year with Europe by 5%.

Reference was made to Unlisted Private Equity valuations which had held up well during 2022, but during Quarter 4 valuations had started to fall which reflected the growing economic concerns. The Chair referred to the possible overvaluation of these.

In relation to the valuations of infrastructure assets, Members were informed that there were concerns around construction and in particular in relation to renewable energy which would overstretch the valuations.

District Councillor Jo Robb referred to some sectors in property which were flourishing such as the housing market and office space and it was asked that Brunel take into consideration that there were office blocks which met modern requirements and also those it was impossible to bring up to required standards in accordance with energy efficiency / building regulations.

The Independent Investment Advisor reported that companies in the developed world were in much healthier condition than had been expected, although it was expected that there would be a slowdown in activity.

In relation to energy prices, there had been a lower demand this winter and it was expected that there would be a fall in energy and oil prices.

The Committee noted the report.

5/23 PRESENTATION FROM THE CHIEF INVESTMENT OFFICER FROM BRUNEL

(Agenda No. 6)

David Vickers of Brunel attended the meeting provided Members with the main issues arising from the performance of the Brunel portfolios over the past year and highlighted the key issues for the forthcoming year.

The Committee was informed that all Brunel's funds were Paris aligned (supporting the goal of net zero greenhouse gas emission by 2050 or sooner).

Reference was made to the war in Ukraine, inflationary pressure, energy and oil costs and rising interest rates (4% rise in 6 months) which had all impacted on the market.. There would be performance issues because of the economic environment.

Members were informed that there were expectations that inflation and energy and oil prices would drop which would support a pick up in performance.

Reference was made to the expected recession with central banks raising interest rates to quell inflation and long-term central government debt and the need to reverse the buying of Government Bonds.

The Committee noted the information reported.

6/23 STRATEGIC ASSET ALLOCATION

(Agenda No. 7)

Consideration was given to a report of the Independent Investment Advisor which set out the direction of travel for the Fund's Strategic Asset Allocation for the next three years.

The Committee was reminded that the purpose of this Strategic Asset Allocation Review was to:

- to take stock on the performance and composition of the Fund's Asset Allocation;
- to recommend any changes required to the Fund's Asset Allocation to maintain targeted returns, including cashflow, whilst considering the Fund's appetite for volatility, liquidity risk and the need for diversification of risk;
- to consider the work that the Fund has undertaken in relation to Environmental, Social and Governance (ESG) issues, with a particular focus on climate change.

Members were informed that the asset review was a rolling process, looking at the asset allocation, and looking at all aspects of portfolios and what they were meant to be doing.

It was emphasised to the Committee that the recommendations were designed to shape the strategic direction of the Fund's investment strategy but it would involve further work and consideration before definitive recommendations are made to the Pensions Committee at the appropriate time.

Discussions took place on the suggested recommendations and the following comments were made:

- Action would need to review the impact of inflation and a discussion took place on the implications for a positive cash flow. Members were advised that currently all income on secured income and property was re-invested, and it maybe more appropriate to carry on with the existing strategy and convert these to distribute income back to the Fund when needed rather than to have more liquid assets.
- Consideration needed to be made to the impact of the rise in the minimum wage and an increase in wages.
- Hedging strategy provided an opportunity to protect funds. In relation to currency, the dollar had been strong for some time and Brunel had the means to put in place hedging arrangements.
- Reduction of exposure to equities in the UK market – the current allocation to the UK market equated to 29% of the total equity investments which was 25% higher than the benchmark of 4% which the UK market formed of the global index.. It was also agreed that we should reduce exposure to FTS 100 and looking for exposure to FTSE 250.
- On emerging markets, China investments represented 35% of the index. Given concerns about the social and governance risks associated with investments in China, consideration should be given to asking Brunel to develop an emerging market portfolio excluding China.

RESOLVED - That approval be given to the following recommendations:

(1) Against a higher inflationary environment to work with Brunel to ensure that the Fund's assets continue to match the liability profile at the cashflow level, including if necessary, generating sufficient income to fund increased pension payments.

(2) To consider if the Fund should put in place a currency hedging strategy, utilising the resources available through Brunel and this be reviewed annually.

(3) To review the exposure to the UK equity market with the objectives of:

i. To explore further with Brunel, reducing the overweight position of UK Equities in comparison to the Global UK weighting over time. Consideration will be given to switching to either the Paris Aligned Global passive sub fund or to the active Global Sustainable Investment sub fund.

ii. For the retained UK exposure to achieve better representation to UK plc in earnings terms and reducing carbon/ climate risk exposure, either on a passive or active basis.

(4) To explore further with Brunel the option of creating a separate China sleeve from the emerging market mandate and deciding on relative weighting.

(5) In the absence of similar arrangements being offered by Brunel, to retain the listed Private Equity (PE) portfolio and return the management of that to a semi-active basis to ensure that an appropriate balance of investments is maintained.

(6) To continue to work with Brunel and independently to meet the Fund's evolving ESG and Climate policy requirements and to explore with Brunel the Oxfordshire local aspect.

(7) That no action be taken at this time on the DLUHC "Levelling Up" local investment proposals.

(8) To confirm that the Fund will continue to reinvest on a timely basis capital distributions made by legacy managers and Brunel as investments mature.

7/23 MINUTES OF THE LOCAL PENSION BOARD

(Agenda No. 8)

The unconfirmed Minutes of the Local Pension Board held on 20 January 2023 were noted.

8/23 REPORT OF THE LOCAL PENSION BOARD

(Agenda No. 9)

The report set out the items the Local Pension Board wished to draw to the attention of this Committee following their last meeting on 20 January 2023.

Alastair Bastin, a Local Pension Board Member presented the report and informed Members that the Board considered a report on Engagement with Scheme Members and the points raised by the Board were:

- the difficulty in measuring the level of engagement and for assessing the effectiveness of the various measures currently in place.
- the important role that scheme employers should play in supporting communications to their staff.
- the focus on home addresses within the current data quality framework set by the Pension Regulator was outdated, and scheme members should be encouraged to share personal email addresses and mobile phone numbers with the Pension Fund to increase the range of communications options open to the Fund. The Board recommended the Committee write to the Pension Regulator to seek an amendment to the current data quality framework to include email addresses as an alternative to the home address.
- Improvements to the website, particularly around investments should hopefully lead to improved engagement on investment issues.

Discussion took place on the use of email addresses and a Member commented that contact should be made with other Pension Funds on whether these were collected. The Service Manager for Pensions, Insurance and Money Management reported that the Pension Regulator specified home addresses as key information, but the use of WhatsApp was being looked at.

The Committee noted the report of the Local Pension Board.

9/23 ANNUAL BUSINESS PLAN 2023/24

(Agenda No. 10)

This Committee provided a report which included details on the Business Plan, Budget and Training Plan for the forthcoming financial year. The report also included a review on progress against the key priorities set out in the Annual Business Plan for 2022/23.

The Service Manager for Pensions, Insurance and Money Management provided details on the latest position on measure of success on service priorities.

Review and improve the Scheme's Data - On Data Quality scores, there continued to be a review of the issues with common data which was mainly missing member addresses.

Enhanced Delivery of Responsible Investment responsibilities - There had been positive progress on the appointment of the Responsible Investment officer with a candidate selected to take up the post.

Improving performance to scheme members - The Engagement Policy was on the agenda for this meeting.

In relation to the Budget, Members were informed that there was an underspend which was mainly due to vacancies.

For priorities for 2023/24, in relation to meeting all the requirements of regulatory change, Members were informed that the Government had delayed the

implementation of the Pension Dashboard and therefore this measure of success would not be met.

RESOLVED – (1) That the progress against the service priorities for 2022/23 be noted.

(2) That approval be given to the Business Plan and Budget for 2023/24 as set out at Annex 1 of the report.

(3) That approval be given to the Pension Fund Cash Management Strategy for 2023/24.

(4) That delegated authority be given to the Director of Finance to make changes necessary to the Pension Fund Cash Management Strategy during the year, in line with changes to the County Council's Treasury Management Strategy.

(5) That delegated authority be given to the Director of Finance to open separate pension fund bank, deposit and investment accounts as appropriate.

(7) That delegated authority be given to the Director of Finance to borrow money for the pension fund in accordance with the regulations.

(8) That officers be thanked for providing such detailed information together in the report.

10/23 RISK REGISTER

(Agenda No. 11)

The Committee was provided with a report which outlined the latest position on the Fund's risk register, including any new risks identified since the report to the last meeting.

The Pension Fund's Governance and Communications manager introduced the report and reported that there had been very little change to the risk register this quarter.

Risk 15 was in relation to Fund officers having sufficient skills and knowledge to carry out their roles effectively. Members were informed that the Fund was still struggling to ensure that posts were adequately graded and were consistent with other LGPS funds. This negatively affected the recruitment and retention of good staff. Work was continuing in this area.

It was noted that Risk 15 should refer to officers in the Risk Register table.

In relation to Risk 17 Breach of Data Security, Members were informed that the Fund would be liable for any fine for a breach.

RESOLVED – That the latest risk register be noted and it was agreed that the risk register covers all key risks to the achievement of their statutory responsibilities, and that the mitigation plans, where required, are appropriate.

11/23 COMMUNICATIONS POLICY

(Agenda No. 12)

The report presented a review of the Communication Policy for the Fund and highlighted a number of new initiatives agreed with the Local Pension Board to seek improvement with scheme member engagement.

Reference was made to ensuring that communication was in understandable language which would encourage engagement.

The Committee noted that the review had identified a number of 'new' methods of engagement which may provide improved outcomes. If the outcome of the review was agreed, an implementation plan would be developed to deliver the recommended approach.

RESOLVED – (1) That approval be given to the revised Communications Policy.

(2) That the outcome of the Member Engagement Review carried out by the Governance and Communications Team be noted.

(3) That Officers be asked to develop an implementation plan based on the outcome of the Member Engagement Review.

12/23 ADMINISTRATION REPORT

(Agenda No. 13)

The Committee was provided with an update on the key administration issues including service performance measurement, the debt recovery process and any write offs agreed in the last quarter.

Members were updated on staffing, and it was noted that the team was seeking to approval to increase the establishment by one administrator post, and not by two as detailed in the report.

In relation to the performance statistics, it was agreed that preference would be statistics in chart format in future.

Reference was made to the team receiving 21 informal complaints for 2022/2023 and on the work taking place on reviewing the death process and on the death grant. There were proposed changes to the recovery of over payments to deceased pensioners.

RESOLVED – (1) That approval be given to the increase in establishment of one administrator post.

(2) That performance information be presented in a graphic format and without acronyms.

(3) That Members asked that a copy of the fire administration report be included with the fire pension board minutes with this report

(4) That approval be given to the proposed changes to the nomination process as detailed in the report.

(5) That the Committee confirmed that the proposed changes to the recovery of overpayments in cases where the pensioner has died, was acceptable.

13/23 CYBER SECURITY REPORT

(Agenda No. 14)

The Committee received the first annual report on cyber security and details on those issues identified during the review undertaken earlier in the year.

Reference was made to a key action since the review of the fund's supplier cyber security arrangements; information from the suppliers, which was reviewed by the Council's Information and Technology. Members were informed that at the time of writing the report, there was one supplier's information outstanding. This has now been received and is with Council's information and Technology for review.

Quarterly meetings have been set up with the Council's Information and Technology to ensure that the fund's processes were kept under review.

In relation to pension specific fund penetration testing, Members were informed that this would be at a cost of £3,000 to the Fund.

RESOLVED – (1) That the report be noted.

(2) That approval be given to this report being produced on an annual basis

(3) That approval be given to pension specific fund penetration testing being carried out.

14/23 EXEMPT ITEMS

(Agenda No. 16)

RESOLVED - That the public be excluded for the duration of the following items in the Agenda since it is likely that if they were present during these 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.

15/23 ADDITIONAL VOLUNTARY CONTRIBUTIONS (AVC) REVIEW

(Agenda No. 17)

The confidential report updated the Committee on the on-going review into the future Additional Voluntary Contributions (AVC) provision to scheme members. The Committee was recommended to agree in principle the arrangements for the future provision of the AVC service.

RESOLVED – That approval be given to the recommendation contained in the confidential report.

The public was excluded during this item because its discussion in public would be likely to lead to the disclosure to members of the public present of information in the following prescribed category:

3. Information relating to the financial or business affairs of any particular person (including the authority holding that information) and since it is considered that, in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

16/23 BRUNEL SPECIAL RESERVED MATTERS

(Agenda No. 18)

The confidential report set out the key issues associated with the current Special Reserved Matter issued by Brunel.

RESOLVED – That the Committee supported the approval of all three elements of the special reserved matter and advised the Director of Finance accordingly.

[Councillor John Howson abstained from voting].

The public was excluded during this item because its discussion in public would be likely to lead to the disclosure to members of the public present of information in the following prescribed category:

3. Information relating to the financial or business affairs of any particular person (including the authority holding that information) and since it is considered that, in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

..... in the Chair

Date of signing

Agenda Item 7

LOCAL PENSION BOARD

MINUTES of the meeting held on Friday, 5 May 2023 commencing at 10.30 am and finishing at 12.30 pm

Present:

Voting Members: Matthew Trebilcock – in the Chair

Alistair Bastin
Stephen Davis
Liz Hayden
Angela Priestley-Gibbins

Members of pension Fund Committee in Attendance: Councillor John Howson

Officers: Sean Collins (Service Manager for Pensions),
Sally Fox (Pension Services Manager),
Mukhtar Master (Governance & Communications Manager),
Rebecca O'Shea (Communications Manager) and Jack Latkovic (Law and Governance).

The Committee considered the matters, reports and recommendations contained or referred to in the agenda for the meeting, together with [a schedule of addenda tabled at the meeting] [the following additional documents:] 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.

12/21 WELCOME BY CHAIRMAN

(Agenda No. 1)

The Chair opened the meeting by inviting everyone to introduce themselves.

13/21 APOLOGIES FOR ABSENCE

(Agenda No. 2)

Marcia Slater and Cllr Bob Johnston had sent apologies for this meeting. Cllr John Howson was an observer for this meeting instead of Cllr Johnson.

14/21 DECLARATIONS OF INTEREST - SEE GUIDANCE NOTE BELOW

(Agenda No. 3)

Apologies for absence were submitted by Marcia Slater.

15/21 MINUTES OF THE MEETING OF 20 JANUARY 2023

(Agenda No. 4)

The minutes of the meeting held on 20 January 2023 were agreed as a correct record.

16/21 UNCONFIRMED MINUTES OF THE PENSION FUND COMMITTEE - 3 MARCH 2023

(Agenda No. 5)

The meeting had before it the draft minutes of the last Pension Fund Committee meeting of 03 March 2023 for consideration. The draft Minutes were noted.

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17/21 SCHEME MEMBER ENGAGEMENT

(Agenda No. 6)

The Board was provided with a report which set out the revised Communications Policy and the draft implementation plan for Member engagement.

The Board was invited to note the revised Communications Policy agreed at the last Pension Fund Committee and review the draft implementation plan for the Member Engagement Plan developed by the Governance and Communications Team of the pension fund.

The Governance & Communications Manager and the Communications Manager for the Pension Fund introduced the report.

The Board was informed that a revised fund Communications Policy was approved at the last Pension Fund Committee on the 3 March 2023. It was noted that further to the findings of the Member Engagement Review, which was presented to the last Board meeting, a draft implementation plan (Appendix A) had been developed.

The Board welcomed the report and thanked the officers for their work on the draft plan. The Board queried item 6 (Collaboration with Unions) on the draft plan. It was highlighted that the current plan stated discussions with one union representative. It was felt that to improve coverage, discussions should also be held with the scheme member representative on the Pension Board. The officers welcomed the suggestion and agreed to update the plan to reflect the change.

The Board noted the tasks within the plan and the deadline date (30 September). The officers explained that these were initial fact-finding tasks, rather than implementing big changes. The officers advised the Board that the first stages were to fact-finding and evaluate options and did not necessarily mean that all the tasks would be fully implemented by the 30 September. The officers agreed to update the plan to make the task completion stages clearer.

The Board sought further information regarding item 2 (Website Improvement) and noted the offer of support to assist discussions with IT. The officers noted that a key

task had been to improve the interface and navigation. The officers advised the Board that it was their hope to improve the current website, the alternative would be to create a new website and the officers would bring the item back to the Board for further discussion.

The Board raised a question about item 12 (Run a member satisfaction survey). The Board queried if it would be possible to gain members thoughts on how the pension fund is invested. The officers agreed to review the possibility of including investment questions in the members survey. It was noted that the responsible investment officer would be invited to the next meeting. Officers also agreed to keep the Board updated on progression of the engagement element of the Implementation plan.

The officers discussed item 3 (Board representatives contributing to the member newsletter) The officers explained to the Board that they felt members who represent the Board would have good ideas of what other members wanted to know and the issues which were of interest to the wider member group.

The Board:

- 1) Noted the report and that the Committee had agreed the revised Communications Policy at the last Pension Fund Committee and
- 2) reviewed the draft implementation plan for the Member Engagement Plan developed by the Governance and Communications Team of the fund.

18/21 REVIEW OF THE ANNUAL BUSINESS PLAN

(Agenda No. 7)

The Board was asked to review the position against the Annual Business Plan for 2022/23 and the Plan for the new financial year as considered by the Pension Fund Committee at their meeting on 3 March 2023 and to offer any comments to the Committee.

The officer discussed the progress of the main four main objectives for the last financial year. When discussing the first objective (Review and Improve the Scheme's Data), It was noted that 2 of the KPI's were green and 3 were amber. The officer advised that reasonable progress had been made against the priorities, However, some areas had not made any real progress, i.e., developing data for the standard service KPI's to be included in the quarterly performance reports, so the score against this outcome was amber.

Progress against cyber risk and data security was noted. Cyber risk had retained an amber rating considering the breaches already reported this year, and the need to strengthen the monitoring arrangements in respect of the wider cyber risks.

The officer informed the Board of progress against the second objective (The development of the approach to technology), and the decision to extend the contract with Heywood's and that the amber indicator (Use of the online services) was to be carried forward into the new year.

In terms of the third objective (Enhanced Delivery of Responsible Investment responsibilities) the officer informed the Board that it was largely green, with one red area where no progress had been made around the stewardship code. It was noted that this was largely as a result of not recruiting the responsible investment officer at the start of the financial year and not having the capacity to do the work.

The officer informed the Board that the area with the poorest performance against the objectives was the fourth objective (Deliver improved and consistent service performance to scheme members). In terms of service performance, the officer advised the Board that it was partly because of wanting to make sure the service would operate at the right level throughout the year. The officer reminded the Board that the indicator had started the year in red, and from the outset was going to be difficult to achieve.

The officer advised the Board that the indicator 'All services delivered in line with regulatory guidance' was amber and was largely outside the control of officers as they had spent all year waiting for government guidance on the McCloud, pooling and TCFD which did not materialise. The officers noted that they were unable to progress the task because the government had not provided the guidance to do so.

The last area was around the scheme engagement policy. The Board was advised that whilst one member of staff had been employed the final member of the Governance and Communications team had not yet been recruited, so work would continue during the new financial year. The indicator scored amber because it did not make much progress.

The officers noted an underspend in terms of the budget for the delivery of those services which was largely as the consequence of the lack of staff and the vacancies held during the year, which in turn impacted on the ability to deliver some of that work.

The Board noted that central government had now released the McCloud guidance with a note advising that further resources would be needed along with a recommendation to set up a resourcing plan; the Board asked if a resourcing plan had been created.

The officer advised the Board that some guidance had been received, but not the full guidance. It was noted that the regulations would be released on 30 September to be implemented from the day after (1st of October). In terms of resources, the Board was updated on the current successful recruitment campaign which included some temporary staff. Officers confirmed that a resource plan was in place and just required finalising with HR, the officers agreed to share the resourcing plan with the Board.

The Board was informed that there would not be any funding from central government to help affect the remedies in the pension funds. The Board discussed the court cases the Unions brought to challenging the cost cap. The cases were unsuccessful, but the Unions would look to appeal the decisions, leading to a further period of uncertainty over benefit calculations.

The Board reviewed the forward plan in the second section of the report. The officer noted that the 2023/24 business planning workshop which all the Board members attended. The Board were advised that their comments had been reflected in the overall objectives of the Business plan. He noted that the main job of the Pension Fund Committee is to pay pensions as and when they are due and to minimise the cost to the stakeholders.

The Board discussed the delivery of all the regulatory changes and the governance arrangements for the fund. The Board also raised a query about the review of the administration strategy. The officer advised the Board that a report on the breaches Policy would be brought to the June Committee. The officer also informed the Board that the responsible investments and stewardship code report would be brought to the June Committee.

The Officer advised the Board that regarding making further improvements to technology, several workshops had been held with Heywood's to maximise the full capabilities of their systems. The Board raised a query regarding the breaches policy and reporting arrangements. The officers agreed to bring the review of the breach policy back to the Board. The Officers also confirmed that Board members would be invited to the Pre-Committee training.

The Board noted the report and:

- 1) That the Committee noted the progress against the service priorities for 2022/23;
- 2) That the Committee approved the Business Plan and Budget for 2023/24 as set out at Annex 1;
- 3) That the Committee approved the Pension Fund Cash Management Strategy for 2023/24.
- 4) That the Committee delegated authority to the Director of Finance to make changes necessary to the Pension Fund Cash Management Strategy during the year, in line with changes to the County Council's Treasury Management Strategy;
- 5) That the Committee delegated authority to the Director of Finance to open separate pension fund bank, deposit and investment accounts as appropriate;
- 6) That the Committee delegated authority to the Director of Finance to borrow money for the pension fund in accordance with the regulations.

19/21 RISK REGISTER

(Agenda No. 8)

The Board was provided with the latest risk register which had been considered by the Pension Fund Committee on 3 March 2023. The Board was invited to review the report and offer any further views back to the Committee.

The officers advised the Board that a revised version of the risk register would be presented to the Committee in June.

Reference was made to Risk 15 in relation to fund officers having sufficient skills and knowledge to carry out their roles effectively. It was noted that work was taking place with HR to recruit to vacant roles. It was hoped that there would be an appointment to the Responsible Investment post shortly. The officers noted that it was currently a high-risk area that would reduce going forward.

The officer noted the amber risks, and reference was made to the National Knowledge Assessment and prioritising training sessions to support the areas the Board needed to address.

The Board noted the report and the scheduled training sessions.

20/21 ADMINISTRATION REPORT

(Agenda No. 9)

The Board considered the latest Administration Report which was presented to the Pension Fund Committee on 3 March 2023, including the latest performance statistics for the Service.

The Board was informed that the first recommendation was incorrect that the team sought an additional post and was also replacing an administrator for an existing post.

In relation to performance statistics, the Team was doing well, despite staff movements and changes, incoming iConnect returns were being vetted and quickly and there were fewer outstanding queries. It was noted that administration cases were fluctuating but there was confidence that this would be up to date by the end of the financial year.

Reference was made to complaints and the Board was informed there was twenty-one informal complaints, and thirteen formal complaints under the adjudication of dispute procedures.

The Board was advised that as detailed in the report, it was the officer's recommendation that the Fire Pension Board minutes be included in the Committee reports from June onwards.

In relation to projects, officers had been working on death processes which were complex, and the committee agreed to make one change to the level of recovery of overpayments. The second change was regarding the Member nominations for those who should receive death grants.

It was noted that the Director of Finance had agreed the release of the deferred ill health benefits under delegated powers which had been reported to the Committee.

It was noted that the iConnect project had concluded and the officer advised the Board that they were expecting their first live return from the County Council in the next few weeks.

In relation to debt management, arrangements had been made with the county debt collection team to chase debt which had not been chased since April. It was noted that no data breaches had been recorded.

The Board suggested creating a graph to present the number of cases open and cases completed against the SLA.

The Board noted the report and that

- 1) The Committee approved the increase in establishment of one administrator post
- 2) The Committee commented on changes to way in which performance information is presented and what other information should be included
- 3) The Committee confirmed that it would like to receive a copy of the fire administration report to the fire pension board minutes with this report
- 4) The Committee confirmed that if the proposed changes to the nomination process was acceptable
- 5) The Committee confirm that the proposed changes to the recovery of overpayments in cases where the pensioner has died, was acceptable

21/21 CYBER SECURITY

(Agenda No. 10)

The Board was provided with a report that reviewed the actions taken to date and set out the plans to review and update the fund's cyber security. The Board noted the engagement work with suppliers and colleagues.

The officers noted that penetration testing has been undertaken with nothing to report. It was noted that the Committee discussed a specific penetration test for the fund next year.

In relation to patches, it was noted that producing a list of patches / security updates was not feasible given that there had been over 70 patches for Microsoft Edge alone in the last year.

The final point of discussion was regarding the single sign on processes. It was noted that the team would hold quarterly meetings with IT colleagues to review progress.

The Board noted the report and:

- 1) The Committee reviewed the report and determined any further actions to be taken
- 2) The Committee confirmed that the report was to be produced on an annual basis
- 3) The Committee decided agreed that pension specific fund penetration testing should be carried out

22/21 STRATEGIC ASSET ALLOCATION

(Agenda No. 11)

The Board received a report on the asset allocation. Officers advised the Board that the review was one of the most important things that the committee does, and it was carried out every three years in line with the Valuation process.

Officers focused on the recommendations that the Committee considered and agreed.

1. Against a higher inflationary environment to work with Brunel to ensure that the Fund's assets continue to match the liability profile at the cashflow level, including if necessary, generating sufficient income to fund increased pension payments.
2. To consider if the Fund should put in place a currency hedging strategy, utilising the resources available through Brunel.
3. To review the exposure to the UK equity market with the objectives of:
 - i. Reducing the overweight position of UK Equities in comparison to the Global UK weighting over time. Consideration will be given to switching to either the Paris Aligned Global passive sub fund or to the active Global Sustainable Investment sub fund.
 - ii. For the retained UK exposure to achieve better representation to UK plc in earnings terms and reducing carbon/ climate risk exposure, either on a passive or active basis.
4. To review the Emerging Markets mandate so as to remove exposure to China so far as is practically possible.
5. In the absence of similar arrangements being offered by Brunel, to retain the listed Private Equity (PE) portfolio and return the management of that to a semi-active basis to ensure that an appropriate balance of investments is maintained.
6. To continue to work with Brunel and independently to meet the Fund's evolving ESG and Climate policy requirements.
7. To consider the DLUHC "Levelling Up" local investment proposals

8. To confirm that the Fund will continue to reinvest on a timely basis capital distributions made by legacy managers and Brunel as investments mature. Cash and making sure there is sufficient cash to actually pay pensions as the committee.

The officers advised the Board that for many years the fund had been cash positive i.e., retained more money every month from employers and scheme members then paid out in pensions. However, the amount of excess cash had been declining over the last few years. It was noted that the Committee had agreed to work with Brunel to look at their investments to ensure they receive sufficient cash from their investments on a timely basis.

The Board discussed currency hedging and officers informed the Board that the fund had never hedged any of its currency. It was noted that the report from the independent investment advisor suggested the Committee continue to look at the issue. The Committee deferred a final decision to the June Committee.

The Board discussed the allocation and exposure to the UK markets. The Board also discussed the exposure of the FTSE 100 to the fossil fuel industries as it was one of the highest carbon intense portfolios. It was noted that the Committee agreed to explore options to reduce the weight to the UK and exposure to climate risks at the June Meeting. It was also noted that the Committee discussed potentially switching money to the Paris aligned global passive fund or global sustainable fund.

The Board noted the Committee's comments on the listed private equity market. It was noted that Oxfordshire had long-standing investments in private equity companies who were listed on the stock exchange. The officers informed the Board that the Committee had agreed to continue those investments in the short term outside of the pool. It was noted that the independent advisor was concerned that those were now very large and perhaps needed to be rebalance across some of the other companies.

The Board noted the report and recommended the Committee to take into account its comments on costs and net fees performance as appropriate within the decision making.

23/21 ITEMS TO INCLUDE IN REPORT TO THE PENSION FUND COMMITTEE

(Agenda No. 12)

It was agreed that the following be included in the report to the next Pension Fund Committee:

- Highlight the costs and performance net of fees in determining future asset allocations
- To increase use of graphs and trend analysis in performance reports

24/21 ITEMS TO BE INCLUDED IN THE AGENDA FOR THE NEXT BOARD MEETING

(Agenda No. 13)

The Board were keen to be updated on the McCloud progress. The officers informed the Board that this was a vital part of the business plan which was a standing item and would be brought back to the next meeting.

..... in the Chair

Date of signing

The Division(s): n/a

ITEM

PENSION FUND COMMITTEE – 9 JUNE 2023

REPORT OF THE PENSION BOARD

Report by the Independent Chairman of the Pension Board

RECOMMENDATION

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

Introduction

1. 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.
2. This report reflects the discussions of the Board members at their meeting on 5 May 2023. The virtual meeting was attended by Matthew Trebilcock as the independent Chairman, and the four voting members of the Board, including Liz Hayden who was attending her first meeting following her recent appointment as a new scheme member representative. Cllr John Howson in place of Cllr Bob Johnston who had sent his apologies, to maintain the link to the work of the Pension Fund Committee.

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

3. The Board received a follow-up report from the Governance and Communications Manager, and the Communications Officer on the implementation plan to the approach to engagement with scheme members. This followed on from their discussions in January which agreed the approach, which was subsequently endorsed by the last meeting of this Committee alongside the updated Communication Policy. The Board endorsed the implementation plan and asked to be kept regularly informed of progress.
4. As part of their discussion on scheme member engagement, the Board raised the issue of consulting scheme members on the Fund's investments. It was noted by the Independent Chairman and the Officers that it was very difficult to get meaningful engagement with scheme members on such a complex issue, but it was agreed to consider the issue further.

5. The Board then considered several of reports as presented to the last meeting of the Pension Committee. These were the review of the Annual Business Plan, the Risk Register, the Administration report, the report on Cyber Security and the review of the Strategic Asset Allocation.
6. As part of the detailed discussion amongst the Board members on the Administration Report they recommended the Committee to ask officers to develop the performance reporting to make greater use of graphical presentations and trend analysis which they felt would provide greater transparency on the issues that may require Committee attention.
7. The Board also recommended the Committee to consider the costs of managing the various portfolios being considered as alternatives to the current UK active equity allocation, and the impact of these costs on the net performance of the portfolios.

Matthew Trebilcock
Independent Chairman of the Pension Board

Contact Officer: Sean Collins
Tel: 07554 103465

May 2023

Division(s): n/a

ITEM

PENSION FUND COMMITTEE – 9 JUNE 2023

REVIEW OF THE BUSINESS PLAN 2023/24

Report by the Director of Finance

RECOMMENDATION

The Committee is RECOMMENDED 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.**

Introduction

1. This report sets out the latest progress against the key service priorities set in the business plan for the Pension Fund for 2023/24 as agreed by the March meeting of this Committee.
2. The key objectives for the Oxfordshire Pension Fund as set out in the Business Plan for 2023/24 remain consistent with those agreed for previous years. These 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 achieve a 100% funding level
 - 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.
3. The service priorities for the year do not include the business as usual activity which will continue alongside the activities included in the service priorities. Business as usual activities are monitored as part of the Administration Report and the report on Investment Performance.

Key Service Priorities – Progress to Date

4. There were 4 service priorities included in the 2023/24 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 agreed by the previous Committee 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, or degree of progress/future requirements unclear
- Red – insufficient progress or insufficient actions identified to deliver measures of success

5. Delivery the Regulatory Changes as set out by the Government The position against the 3 agreed measures of success are set out in the table below.

Measure of Success	Key Progress Achieved	Outstanding Actions
No regulatory breaches that require reporting to the Pension Regulator. GREEN	Revised Breaches Policy presented to the Committee.	Production of Escalation Policy in respect of Contribution Breaches Review of Information presented to quarterly meetings of the Committee.
All Pension Benefit Calculations and Annual Benefit Statements issued with required information on the McCloud remedy. AMBER	Resourcing plan reviewed and progress made on recruiting sufficient staff to complete work.	Final Regulations setting out information requirements still awaited. System changes to automate any new requirements to be implemented and tested.
Scheme Member records available via the Pension Dashboard. GREEN	Work continues on data quality improvement.	Awaiting revised Government timescales.

6. The main challenge under this priority is receiving timely regulations and guidance from the Government. In the absence of such information, it is difficult to assess the work required to delivery against this objective in full.
7. The Government have already announced delays to the timetable for the implementation of the Pensions Dashboard, and we are currently awaiting a revised timeline. In the meantime, we continue to review the quality of our data to ensure we are fully prepared to meet any requirements in respect of the Dashboard.
8. In respect of the McCloud remedy, the Government published its response to their initial consultation on 6 April 2023. Whilst this set out confirmation of much of the required approach, we are still awaiting final regulations, and there are a number of issues on which the Government plans further consultation. These include clarification on eligibility to qualify for the underpin, where the individual was not an active member of 31 March 2012 but re-joins the LGPS without a

disqualifying gap in service, compensation, interest payments, tax treatments, the treatment of excess teacher's service, flexible retirement and aggregations.

9. Until we receive final regulations and guidance which covers all these issues, it will not be possible to confirm we have sufficient resources to meet the requirements re member benefit calculations. The Priority therefore is scored Amber at this stage. The good news from the Government's response was that any changes to the Annual Benefit Statement will not be required until those issued in respect of the 2024/25 financial year, which provides 2 years to develop the system and member communications to ensure an effective implementation.
10. Deliver further improvements to the governance arrangements of the Fund. There were 6 specific measures of success set out in the 2023/24 Business Plan in respect of this priority. The progress against these is set out in the table below.

Measure of Success	Key Progress Achieved	Outstanding Actions
Governance Officer in post. AMBER	Re-grading agreed for post. Recruitment process initiated.	Appointment made.
Annual Report on Compliance with the Code of Practice presented to the Committee and no significant shortfalls identified. GREEN	Breaches Policy Reviewed. Training Session on General Code of Practice Delivered. Initial Discussions with Hymans Robertson on Compliance Template	Finalise reporting template. Complete analysis of compliance.
Revised Administration Strategy agreed by Committee with clear Service Level Agreement established with all scheme employers. GREEN		Proposed to present to Committee in September 2023
Revised Breaches Policy agreed by Committee and Committee signed off quarterly key performance indicator provides all information they require to gain assurance on compliance with Code of Practice and Regulatory Requirements. GREEN	Revised Breaches Policy for agreement at today's Committee, plus request to identify further information requirements	New Quarterly governance report to be implemented from September Committee.

Full workforce Strategy agreed by Committee. AMBER		Awaiting Good Government Guidance from Government
Increase in average scores for the National Knowledge Assessment. GREEN	Training Session on lowest scoring areas from last assessment arranged.	New Assessment tool to be completed.

11. Progress has been made on a number of issues under this priority, including the report today on the breaches policy with further reports scheduled for the September meeting to cover the Administration Strategy, a new Governance report including the Breaches Log, and a new approach to contributions monitoring.
12. We have also successfully appealed the grade for the new Governance Officer position, although this remains at an amber score until we have tested the market through the recruitment process. A successful appointment though will allow us to further strengthen the work in this area.
13. The other area currently scored amber relates to the workforce strategy where we are waiting for the Government to publish the Good Governance Guidance which will hopefully set out more clearly their requirements.
14. Enhanced Delivery of Responsible Investment responsibilities. There were 4 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
Improved quarterly reporting in place to both Committee and on the Fund's webpages, including wider ESG targets, and performance measures, reflected in positive feedback from all stakeholders. AMBER	New Carbon Metrics report produced by Brunel includes additional data on Green Revenues and TPI Management Quality scores. Webpages amended to include underlying company holdings and all key policy documents.	Extend climate scores to the private market portfolios. Review additional ESG scores to be included in future reports.
Successful Application in respect of the Stewardship Code. AMBER	Stewardship Policy developed	Committee to review Brunel's Responsible Investment and Stewardship Outcomes report at their September meeting.
Benchmark position established on investments in climate	Discussions within Brunel Pension Partnership re climate	Benchmark position established and new target set.

solutions/mitigations and target set for increased investment (with action plan to deliver). GREEN	solutions local impact portfolio. On-going development of Green Revenues report with Brunel	
Continue to meet decarbonisation target, within a balance suite of metrics to include % of Fund invested in Paris Aligned portfolios. AMBER	Carbon Metrics Report as at 31 December 2022 presented at today's meeting.	Detailed review of the Carbon Metrics Report as part of the TCFD report to the September Committee. Develop measures on % of Fund invested in Paris Aligned portfolios

15. The appointment of the new Responsible Investment Officer has helped to deliver progress across a number of headings under this priority including the development of our first Stewardship Policy. At the time of writing this report, it was intended to complete the first draft of our Policy and submit it to the Financial Reporting Council (FRC) as our application to be accepted as a signatory to the Stewardship Code, by the deadline of 31 May 2023.
16. It is unfortunate that the deadline for submission has precluded the Committee from reviewing the document prior to submission. However, the Officers felt that the benefits of making a submission this year outweighed the advantages of delay. In particular, in the event that the application is not successful, we should receive detailed feedback from the FRC to enable the draft Policy to be updated during the remainder of this year, ready for a new application in 2024.
17. There is no published timeline for when we may hear back from the FRC, but last year, they published details of successful applications in early September. We therefore hope to be able to report the outcome to the September Committee alongside the latest version of the Policy. It is also intended to present the Brunel Responsible Investment and Engagement Outcomes Report to that meeting, to enable the Committee to review the engagement activity carried out on its behalf, in line with the requirements under the Stewardship Code.
18. Improvements have been made to the Fund's webpages to ensure our Policies are readily available and there is increased transparency on how these policies translate into the underlying companies held within the various portfolios. This is further supported by the latest Carbon Metrics report produced by Brunel for our Fund which is contained within the Annex to this report.
19. The improved reports enabled the Climate Change Working Group to have a detailed discussion on the performance of our portfolios from a Climate perspective. Whilst welcoming the level of data contained within the reports, the working group expressed strong concerns regarding the holding of two companies involved in the tar sands industry within the Global High Alpha portfolio. Whilst accepting neither the Brunel nor our own Climate Policies contain exclusion clauses, the concern was how these companies were

demonstrating alignment to the Paris Agreement, and the Group asked the Officers to work with Brunel to provide further explanation.

20. It is intended to include a more detailed analysis of the latest Carbon Metrics report to the September meeting of this Committee as part of the latest TCFD report. Feedback from the discussions with Brunel will be included within that report, plus any further advice from the Climate Change Working Group.
21. The Climate Change Working Group also discussed the climate implications associated with the Strategic Asset Allocation discussion at the last meeting of this Committee which directly impacts of the delivery of this priority. In particular the considered the impact of reducing the allocation to the UK active equity portfolio, which due to the size of the current allocation and the overweight to the major energy companies, contributes a significant element of the Fund's current carbon footprint.
22. The Working Group considered a report which set out some of the key metrics associated with the current Brunel portfolios as summarised in the table below.

	WACI	Benchmark	Reserves Exposure	Benchmark	Green Revenues
UK Active Equity	220	306	12.0%	17.2%	3.4%
Global High Alpha	180	285	3.7%	5.1%	9.1%
Paris Aligned Passive	179	286	0.0%	4.9%	12.2%
Sustainable Equities	264	317	0.0%	5.1%	13.1%

23. The Working Group noted the higher WACI score for the Sustainable Equities portfolio, which reflected the higher carbon intensity associated with some of the major climate mitigation/solutions companies held within the portfolio. The zero reserves exposure and the higher allocation to green revenues demonstrated the dangers of over-reliance on a single indicator to assess climate credentials of a portfolio.
24. The Group noted the that the WACI score for the Paris Aligned Benchmark passive portfolio had not reduced in line with the 7.6% assumption. This has subsequently been clarified as a result of the different approaches to measuring the WACI score as measured within the Carbon Metrics report and against which the Fund sets its targets, and the EU definition used within the specification of the portfolio. This does again highlight one of the limitations of using a passive portfolio to deliver against the Fund's Climate Policy. Performance is dependent on the ability to tightly define the benchmark in line with policy and allows no flexibility for fund manager judgement or assessment of the actions and future plans of individual companies.

25. From a climate perspective therefore, switching allocation from the UK active portfolio to the Sustainable Equities portfolio would appear to offer the best long-term chance to meet the Fund's objectives.
26. The Climate Change Working Group also looked at an analysis of the underlying holdings of the current Brunel Climate Transition Benchmark (CTB) passive Fund compared to those within the current active UK equity portfolio. As the CTB portfolio using the FTSE All Share index as its core benchmark, it was noted that the portfolio still retained a high weight to the energy, utilities and raw material sectors, and as such, the Working Group concluded from a climate policy perspective, a new portfolio benchmarked against the FTSE 250 would be a more suitable option to invest the retained allocation to the UK markets.
27. Finally in this area, the Client Funds within the Brunel Pension Partnership have been looking at a potential local impact fund focussed on the deliver of climate solutions and mitigations. Sufficient interest has been expressed across the Funds to support further work on the proposal, and the drawing up of a detailed portfolio specification. At present, the portfolio is focused entirely on infrastructure opportunities, but across a range of climate opportunities including solar, hydrogen, battery storage etc.
28. At the present time, the Fund has fully committed the private market allocations included within the Strategic Asset Allocation. If it wishes to make an additional allocation to the local impact climate solutions portfolio being developed, it needs to make an additional allocation to the Infrastructure portfolio, or ask officers and the Independent Investment Adviser to review cashflows to determine the extent the Fund can over-commit to the Infrastructure portfolio in the expectation that future distributions will be received before the full commitments are made.
29. Deliver further improvements in efficiency and effectiveness of scheme operations through enhancements to technology. Progress against the 5 measures of success for this service priority are set out below.

Measure of Success	Key Progress Achieved	Outstanding Actions
Increased operational effectiveness as measured through improved SLA performance scores. AMBER	Work programme of technology enhancements agreed with system supplier.	
Improved scheme member/employer satisfaction measured via positive assessment or a reduction in complaints. AMBER	Revised member satisfaction survey piloted.	
Increased Take Up of Member Self Service. GREEN		

Action Plan in place with targets to collection email address and/or mobile phone number for scheme members. AMBER		Action Plan to be developed and priority groups identified.
Reduction in postage costs reflecting greater use of electronic communications. AMBER	Decision to delay on-line payslips.	

30. We are now having monthly meetings with Heywood who supply the pension system software to manage a series of developments which aim to maximise our effective use of the system. Developments include improved reporting, greater use of electronic communications including the ability of scheme members and employers to upload documents direct to the system, and automatic verification of bank account details
31. At this stage of the year, it is too early to review the impact of any changes on performance, stakeholder satisfaction and cost and therefore these scores have been held at Amber. It was decided as a result of workload pressures around the year end to delay the implementation of on-line payslips. The majority of pensioners only receive a single payslip in April to reflect the changes in their pension for the new financial year, so this delay does mean we have missed the opportunity to deliver significant savings on postage until next year.
32. Part C of the Business Plan sets out the Fund's budget for 2023/24 which totals £17,662,000. It is too early into the financial year to identify and significant variations to the approved budget
33. Part D of the Business Plan sets out the Training Plan for Committee and Pension Board Members. The training session on the General Code of Practice was scheduled to be held prior to the start of this Committee Meeting and a further session on the Accounting and Audit Requirements and Investment Performance has been scheduled for the morning of 27 June 2023.

Lorna Baxter
Director of Finance

Contact Officer
Sean Collins
Email: sean.collins@oxfordshire.gov.uk

May 2023

Holdings as at 31st December 2022

Key Info: AUM in mGBP: 1,740 Coverage: 98% 03/04/2023

The Oxfordshire Aggregate Portfolio

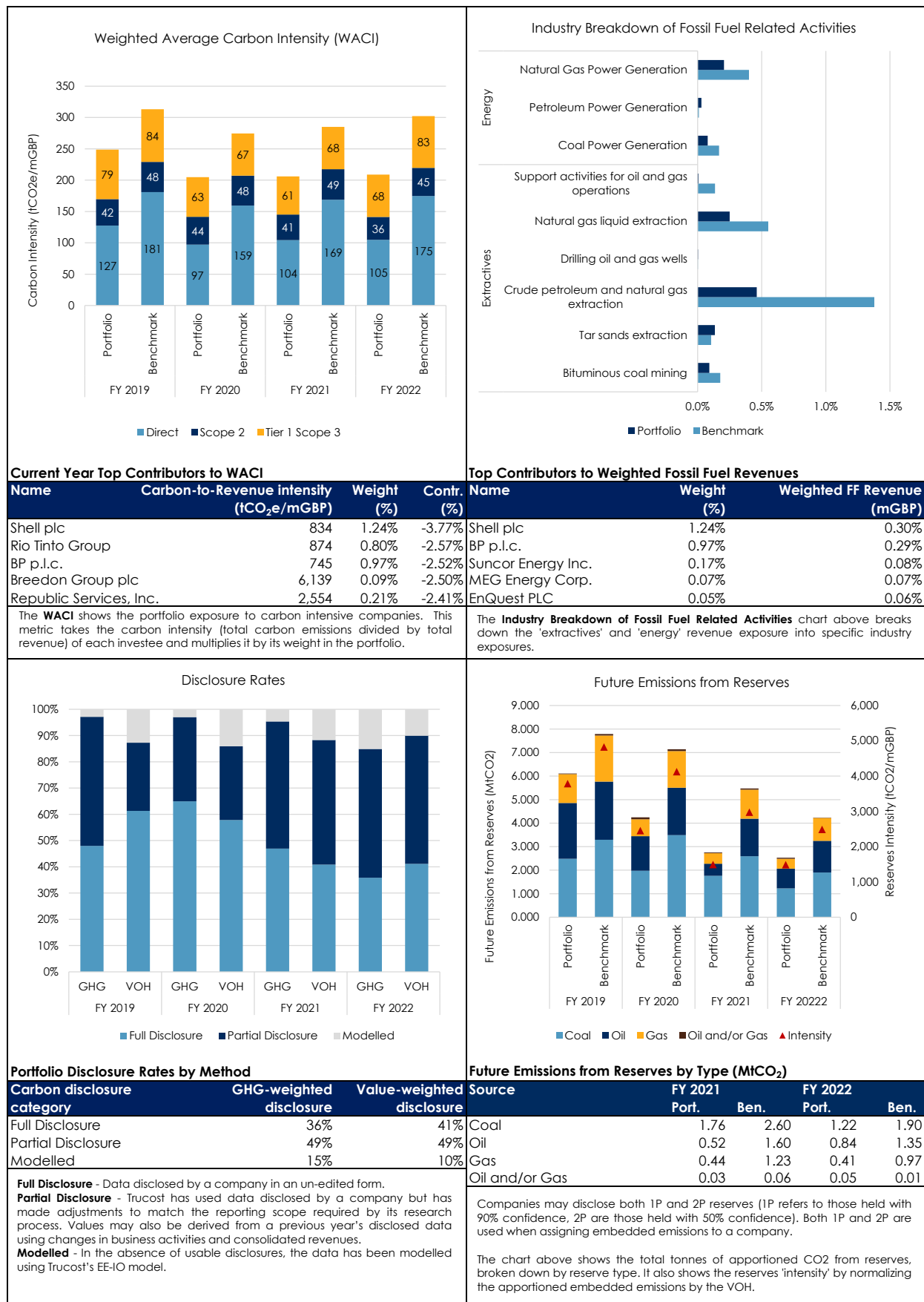
- This report illustrates key Carbon Metrics for the Oxfordshire Aggregate Portfolio, the associated underlying Brunel Portfolios, as well as a legacy portfolios.
- The Oxfordshire Aggregate Portfolio is made up of Oxfordshire's share of Brunel Portfolios plus a legacy portfolio, weighted by investments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

Performance Summary

- The Weighted Average Carbon Intensity (WACI) of the Oxfordshire Aggregate Portfolio is below its Strategic Benchmark, with a relative efficiency of +31%.
- Of the underlying Portfolios within the Aggregate, the highest intensity was the Brunel Emerging Markets Equities Portfolio (315 tCO₂e/mGBP), while the lowest one was the LGIM Core Fund Plus Portfolio (111 tCO₂e/mGBP).
- All Portfolios have lower levels of carbon intensity compared to their respective benchmarks.
- The Carbon to Value (C/V) Intensity metric is a new metric we have included in this year's carbon metrics report. The (C/V) metric is an aggregation of apportioned carbon emissions of constituents per 1 million invested. The Carbon to Value (C/V) Intensity of the Oxfordshire Aggregate Portfolio is below its Strategic Benchmark, with a relative efficiency of +31%.
- The Oxfordshire Aggregate Portfolio is less exposed to both fossil fuel revenues (1.26% vs 2.92%) and future emissions from reserves (2.53 MtCO₂ vs 4.23 MtCO₂) than its Strategic Benchmark.
- All Portfolios have lower emissions from reserves and reserves exposures than their respective benchmarks, with the exception of 'Petroleum Power Generation', 'Tar sands extraction' and 'Drilling oil and gas wells'.
- The company disclosures rates are based on Scope 1 emissions, where the rate of companies in the Oxfordshire Aggregate Portfolio for which fully disclosed carbon data was available is 36% (carbon weighted method) and 41% (investment weighted method), indicating scope for improved reporting among investees.
- The aggregate rate of 'full disclosure' for the investment weighted method is highest in the Brunel PAB Passive Global Equities (52%) and lowest in the Brunel Sterling Corporate Bonds (17%).

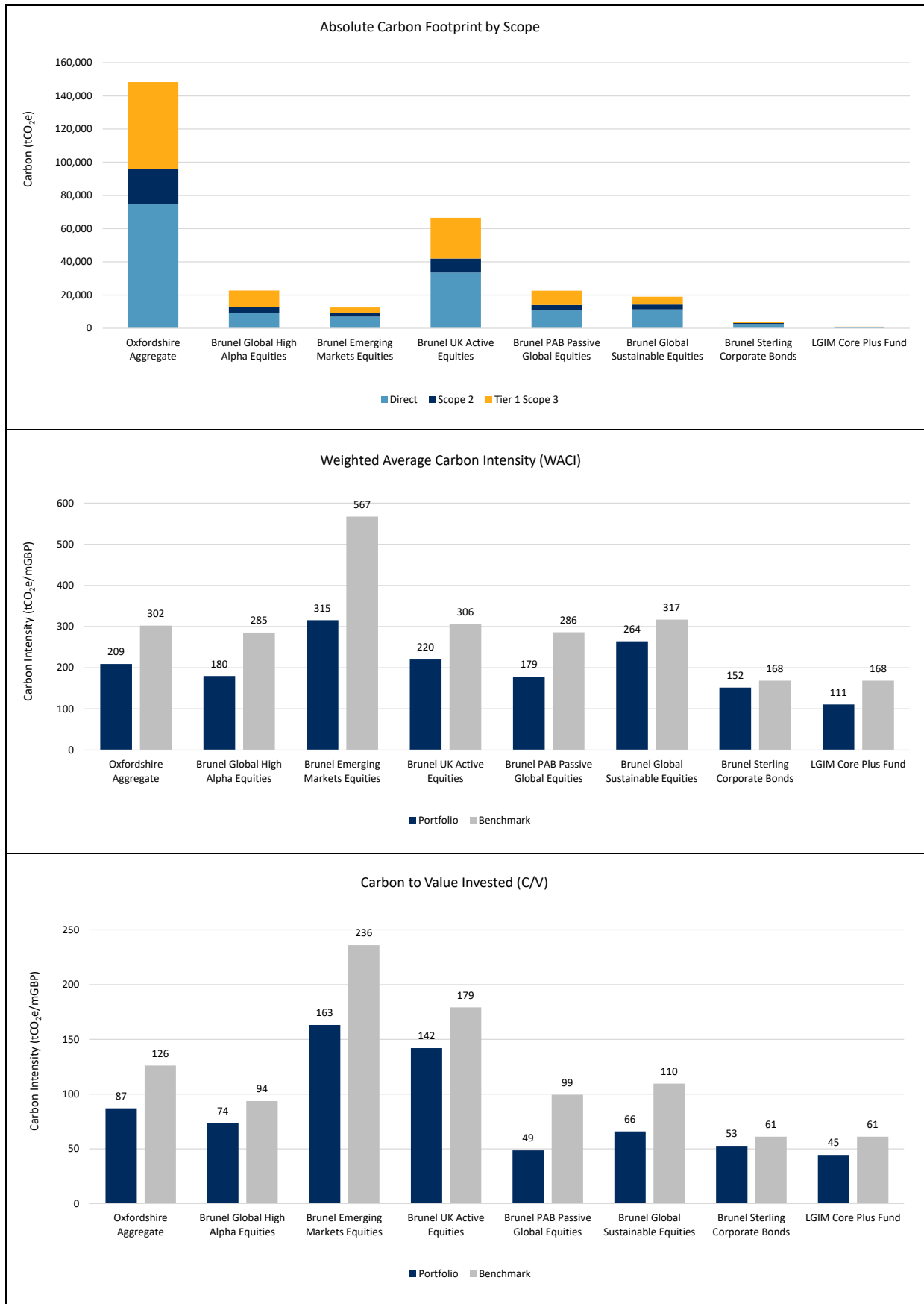
Oxfordshire Aggregate vs. Oxfordshire Custom BM

2022 Q4



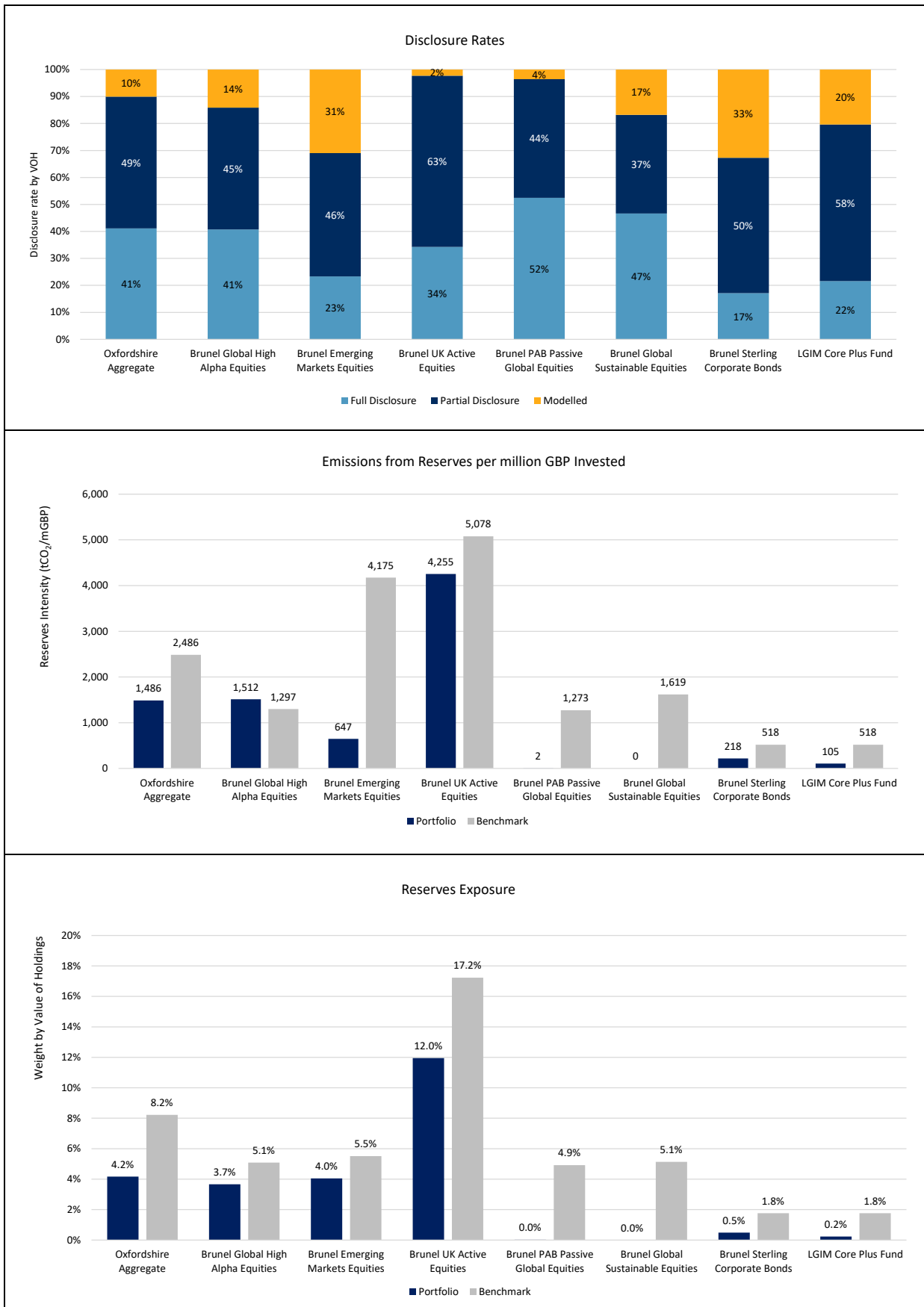
Summary Sheet

2022 Q4



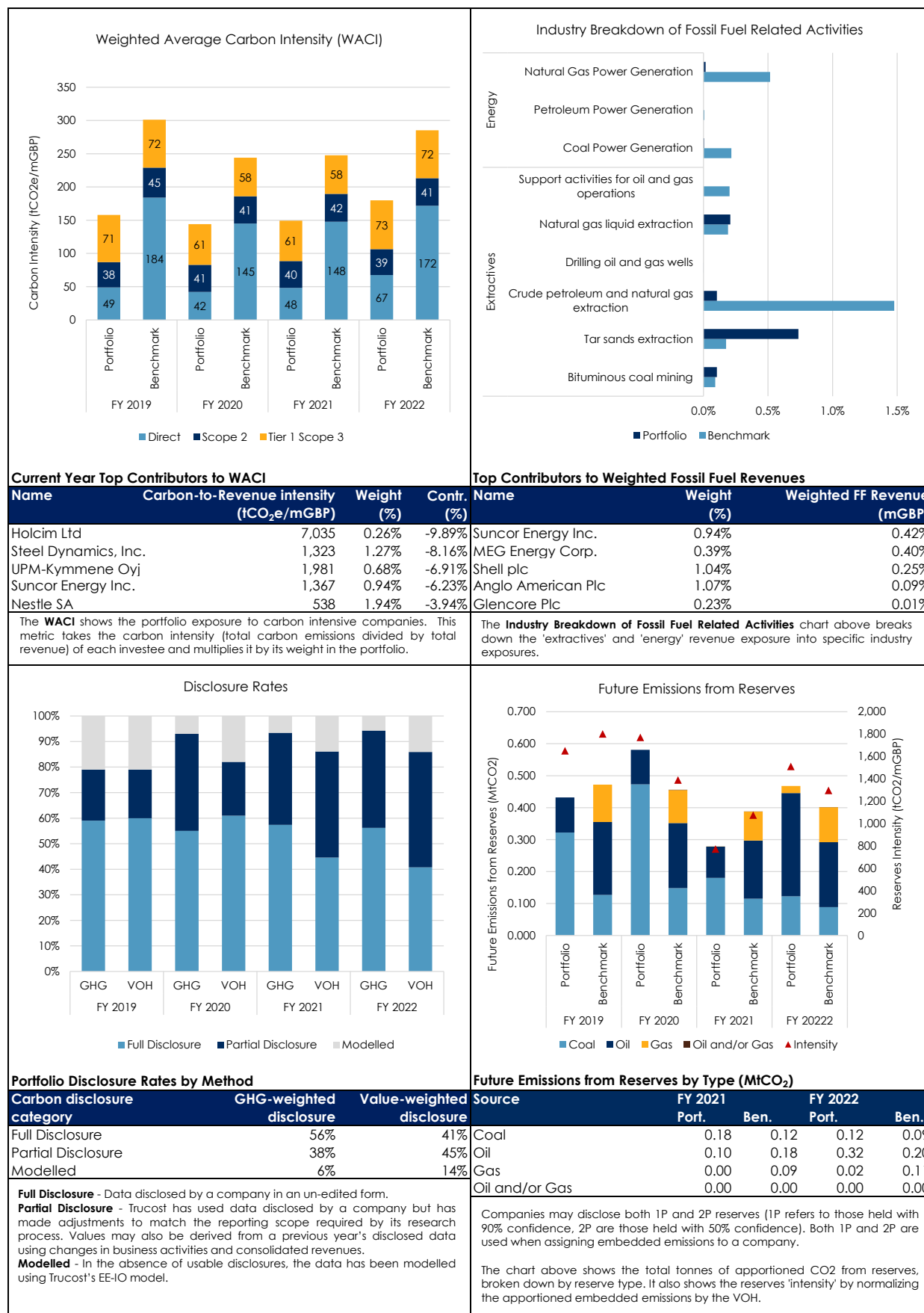
Summary Sheet

2022 Q4



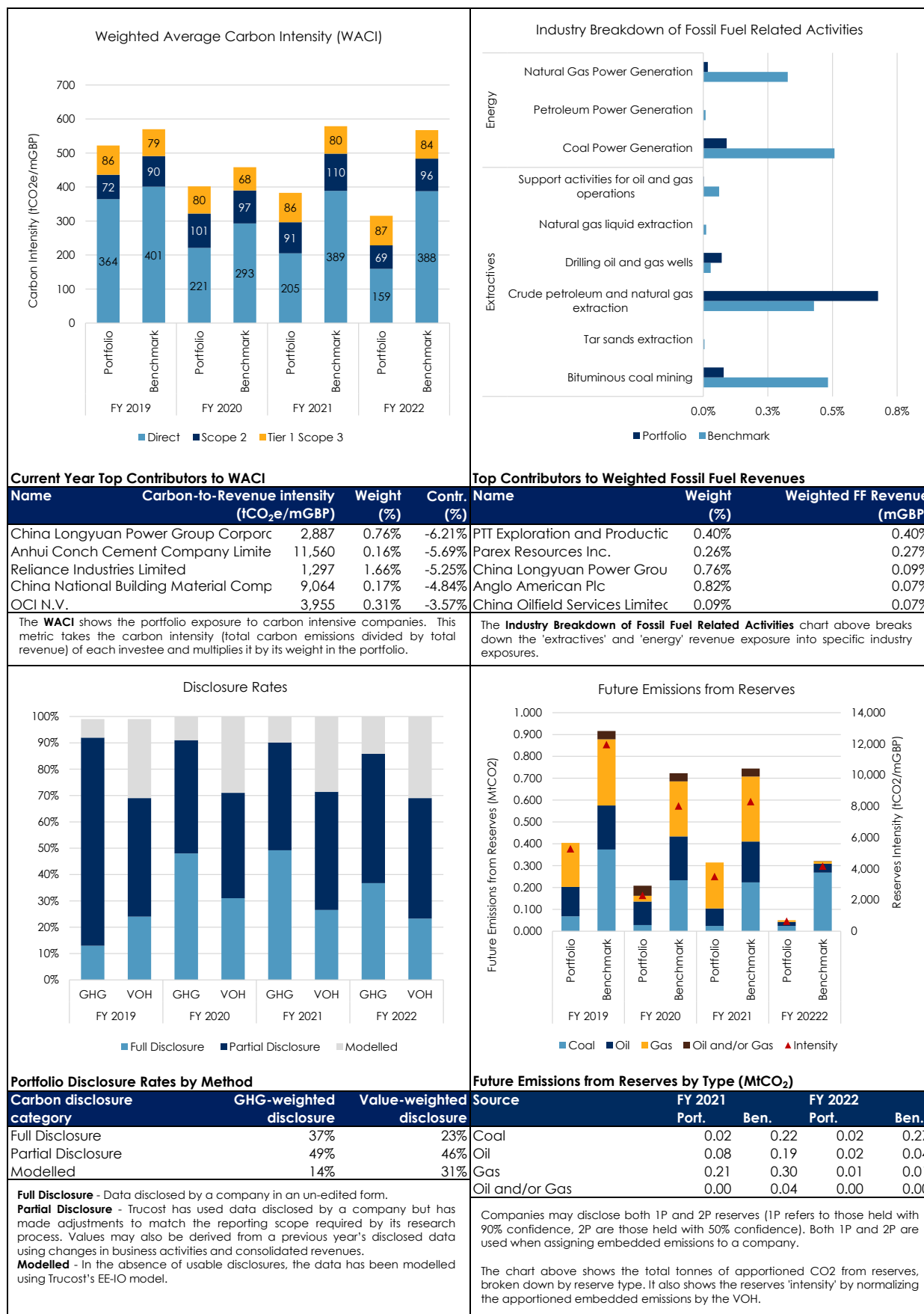
Brunei Global High Alpha Equities vs. MSCI World

2022 Q4



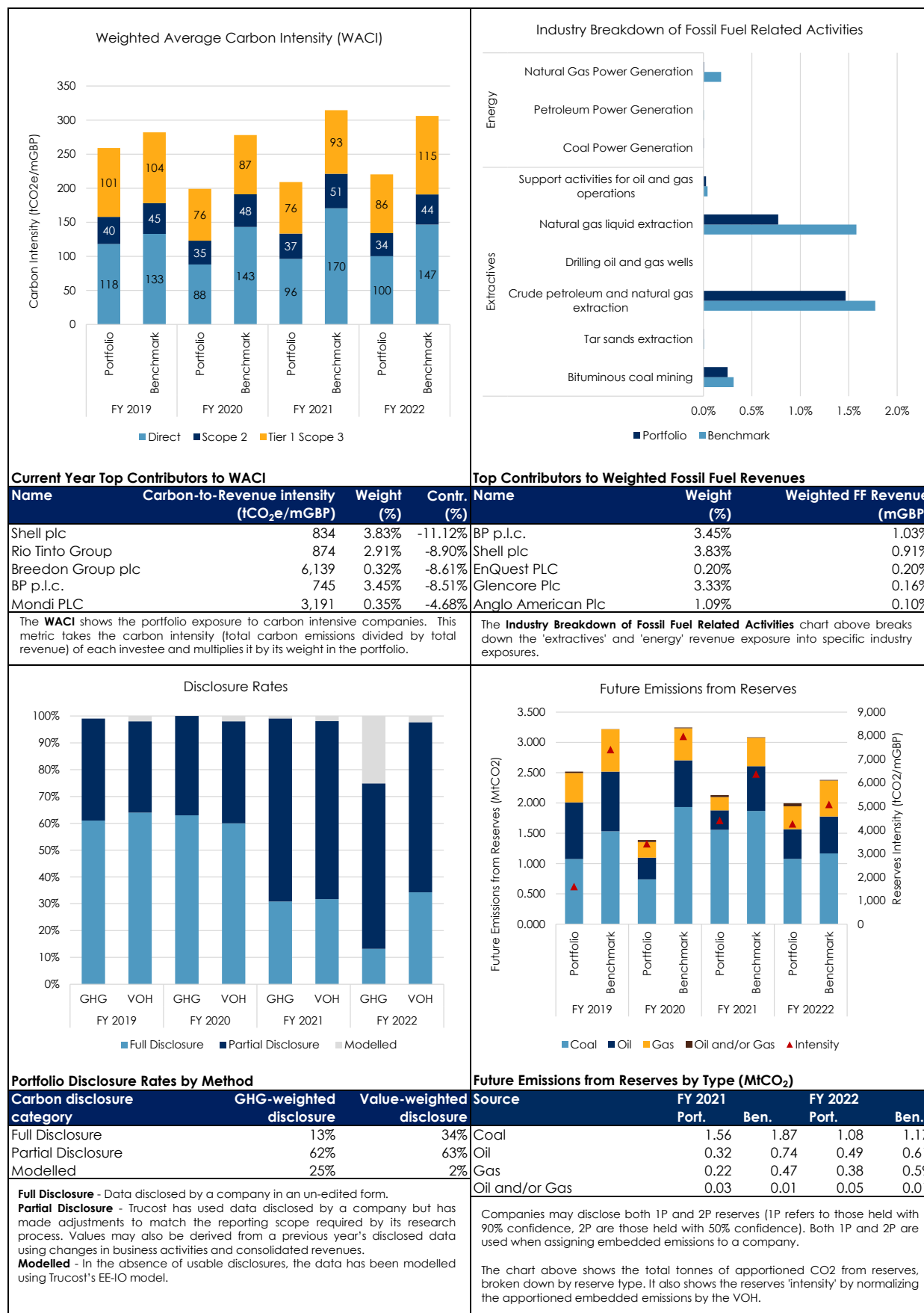
Brunei Emerging Markets Equities vs. MSCI Emerging Markets

2022 Q4



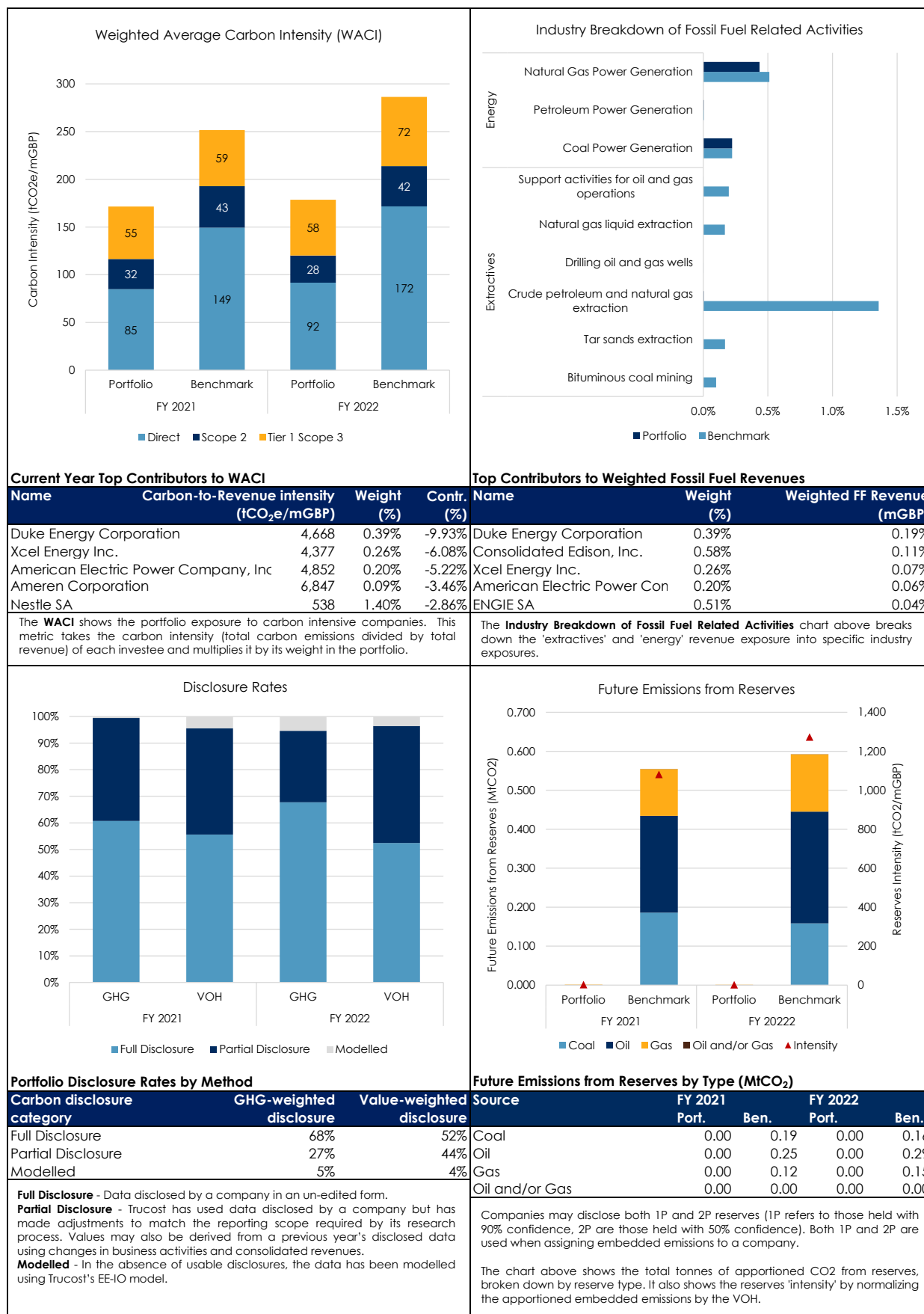
Brunei UK Active Equities vs. FTSE Allshare ex IT

2022 Q4



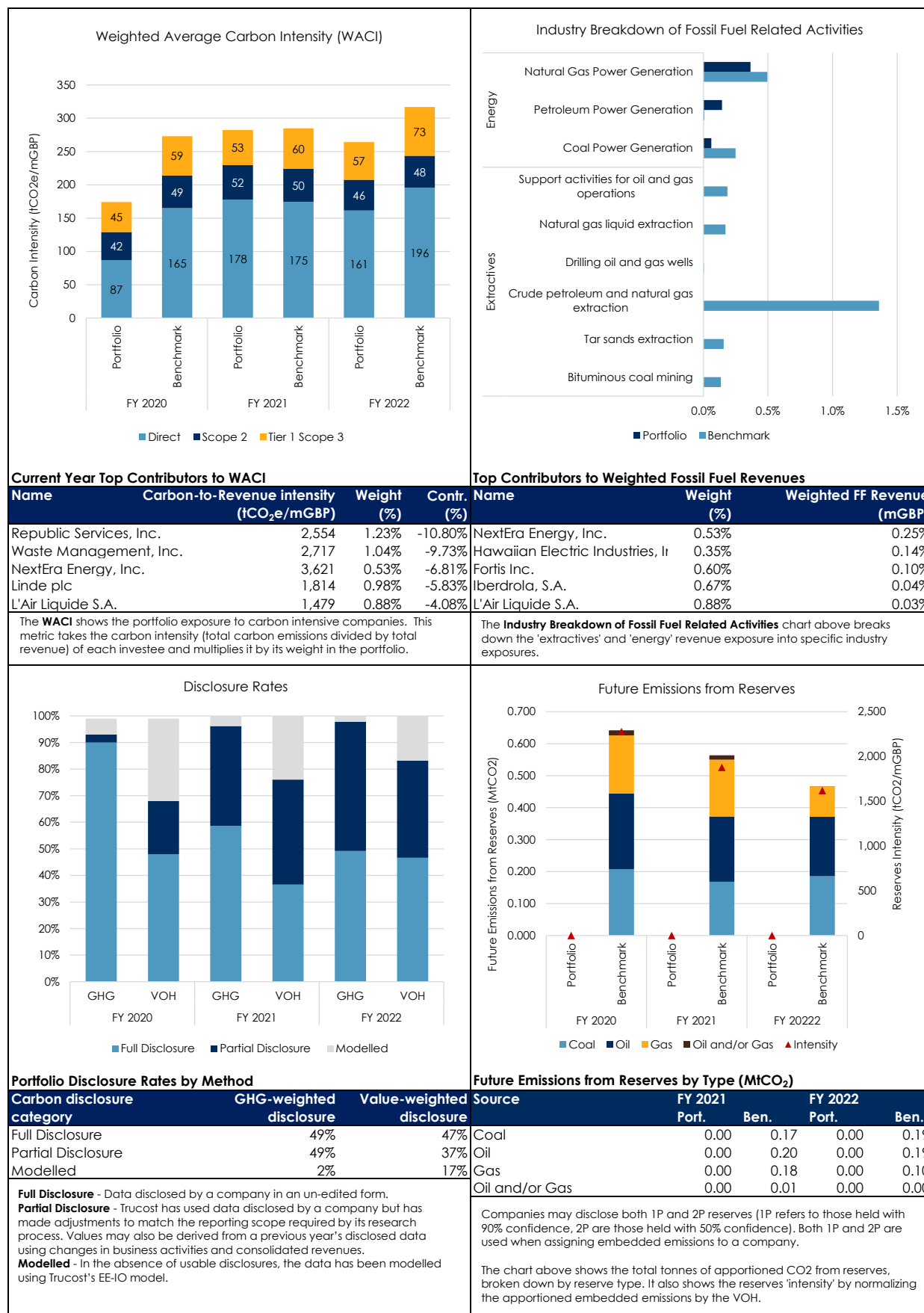
Brunei PAB Passive Global Equities vs. FTSE Developed World

2022 Q4



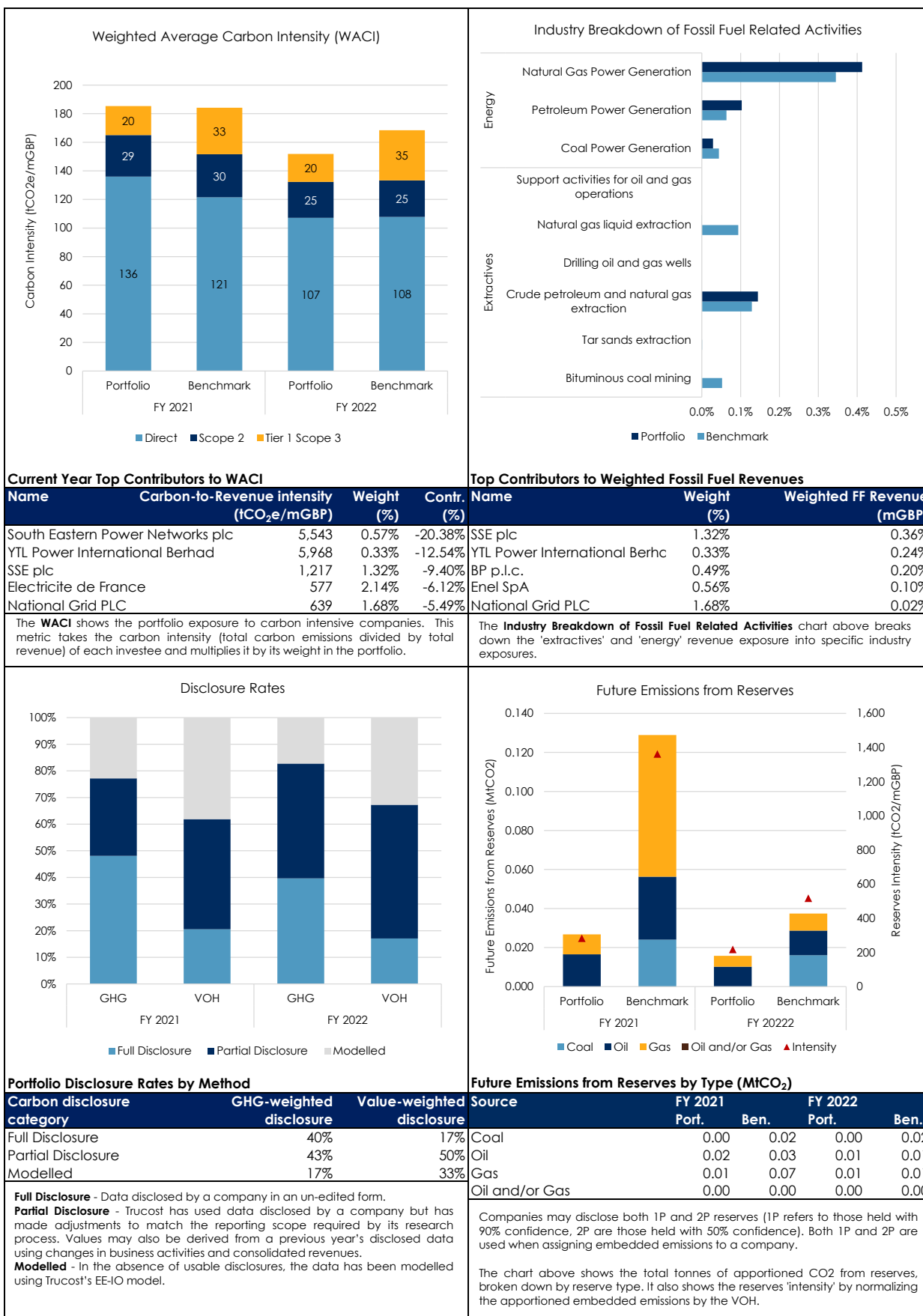
Brunei Global Sustainable Equities vs. MSCI ACWI

2022 Q4



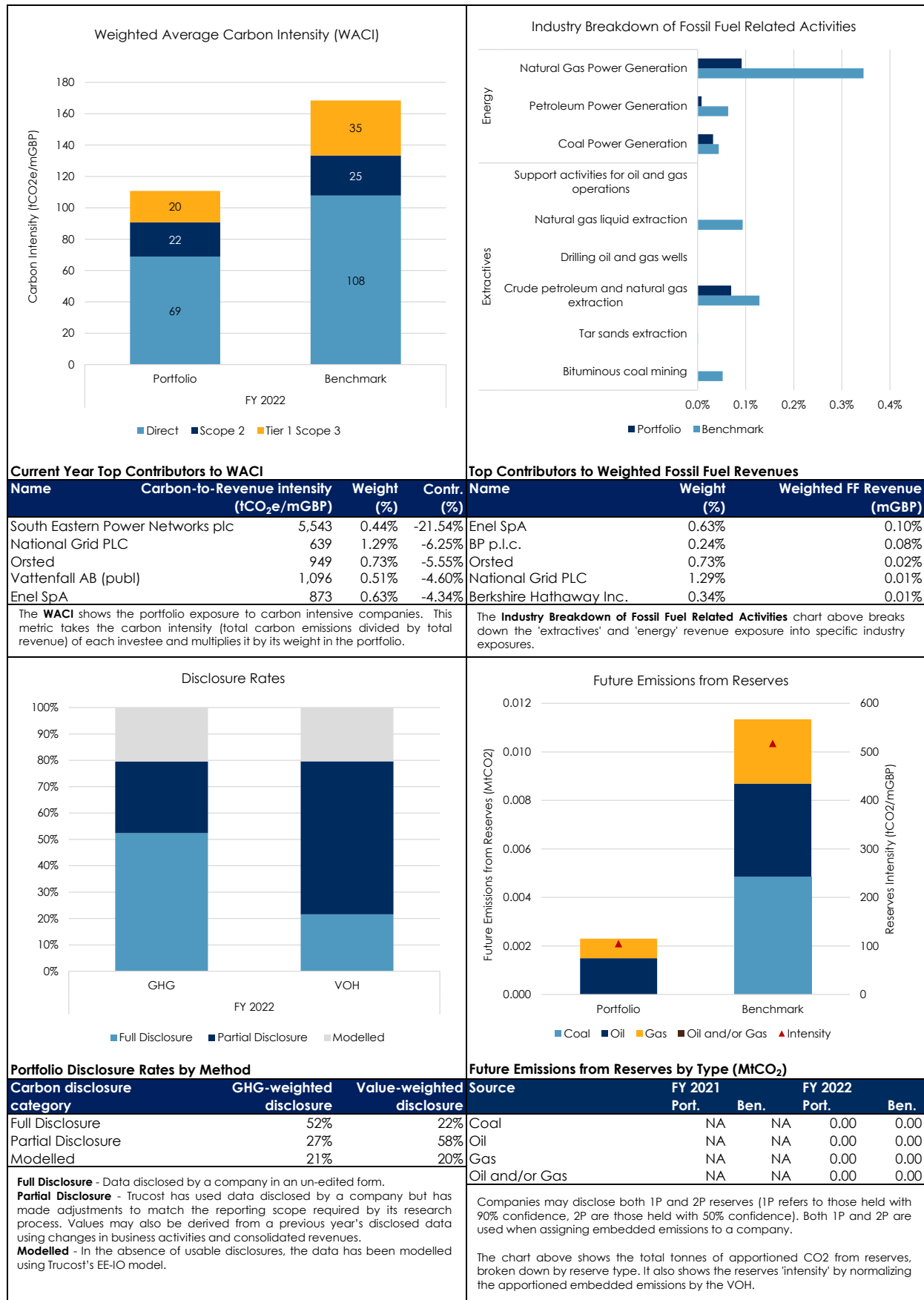
Brunei Sterling Corporate Bonds vs. Markit iBoxx GBP Non-Gilts (All Stocks) Index

2022 Q4



LGIM Core Plus Fund vs. Markit iBoxx GBP Non-Gilts (All Stocks) Index

2022 Q4



Brunel Pension Partnership

Green Revenues and TPI Management Quality Portfolio Profile



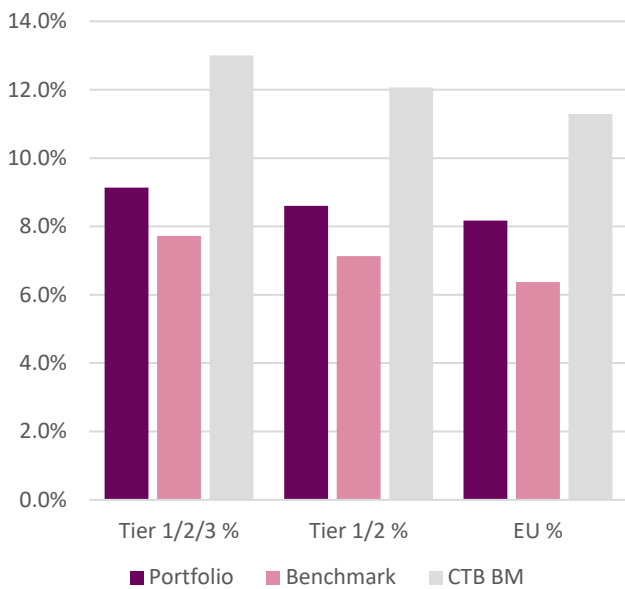
Portfolio name: Brunel Global High Alpha Portfolio
Index name: FTSE All World Developed (awdc) Ex-POL-KOR
CTB comparison: FTSE Developed Climate Transition (CTB) Index (awdectbc) Ex-POL-KOR (AWDXKPC)
Date of holdings: 31/12/2022 (benchmarks as of 30/12)

03/04/2023

Green Revenues

Weighted average of green revenues (GR)

% of GR in total revenues



Coverage rate

% of available data in weights



Data

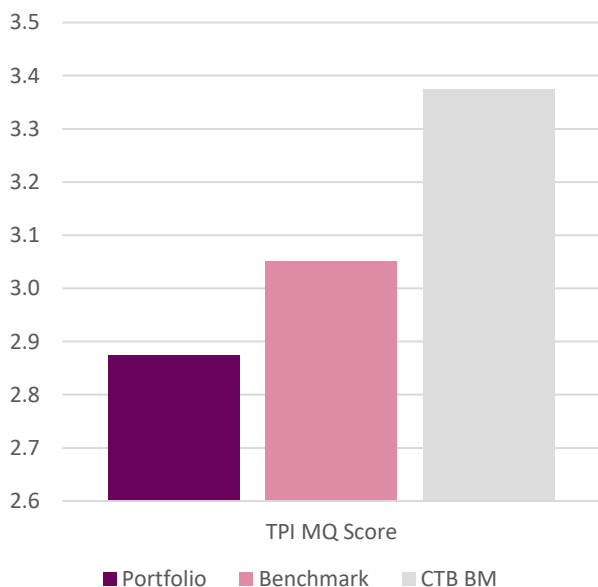
% of GR in total revenues (2021)

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

TPI Management Quality

Weighted average of TPI MQ scores

0-5 scores



Coverage rate

% of available data in weights



Data

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

	TPI MQ Score
Portfolio	2.9
Benchmark	3.1
CTB BM	3.4

Brunel Pension Partnership

Green Revenues and TPI Management Quality Portfolio Profile

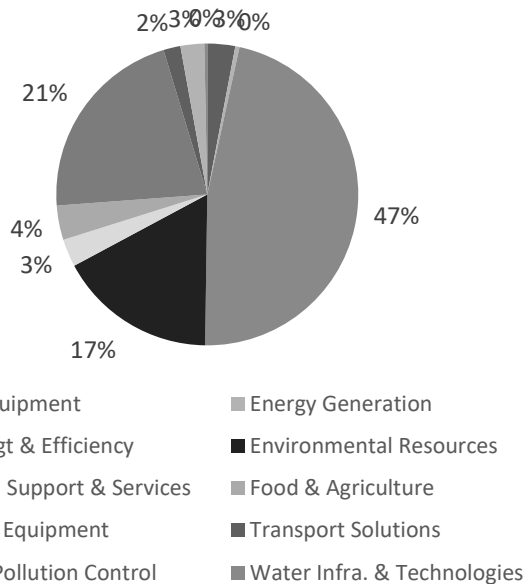


03/04/2023

Green Revenues - Segment breakdown

GR portfolio breakdown by GRCS sector

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



Data

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

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

Green Revenues - Top 10 portfolio contributors

Green revenues - Top portfolio contributors

Top 10 contributors to the weighted average

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

Note: based on portfolio rows (no further aggregation)

Brunel Pension Partnership

Green Revenues and TPI Management Quality Portfolio Profile



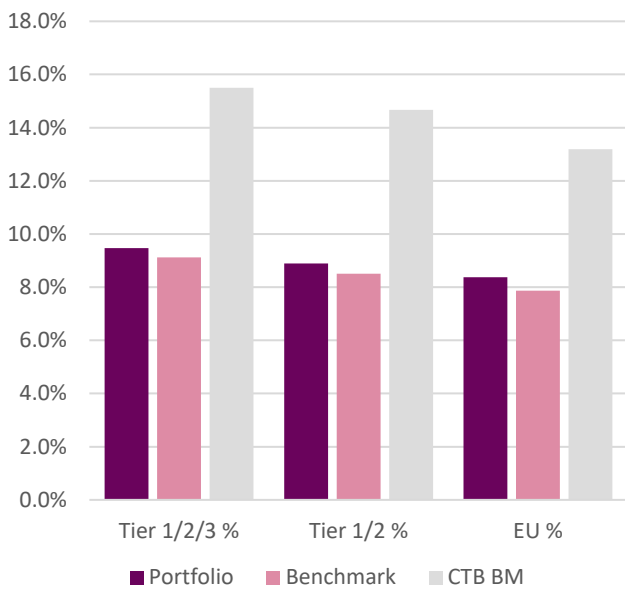
Portfolio name: Brunel Emerging Markets Portfolio
Index name: FTSE Emerging Index (ymbic) Incl-POL-KOR
CTB comparison: FTSE Emerging with Korea and Poland Climate Transition (CTB) Index (aweipkcc)
Date of holdings: 31/12/2022 (benchmarks as of 30/12)

03/04/2023

Green Revenues

Weighted average of green revenues (GR)

% of GR in total revenues



Coverage rate

% of available data in weights



Data

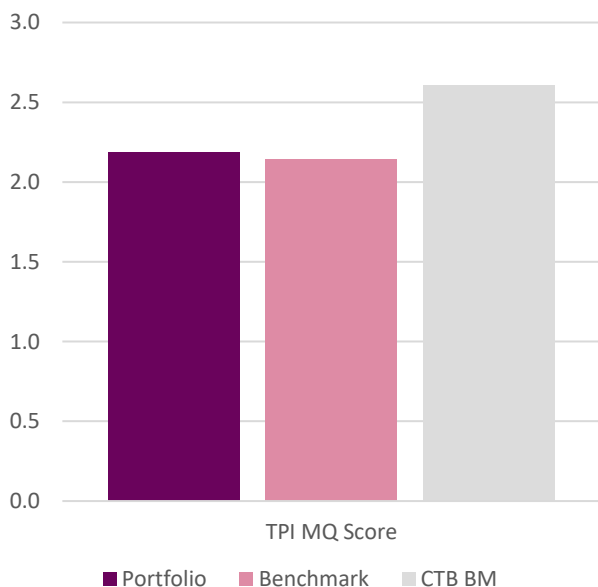
% of GR in total revenues (2021)

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

TPI Management Quality

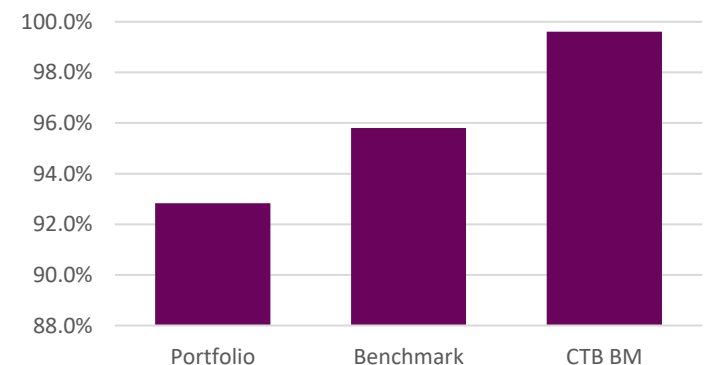
Weighted average of TPI MQ scores

0-5 scores



Coverage rate

% of available data in weights



Data

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

	TPI MQ Score
Portfolio	2.2
Benchmark	2.1
CTB BM	2.6

Brunel Pension Partnership

Green Revenues and TPI Management Quality Portfolio Profile

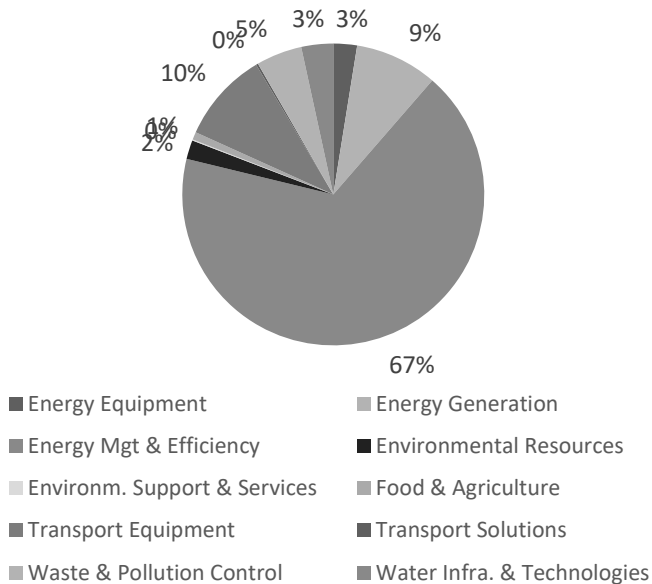


03/04/2023

Green Revenues - Segment breakdown

GR portfolio breakdown by GRCS sector

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



Data

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

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

Green Revenues - Top 10 portfolio contributors

Green revenues - Top portfolio contributors

Top 10 contributors to the weighted average

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

Note: based on portfolio rows (no further aggregation)

Brunel Pension Partnership

Green Revenues and TPI Management Quality Portfolio Profile



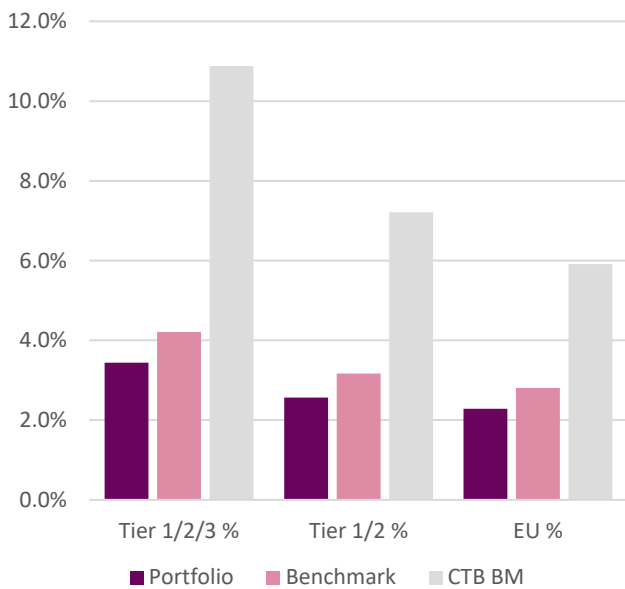
Portfolio name: Brunel UK Active Portfolio
Index name: FTSE All Share (alla) Ex-CEI
CTB comparison: FTSE All-Share Climate Transition (CTB) Index (asxctbc)
Date of holdings: 31/12/2022 (benchmarks as of 30/12)

03/04/2023

Green Revenues

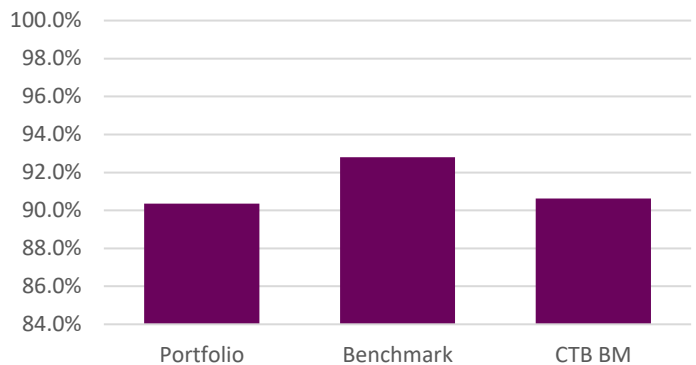
Weighted average of green revenues (GR)

% of GR in total revenues



Coverage rate

% of available data in weights



Data

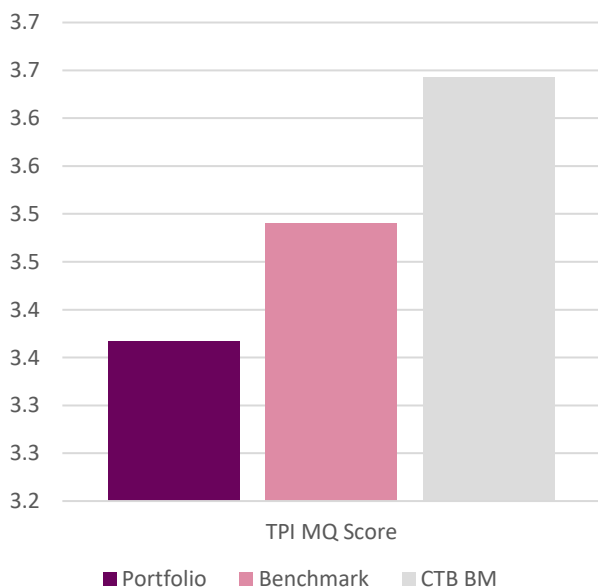
% of GR in total revenues (2021)

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

TPI Management Quality

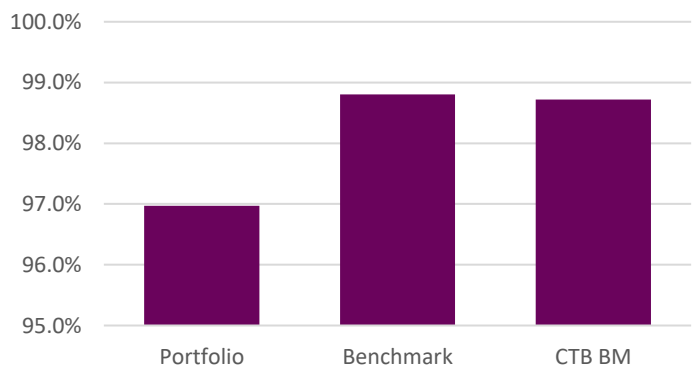
Weighted average of TPI MQ scores

0-5 scores



Coverage rate

% of available data in weights



Data

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

	TPI MQ Score
Portfolio	3.4
Benchmark	3.5
CTB BM	3.6

Brunel Pension Partnership

Green Revenues and TPI Management Quality Portfolio Profile

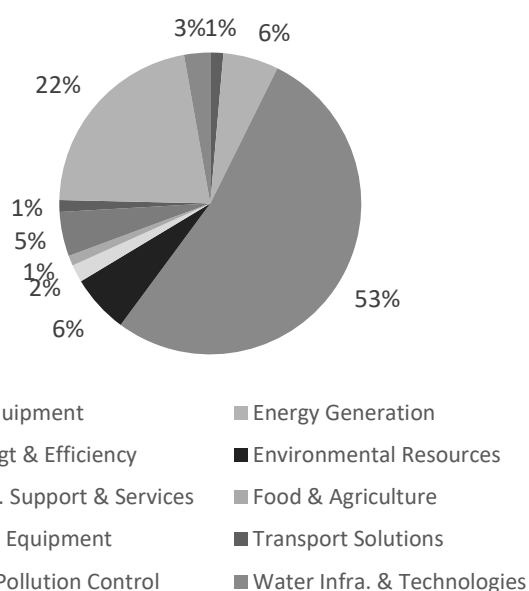


03/04/2023

Green Revenues - Segment breakdown

GR portfolio breakdown by GRCS sector

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



Data

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

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

Green Revenues - Top 10 portfolio contributors

Green revenues - Top portfolio contributors

Top 10 contributors to the weighted average

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

Note: based on portfolio rows (no further aggregation)

Brunel Pension Partnership

Green Revenues and TPI Management Quality Portfolio Profile



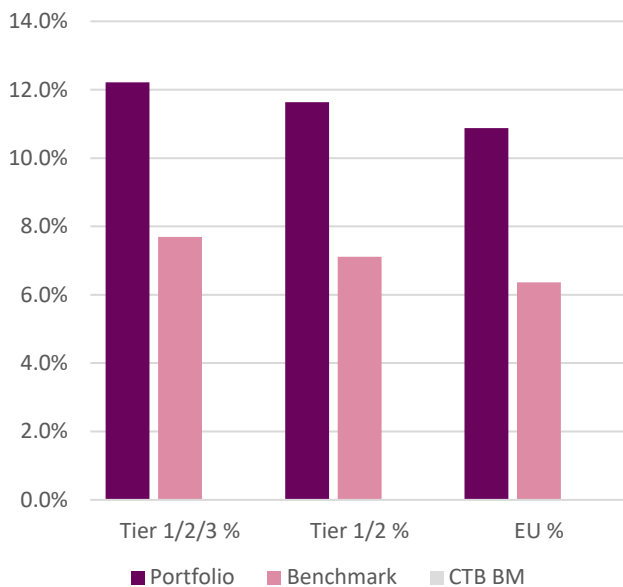
Portfolio name: Brunel - FTSE Paris Aligned World Developed Equity Index Fund (OFC)
Index name: FTSE All World Developed (awdc)
CTB comparison:
Date of holdings: 31/12/2022 (benchmarks as of 30/12)

03/04/2023

Green Revenues

Weighted average of green revenues (GR)

% of GR in total revenues



Coverage rate

% of available data in weights



Data

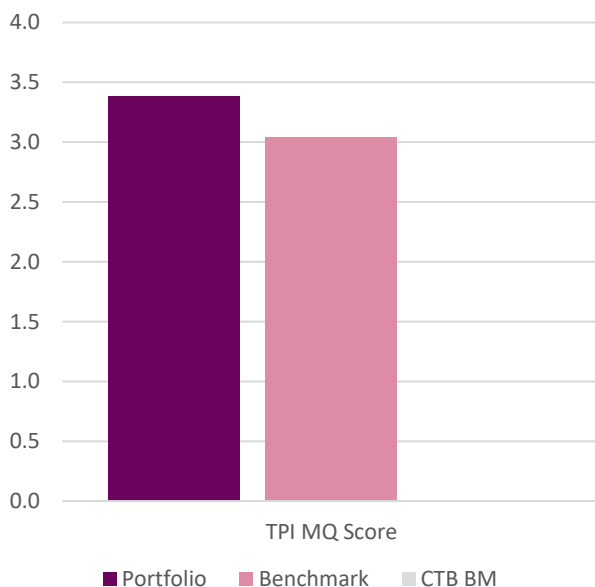
% of GR in total revenues (2021)

	Tier 1/2/3 %	Tier 1/2 %	EU %
Portfolio	12.2%	11.6%	10.9%
Benchmark	7.7%	7.1%	6.4%
CTB BM	na	na	na

TPI Management Quality

Weighted average of TPI MQ scores

0-5 scores



Coverage rate

% of available data in weights



Data

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

	TPI MQ Score
Portfolio	3.4
Benchmark	3.0
CTB BM	na

Brunel Pension Partnership

Green Revenues and TPI Management Quality Portfolio Profile

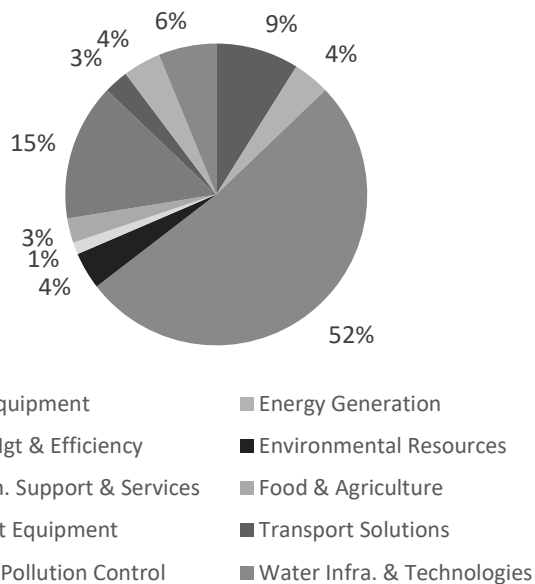


03/04/2023

Green Revenues - Segment breakdown

GR portfolio breakdown by GRCS sector

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



Data

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

Sector	WA contrib.	GR breakdown
Energy Equipment	1.0%	8.9%
Energy Generation	0.5%	3.9%
Energy Mgt & Efficiency	6.0%	51.7%
Environmental Resources	0.5%	4.0%
Environm. Support & Services	0.2%	1.3%
Food & Agriculture	0.3%	2.6%
Transport Equipment	1.7%	14.7%
Transport Solutions	0.3%	2.6%
Waste & Pollution Control	0.5%	4.1%
Water Infra. & Technologies	0.7%	6.2%
Total	11.6%	100.0%

Green Revenues - Top 10 portfolio contributors

Green revenues - Top portfolio contributors

Top 10 contributors to the weighted average

Rank	Company	Rebased Wt	Tier 1/2 %	WA Contrib.
1	MICROSOFT CORP	5.0%	26.6%	1.3%
2	SCHNEIDER ELECTRIC SE	1.5%	67.3%	1.0%
3	TESLA INC	0.8%	100.0%	0.8%
4	AMAZON.COM INC	3.0%	14.3%	0.4%
5	INTERNATIONAL BUSINESS MACHINES CORP	0.9%	33.4%	0.3%
6	VESTAS WIND SYSTEMS A/S	0.3%	100.0%	0.3%
7	TOKYO ELECTRON LTD	0.3%	91.2%	0.3%
8	HONEYWELL INTERNATIONAL INC	2.8%	9.3%	0.3%
9	AMERICAN WATER WORKS CO INC	0.3%	97.0%	0.3%
10	SIEMENS AG	0.8%	30.7%	0.2%

Note: based on portfolio rows (no further aggregation)

Brunei Pension Partnership

Green Revenues and TPI Management Quality Portfolio Profile



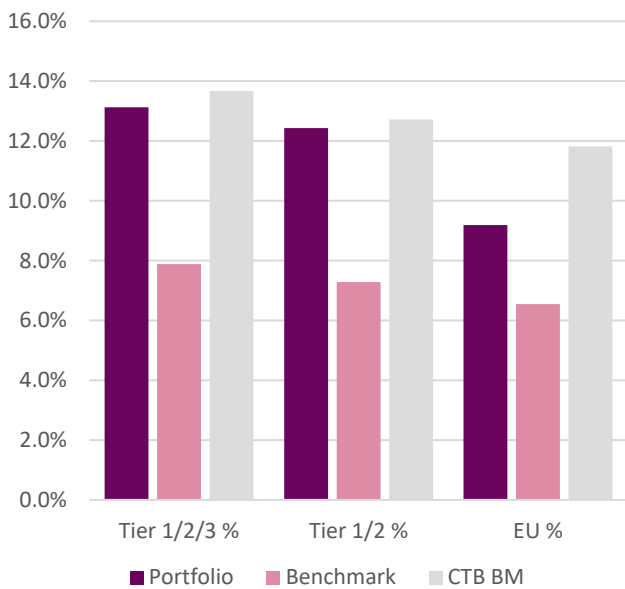
Portfolio name: Brunel Global Sustainable Portfolio
Index name: FTSE All World (awic)
CTB comparison: FTSE All-World Climate Transition (CTB) Index (awectbc)
Date of holdings: 31/12/2022 (benchmarks as of 30/12)

03/04/2023

Green Revenues

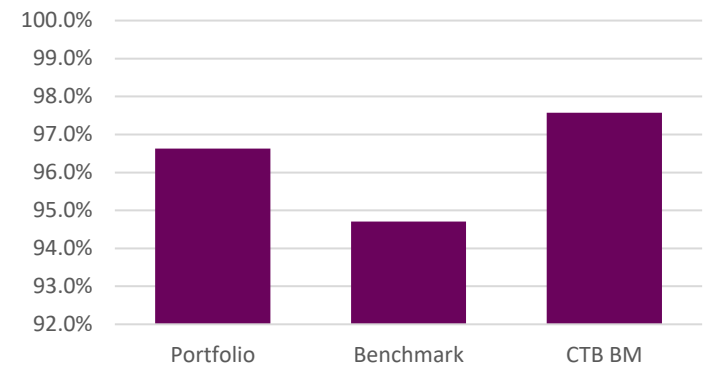
Weighted average of green revenues (GR)

% of GR in total revenues



Coverage rate

% of available data in weights



Data

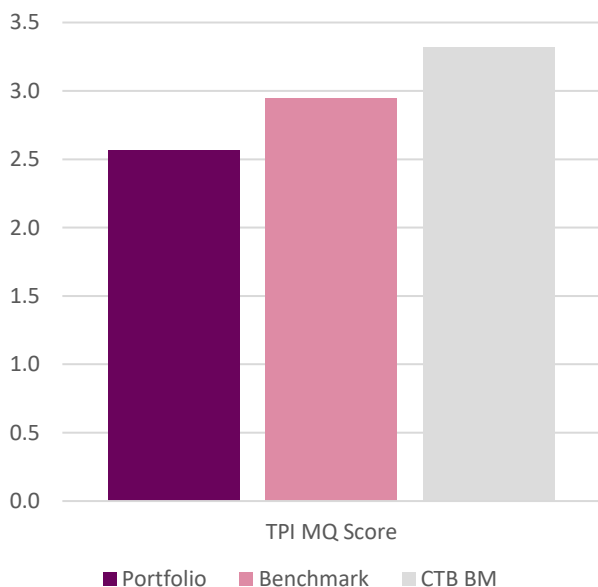
% of GR in total revenues (2021)

	Tier 1/2/3 %	Tier 1/2 %	EU %
Portfolio	13.1%	12.4%	9.2%
Benchmark	7.9%	7.3%	6.5%
CTB BM	13.7%	12.7%	11.8%

TPI Management Quality

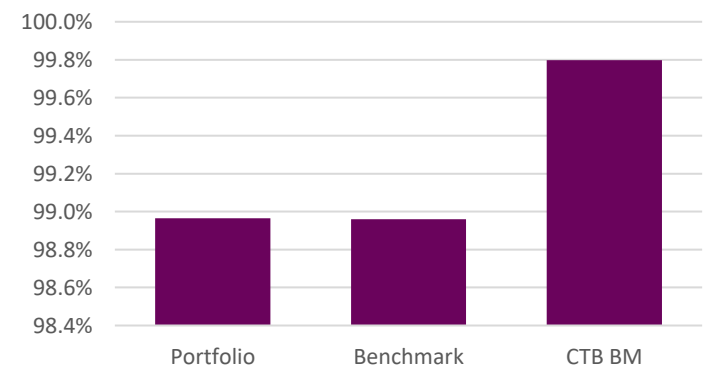
Weighted average of TPI MQ scores

0-5 scores



Coverage rate

% of available data in weights



Data

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

	TPI MQ Score
Portfolio	2.6
Benchmark	2.9
CTB BM	3.3

Brunel Pension Partnership

Green Revenues and TPI Management Quality Portfolio Profile

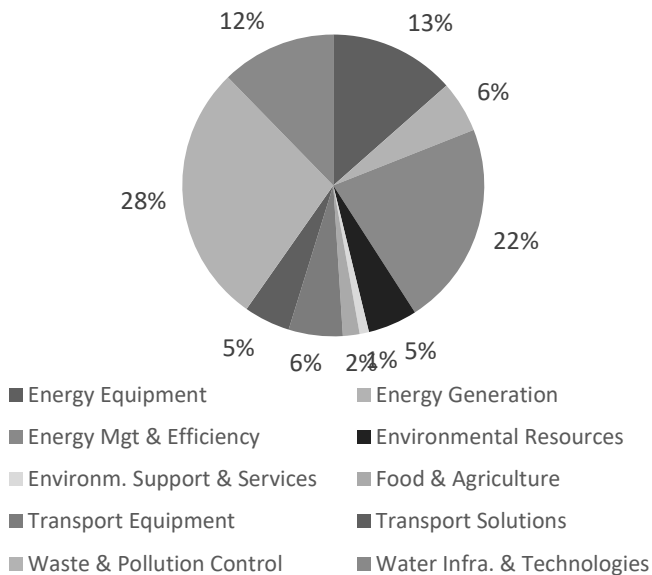


03/04/2023

Green Revenues - Segment breakdown

GR portfolio breakdown by GRCS sector

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



Data

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

Sector	WA contrib.	GR breakdown
Energy Equipment	1.7%	13.5%
Energy Generation	0.7%	5.5%
Energy Mgt & Efficiency	2.7%	21.9%
Environmental Resources	0.7%	5.3%
Environm. Support & Services	0.1%	1.0%
Food & Agriculture	0.2%	1.8%
Transport Equipment	0.7%	5.8%
Transport Solutions	0.6%	5.0%
Waste & Pollution Control	3.5%	28.0%
Water Infra. & Technologies	1.5%	12.3%
Total	12.4%	100.0%

Green Revenues - Top 10 portfolio contributors

Green revenues - Top portfolio contributors

Top 10 contributors to the weighted average

Rank	Company	Rebased Wt	Tier 1/2 %	WA Contrib.
1	REPUBLIC SERVICES INC	1.3%	99.7%	1.3%
2	WASTE MANAGEMENT INC	1.1%	100.0%	1.1%
3	VESTAS WIND SYSTEMS A/S	1.0%	100.0%	1.0%
4	TAIWAN SEMICONDUCTOR MANUFACTURING CO	1.5%	64.0%	1.0%
5	MICROSOFT CORP	2.4%	26.6%	0.6%
6	DANAHER CORP	1.9%	33.9%	0.6%
7	AMERICAN WATER WORKS CO INC	0.5%	97.0%	0.5%
8	ORSTED AS	0.7%	60.1%	0.4%
9	GFL ENVIRONMENTAL INC	0.4%	90.6%	0.4%
10	CENTRAL JAPAN RAILWAY CO	0.6%	60.0%	0.3%

Note: based on portfolio rows (no further aggregation)

Brunel Pension Partnership

Green Revenues and TPI Management Quality Portfolio Profile



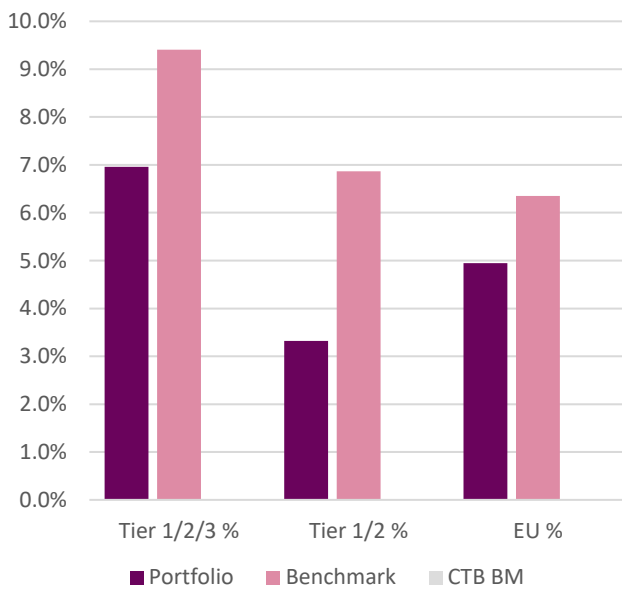
Portfolio name: Brunel Sterling Corporate Bond Fund
Index name: WorldBIG Corporate Index - GBP
CTB comparison:
Date of holdings: 31/12/2022 (benchmarks as of 30/12)

03/04/2023

Green Revenues

Weighted average of green revenues (GR)

% of GR in total revenues



Coverage rate

% of available data in weights



Data

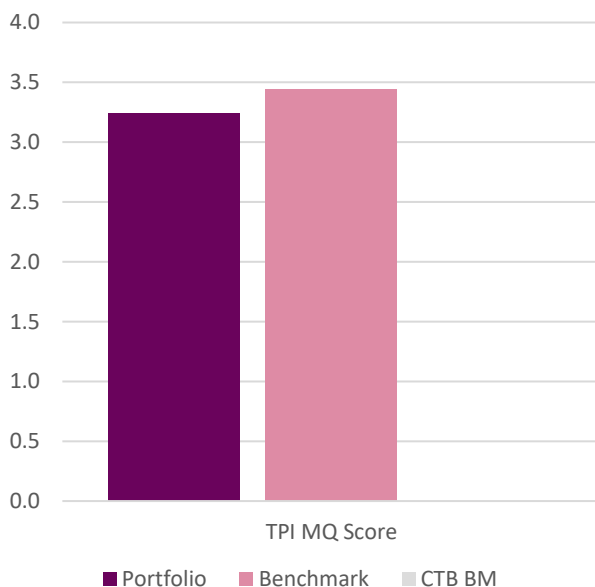
% of GR in total revenues (2021)

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

TPI Management Quality

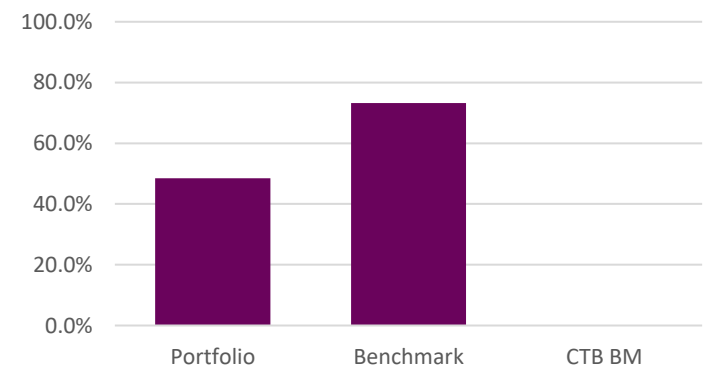
Weighted average of TPI MQ scores

0-5 scores



Coverage rate

% of available data in weights



Data

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

	TPI MQ Score
Portfolio	3.2
Benchmark	3.4
CTB BM	na

Brunel Pension Partnership

Green Revenues and TPI Management Quality Portfolio Profile

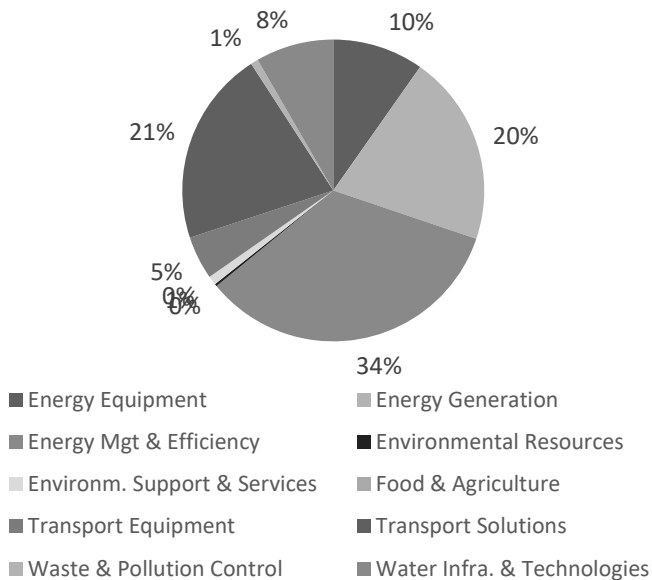


03/04/2023

Green Revenues - Segment breakdown

GR portfolio breakdown by GRCS sector

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



Data

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

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

Green Revenues - Top 10 portfolio contributors

Green revenues - Top portfolio contributors

Top 10 contributors to the weighted average

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

Note: based on portfolio rows (no further aggregation)

Green Revenues definitions

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

Impact in tiers		
Tier 1	Tier 2	Tier 3
Clear & significant	Net positive	Limited
Micro sector examples <ul style="list-style-type: none"> — Solar — Recyclable products & Materials — Waste management 	Micro sector examples <ul style="list-style-type: none"> — Flood control — Cloud computing — Smart city design & Engineering 	Micro sector examples <ul style="list-style-type: none"> — Nuclear — Bio fuels — Key raw materials and minerals

Tier 1 micro sectors*

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

Tier 2 micro sectors*

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

Tier 3 micro sectors*

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

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

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PENSION FUND COMMITTEE – 9 JUNE 2023

REVIEW OF GOVERNANCE POLICY & GOVERNANCE COMPLIANCE STATEMENT

Report by the Director of Finance

RECOMMENDATION

1. **The Committee is RECOMMENDED to approve the revised draft Governance Policy and Governance Compliance Statement attached at Appendix 1 and 2 respectively.**

Introduction

2. Under regulation 55 of the LGPS Regulations 2013, all Funds within the Local Government Pension Scheme (LGPS) in England and Wales are required to publish a Governance Compliance Statement.
3. The regulations prescribe the content of the Governance Compliance Statement/Policy which must also be included in the annual report. The Statement/Policy should outline the overall governance structures and arrangements in place including:
 - the respective roles and responsibilities of the pensions or investments committee, local pensions board and any related sub-committees or advisory panels;
 - membership of each panel, board, committee or sub-committee with details of each member's voting rights, record of attendance at meetings and details of training received;
 - how the CIPFA Knowledge and Skills Framework, and other training requirements, (e.g. for MIFID II and The Pensions Regulator) have been applied;
 - how oversight and governance of the regional asset pool takes place;
 - other key elements of the governance structure (e.g. key officers, risk management arrangements and systems of internal controls);
 - policies and processes for managing conflicts of interest (e.g. Codes of Conduct, Register of Interests).
4. The main updates to Governance Policy which was last reviewed in 2019 includes:
 - Membership of the Pension Fund Committee to reflect the changes to the constitution which were presented to the Committee in March 2021 as a result of the Independent Governance Review carried out by Hymans Robertson. This includes the appointment process for the non-voting representatives;

- Inclusion of a new section on 'Knowledge & Skills', including the Mandatory Training Policy and rules on substitute members.
 - A few additional points within the 'Operational Procedures' section covering:
 - (1) Overview of risk register, internal controls, policies and processes for managing conflicts of interests;
 - (2) Governance arrangements for the Brunel Pension Partnership;
 - (3) Reference to the newly established 'Governance Team' within the 'Informal Governance Arrangements'.
5. As a consequence of the changes to the Governance Policy, the Fund is now fully compliant across all headings and criteria as set out in the Governance Compliance Statement included as Appendix 2 to this report.

Lorna Baxter
Director of Finance

Contact Officer: Mukhtar Master
Tel: 07732 826419

June 2023

Oxfordshire Pension Fund

Governance Policy Statement

Introduction

1. This is the Governance Policy Statement of the Oxfordshire Local Government Pension Scheme (LGPS) Pension Fund, as required under Section 55 of the Local Government Pension Scheme Regulations 2013.
2. As required by the Regulations, the Statement covers:
 - Whether the Administering Authority delegates its functions in relation to maintaining a pension fund to a committee, sub-committee or officer of the Authority;
 - The frequency of any committee/sub-committee meetings;
 - The terms of reference, structure and operational procedures in relation to the use of the delegated powers; and
 - Whether the Committee includes representatives of scheme employers, and scheme members, and if so, whether they have voting rights.

Governance of the Oxfordshire Pension Fund

3. Under the Government requirements for a Cabinet structure in local government, the management of the pension fund is seen as a non-executive function i.e. the Cabinet or equivalent body should not carry it out.
4. Oxfordshire County Council, acting as Administering Authority for the Fund, has determined to delegate all functions relating to the maintenance of a pension fund to the Pension Fund Committee.

Oxfordshire Pension Fund Committee – Terms of Reference

5. Under the terms of the County Council's constitution, the terms of reference for the Pension Fund Committee are:
 - The functions relating to local government pensions etc specified in Paragraph 1 in Schedule H of Schedule 1 to the Functions Regulations, together with functions under Section 21 of the Oxfordshire Act 1985 (division of county superannuation fund).
 - The functions under the Firefighter's Pension Schemes specified in Paragraph 2 in Section H of Schedule 1 to the Functions Regulations.

6. A more detailed interpretation of these terms of reference includes the following:
- a) respond as appropriate to the Government on all proposed changes to the Local Government Pension Scheme
 - b) regularly review and approve the asset allocation for the pension fund's investment
 - c) approve and maintain the fund's Investment Strategy Statement
 - d) approve and maintain the fund's Funding Strategy Statement
 - e) approve and maintain the fund's Governance Policy Statement
 - f) approve and maintain the fund's Communications Policy Statement
 - g) review the performance of the fund,
 - h) appoint an actuary, and independent financial advisor(s), for the fund
 - i) approve an annual report and statement of accounts for the fund
 - j) approve an annual budget and business plan for the investment and administration of the fund
 - k) consider, and if appropriate, approve applications of employers to become admitted bodies to the fund
 - l) consider all other relevant matters to the investment and administration of the fund.

Membership of the Committee

7. The Committee's members shall be appointed by full Council and shall comprise
- 5 County Councillors
 - 1 Representative of the City and District Councils of Oxfordshire
 - 2 Academy sector representatives
 - 1 Oxford Brookes University representative
 - 1 Pension Scheme Member representative.
8. The 5 County Councillor members of the Committee shall have full voting rights. The other 5 representatives are all non-voting members of the Committee.
9. No person can substitute for an appointed member of the Committee unless they have completed the necessary training as set out in the Skills and Knowledge section below.
10. The County Councillors will be appointed to reflect the political composition of the County Council. Councillors will normally serve a 4-year term in line with the County Council elections, subject to any changes agreed by the full Council.
11. The non-voting representatives will also normally serve a minimum of a 4-year term, to be reviewed following the County Council elections and the appointment of the new voting members. The City and District

Council representatives will be chosen by Leaders of the respective Councils. The representatives of the Academy sector will be selected by the proprietor bodies of the Oxfordshire academies. The Oxford Brookes University representative will be selected by the Governing Body of the University. The scheme member representative will be selected by the local branch of Unison.

12. In 2021 changes were made to the constitution of the Pension Fund Committee as a result of an Independent Review of the Pension Fund carried out by Hymans Robertson. The main driver for the recommended changes were to ensure the representation of the key Scheme Employers on the Fund. The changes were consistent with best practice guidance from the LGPS Scheme Advisory Board. The changes resulted in a reduction of the membership of the Committee by two and changes to the representation of Scheme Employers as outlined above. However, only the County Council representatives have voting rights to protect the Administering Authority's ultimate legal responsibility for the administration of the Fund through the County Council.

Knowledge & Skills

13. All members appointed to the Committee must participate in a training programme to ensure that the Committee as a whole has the appropriate skills and knowledge to fully undertake its statutory responsibilities. In summary all Committee Members would be required to
 - a. attend:
 - In their 1st year – an induction session on the Oxfordshire Pension Funds Policies, and either
 - ◆ The 3-day LGA Fundamentals Course or
 - ◆ The 5 Core and 4 DB on-line modules of the Pension Regulators Trustee Toolkit
 - In each subsequent year – all pre-Committee training, and a minimum of 2 days additional training.
 - b. complete the annual Knowledge Assessment exercise run by Hymans Robertson; and
 - 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.
14. The Fund will produce an Annual Training Plan based on a training needs assessment for the Committee and Board. It is a mandatory requirement for Committee and Board members to undertake the required training.

15. The Fund will produce an Annual Report which includes details of Committee and Board member training records and attendance.

Operational Procedures

16. The Committee will operate under the terms of conduct set out for all Committees of the County Council. The Committee will meet quarterly, with formal agendas published in advance according to the requirements on all County Council Committees. The Committee will meet in public, unless required to go into exempt session in accordance with Part 1 of Schedule 12A of the Local Government Act 1972.
17. At each meeting, the Committee will receive reports on the investment performance of the Fund. The Brunel Company will be invited to attend meetings as appropriate, and answer questions from the Committee on the performance of the various portfolios relative to their specifications, and on the underlying performance of the Fund Managers.
18. Each meeting of the Committee will be attended by the appointed independent investment advisor(s) who will provide advice on all investment matters. This advice will include drawing to the committee's attention, all appropriate matters associated with the performance of the Brunel company.
19. Any member of the public has the right to seek to address the Committee by making a formal request in advance of the meeting.
20. The Committee will consult formally with all employers on issues where it has a statutory duty to do so, before it undertakes the responsibilities set out above. This includes the formal consultation with all employers before agreeing the Investment Strategy Statement, and the Funding Strategy Statement, and any significant subsequent changes.
21. The Committee oversee and review various other aspects of the fund including the risk register, internal controls, policies and processes for managing conflicts of interest (e.g. Codes of Conduct, Register of Interests).
22. The governance arrangements for the Brunel Pension Partnership investment pool are set out in the Shareholders Agreement and supported by the Service Agreement signed by the Brunel company and the 10 partnership LGPS funds. Oversight of the performance of the Brunel company is undertaken by the Brunel Oversight Board which consists of one member representing each Fund. Oxfordshire's representative is selected following the establishment of the new Committee after the full Council elections and is currently the Deputy Chairman of the Committee. The Shareholders Agreement sets out those matters which can only be taken forward following a vote of the

10 shareholders – Oxfordshire have delegated the responsibility for exercising their vote to the Section 151 Officer.

23. As listed in the Council's schemes of delegation, some additional responsibilities for functions specifically related to pension fund activities have been delegated to officers by the Pension Fund Committee.

Local Pension Board

24. Under the Local Government Pension Scheme (Amendment) (Governance) Regulations 2015, the Committee have established a Local Pension Board. The role of the Board is to assist the Pension Committee (in its role as Scheme Manager), to secure compliance with the Regulations and all associated legislation, and to ensure the efficient and effective governance and administration of the scheme.
25. The Board has been established with 3 employer representatives, 3 scheme member representatives and a non-voting independent chairman.
26. The Board will meet on a quarterly basis, or more frequently as required. The full constitution of the Board is available on the Pension Fund's website.

Informal Governance Arrangements

27. As well as the formal governance arrangements as set out above, the Pension Fund Committee will hold an Annual Forum to which all scheme employers are invited. This Forum will cover a review of investment performance, as well as any other items relevant at that time.
28. The Committee will also hold ad hoc communication and consultation meetings to which all employers will be invited, and issue ad hoc communication and consultation documents to all employers, where it is deemed appropriate to obtain the views of all employers, before undertaking the responsibilities as set out above.
29. The Fund have established a new Governance Team with a Governance & Communications Manager and an Officer. The team is tasked with supporting the Committee and Board on all governance matters, including:
- The General Code of Practice;
 - The Risk Register;
 - The Breaches Register;
 - The Training Plan.

June 2023

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Oxfordshire Pension Fund

Governance Compliance Statement

Principle A – Structure

a.	The management of the administration of benefits and strategic management of fund assets clearly rests with the main committee established by the appointing council.	Compliant
b.	That representatives of participating LGPS employers, admitted bodies and scheme members (including pensioner and deferred members) are members of either the main or secondary committee established to underpin the work of the main committee.	Compliant
c.	That where a secondary committee or panel has been established, the structure ensures effective communication across both levels.	Not Applicable
d.	That where a secondary committee or panel has been established, at least one seat on the main committee is allocated for a member from the secondary committee or panel.	Not Applicable

Please use this space to explain reasons for non-compliance

Please use this space if you wish to add anything to explain or expand on the ratings given above:

Oxfordshire County Council acting as Administering Authority has determined to delegate all functions relating to the management of the Pension Fund to the Pension Fund Committee.

Principle B – Representation

a.	That all key stakeholders are afforded the opportunity to be represented within the main or secondary committee structure. These include: <ul style="list-style-type: none"> • Employing authorities (including non-scheme employers e.g. admitted bodies) • Scheme members (including deferred and pensioner scheme members) • Where appropriate, Independent professional observers, and • Expert advisors (on an ad hoc basis) 	Compliant
b.	That where lay members sit on a main or secondary committee, they are treated equally in terms of access to papers and meetings, training and are given full opportunity to contribute to the decision-making process, with or without voting rights.	Compliant

Please use this space to explain reasons for non-compliance

Please use this space if you wish to add anything to explain or expand on the ratings given above:

The Governance Policy makes provision for the largest employers to be represented on the Committee.

Principle C – Selection and Role of Lay Members

a.	That committee or panel members are made fully aware of the status role and function they are required to perform on either a main or secondary committee.	Compliant
b.	That at the start of any meeting, Committee members are invited to declare any financial or pecuniary interest related to specific matters on the agenda.	Compliant

Please use this space to explain reasons for non-compliance

Please use this space if you wish to add anything to explain or expand on the ratings given above:

Principle D – Voting

a.	The policy of individual administering authorities on voting rights is clear and transparent, including the justification for not extending voting rights to each body or group represented on main LGPS committees.	Compliant
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Please use this space to explain reasons for non-compliance

Please use this space if you wish to add anything to explain or expand on the ratings given above:

Only the County Councillor members of the Committee have a vote to ensure that the interests of the County Council as Administering Authority are appropriately protected, and to avoid the need for unwieldy numbers to protect the majority voting position for the majority party on the Council as required under the Local Government Act. This position is set out in full in the Governance Policy.

Principle E – Training/Facility Time/Expenses

a.	That in relation to the way in which statutory and related decisions are taken by the administering authority, there is a clear policy on training, facility time and reimbursement of expenses in respect of members involved in the decision-making process.	Compliant
b.	That where such a policy exists, it applies equally to all members of committees, sub-committees, advisory panels or any other form of secondary forum.	Compliant
c.	That the Administering Authority considers the adoption of annual training plans for Committee members and maintains a log of all such training undertaken.	Compliant

Please use this space to explain reasons for non-compliance

Please use this space if you wish to add anything to explain or expand on the ratings given above:

The Committee approve a training budget each year as a specific part of the business planning purpose. Training sessions are arranged to take place before all Committee meetings. External training courses are brought to the attention of Committee members. Training is provided free of charge, with all legitimate expenses reimbursed.

Principle F – Meetings (frequency/quorum)

a.	That an administering authority's main committee or committee meet at least quarterly	Compliant
b.	That an administering authority's secondary committee or panel meet at least twice a year and is synchronised with the dates when the main committee sits.	Non Applicable
c.	That administering authorities who do not include lay members in their formal governance arrangements, provide a forum outside of those arrangements by which the interests of key stakeholders can be represented.	Compliant

Please use this space to explain reasons for non-compliance

Please use this space if you wish to add anything to explain or expand on the ratings given above:

In addition to the quarterly meetings of the main Pension Fund Committee, the Fund arranges an annual Pension Fund Forum, attended by Committee Members, to which all employers are invited.

Principle G – Access

a.	That subject to any rules in the council's constitution, all members of main and secondary committees or panels have equal access to committee papers, documents and advice that falls to be considered at meetings of the main committee.	Compliant
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Please use this space to explain reasons for non-compliance

Please use this space if you wish to add anything to explain or expand on the ratings given above:

All information on which decisions at the main Committee are based is equally available to all Members. A monthly briefing is provided to the Chair and the Deputy Chair.

Principle H – Scope

a.	That administering authorities have taken steps to bring wider scheme issues within the scope of their governance arrangements.	Compliant
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Please use this space to explain reasons for non-compliance

Please use this space if you wish to add anything to explain or expand on the ratings given above:

The Pension Fund Committee is responsible for all aspects of managing the pension fund, and receives reports on both investment and scheme administration issues. The terms of reference include the wide power to consider all relevant investment and administration issues.

Principle I – Publicity

a.	That administering authorities have published details of their governance arrangements in such a way that stakeholders with an interest in the way in which the scheme is governed can express an interest in wanting to be part of those arrangements.	Compliant
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Please use this space to explain reasons for non-compliance

Please use this space if you wish to add anything to explain or expand on the ratings given above:

Division(s): n/a

PENSION FUND COMMITTEE – 9 JUNE 2023

REVIEW OF BREACHES POLICY

Report by the Director of Finance

RECOMMENDATION

1. **The Committee is RECOMMENDED to**
 - a) **approve the revised draft Breaches Policy attached at Appendix 1.**
 - b) **Determine what further information they wish to receive on a quarterly basis to enable them to meet their statutory duties in respect of actual breaches, and mitigate the risks of potential breaches.**

Introduction

1. There are various legislative and regulatory requirements for Pension Funds regarding breaches:
 - i) Under the Pensions Act 2004, the Fund must report breaches of the law relating to the administration of the Pension Fund to the Pension Regulator and where data breaches occur to the Information Commissioner;
 - ii) The UK General Data Protection Regulation (UK GDPR) apply to the processing of personal data;
 - iii) The Pension Regulator's Code of Practice 14 provides practical guidance in relation to this legal requirement to Pension Funds. (N.B. This will shortly be superseded by the new General Code of Practice).
3. The Pension Regulator's Code of Practice 14 covers the following areas:
 - Implementing adequate procedures;
 - Judging whether a breach must be reported;
 - Submitting a report to The Pensions Regulator;
 - Whistleblowing protection and confidentiality;
4. The breaches policy was last reviewed at the June 2019 Pension Fund Committee Meeting.
5. The main updates to Breaches Policy includes:
 - Inclusion of the requirements of the UK General Data Protection Regulation (UK GDPR);

- Inclusion of a new section on 'Types of Breaches' which outlines the two types of breaches which can occur, namely data breaches and code of practice breaches;
 - A new section on 'Internal Procedures' which provides a step by step procedures which need to be followed once a breach has been identified;
 - A new section on 'Reporting a Data Breach to the Information Commission (ICO)'.
5. The Policy includes a section on reporting requirements which includes a quarterly report to this Committee which sets out the details of any breaches incurred, including the number and type of breaches, plus the action taken. The Policy also outlines the need for an escalation policy on breaches of regulations in respect of the payment of contributions, which is currently being developed.
6. The Committee should note that when we previously reported a material breach of regulations to the Pension Regulator in respect of the failure to issue Annual Benefit Statements, the Pension Regulator focused on the role of the Committee. In particular, they wanted to know what information the Committee had received both in advance of the breach and in respect of the breach itself, and what actions the Committee had taken. It was clear that the Pension Regulator saw the Committee as the responsible body.
7. The Committee should therefore consider whether they are currently getting sufficient information which highlights the risk of a potential breach of regulations in sufficient for them to take remedial action, and whether they are getting sufficient information on actual breaches and the impact of the actions being taken to mitigate the risk in future.

Lorna Baxter
Director of Finance

Contact Officer: Mukhtar Master
Tel: 07732 826419

June 2023

A Procedure for Reporting Breaches of the Law to the Pensions Regulator

Oxfordshire Pension Fund

Introduction

- 1 In April 2015 the Pensions Regulator (the Regulator) published its Code of Practice no 14 (the Code) *Governance and administration of public service pension schemes*. This is not a statement of law of itself, but nonetheless it carries great weight. In some respects it is like the Highway Code, in that some of its contents refer to statutory items, whilst others are advisory. The Courts may however also rely on the latter. In the same way, if determining whether any pensions related legal requirements have been met, a court or tribunal must take into account the Code. This code will shortly be sub-sumed into a new General Code of Practice.
- 2 Subject to the legislative and regulatory requirements of the Code of Practice, the Pensions Act 2004 and the UK General Data Protection Regulation (UK GDPR), there is a statutory duty to report material breaches of the law to the Regulator or the Information Commissioner (ICO). To assist, the Code states that a procedure should be established to ensure that those with a responsibility to make reports are able to meet their legal obligations. This document is that procedure, which relates to all of the Fund's areas of operation.
- 3 Much of the text herein is drawn from the Code itself. Where it has been, the Regulator's copyright applies.
- 4 If you have any questions about this procedure and:
 - You are a member of the Pension Fund Committee, Local Pension Board or you are an external adviser, please contact the Head of Pensions by emailing pension.services@oxfordshire.gov.uk;
 - You are an actuary, auditor or other external agent; please contact the Head of Pensions
 - You represent an employer; please contact the Pensions Services Manager by emailing pension.employers@oxfordshire.gov.uk;
 - You are an officer of the Fund, and you work in Administration, please contact Pension Services Manager or Head of Pensions

Legal requirements

- 5 Stakeholders are required to report breaches of the law to the Regulator where they have reasonable cause to believe that:
 - A legal duty which is relevant to the administration of the scheme has not been, or is not being, complied with;
 - The failure to comply is likely to be of material significance to the Regulator in the exercise of any of its functions.
- 6 Stakeholders who are subject to the reporting requirement ('reporters') for public service pension schemes are:
 - Scheme managers (meaning, in the case of the OPF the Pension Fund Committee)

- Members of the pension board - any person who is otherwise involved in the administration of the Fund (all of the Fund's officers);
- Employers, and any participating employer who becomes aware of a breach should consider their statutory duty to report, regardless of whether the breach relates to, or affects, members who are its employees or those of other employers;
- Professional advisers including auditors, actuaries, legal advisers and fund managers; and
- Any person who is otherwise involved in advising the managers of the scheme in relation to the scheme (and thus the Fund's External advisers).

Reasonable cause

- 7 Having 'reasonable cause' to believe that a breach has occurred means more than merely having a suspicion that cannot be substantiated.
- 8 Reporters should ensure that where a breach is suspected, they carry out checks to establish whether or not a breach has in fact occurred. For example, a member of a funded pension scheme may allege that there has been a misappropriation of scheme assets where they have seen in the annual accounts that the scheme's assets have fallen. However, the real reason for the apparent loss in value of scheme assets may be due to the behaviour of the stock market over the period. This would mean that there is not reasonable cause to believe that a breach has occurred.
- 9 Where the reporter does not know the facts or events around the suspected breach, it will usually be appropriate to consult the Head of Pensions or Pension Services Manager, regarding what has happened. It would not be appropriate to check in cases of theft, suspected fraud or other serious offences where discussions might alert those implicated or impede the actions of the police or a regulatory authority. Under these circumstances the reporter should alert the Regulator without delay.
- 10 If the reporter is unclear about the relevant legal provision, they should clarify their understanding of the law to the extent necessary to form a view.
- 11 In establishing whether there is reasonable cause to believe that a breach has occurred, it is not necessary for a reporter to gather all the evidence which the Regulator may require before taking legal action. A delay in reporting may exacerbate or increase the risk of the breach.

Material significance

- 12 In deciding whether a breach is likely to be of material significance to the Regulator, it would be advisable for the reporter to consider the:
 - Cause of the breach;
 - Effect of the breach;

- Reaction to the breach; and
 - The wider implications of the breach.
- 13 When deciding whether to report, those responsible should consider these points together. Reporters should take into account expert or professional advice, where appropriate, when deciding whether the breach is likely to be of material significance to the Regulator.
- 14 The breach is likely to be of material significance to the Regulator where it was caused by:
- Dishonesty;
 - Poor governance or administration;
 - Slow or inappropriate decision making practices;
 - Incomplete or inaccurate advice; or
 - Acting (or failing to act) in deliberate contravention of the law.
- 15 When deciding whether a breach is of material significance, those responsible should consider other reported and unreported breaches of which they are aware. However, historical information should be considered with care, particularly if changes have been made to address previously identified problems.
- 16 A breach will not normally be materially significant if it has arisen from an isolated incident, for example resulting from teething problems with a new system or procedure, or from an unusual or unpredictable combination of circumstances. But in such a situation, it is also important to consider other aspects of the breach such as the effect it has had and to be aware that persistent isolated breaches could be indicative of wider scheme issues.

Effect of the breach

- 17 Reporters need to consider the effects of any breach, but with the Regulator's role in relation to public service pension schemes and its statutory objectives in mind, the following matters in particular should be considered likely to be of material significance to the Regulator:
- Local Board and Pension Fund Committee members not having the appropriate degree of knowledge and understanding, which may result in the Board not fulfilling its role, the Fund not being properly governed and administered and/or the Pension Fund Committee breaching other legal requirements;
 - Local Board and Pension Fund Committee members having a conflict of interest, which may result in them, being prejudiced in the way that they carry out their role, ineffective governance and administration of the scheme and/or the Pension Fund Management Panel breaching legal requirements;

- Adequate internal controls not being established and operated, which may lead to the Fund not being run in accordance with the Scheme's Regulations and other legal requirements, risks not being properly identified and managed and/or the right money not being paid to or by the Fund at the right time;
- Accurate information about benefits and Scheme administration not being provided to Scheme members and others, which may result in members not being able to effectively plan or make decisions about their retirement;
- Appropriate records not being maintained, which may result in member benefits being calculated incorrectly and/or not being paid to the right person at the right time;
- Anyone involved with the administration or management of the Fund misappropriating any of its assets, or being likely to do so, which may result in assets not being safeguarded; and
- Any other breach which may result in the Fund being poorly governed managed or administered.

18 Reporters need to take care to consider the effects of the breach, including any other breaches occurring as a result of the initial breach and the effects of those resulting breaches.

Reaction to the breach

- 19 Where prompt and effective action is taken to investigate and correct the breach and its causes and, where appropriate, notify any affected members, the Regulator will not normally consider this to be materially significant.
- 20 A breach is likely to be of concern and material significance to the Regulator where a breach has been identified and those involved:
- Do not take prompt and effective action to remedy the breach and identify and tackle its cause in order to minimise risk of recurrence;
 - Are not pursuing corrective action to a proper conclusion;
 - Fail to notify affected scheme members where it would have been appropriate to do so.

Wider implications of the breach

- 21 Reporters should consider the wider implications of a breach when they assess which breaches are likely to be materially significant to the Regulator. For example, a breach is likely to be of material significance where the fact that the breach has occurred makes it appear more likely that other breaches will emerge in the future. This may be due to the scheme manager or pension board members having a lack of appropriate knowledge and understanding to fulfil their responsibilities or where other pension schemes may be affected. For instance, public service pension schemes administered by the same organisation may be detrimentally affected where a system failure has caused the breach to occur.

Types of Breaches

Data Breaches;

22. Where a breach of security leads to the accidental or unlawful destruction, loss, alteration, unauthorised disclosure of, or access to, personal data. This includes breaches that are the result of both accidental or deliberate causes. It also means that a breach is more than just about losing personal data.
23. A personal data breach can be broadly defined as a security incident that has affected the confidentiality, integrity or availability of personal data.

TPR Code of Practice Breaches:

24. These can occur for a wide variety of tasks normally associated with the administrative function of the scheme including but not limited to: -
25. **Scheme Record keeping** - Failure of employers to provide timely and accurate data for the scheme manager to fulfil their legal obligations such as when an employee joins or leaves the scheme, changes their circumstances or transfers employment between scheme employers;
26. **Maintaining contributions** - Contribution breaches occur when an employer fails to make a timely payment or consistently pays an incorrect amount. The fund are currently developing and implementing an 'Employer Contribution Escalation Policy'. The policy will clearly outline the employer responsibility for payment and the fund steps for escalation which would ultimately lead to a contribution breach;
27. **Provision of information to members** - Failure to disclose information about benefits and scheme administration to relevant parties including provision of annual benefit statements to scheme members or other information as outlined under the Disclosure of Information Regulations 2013.

Examples of Code of Practice breaches

Example 1

28. An employer is late in paying over employee and employer contributions, and so late that it is in breach of the statutory period for making such payments. It is contacted by officers from the administering authority, it immediately pays the moneys that are overdue, and it improves its procedures so that in future contributions are paid over on time. In this instance there has been a breach but members have not been adversely affected and the employer has put its house in order regarding future payments. The breach is therefore not material to the Regulator and need not be reported.

Example 2

29. An employer is late in paying over employee and employer contributions, and so late that it is in breach of the statutory period for making such payments. It is also late in paying AVCs to the Prudential. It is contacted by officers from the administering authority, and it eventually pays the moneys that are overdue, including AVCs to the Prudential. This has happened before, with there being no evidence that the employer is putting its house in order. In this instance there has been a breach that **is** relevant to the Regulator, in part because of the employer's repeated failures, and also because those members paying AVCs will typically be adversely affected by the delay in the investing of their AVCs.

Example 3

30. An employer is late in submitting its statutory year-end return of pay and contributions in respect of each of its active members and as such it is in breach. Despite repeated reminders it still does not supply its year-end return. Because the administering authority does not have the year-end data it is unable to supply, by 31 August, annual benefit statements to the employer's members. In this instance there has been a breach which **is** relevant to the Regulator, in part because of the employer's failures, in part because of the enforced breach by the administering authority, and also because members are being denied their annual benefits statements.

Example 4

31. A member of the Pension Fund Committee, who is also on the Property Working Group, owns a property. A report is made to the Property Working Group about a possible investment by the Fund, in the same area in which the member's property is situated. The member supports the investment but does not declare an interest and is later found to have materially benefitted when the Fund's investment proceeds. In this case a material breach **has** arisen, not because of the conflict of interest, but rather because the conflict was not reported.

Example 5

32. A pension overpayment is discovered and thus the administering authority has failed to pay the right amounts to the right person at the right time. A breach **has** therefore occurred. The overpayment is however for a modest amount and the pensioner could not have known that (s) he was being overpaid. The overpayment is therefore waived. In this case there is no need to report the breach as it is not material.

Example of a Data Breach

33. Common examples of data breaches would be when the pensions administration inadvertently send information containing personal member

data, such as pension estimates, annual statements or other information to a wrong address or email. If the breach is for only one member, then that would not be a material breach. However, if the data breach involved many members, then the breach would be material.

Internal Procedure

34. Steps to follow once a breach has been identified:

- a. Record/Report breach on the internal breaches log (Excel) and on SASHA (<https://sasha.oxfordshire.gov.uk/support/home>). The internal breaches log can be found in the following location:
- b. Report breach to the Governance & Communications Team. At this point a determination and assessment of whether the breach is material is made in consultation with the Head of Fund. (See Paragraph 35 for how a material breach is reported to the Regulator). At this point, at the discretion of the Head of Fund, the Chair of the Pension Fund Committee may be informed and consulted;
- c. Quarterly Reporting of breaches to the Pension Fund Committee and the Local Pension Board. Each quarter Committee and Board will receive a report providing the following information on breaches:
 - Number of breaches;
 - Types of breaches (Data or Code of Practice);
 - Action taken.

Reporting a Code of Practice Breach to the Regulator

35. Before you submit a report you should obtain clarification of the law around the suspected breach. If:
- You are a member of the Pension Fund Management Panel, Advisory Panel, Local Board or you are an external adviser, please contact the Head of Pensions
 - You are an actuary, auditor or other external agent; please contact the Head of Pensions
 - You represent an employer; please contact the Pensions Services Manager;
 - You are an officer of the Fund and you work in Administration, please contact your Pension Services Manager or Head of Pensions.
36. The person you contact will consider in the round whether the Regulator would regard the breach as being material. They will also clarify any facts, if required. If the case is a difficult one they will seek advice, as required.
37. Some matters could be urgent, if for example a fraud is imminent, whilst others will be less so. Non-urgent but material breaches should be reported to the

Regulator within 30 working days of them being confirmed, and in the same time breaches that are not material should be recorded.

38. Some breaches could be so serious that they must always be reported, for example a theft of funds by anyone involved with the administration or management of the Fund. It is difficult to be definitive about what constitutes a breach that must always be reported, but one test is: might it reasonably lead to a criminal prosecution or a serious loss in public confidence?
39. Any report that is made (which must be in writing and made as soon as reasonably practicable) should be dated and include as a minimum:
 - Full name of the Fund;
 - Description of the breach or breaches;
 - Any relevant dates;
 - Name of the employer or scheme manager (where known);
 - Name, position and contact details of the reporter; and
 - Role of the reporter in relation to the Fund.
40. Additional information that would help the Regulator includes:
 - The reason the breach is thought to be of material significance to the Regulator;
 - The address of the Fund;
 - The pension scheme's registry number (if available); and
 - Whether the concern has been reported before.
41. Reporters should mark urgent reports as such and draw attention to matters they consider particularly serious. They can precede a written report with a telephone call, if appropriate.
42. Reporters should ensure they receive an acknowledgement for any report they send to the Regulator. Only when they receive an acknowledgement can the reporter be confident that the Regulator has received their report.
43. The Regulator will acknowledge all reports within five working days of receipt, however it will not generally keep a reporter informed of the steps taken in response to a report of a breach as there are restrictions on the information it can disclose.
44. The reporter should provide further information or reports of further breaches if this may help the Regulator to exercise its functions. The Regulator may make contact to request further information.
45. Breaches should be reported as soon as reasonably practicable, which will depend on the circumstances. In particular, the time taken should reflect the seriousness of the suspected breach.

46. In cases of immediate risk to the Fund, for instance, where there is any indication of dishonesty, the Regulator does not expect reporters to seek an explanation or to assess the effectiveness of proposed remedies. They should only make such immediate checks as are necessary. The more serious the potential breach and its consequences, the more urgently reporters should make these necessary checks. In cases of potential dishonesty, the reporter should avoid, where possible, checks which might alert those implicated. In serious cases, reporters should use the quickest means possible to alert the Regulator to the breach.

Reporting a Data Breach to the Information Commission (ICO)

47. You do not need to report every breach to the Information Commissioner and should consider the likelihood and severity of the risk to people's rights and freedoms, following the breach. If a risk is likely, you must notify the Information Commissioner; if a risk is unlikely, you don't have to report it. However, if you decide you don't need to report the breach, you need to be able to justify this decision, and document it.
48. A personal data breach should be reported to the Information Commissioner without undue delay (if it meets the threshold for reporting) and within 72 hours. Reports can be made by calling the Information Commissioner helpline on 0303 123 1113 or by completing the online form on the ICO website.

Whistleblowing protection and confidentiality

49. The Pensions Act 2004 makes clear that the statutory duty to report overrides any other duties a reporter may have such as confidentiality and that any such duty is not breached by making a report. The Regulator understands the potential impact of a report on relationships, for example, between an employee and their employer.
50. The statutory duty to report does not, however, override 'legal privilege'. This means that oral and written communications between a professional legal adviser and their client, or a person representing that client, while obtaining legal advice, do not have to be disclosed. Where appropriate a legal adviser will be able to provide further information on this.
51. The Regulator will do its best to protect a reporter's identity (if desired) and will not disclose the information except where lawfully required to do so. It will take all reasonable steps to maintain confidentiality, but it cannot give any categorical assurances as the circumstances may mean that disclosure of the reporter's identity becomes unavoidable in law. This includes circumstances where the regulator is ordered by a court to disclose it.
52. The Employment Rights Act 1996 (ERA) provides protection for employees making a whistleblowing disclosure to the regulator. Consequently, where individuals employed by firms or another organisation having a statutory duty to report disagree with a decision not to report to the regulator, they may have

protection under the ERA if they make an individual report in good faith. The Regulator expects such individual reports to be rare and confined to the most serious cases.

Oxfordshire County Council whistleblowing procedure

53. The Council has its own whistleblowing procedure. The person contacted about the potential breach, eg, the Solicitor to the Fund, will take this into account when assessing the case.

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Division(s): n/a

ITEM

PENSION FUND COMMITTEE – 9 JUNE 2023

RISK REGISTER

Report by the Director of Finance

RECOMMENDATION

1. **The Committee is RECOMMENDED to:**
 - i) **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.**
 - ii) **Endorse the request from the Fire Service for additional resource to support with work of the remedy workload and the 'second options' exercise for all on call fire fighters**

Introduction

2. Previously, the Committee has agreed that the risk register should form a standard item for each quarterly meeting. A copy of the report also goes to each meeting of the Pension Board for their review. Any comments from the Pension Board are included in their report to this meeting.
3. 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. 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.
4. A number of the mitigation plans are directly linked to the key service priorities identified in the Annual Business Plan. This report should therefore be considered in conjunction with the business plan report elsewhere on this agenda.

Comments from the Pension Board

5. At their meeting on 5 May 2023, the Pension Board considered the latest risk register and there were no comments to feedback.

New Emerging Risk

6. A new emerging risk is Risk 24 - Lack of administrative resources and knowledge to administer the Fire Fighters Pension Schemes, specifically with additional remedy workload and second options exercise for on call fire fighters.

There is also a key person risk within the current administration arrangements for the Fire Fighters Pension Schemes.

7. The risk is both to the Fire Service in respect of the effective management of their workforce, and to Pension Services who provide the administration services under a service level agreement with the Fire Service. Without mitigation, the potential impact of this risk has led to it being rated a Red.
8. Following discussions with the Fire Service, it is proposed to mitigate this risk through the recruitment of an additional administrator who would initially work within the Fire Service to collate the information requirements associated with remedy and the second options exercise, and then work alongside the Pension Services Team to support the completion of this work. The new post would be funded by the Fire Service.

Increasing Risk

9. 'Risk 19 – Failure of Pooled Vehicles to meet local objectives' has increased from a Green to an Amber. There have been recent difficulties in recruitment and retention within Brunel compounded by delays in the partner funds agreeing changes to the Remuneration Policy. Whilst there is now agreement on the Remuneration Policy there will be further delaying in recruiting to the vacant positions and reviewing the business model to ensure future resilience.

Reducing Risk

10. Risk 15 is in relation to Fund officers having sufficient skills and knowledge to carry out their roles effectively has been reduced in risk rating. Progress has been made in relation to this risk through the recruitment of the new RI Officer and the regrading of the Governance & Communications Officer/Manager posts. The industry-wide issue of recruitment and retention still continues to be a problem and as such will require Funds to produce a Workforce Strategy as part of the 'Good Governance' Project, sometime during 2023. However, due to the progress the risk has reduced from a Red to an Amber.
11. Risk 17 in respect of data breaches has been reduced from an Amber to Green following the completion of the cyber security review, and the review of the Breaches Policy to ensure it including data breaches as well as breaches of the pension scheme regulations.

Same Risk

12. Two of the remaining five Amber risks relate to the skills and knowledge of the Pension Fund Committee and the Local Pension Board. The new Training Plan 23/24 was agreed at the last Committee meeting. A new version of Hyman's Online Academy has gone live and circulated to all Committee and Board Members. Additionally, a training event has been organised for the 27th June to cover the two areas highlighted from last year's National Knowledge Assessment results.

13. The final Amber risks relates to the resources and data requirements associated with implementation of the McCloud remedy. This remains Amber until we receive the final regulations from the Government and can complete the assessment of the data and resources necessary to complete the work required.

Lorna Baxter
Director of Finance

Contact Officer: Mukhtar Master
Tel: 07732 826419

June 2023

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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

	Risk requires urgent attention
	Risks needs to be kept under regular review
	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)

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.	Service Manager	Triennial Asset Allocation Review after Valuation.	4	1	4	↔			4	1	4	June 2023	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.	Service Manager	Monthly cash flow monitoring and retention of cash reserves.	4	1	4	↔			4	1	4	June 2023	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.	Service Manager	Monthly cash flow monitoring and retention of cash reserves.	3	1	3	↔			3	1	3	June 2023	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.	3	2	6	↔			3	2	6	June 2023	At Target
5	Actual results vary to key financial assumptions in Valuation	LGPS	Funding	Market Forces	Long Term - Pension deficit not closed.	Service Manager	Actuarial model is based on 5,000 economic scenarios, rather than specific financial assumptions.	3	2	6	↔			3	2	6	June 2023	At Target
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	ESG Policy within Investment Strategy Statement 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	June 2023	At Target.

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		
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	June 2023	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 employing under-writing deficit, or bond put in place.	3	2	6	↔			3	2	6	June 2023	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	June 2023	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	June 2023	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	June 2023	At Target
12	Insufficient resources from Committee to deliver responsibilities-	LGPS	Operational	Budget Reductions	Breach of Regulation	Service Manager	Annual Budget Review as part of Business Plan.	4	1	4	↔			4	1	4	June 2023	At Target
13	Insufficient Skills and Knowledge on Committee	LGPS	Operational	Poor Training Programme	Breach of Regulation. Loss of Professional Investor Status under MIFID II	Service Manager	Training Review	4	2	8	↔	Implement new training plan 23/24	December 2023	4	1	4	June 2023	Review in light of latest National Knowledge Assessment scores at December 2023 Committee.
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	Service Manager	Training Policy	4	2	8	↔	Implement new training plan 23/24	December 2023	4	1	4	June 2023	Review in light of latest National Knowledge Assessment scores at December 2023 Committee.

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		
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.	Service Manager	Training Plan. Control checklists. Use of staff from 3 rd party agencies	3	2	6	↓	Complete recruitment/procurement of additional staff. Urgent piece of work with HR to support payment of Market Supplements and ensuring appropriate pay grades for new posts – pending the Workforce Strategy required next year as part of the 'Good Governance' Project from Central Government.	Sept 2023	3	1	3	June 2023	Awaiting publication of the Good Governance Project proposals.
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	↔			4	1	4	June 2023	At Target
17	Breach of Data Security	LGPS / FPS	Operational	Poor Controls	Breach of Regulation, including GDPR	Pension Services Manager	Security Controls, passwords etc. GDPR Privacy Policy and Cyber Security Policy.	4	1	4	↓			4	1	4	June 2023	At Target
18	Failure to Meet Government Requirements on Pooling	LGPS	Governance	Inability to agree proposals with other administering authorities.	Direct Intervention by Secretary of State	Service Manager	Full engagement within Brunel Partnership	5	1	5	↔	Review once Government publish revised pooling guidance.	TBC	5	1	5	June 2023	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	Service Manager	Full engagement within Brunel Partnership	4	2	8	↑	Agree changes to Remuneration Policy and review arrangements to ensure resilience of business model.	On-going	4	1	4	June 2023	Above Target

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		
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.	In sufficient cash to pay pensions requiring a change to investment strategy and an increase in employer contributions	Service Manager	Engagement with key projects to ensure impacts fully understood	4	1	4	↔	Need to Review in light of current Government consultation to switch HE and FE employers to Designating Bodies, and potential reclassification and introduction of a Government guarantee.	TBC	4	1	4	June 2023	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	Engagement through SAB/LGA to understand potential implications and regular communications with scheme employers about potential retrospective data requirements.	4	3	12	↔	Signed up with the LGPS Framework. Now in procurement process to get additional resource to support the McCloud Project. Review resources for FPS	On-Going	2	2	4	June 2023	Awaiting Government response to consultation exercise on new Regulations to assess full impact.
22	Legal Challenge on basis of age discrimination in Firefighters Pension Schemes - Sergeant	FPS	Governance (FPS)	Pressure from Fire Brigades Union to act in advance of new Regulations	Court Order to deliver remedy	Deputy Chief Fire Officer	Seeking to follow consistent approach in line with Scheme Advisory Board guidance.	4	1	4	↔			4	1	4	June 2023	At Target.
23	Loss of strategic direction	LGPS / FPS	Governance	Loss of key person	Short term lack of direction on key strategic issues	Director of Finance	Governance & Communications Manager has started and as a consequence provides resilience to the team.	2	1	2	↔			2	1	2	June 2023	At Target.
24	NEW RISK: Lack of administrative resources and knowledge for FPS, specifically with additional remedy workload and second options exercise for on call fire fighters.	FPS	Operational (FPS)	Court judgements have created additional work. Also, concern that there is a key person risk.	Breach of Regulation, Errors in Payments, and ineffective scheme member engagement. Reputational damage to OCC	Deputy Chief Fire Officer / Pension Services Manager	Initial discussions have taken place – options 1. appoint new FPS administrator. 2. outsource administrative function, which was discounted.	4	3	12	↑	Seek PFC agreement for FRS to appoint additional administrator to collate data required for remedy and second options exercise and then to work in tandem with Pension Administrators to complete work required. This is at cost to FRS.	TBC	2	2	4	June 2023	Seek PFC agreement that this is the best option to mitigate the risk of being unable to deliver remedy or second options exercise.

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PENSION FUND COMMITTEE – 09 JUNE 2023

ADMINISTRATION REPORT

Report by the Director of Finance

RECOMMENDATION

The Committee is **RECOMMENDED** to

- a) **Note the progress against the Administration objectives for the year; and**
- b) **Decide what additional information they require to be included in this report.**

Executive Summary

- 1. 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.

Staffing

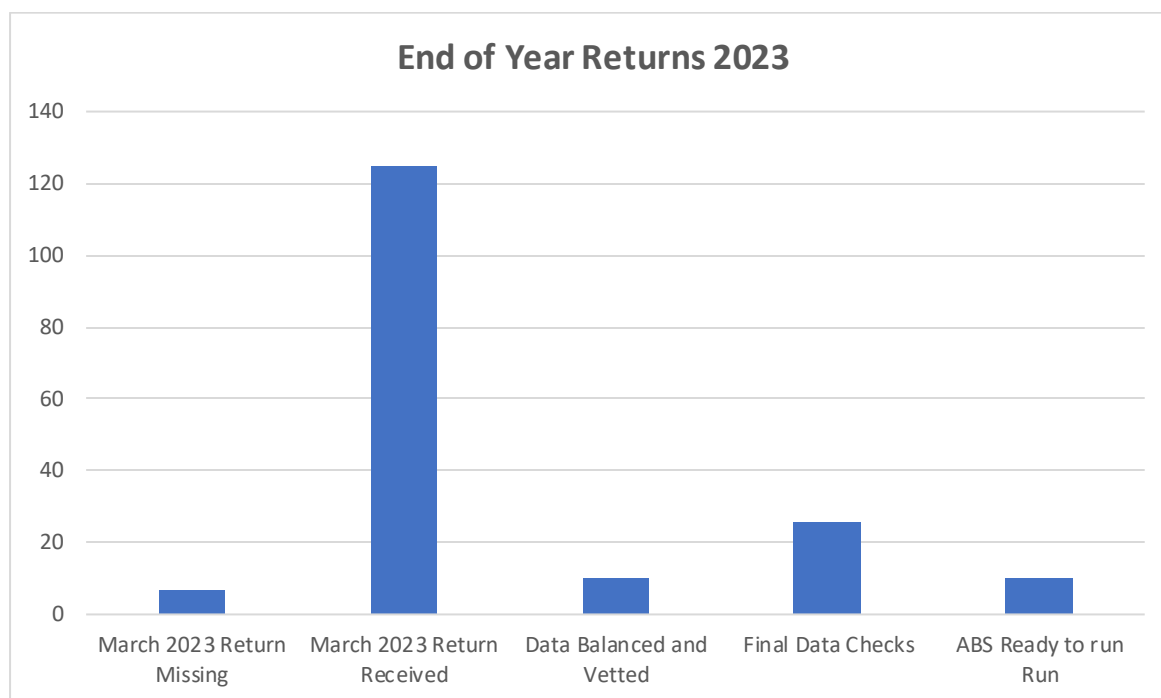
- 2. Two administrators have been appointed to the permanent posts in the employer team. Team leaders are also looking to appoint two temporary administrators for the McCloud project from this round of interviews.
- 3. It should also be noted that there are some continuing individual issues of under performance in the team which are being actively managed. However, this along with team member sickness absence and using up leave in the last quarter is impacting on the team performance, particularly benefit administration.
- 4. Officers are now looking at other options to secure additional resources for project / one off pieces of work.

Performance Statistics

- 5. This committee has asked for information to be presented using graphs rather than charts as this is still being developed in the reporting software this report does not contain either but sets out main points for review.

Incoming data and end of year

- 6. At the point of writing this report there is 1 end of year return outstanding a month after submission deadline. This (new) employer has been in discussion with the team to resolve a system issue.



7. Of the returns that have been received, there are 84 scheme employers where team needs to complete vetting of monthly returns before the end of year can be processed. The number of returns still to be processed equals 213.
8. There are 601 tasks to be cleared down, which is done as part of vetting process.
9. There has been little activity on new scheme employers / admission agreements.

Administration Statistics

10. Work relating to divorce, transfers in, interfunds in, transfers out and interfunds out is currently being stockpiled whilst waiting for new factors for the calculation. This amounts to 263 cases to date.
11. Of the work completed during April, amounting to 1,352 cases:
 - 7 subjects, including deaths and retirements are above SLA targets
 - 2 subjects, member estimates and member enquiries were just below SLA target, and
 - 5 subjects, trivial commutation; additional pension contributions; refunds; leavers and concurrent merges are out of SLA specification.
12. This leaves the team with 2,131 open cases. Of these 656 are on hold waiting for further information to be provided either by the scheme employer, or scheme member. Overall, these cases are 73% within SLA specification.

13. Suspended Pensions – as of 21 April 389 pension payments were in suspense. The majority of these (208 cases) are linked to the project closing old death cases. Other reasons for suspending these payments are returned payments, often where member has died but no notification of death has been received; change of address where a trace is then required.
14. Statutory returns have all been completed and made on time in respect of:
 - HMRC Accounting for Tax
 - HMRC Event Reporting
 - Pension Increase applied to all pensions in payment
 - P60's issued to all pensioners

Fire Service Administration

15. During last period 33 cases were completed, all within SLA specification.
16. This leaves the team with 32 open cases, which the team is reviewing to identify any outstanding information / what action needs to be taken to complete this work.

Complaints

17. In the year to May there have been six informal complaints received. The formal complaints dealt with this financial year are:

Reference	Complaint	Stage 1 Decision	Stage 2 Decision	tPO
23/001	Transfer / refund	Not Found	Found	
23/002	Transfer	Not Found	In progress	
23/003	3 months' notice to take pension	Not Found		
23/004	Linking of records	Not Found	Not Found	
23/005	Ill-health retirement	In progress		
23/006	Ill-health retirement	Not Found	Not Found	
23/007	Ill-health retirement	Not Found	Referred back to employer	

18. Actions from complaints:

1. In case of 23/001 the member left fund in 2002 and at that time was, incorrectly, told that they were entitled to either a refund or a transfer of benefits. This incorrect information has been compounded in later correspondence. This case was reviewed at stage 2 confirming to the member that the only option available from the point of leaving was a refund of contributions. The contributions and interest have been paid to the member along with a compensatory payment of £1,000 for the distress and inconvenience.

Data Quality

19. No issues to report – data is continuing to be reviewed as part of end of year process.

Contribution monitoring

20. The Pension Regulator's draft code of practice sets out contribution monitoring as an area of focus for administration. This guidance, along with recent events has resulted in a review of our monitoring and reporting arrangements in this area and a new process is currently being drafted. This will include process to link to breach reporting, which is a separate item on this agenda.
21. This new process will streamline current reporting arrangements to make it easier to identify and respond where contributions are overdue.
22. That the current process is not as robust as it should be is highlighted by a recent case which was escalated due to non-payment of contributions and then a further outstanding amount of unpaid contributions.
23. The most recent unpaid monthly contribution issue has been escalated to Head of Pensions who is in correspondence with company regarding this outstanding amount.
24. The issue around the long-standing outstanding amount is more complicated since it now seems that part of the company became insolvent and has continued to provide the service and remain in LGPS after a restructure. This was only recently notified to Pension Services as a change of name so legal advice will now need to be sought. The original admission agreement was a pass-through arrangement; therefore, the fund will be protected from any loss.

Projects

25. The work that has, so far been identified as project work is detailed below.
26. Work has started on reviewing the death process which will include the review of the historic death cases where there is outstanding information which is needed to enable files to be finalised. Target date for completion was initially 31 May 2023. Given staffing issues this is being reviewed

27. AVC – a review of data held by Fund vs data held by Prudential is currently being undertaken.
28. A2P – a revised project plan has been set out which will initially review the work already done on transfer out; interfund out and refunds. Existing workflow processes will then be amended so that the new process can be implemented by end of November 2022.
29. This leaves three subjects - retirements, deaths and recalculations – to be reviewed and new workflow processes implemented. Work has started on death process which will be completed by May 2023. Other dates have yet to be finalised.
30. I-connect – the first OCC live return has been received this month, which means all scheme employers are now using i-connect.
31. There have been some changes to i-connect the first of which is to enable scheme employer to explain any variations between contributions due and the amounts paid over – this will help with contribution monitoring and reduce number of queries needing to be raised.
32. Scheme employers will also now be able to upload documents via i-connect to support the information on their returns in cases of members opting in / out of the scheme; retirement information and where the employer is requesting an estimate of costs.

Debt Management

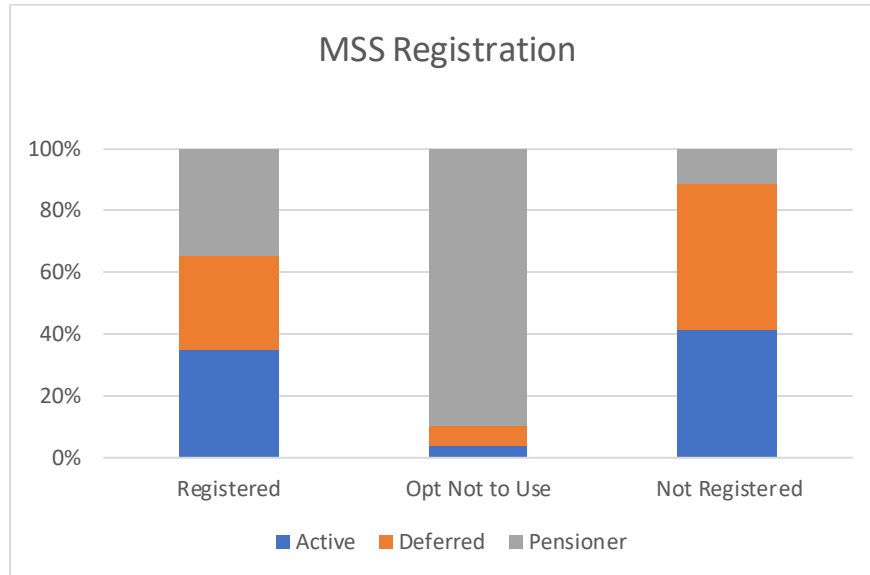
33. Final discussions on the process are taking place and a review of the outstanding invoices is being carried out.
34. As of 01 January, the total value of outstanding invoices amounted to £93,843.76, of which £92,381.90 is overdue. An update on this information will be provided at the meeting since work is in progress to review the information held.
35. £55.31 was written off in last quarter. This related to eight deaths.

Breaches

36. In the last quarter 4 breaches have been recorded. Three of these relate to the late payment of pension contributions – in two cases this was followed up and payments were made two days after due date.
37. The third contribution amount outstanding is discussed under contribution monitoring above.
38. There was also one data breach where two letters (to different members) were sent out in same envelope. This has been resolved and closed.

Member Self - Service

39. The table below shows the latest information on members signing up to use member self-service.



Contact Officer: Sally Fox - Pension Services Manager - Tel: 01865 323854
Email: sally.fox@oxfordshire.gov.uk May 2023



Or Apex Group

REPORT PREPARED FOR **Oxfordshire Pension Fund Committee**

9 June 2023

Philip Hebson

MJ Hudson

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Summary

The value of the Fund in the quarter rose to £3.15bn, an increase of £95m compared to the end December value of £3.05bn. The Fund produced a return of 3.1% over the quarter, which was -0.4% behind the benchmark. The main reason for this underperformance was the private market elements, which continued to show some catch up in valuations, falling to reflect a more cautious outlook. This was exacerbated by some significant falls in the valuation of the property assets. Over a 12-month period the Fund recorded a negative relative return against the benchmark of -2.9% (-3.7% v.-0.8%). The scale of the recent underperformance has also had an impact on the longer term performance periods, now behind the benchmark over the three and five year periods and in line over the ten year period, details of which can be found in Brunel's report.

The content of the Brunel Performance Report has improved significantly, such that it provides the important information for the Committee to consider in a much clearer format. This includes a concise narrative against each sub Fund within OPF's portfolio. I will continue to highlight particular points of interest, but I will try to avoid unnecessary duplication of content!

The highlights

1. It is encouraging to see another lift in value for the Fund over the final quarter of the 2022-23 financial year. The relative performance is disappointing, but this shows that challenges still remain, economically and politically. The shame is that markets really had been quite buoyant in January and February, but then came the collapse of Silicon Valley Bank and Credit Suisse which unleashed another bout of volatility. Not surprisingly the Financials sector was particularly hit hard.
2. With the exception of UK Active Equity, the equity funds enjoyed both an increase in value and positive relative performance against benchmarks over the quarter. That's the good news, but over the year there remains a significant fall in value with poor performance to recover from.
3. The stand out performance for me is Global High Alpha Equity, which is showing an outperformance over all reported time periods, including 2.2% since inception
4. The Fixed Income portfolio also showed some further recovery in Q1. This includes Multi Asset Credit, which frankly has been very disappointing through the upheavals of 2022.

The lower points

1. The Listed Private Equity portfolio had a very mixed quarter in performance terms; with 3i increasing in value by 25.8% through to ICG Enterprise declining by -15.9%. The FTSE All Share index gained in value by 0.6%. Longer-term performance remains

well in excess of the wider public market. The discounts to NAV continue to be much wider than we have seen in recent times, but the underlying health of the portfolios is substantially better than the discounts imply. As confidence returns, I would expect to see those discounts start to narrow again. I have included some further thoughts in the “Thinker” section.

2. As flagged last time, some of the valuations relating to Infrastructure had started to look rather vulnerable, in comparison to the wider market. Thus in Q1 we have seen some mark downs in valuations, but this is not universal as some types of assets remain in demand.
3. Likewise valuations in the Property sector have in general terms seen another weak quarter, but with some areas performing comparatively well, such as the Private Rental Sector. The UK saw a very sharp fall in values in Q4 2022, so has actually performed relatively well during Q1 as other regions have to some degree been catching up. Valuations are starting to offer some good buying opportunities for long term investors. The same comments apply to Secured Income, being property based.
4. Our Unlisted Private Equity valuations continued to trend downwards during Q1, reflecting growing economic concerns and comparisons to public markets.

Points for consideration

1. The staff recruitment and retention issues at Brunel are clearly a cause for concern at the current time. This is leading to delays in investigating and progressing some of the outcomes from the Strategic Asset Allocation review. Hopefully there will be an early resolution of the issues behind this.
2. My opening comments referred to the recent poor performance relative to benchmark now having an impact on the longer-term performance of the Fund. Along with other Funds, this issue has been raised with Brunel by OPF. While a magic wand isn't available to fix this, Brunel are focusing their attention on attempting to identify weaknesses in their processes with regard to the investment management structure. For me, the flaw lies within the multi manager system, so that has to be made to work better.
3. The revised format of the Brunel report is to be welcomed, particularly the section dealing with Private Markets. It would be good to see the Fund value included over the short, medium and long term periods. The emphasis on assets transitioned to Brunel is not particularly useful, in my opinion.
4. In due course would Brunel consider taking on the elements of Diversified Growth Funds and Multi Asset Credit as stand alone sub funds, so as to give member Funds better flexibility in selecting assets to meet their requirements? It is acknowledged that their current resource constraints are an issue.

Outstanding Action Points and Recommendations

Strategic Asset Allocation review

1. UK Equity exposure. Please refer to the separate paper that considers the realistic options that could be considered to potentially reduce the percentage of total equities listed in the UK and what alternative investments could be considered.
 - a. Scale of reduction. There are many benefits to maintaining a significant discreet exposure to UK equities, which includes holding GBP assets (no currency translation risks) which match the GBP liabilities and also structured correctly would provide “local” economic exposure in UK plc. At the current time I would suggest a reduction to 20% of total equity assets. To keep this simple this would be excluding the UK exposure in the global mandates.
 - b. Options.
 - i. Future UK exposure. While appreciating that Brunel has resource constraints at the current time, it is suggested that further research should be undertaken into the characteristics of companies represented within the FTSE 250 index, looking in particular at the Paris Alignment criteria and their contribution to and from the UK economy. Subject to satisfactory analysis, this would form the future discreet UK equity exposure.
 - ii. Reducing excess UK exposure. Looking at the options available, realistically the two options would be the Paris Aligned Brunel Passive sub-fund or the Sustainable Equities sub-fund. Both have their attractions (and detractions), but in the longer term Sustainable Equities should have the edge in terms of both investment returns and meeting climate change aspirations. However this decision should be taken in conjunction with considerations concerning the Emerging Markets mandate discussed below.
 - iii. Do nothing.
2. Emerging Markets (EM) exposure, ex China. Brunel has informed us that there isn't demand at the current time from other Funds for an Emerging Markets ex China sub Fund.

Options

- a. Continue to seek an ex China EM manager. Realistically this would have to be via Brunel, potentially using one of the existing EM managers. OPF would have to bear all the costs associated with this, at least until other Funds seek this option.
- b. Divest from Emerging Markets. The Fund position is currently sub optimal as it stands, so this isn't as dramatic as it sounds. The proceeds could be reinvested in the Paris Aligned Brunel Passive sub fund (no exposure to EM) or the Sustainable Equities sub fund (which does have EM exposure).

- c. Do nothing.
- 3. Local Investment Proposals. Progress with considering possible options has again been hindered by lack of resource at Brunel. However the Funds are continuing to look at possible local investment opportunities. Consider this to be work in progress.
- 4. Hedging. Having investigated the pros and cons of establishing an occasional use facility to hedge our main currency exposures against adverse movements, it is considered that the potential costs are likely to outweigh the benefits. Events can move so rapidly that attempting to get the timing right moves this more into the world of gambling. A recent example of this was when the Bank of England changed their forecast for the outlook for the UK economy, which has seen GBP strengthen rather than weaken against the USD and Euro. Never say never, but not for now.

Other outstanding action points

- 5. To progress a Brunel led training programme for Fund elected members and others that will provide information about the asset classes that they manage and their processes.

Overview and Outlook thoughts

Global overview

Q1 was a strong quarter for equities and bonds, however the headline numbers obscure some dramatic market events that took place. Macroeconomic data was generally resilient in the quarter, as inflation continued to decline (with the exception of the UK), employment data generally showed tight labour markets and Central Banks continued their rate hikes, albeit at a slower pace. The focus on inflation and Central Bank outlooks took a backseat in early March, as a confidence crisis, which started with US-tech focused Silicon Valley Bank (SVB), spread to other similar US lenders (Signature Bank, First Republic), and then to struggling Swiss bank, Credit Suisse (CS). Central Bank regulators acted swiftly to restore confidence: US Federal Reserve opened swap lines (providing liquidity to banks) and guaranteed depositors in the afflicted banks, while the Swiss National Bank (SNB) organised a rescue bid for CS from rival Swiss bank UBS. While these actions have restored confidence in the short-term, the underlying causes of the stress (mark-to-market losses on balance sheets combined with competition for deposits, both driven by the sharp rise in rates) remain, and are likely to have medium term repercussions.

Despite the banking crisis mentioned, equity markets rose over the quarter and in particular were led by growth-oriented stocks (+14.9% for growth, +0.2% for value). However, the quarterly gain of +7.7% for the MSCI World (c. +6% in GBP terms) was not a smooth ride with the index up sharply in January, before declining in February and early March as the banking crisis unfolded, and then rallying strongly to end the quarter up +7.7%. European and Japanese equities performed particularly strongly (around +12% and +7% in GBP terms respectively). The US Fed providing large amounts of liquidity led to long bond yields falling sharply in March despite a small upward move in short term rates, resulting in performances between +2% and +5% for most fixed income and interest rate-sensitive alternative asset classes (except real estate, which continued to decline -2%). Index-linked gilts and EM debt performed particularly well. Energy prices softened (oil down -7%) and the US dollar continued its weakening trend (-1%).

Quarterly GDP Growth Rate and Monthly CPI

%	GDP		CPI		
	Q4 2022	Q1 2023	Jan	Feb	Mar
UK	0.1	0.2**	10.1	10.4	10.1
US	0.7	0.6**	6.4	6.0	5.6
Eurozone	0.0	-0.2**	8.5	8.5	6.9
Japan	0.0	1.2**	4.3	3.3	3.1

Source: Bloomberg; Trading Economics.

Notes ** Forecasts based on leading indicators

UK: UK CPI EU Harmonised YoY NSA (Ticker: UKRPCJYR Index); US: US CPI Urban Consumer YoY NSA (Ticker: CPI YOY Index); Eurozone: Eurostat Eurozone MUICP All Items YoY Flash Estimate (Ticker: ECCPEST Index); Japan: Japan CPI Nationwide YOY (Ticker: JNCPIYOY Index)

Outlook thoughts

It is worth highlighting the following themes, impacting investment markets:

Tighter credit conditions following the banking crisis makes recession more likely. Keen competition between banks for deposits, together with the reaction to the SNB imposing losses on contingent “AT1” bondholders in the CS rescue, have put significant pressure on bank funding. This has fed quickly through to tighter credit conditions, which, by some measures, are as tight as they were following the 2008 financial crisis. So, while it is important to note that consumption and employment are still relatively strong in most developed economies, they are trending weaker, and the tight credit conditions will make survival tougher for any struggling businesses. This is likely to put pressure on corporate earnings in H2 2023, and increase defaults in credit portfolios.

Inflation – continuing to grind lower, but rates likely to remain elevated for some time.

The UK was the outlier in the quarter with annual CPI rising in February to +10.4%, having fallen for the prior 3 months. However, headline UK inflation is expected to decline in the months ahead (current consensus c. +5% in 2023 and +3% in 2024) as energy prices have fallen from their dramatic highs last year. But while labour markets remain relatively tight, Central banks are likely to maintain high short term rates, and there is potential for the energy genie to return later in 2023. So rate cuts still look to be some way off.

Volatility has increased in “stabilising” asset classes (fixed income). Concerns over the path of US rates, and the fallout from the banking crisis has led to increased volatility in bond markets. The MOVE index, which measures the volatility of the US Treasury bond market, ended 2022 at an already elevated level of 122 but spiked in March to 199, well above the Covid-19 March 2020 levels, as bond yields fell dramatically in mid-March 2023. While this volatility has affected the rate-sensitive (long) government bond market in particular, the next phase of tighter credit is likely to see increased volatility in asset-classes exposed to credit risk (corporate bonds, private debt etc)

Equity valuations rise despite earnings risk. While US equities rallied strongly in Q1, analysts have at the same time lowered their forecast earnings for Q1 2023 and for full year earnings 2023. If correct, this will mark consecutive quarters of declining earnings, and for Q1 2023 the expected decline is the largest quarterly decline since the Covid impacted Q2 2020. This combination has led the forward earnings ratio for the S&P 500 to rise to 17.8x, from 16.7x at year end 2022. Companies have generally been guiding that they expect minimal revenue growth for 2023, and slightly contracting profit margins (albeit still at historically elevated levels of c. 11.2%). This appears to leave scope for disappointment.

Equities

Global equities rose sharply in Q1, as investors initially embraced cooling inflation data in the US before strong US economic data (jobs report, ISM survey) reminded investors that the Fed is still in a rate hiking cycle. The VIX declined over the quarter from 22 to 19, although reaching 27 in the midst of the March banking crisis.

In the US, the S&P 500 rose by +7.9% and the NASDAQ soared by +21.6%. Markets rallied despite the turmoil in banks in the US and Europe in March, seemingly driven by support from the US Fed and this potentially signalling a near term end to rate hikes.

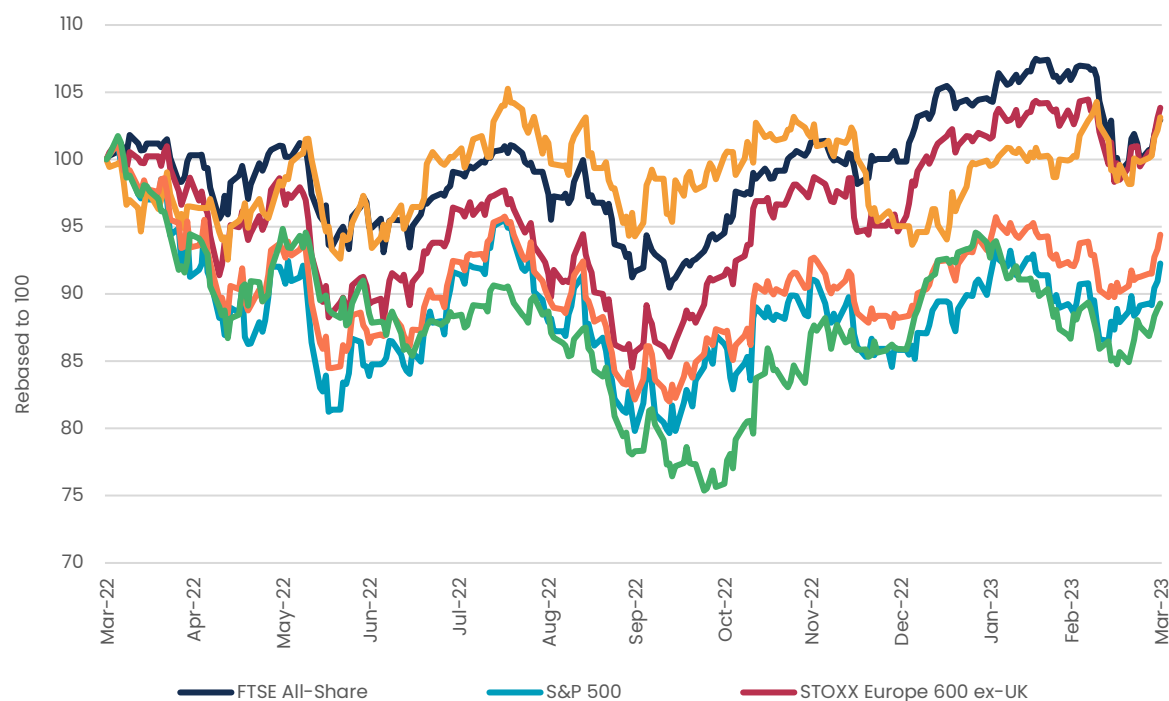
UK equities rose +2.1% in Q1 but underperformed global equities and ending below the February high. Earnings updates from large index constituents in energy and financials drove strong performance. Economic data has also proven more resilient than dire forecasts in late 2022, with a sharp decline in energy prices contributing, and the Bank of England noting that while it still expects a recession in 2023 it now expects a shallower one than previously. The BoE raised the base rate in both February and March, by 50bps and then 25bps, to 4.25%.

The Euro Stoxx 50 rose by 12.4% in Q1, to follow its strong gain last quarter. Economic data was better than expected with falling inflation and a strong PMI index result in February indicating strong business activity. The ECB raised the deposit rate twice by 50bps in the quarter, to 3.5%.

Japanese equities outperformed global equity markets, rising by +10.0% in Q1. Japanese equities appeared to be catching up to global equities after a weak Q4, and were buoyed by comments from the incoming new Bank of Japan Governor that he supported the current easy monetary conditions. Inflation has been rising in recent months but in February declined to +3.3% from +4.3% the month prior. The yen was largely flat vs the USD over the quarter.

Emerging market equities rose +4.0%, lower than global equities due to an -8.9% decline in the relatively expensive Indian equities market.

Global Equity Markets Performance



Source: Bloomberg. All in local currency.

FTSE All-Share Index (Ticker: ASX Index) S&P 500 Index (Ticker: SPX Index) STOXX Europe 600 (Ticker: SXXP Index)
Nikkei 225 Index (Ticker: NKY Index) MSCI World Index (Ticker: MXWO Index) MSCI Emerging Markets (Ticker: MXEF Index)

Fixed Income

Medium- and longer-term bond yields fell over the quarter resulting in solid performance for bonds, while very short-term yields rose following various Central Banks rate hikes. The

US yield curve inversion as measured by the 10 year yield –2 year yield ended the quarter at -58bps, close to the 2022 year end -61bps, but much steeper than a peak in March of -107bps. In corporate bonds, high-yield credit and investment grade performed roughly in line as credit spreads for the high yield index tightened slightly over the quarter. Emerging market bonds rose 4.8% in local currency, and 1.9% in hard currency.

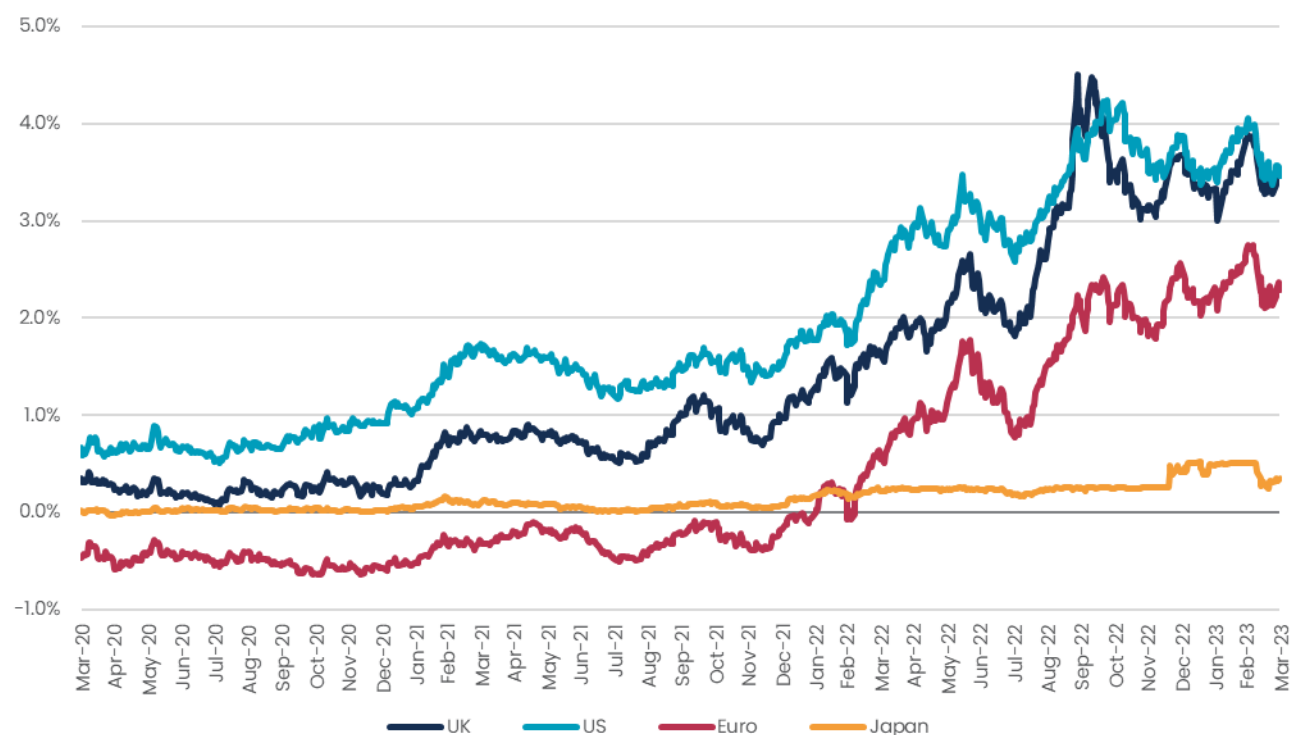
The US 10-year Treasury yield fell in Q1, ending at 3.48% from 3.88%. US rates rose initially until early March, at which point the banking crisis led the Fed to introduce new liquidity provisions. US CPI data prints also declined during Q1 but remain uncomfortably high (6.0% as of February 2023). The Fed raised their policy rate 0.25% twice in the quarter (to 4.75%-5.0%) despite the banking crisis.

The UK 10-year Gilt yield fell from 3.65% to 3.49% and 2-year from 3.60% to 3.44%. Since Q4, UK Gilts have returned to their approximate positioning relative to Bunds (UK approx. +120bps) following the sharp yield spikes due to the September/ October 'mini budget'. The BoE hiked rates by 75bps in the quarter which led only short term rates to rise, with maturities from 2 years onwards all falling in yield.

European government bonds had a total return of 2.5% in Q1. Yield curves flattened further over Q1, as short end rates rose in response to the ECB raising its policy rate to 3.5% while yields for medium and longer term yields fell. The German 10-year bund yield fell from 2.44% to 2.29%, while Italy's fell from 4.55% to 4.09%.

US high-yield bonds narrowly outperformed investment grade, returning 3.6% and 3.5% respectively. European high-yield bonds returned 2.9%, outperforming the 2.0% for European investment grade and 2.4% for UK investment grade.

Government Bond Yields



Source Bloomberg, US Generic Govt 10 Year Yield (Ticker: USGG10YR Index); UK Govt Bonds 10 Year Note Generic Bid Yield (Ticker: GUKG10 Index); Euro Generic Govt Bond 10 Year (Ticker: GECU10YR Index).

Currencies

In currencies, sterling strengthened against the US dollar (+2.1%) and the euro (+0.7%) over the quarter, as the ongoing high and uncertain inflation in the UK is viewed as requiring a more lengthy period of tighter monetary policy. The US dollar fell in Q1 (Dollar index -1.0%), continuing to reverse some of the prior 2022 dollar strength.

Commodities

Energy prices fell over Q1 which has supported recent headline inflation figures. Warmer weather over winter in Europe has resulted in a sharp downward repricing in natural gas, while for oil; markets continue to grapple with the trade-off between potential economic slowdown from tighter monetary policies vs a boost in demand from China re-opening and OPEC+ production cuts.

US gas prices fell -50.5% over Q1, reversing the sharp rise that occurred through 2021 and 2022 and are now back to 2020 levels.

Brent crude oil fell -7.1% over Q1, to \$80 per barrel at quarter end, although this was up from the mid-March price of \$73. Prices have continued to be volatile as fears of a recessionary fall in demand fears have clashed with supply side dynamics relating to Russia's invasion of Ukraine, OPEC+ production cuts, and China's reopening from Covid restrictions.

Gold and Copper rose +7.8% and +7.5% respectively over Q1, with gold rising as investors sought a safe haven asset amidst the banking turmoil. Copper rose with a boost from China, a significant copper importer, loosening regulations on its stricken real estate sector which has been hampered since the 2021 property deleveraging policies. Gold and Copper closed Q1 at 1,969 USD/toz and 409 USD/lb, respectively.

Property

Global listed property continued to decline, with the FTSE EPRA Nareit Global Index falling -2.0% in Q1.

The Nationwide House Price Index in the UK has continued its decline, with the price index down -1.8% for the quarter, and down -1.0% for the year. While only a modest decline, this is a considerable deterioration from the 9.5% YoY growth in Q3, and 10.7% in Q2.

European commercial property has also continued to decline in the face of higher interest rates, with the Green Street Commercial Property Price Index down by -2% this quarter and -15% for the past 12 months.

Key Indicators at a Glance

Market Indicators

Index (Local Currency)		Q1 2023	Quarter-on-Quarter	YTD
Equities		Total Return		
UK Large-Cap Equities	FTSE 100	7,632	2.1%	2.1%
UK All-Cap Equities	FTSE All-Share	4,158	1.7%	1.7%
US Equities	S&P 500	4,109	7.9%	7.9%
European Equities	EURO STOXX 50 Price EUR	4,315	12.4%	12.4%
Japanese Equities	Nikkei 225	28,041	10.0%	10.0%
EM Equities	MSCI Emerging Markets	990	4.0%	4.0%
Global Equities	MSCI World	2,791	7.7%	7.7%
Government Bonds				
UK Gilts	FTSE Actuaries UK Gilts TR All Stocks	3,080	2.0%	2.0%
UK Gilts Over 15 Years	FTSE Actuaries UK Gilts Over 15 Yr	3,797	2.8%	2.8%
UK Index-Linked Gilts	FTSE Actuaries UK Index-Linked Gilts TR All Stocks	4,172	4.3%	4.3%
UK Index-Linked Gilts Over 15 Years	FTSE Actuaries UK Index-Linked Gilts TR Over 15 Yr	4,786	4.9%	4.9%
Euro Gov Bonds	Bloomberg EU Govt All Bonds TR	213	2.5%	2.5%
US Gov Bonds	Bloomberg US Treasuries TR Unhedged	2,254	3.0%	3.0%
EM Gov Bonds (Local)	J.P. Morgan Government Bond Index Emerging Markets Core Index	130	4.8%	4.8%
EM Gov Bonds (Hard/USD)	J.P. Morgan Emerging Markets Global Diversified Index	818	1.9%	1.9%
Bond Indices				
UK Corporate Investment Grade	S&P UK Investment Grade Corporate Bond Index TR	338	2.4%	2.4%
European Corporate Investment Grade	Bloomberg Pan-European Aggregate Corporate TR Unhedged	217	2.0%	2.0%
European Corporate High Yield	Bloomberg Pan-European HY TR Unhedged	400	2.9%	2.9%
US Corporate Investment Grade	Bloomberg US Corporate Investment Grade TR Unhedged	3,072	3.5%	3.5%
US Corporate High Yield	Bloomberg US Corporate HY TR Unhedged	2,264	3.6%	3.6%
Commodities				
Brent Crude Oil	Generic 1st Crude Oil, Brent, USD/bbl	80	-7.1%	-7.1%
Natural Gas (US)	Generic 1st Natural Gas, USD/MMBtu	2.2	-50.5%	-50.5%
Gold	Generic 1st Gold, USD/toz	1,969	7.8%	7.8%
Copper	Generic 1st Copper, USD/lb	409	7.5%	7.5%
Currencies				
GBP/EUR	GBPEUR Exchange Rate	1.14	0.7%	0.7%
GBP/USD	GBPUSD Exchange Rate	1.23	2.1%	2.1%
EUR/USD	EURUSD Exchange Rate	1.08	1.3%	1.3%
USD/JPY	USDJPY Exchange Rate	132.86	1.3%	1.3%
Dollar Index	Dollar Index Spot	102.51	-1.0%	-1.0%
USD/CNY	USDCNY Exchange Rate	6.87	-0.4%	-0.4%
Alternatives				
Infrastructure	S&P Global Infrastructure Index	2,741	3.6%	3.6%
Private Equity	S&P Listed Private Equity Index	165	5.3%	5.3%
Hedge Funds	Hedge Fund Research HFRI Fund-Weighted Composite Index	17,820	1.7%	1.7%
Global Real Estate	FTSE EPRA Nareit Global Index TR GBP	3,519	-2.0%	-2.0%
Volatility		Change in Volatility		
VIX	Chicago Board Options Exchange SPX Volatility Index	19	-13.7%	-13.7%

* All return figures quoted are total return, calculated with gross dividends/income reinvested.

Source: Bloomberg

Market thoughts



I am always on the look out for topical and interesting pieces to share with you, hopefully providing some background information around recent events and also some food for thought! At the risk of swamping you, there are two topics this time. Enjoy! (?)

Anatomy of the Banking Crisis

While much has already been written about the banking crisis witnessed to date in 2023, a brief summary is: deposits at US banks rose sharply in 2020 and 2021 following the Covid social security payments, and perhaps due to a decline in spending following Covid restrictions, as well as large amounts of capital raised by venture capital firms which flocked to Silicon Valley Bank (SVB). Interest rates fell to near zero given the extremely loose monetary policy. Banks then needed to use this capital to provide loans, or to invest in securities (commonly US Treasuries). Due to strict risk based capital requirements, many banks invested in Treasuries and engaged in interest rate hedging. SVB was particularly exposed due to: reducing its interest rate hedging ratio on securities leading to large unrealised losses, having an undiversified depositor base largely of VC firms, and having a large proportion of deposits above the \$250k FDIC insured limit. Depositors and investors became alarmed that SVB would not be able to sell its securities to provide cash to depositors if required (essentially a 'bank run'). SVB's depositors then en masse began withdrawing cash, leading SVB to attempt to raise equity capital which proved unsuccessful. Signature Bank also had a very high proportion of uninsured deposits (90%) and was rapidly closed by the FDIC 2 days after SVB. Investors then turned their attention to Credit Suisse (CS), despite very different underlying issues, with CS more troubled by legacy profitability and compliance issues, leading to outflows of assets under management and deposits. With unfortunate timing, in early March CS announced an SEC assessment of issues in its financial reporting in 2021 and 2022 which triggered a share price drop. The following day, large investor Saudi National Bank declared it would 'absolutely not' invest further prompting a collapse in the share price and subsequent forced sale to UBS.

Some further thoughts about the current large discounts to NAV in the listed PE sector

Rather like the buses, sectorial views are turning up all at once from our brokers. For starters here is an interesting alternative take on what lies behind the wide discounts seen during 2022 and into this year, from Jeffries.

Despite PE GPs reporting good Q1 NAV numbers and more evidence of ‘robust’ and ‘solid’ listed PE business models, share prices still seem to be pricing in a calamitous downward revision of asset values. Few market participants believe that this is based on fundamentals. Deep discounts are more a function of the relatively high Total Expense Ratios (TER) of these funds which makes them unattractive to investors obliged to report the KIID costs in their own funds’ ongoing charges figure (OCF). That requirement has driven a flight of capital from the listed private equity sector in the past year and is now deterring new investment from many who would otherwise be taking advantage of the very attractive entry points available today. Another factor has been forced selling by funds which have suffered from redemptions and changes in investment policy. Plus, listed PE funds which are components of FTSE indices have suffered even more because of negative ETF flows – particularly from FTSE 250 - trackers for many years. Index basket trades tend to be executed in haste which can have a devastating share price effect on relatively illiquid investment trusts. The coincidence of these three technical drivers has been particularly acute since last September and that, rather than any real fundamental distress, explains the pricing we see today. But there are signs now that two of the three drivers are becoming less powerful while pools of capital are being raised by closed-end fund specialists to take advantage of the bombed-out share prices. Absent another macroeconomic shock, listed private equity seems set fair for a major rally. Watch for positive fund flows into UK benchmarked ETFs as the likely catalyst. After all, as Citi was forced to concede this week, the UK isn’t quite the basket case many economists thought. Indeed the pick-up in M&A suggests is prompting international investors to realise that the UK stock market is cheap. Hastily executed FTSE 250 “buy” baskets could have an equal and opposite effect on listed private equity share prices soon.

On the same day I received these words of wisdom from Investec, including input from Warren Buffett.

Introduction: We firmly believe that Listed Private Equity has an important role to play in improving portfolio diversification and providing an effective solution to the ongoing de-equitisation of global financial markets. Meanwhile, given the illiquidity of the underlying investments, and at a time when we are beginning to see the launch of the Long-Term Asset Funds, the closed-end structure represents a powerful competitive advantage. In this report, we include 14 companies with total net assets of £17.3bn but an aggregate market capitalisation of just £10.9bn and take a closer look at some of the key topics du jour of this sector.

Excellent long-term track record (NET OF FEES): For those investment companies with a 10-year performance record, this report highlights some impressive NAV total returns, with a simple average NAV total return of 301% compared to MSCI World and FTSE All Share total returns of 187% and 76% respectively. HgCapital Trust and HarbourVest Global stand out

with NAV total returns of 391% and 379% respectively, while even Princess Private Equity, with the lowest NAV total return of 195%, has still outperformed the MSCI World. All companies with a 10-year record are significantly ahead of the FTSE All Share. In an environment where, for many investors the all-in cost is a primary consideration, it is pertinent to highlight that these performance numbers are net of all fees.

But returns have been diluted by discounts, which have become embedded: Sadly, Boards and Managers are seemingly unable, or unwilling, to address the issue. Meanwhile, a flawed cost disclosure regime, and an investor focus on costs rather than value/net returns, have represented a dragging anchor on efforts to widen investor interest. To be candid, for many years, we have been underwhelmed by discount management within Listed Private Equity, which has been very quick to dismiss share buybacks, alleging that they “don’t work”. The approach was best summed up by one manager who told us “No-one else can be bothered, so why should we?” While the NAVs of the traditional private equity companies have proved resilient since the beginning of last year, the average discount has widened from 13% to 37%, while aggregate share buybacks have been just c.0.7% of shares in issue.

Maybe Mr Buffett is on to something here: Against this backdrop, we read with interest Warren Buffett’s latest annual letter to Berkshire Hathaway shareholders which reiterated his support for share buybacks. Mr Buffett said that the *math isn’t complicated....when the share count goes down, your interest in businesses goes up.... adding that, every small bit helps if repurchases are made at value-accretive prices*. Pulling no punches, he slammed critics of buybacks, describing them as economic illiterates. Given the Listed Private Equity discount experience since the global financial crisis, these stark words may strike a chord with investors.



Oxfordshire Pension Fund Performance Report

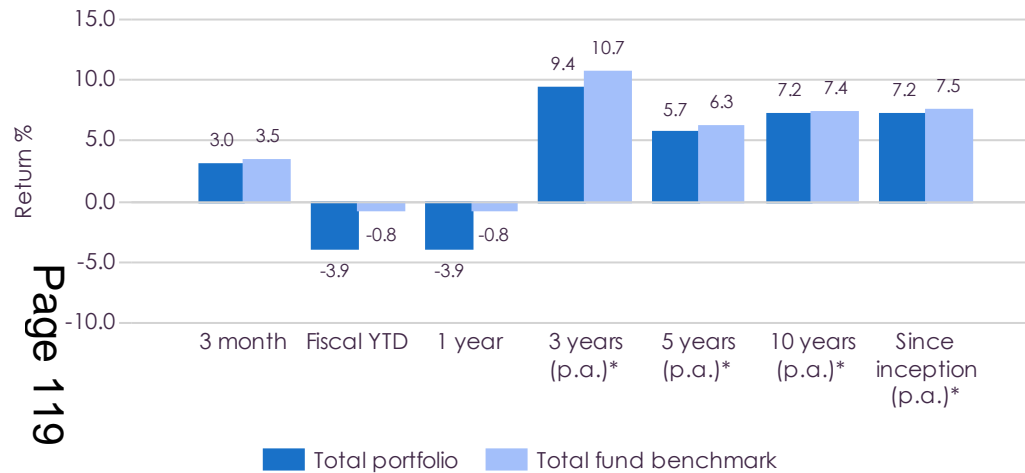
Quarter ending 31 March 2023

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Pension Fund performance

Performance (annualised)



Source: State Street Global Services

*per annum. Net of all fees.

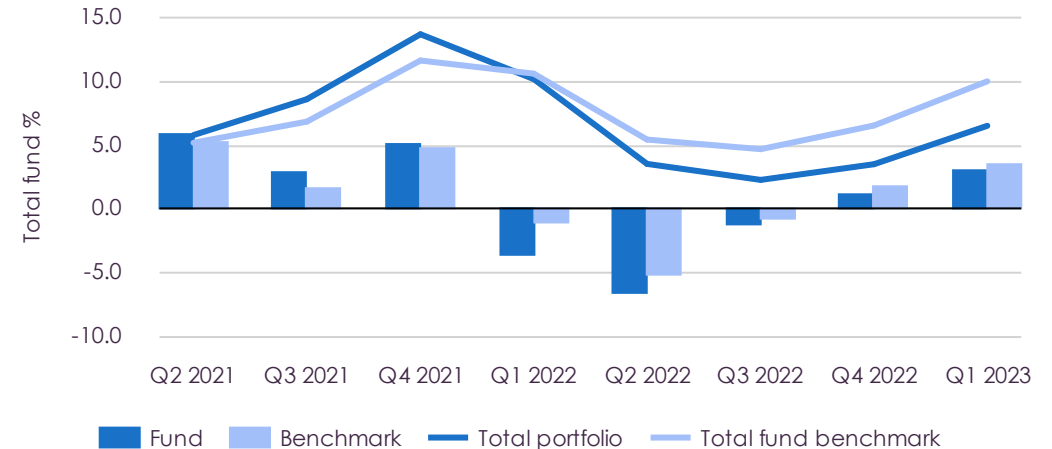
Key events

Global Equities started the year strongly, but this was derailed in March by the collapse of Silicon Valley Bank and the rushed takeover of Credit Suisse by UBS. This in turn led to a rush onto 'safe haven' assets such as Government Bonds. Investors believe that these events may lead to pressure on policy rates to rise. This view is also supported by signs that the inflationary pressures are starting to ease. Meanwhile, Brunel published its new Climate change Policy after completion of the Climate Stocktake.

The total portfolio rose 3.0%, whilst the benchmark rose 3.5%. For the 12 months, the total portfolio lagged the benchmark (-3.9% vs -0.8%).

The relative performance of Brunel's active equity portfolios during the quarter was ahead of benchmark. However, UK Active Equities lagged the benchmark. Both the Multi-Asset Credit and Sterling Corporate Bond portfolios produced positive returns ahead of benchmark.

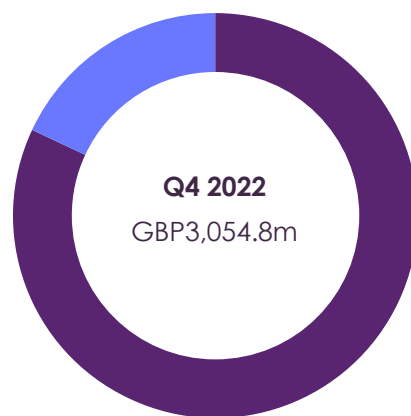
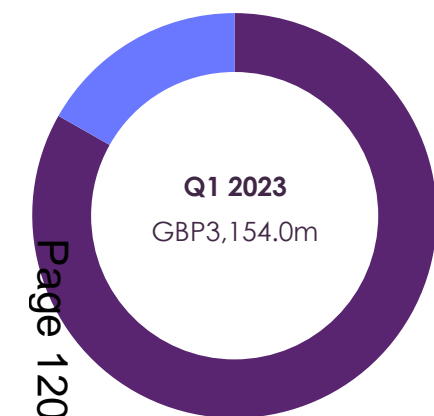
Quarterly performance



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

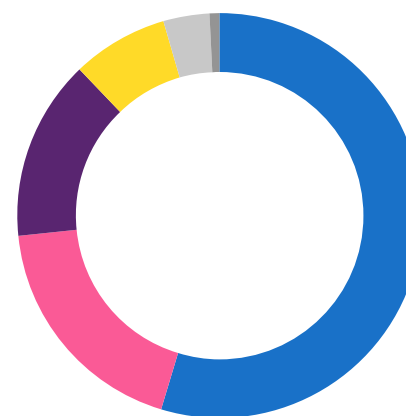
Asset summary

Assets transitioned to Brunel



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

Asset allocation breakdown



Key:

Equities	54.65%
Private markets	18.75%
Fixed income	14.42%
Property	7.69%
Other	3.68%
Cash	0.80%

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

Overview of assets

Detailed asset allocation

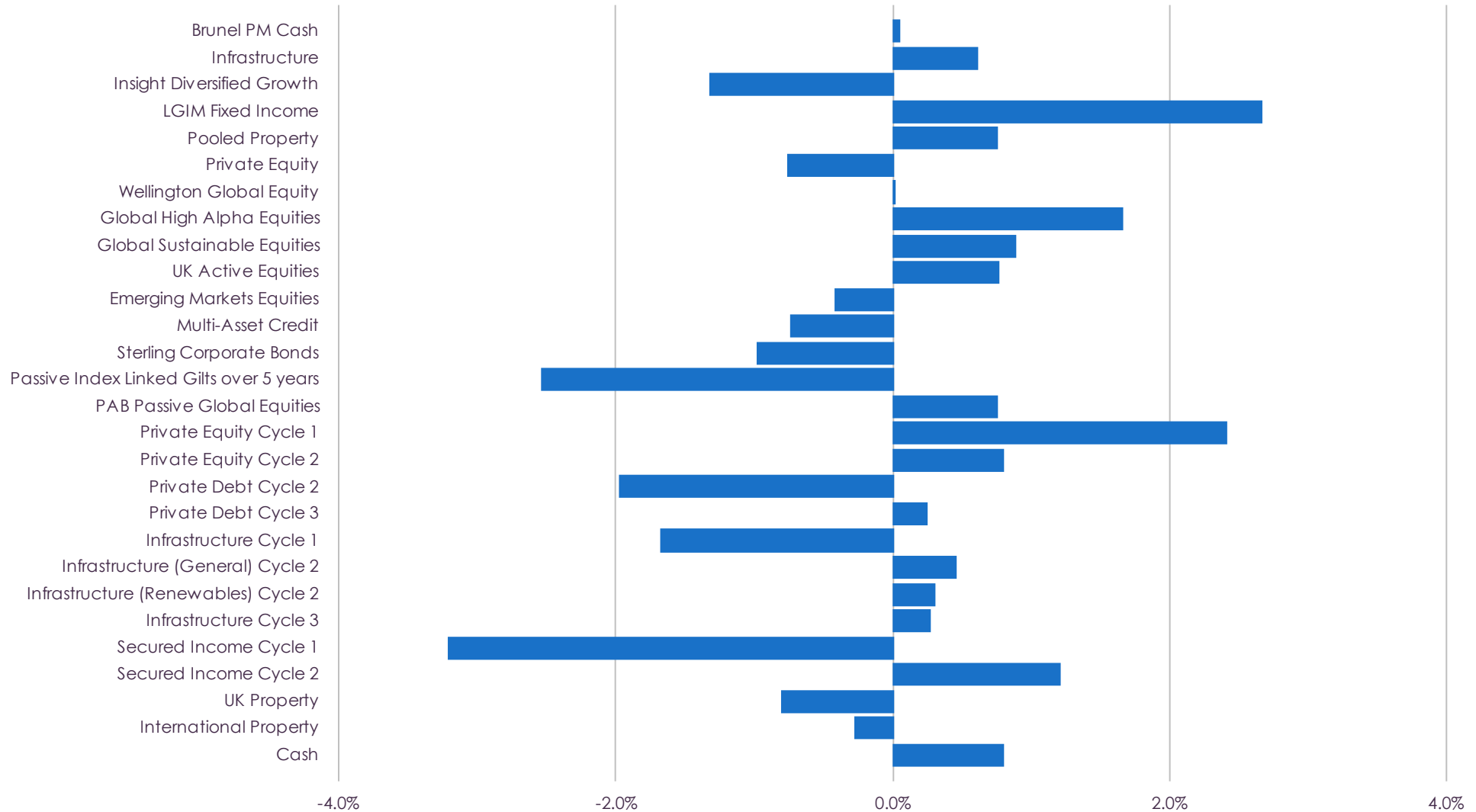
Equities	£1,723.79m	54.65%
UK Active Equities	£497.26m	15.77%
PAB Passive Global Equities	£496.83m	15.75%
Global High Alpha Equities	£336.24m	10.66%
Global Sustainable Equities	£311.97m	9.89%
Emerging Markets Equities	£81.39m	2.58%
Legacy Assets	£0.10m	0.00%
Fixed income	£454.94m	14.42%
Passive Index Linked Gilts over 5 years	£140.98m	4.47%
Multi-Asset Credit	£134.50m	4.26%
Sterling Corporate Bonds	£95.33m	3.02%
Legacy Assets	£84.13m	2.67%

Private markets (incl. property)	£834.00m	26.44%
UK Property	£164.06m	5.20%
Private Equity Cycle 1	£75.87m	2.41%
Secured Income Cycle 1	£56.59m	1.79%
International Property	£54.64m	1.73%
Infrastructure Cycle 1	£41.94m	1.33%
Secured Income Cycle 2	£38.12m	1.21%
Private Debt Cycle 2	£32.59m	1.03%
Private Equity Cycle 2	£25.22m	0.80%
Infrastructure (General) Cycle 2	£14.42m	0.46%
Infrastructure (Renewables) Cycle 2	£9.65m	0.31%
Infrastructure Cycle 3	£8.31m	0.26%
Private Debt Cycle 3	£7.85m	0.25%
Legacy Assets	£304.73m	9.66%
Other	£116.20m	3.68%
Legacy Assets	£116.20m	3.68%

Cash not included

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 (%)	Contribution to return
Brunel PM Cash	1,620	0.1%	-	0.1%	6.1%	0.0%
Infrastructure	19,194	0.6%	-	0.6%	-10.2%	-0.1%
Insight Diversified Growth	116,202	3.7%	5.00%	-1.3%	0.7%	0.0%
LGIM Fixed Income	84,129	2.7%	-	2.7%	3.2%	0.1%
Pooled Property	23,813	0.8%	-	0.8%	-4.4%	-0.0%
Private Equity	260,098	8.2%	9.00%	-0.8%	2.4%	0.2%
Wellington Global Equity	103	0.0%	-	0.0%	-1.7%	-0.0%
Global High Alpha Equities	336,236	10.7%	9.00%	1.7%	7.1%	0.7%
Global Sustainable Equities	311,965	9.9%	9.00%	0.9%	5.5%	0.5%
UK Active Equities	497,259	15.8%	15.00%	0.8%	2.3%	0.4%
Emerging Markets Equities	81,389	2.6%	3.00%	-0.4%	2.4%	0.1%
Multi-Asset Credit	134,501	4.3%	5.00%	-0.7%	2.7%	0.1%
Sterling Corporate Bonds	95,334	3.0%	4.00%	-1.0%	2.7%	0.1%
Passive Index Linked Gilts over 5 years	140,978	4.5%	7.00%	-2.5%	5.4%	0.2%
PAB Passive Global Equities	496,833	15.8%	15.00%	0.8%	6.7%	1.0%
Private Equity Cycle 1	75,869	2.4%	-	2.4%	-3.3%	-0.1%

Performance attribution

Pension fund performance attribution - to quarter end

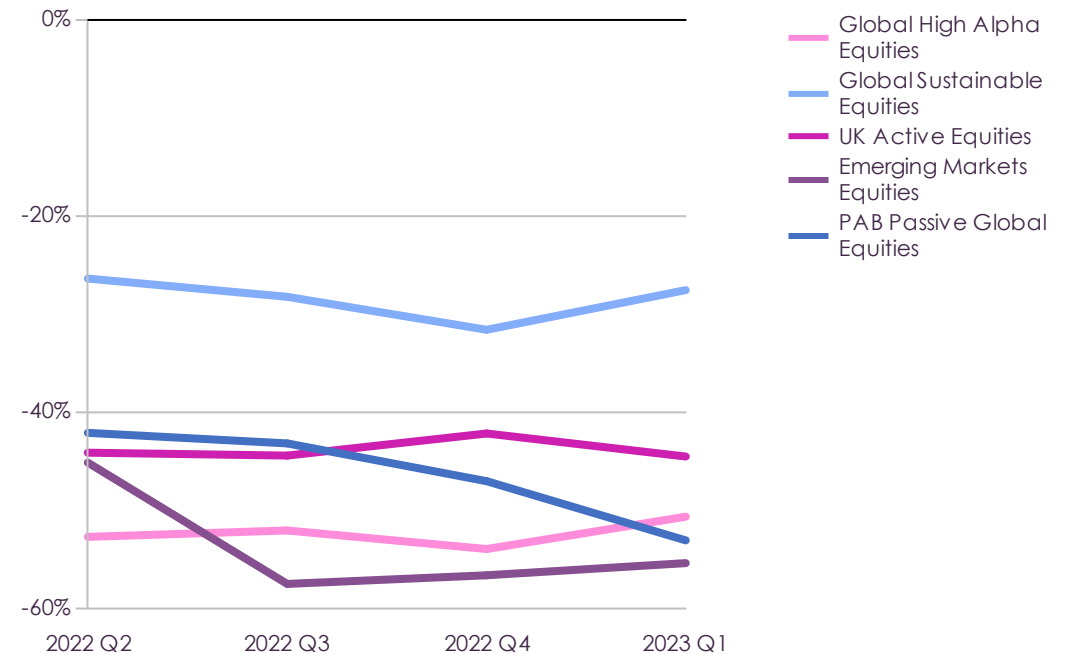
	End market value £'000	Actual % allocation at end of quarter	Strategic asset allocation (%)	Difference (%)	Fund return (%)	Contribution to return
Private Equity Cycle 2	25,224	0.8%	-	0.8%	-2.2%	-0.0%
Private Debt Cycle 2	32,595	1.0%	3.00%	-2.0%	-4.2%	-0.0%
Private Debt Cycle 3	7,849	0.2%	-	0.2%	5.0%	0.0%
Infrastructure Cycle 1	41,942	1.3%	3.00%	-1.7%	-0.8%	-0.0%
Infrastructure (General) Cycle 2	14,424	0.5%	-	0.5%	5.1%	0.0%
Infrastructure (Renewables) Cycle 2	9,650	0.3%	-	0.3%	1.0%	0.0%
Infrastructure Cycle 3	8,311	0.3%	-	0.3%	-2.0%	-0.0%
Secured Income Cycle 1	56,592	1.8%	5.00%	-3.2%	-1.5%	-0.0%
Secured Income Cycle 2	38,122	1.2%	-	1.2%	-1.0%	-0.0%
UK Property	164,055	5.2%	6.00%	-0.8%	-2.0%	-0.1%
International Property	54,641	1.7%	2.00%	-0.3%	-6.4%	-0.1%
Cash	25,041	0.8%	-	0.8%	8.6%	0.1%

Stewardship and climate metrics

Portfolio	WACI		Extractives revenues ¹		Extractives reserves ²	
	2022 Q4	2023 Q1	2022 Q4	2023 Q1	2022 Q4	2023 Q1
Global High Alpha Equities	89	82	1.3	1.2	3.3	3.6
MSCI World*	193	166	2.8	3.3	7.8	9.2
Global Sustainable Equities	152	140	2.6	2.6	3.1	5.6
MSCI ACWI*	222	193	2.8	3.3	7.8	9.1
UK Active Equities	93	84	3.5	5.0	15.9	11.3
FTSE All Share ex Inv Tr*	160	152	4.9	6.3	21.7	19.5
Emerging Markets Equities	196	186	0.8	1.1	5.0	4.1
MSCI Emerging Markets*	453	418	3.3	3.6	7.3	7.8
PAB Passive Global Equities	102	79	0.9	0.6	1.7	3.4
FTSE Dev World TR UKPD*	194	168	2.7	3.1	7.7	9.4

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

Weighted Average Carbon Intensity relative to benchmark



Stewardship reporting links

Engagement records

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

Holdings records

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

Voting records

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

Risk and return summary

Brunel portfolio performance - 3 year

	Annualised return	Risk (standard deviation)	Benchmark return	Benchmark standard deviation
Global High Alpha Equities	17.9%	15.4%	17.1%	13.8%
UK Active Equities	12.3%	13.5%	14.0%	12.9%
Emerging Markets Equities	7.1%	14.9%	8.3%	14.2%
Private Equity Cycle 1	18.2%	14.1%	16.0%	13.0%
Infrastructure Cycle 1	7.9%	4.6%	5.9%	2.1%
Secured Income Cycle 1	0.6%	5.3%	5.9%	2.1%

Since portfolio inception

Risk and return summary

Legacy manager performance - 3 year

	Annualised return	Risk (standard deviation)	Benchmark return	Benchmark standard deviation
Brunel PM Cash	61.9%	74.4%	0.0%	0.0%
Cash	6.6%	4.7%	0.8%	0.3%
Infrastructure	9.8%	15.7%	8.9%	2.1%
Insight Diversified Growth	3.5%	5.9%	5.1%	0.4%
LGM Fixed Income	-4.7%	10.6%	-5.9%	10.1%
Pooled Property	5.8%	13.8%	2.6%	11.2%
Private Equity	20.3%	11.5%	23.1%	14.8%
Wellington Global Equity	-9.2%	13.6%	16.0%	13.0%
Oxfordshire County Council	9.4%	9.2%	10.7%	8.6%

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 (54.65%)			1,723.68									
Global High Alpha Equities	MSCI World	+2-3%	336.24	7.1%	2.1%	0.4%	0.9%	17.9%	0.8%	12.0%	2.2%	15 Nov 2019
Global Sustainable Equities	MSCI ACWI	+2%	311.97	5.5%	0.9%	-1.3%	-0.3%	-	-	6.5%	-3.2%	30 Sep 2020
UK Active Equities	FTSE All Share ex Inv Tr	+2%	497.26	2.3%	-1.1%	2.3%	-1.6%	12.3%	-1.8%	4.3%	-1.4%	21 Nov 2018
Emerging Markets Equities	MSCI Emerging Markets	+2-3%	81.39	2.4%	1.2%	-5.1%	-0.7%	7.1%	-1.3%	0.5%	-1.4%	13 Nov 2019
PAB Passive Global Equities	FTSE Dev World PAB	Match	496.83	6.7%	-	0.7%	-0.1%	-	-	0.4%	-0.1%	29 Oct 2021
Fixed income (11.76%)			370.81									
Multi-Asset Credit	SONIA +4%	0% to +1.0%	134.50	2.7%	0.8%	-3.4%	-9.8%	-	-	-2.7%	-8.1%	01 Jun 2021
Sterling Corporate Bonds	iBoxx Sterling Non Gilt x	+1%	95.33	2.7%	0.3%	-10.7%	-0.5%	-	-	-9.7%	0.1%	02 Jul 2021
Passive Index Linked Gilts over 5 years	FTSE-A UK ILG >5Y	Match	140.98	5.4%	0.5%	-30.4%	-	-	-	-18.4%	-	09 Jun 2021
Private markets (incl. property) (16.78%)			529.27									
Private Equity Cycle 1	MSCI ACWI	+3%	75.87	-3.3%	-7.9%	12.9%	13.9%	19.4%	3.4%	19.1%	8.4%	26 Mar 2019
Private Equity Cycle 2	MSCI ACWI	+3%	25.22	-2.2%	-6.7%	-1.1%	-0.2%	-	-	7.2%	0.5%	05 Jan 2021
Private Debt Cycle 2	SONIA	+4%	32.59	-4.2%	-6.1%	2.9%	-3.4%	-	-	2.8%	-2.8%	17 Sep 2021
Private Debt Cycle 3	SONIA	+4%	7.85	5.1%	3.1%	-	-	-	-	5.1%	2.9%	20 Dec 2022
Infrastructure Cycle 1	CPI	+4%	41.94	-0.8%	-2.1%	14.1%	4.0%	9.3%	3.4%	9.3%	4.9%	02 Jan 2019

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) (16.78%)			529.27									
Infrastructure (General) Cycle 2	CPI	+4%	14.42	5.2%	3.8%	14.6%	4.5%	-	-	11.1%	4.0%	19 Oct 2020
Infrastructure (Renewables) Cycle 2	CPI	+4%	9.65	1.0%	-0.3%	21.1%	11.1%	-	-	14.0%	7.0%	12 Oct 2020
Infrastructure Cycle 3	n/a - absolute return target	net 8% IRR	8.31	-0.9%	-2.2%	-	-	-	-	-3.2%	-7.3%	13 Oct 2022
Secured Income Cycle 1	CPI	+2%	56.59	-1.4%	-2.8%	-12.3%	-22.4%	-0.7%	-6.5%	-0.7%	-5.2%	15 Jan 2019
Secured Income Cycle 2	CPI	+2%	38.12	-1.0%	-2.4%	-7.5%	-17.6%	-	-	-0.2%	-8.5%	01 Mar 2021
UK Property	MSCI/AREF UK	+0.5%	164.05	-2.0%	-1.8%	-11.9%	2.5%	-	-	3.4%	1.0%	01 Jul 2020
International Property**	GREFI	+0.5%	54.64	-6.4%	-2.2%	14.9%	11.1%	-	-	6.9%	-	01 Jul 2020
Total Brunel assets (excl. cash) (83.19%)			2,623.77									

*Since initial investment

**Performance data shown up to 31 December 2022

Portfolio overview

Legacy assets

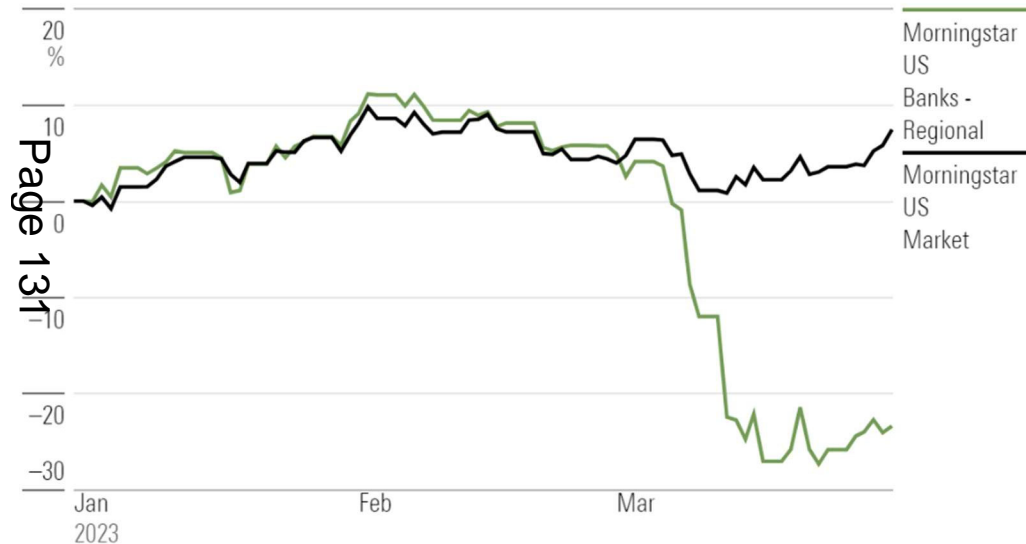
Portfolio	AUM (GBPm)	Perf. 3 month	Excess 3 month	Perf. 1 year	Excess 1 year	Perf. 3 year	Excess 3 year	Perf. SII*	Excess SII*	Initial investment
Equities (0.00%)		0.10								
Wellington Global Equity	0.10	-1.7%	-6.2%	-18.2%	-17.2%	-9.2%	-25.2%	6.6%	-5.1%	01 Oct 2012
Fixed income (2.67%)		84.13								
LCM Fixed Income	84.13	3.2%	0.3%	-16.1%	0.1%	-4.7%	1.2%	4.6%	0.3%	01 Oct 2003
Private markets (incl. property) (9.66%)		304.72								
Infrastructure	19.19	-10.2%	-12.5%	4.5%	-10.0%	9.8%	0.9%	8.7%	1.8%	01 Oct 2017
Private Equity	260.10	2.4%	-2.1%	-5.9%	-5.0%	20.3%	-2.8%	12.1%	5.4%	01 Apr 2005
Pooled Property	23.81	-4.4%	-4.2%	6.1%	20.6%	5.8%	3.2%	8.3%	1.9%	01 Jan 2010
Brunel PM Cash	1.62	6.1%	6.1%	24.2%	24.2%	61.9%	61.9%	38.2%	38.2%	14 Dec 2018
Other (4.48%)		141.24								
Cash	25.04	8.6%	7.7%	16.9%	14.6%	6.6%	5.7%	2.5%	1.1%	01 Apr 2005
Insight Diversified Growth	116.20	0.7%	-1.3%	-6.5%	-13.4%	3.5%	-1.6%	2.0%	-2.4%	01 Jan 2015
Total legacy assets (excl. cash) (16.81%)		530.20								

*Since initial investment

Chief Investment Officer commentary

Listed Markets

Bank Stocks vs. U.S. Market



Source: Morningstar Direct, Morningstar Indexes. Data as of March 31, 2023.

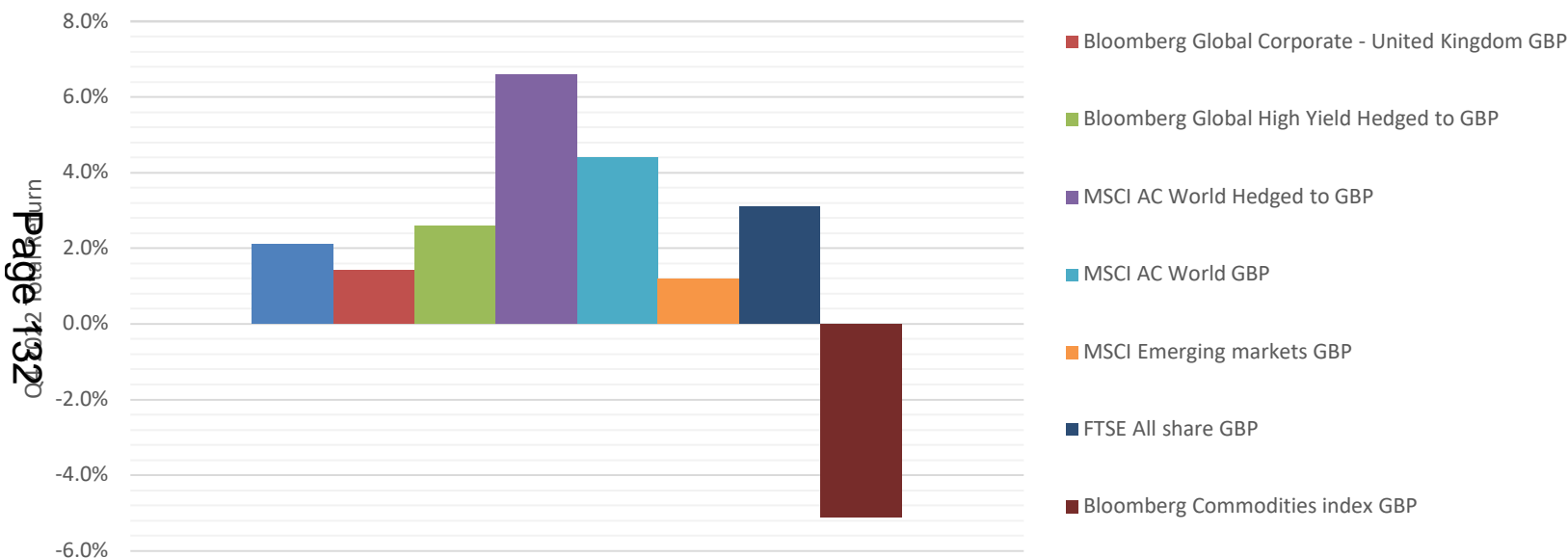
Global equities started the year very strongly and by February, the market was such that predicted 12 month returns had already been achieved leaving commentators to ponder what next! What next was the collapse of Silicon Valley Bank (SVB) followed by an emergency takeover of Credit Suisse by UBS and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

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

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

Chief Investment Officer commentary

Index Performance Q4 2022



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

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

Chief Investment Officer commentary

Private Markets

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

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

Responsible Investment Update

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

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

Global High Alpha Equities

Investment strategy & key drivers

High conviction, unconstrained global equity portfolio

Liquidity

Managed

Benchmark

MSCI World

Outperformance target

+2-3%

Total fund value

£1,006m

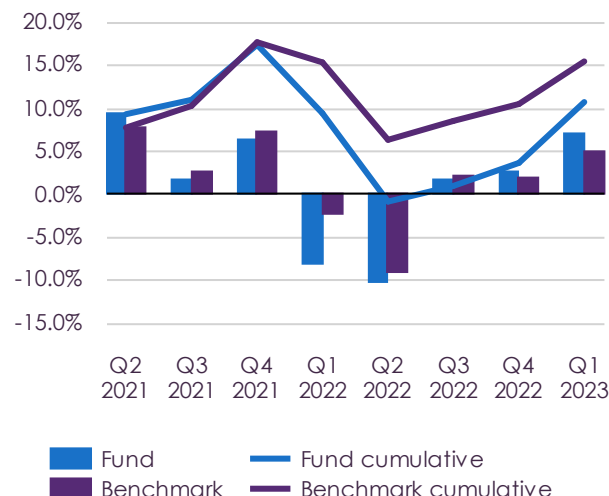
Risk profile

High

Oxfordshire's Holding:

GBP336m

Rolling performance



Performance to quarter end

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

Source: State Street Global Services

*per annum. Net of all fees.

Performance commentary

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

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

The portfolio returned 7.1% during the period, outperforming the benchmark by 2.1%. Sector allocation was positive as

both the Fund's largest active sector positions added to relative performance (an overweight to Consumer Discretionary, the best performing sector, and an underweight to Energy the worst performing sector). Positive stock selection also contributed to relative returns with the strongest selection in Industrials with contributions across several names, this offset weaker selection in Consumer Discretionary in which an underweight to Tesla was the largest detractor.

Four of the five managers outperformed. RLAM's consistency continues to be in evidence, and they have outperformed in 11 out of 13 full quarters since inception in very volatile and differentiated market environments. Baillie Gifford were the strongest performing manager this quarter, benefitting from

the growth driven environment. Sector attribution showed selection within IT as the main driver. An overweight holding in NVIDIA which returned 85% contributed circa 3% to Baillie Gifford's relative return. AB underperformed this quarter by 3%, following outperformance last quarter. The majority of underperformance occurred in March. An overweight holding in Charles Schwab was particularly painful costing circa 2.2% in relative return, as the company's banking operation was caught up in concerns about falling client deposits and paper losses in the bank's bond portfolio. In addition, not owning big tech names (Apple, NVIDIA, Tesla and Meta) cost AB close to 2.4% in relative return.

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

Global High Alpha Equities

Top 5 holdings

	Weight %	B'mark weight %	Client value (GBP)*
MICROSOFT CORP	5.37	3.82	18,069,955
AMAZON.COM INC	3.04	1.77	10,208,457
ALPHABET INC	2.63	2.23	8,852,115
MASTERCARD INC	2.57	0.58	8,645,028
UNITEDHEALTH GROUP INC	2.01	0.83	6,762,813

*Estimated client value

Top 5 active overweights

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

Top 5 active underweights

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

Largest contributors to ESG risk

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

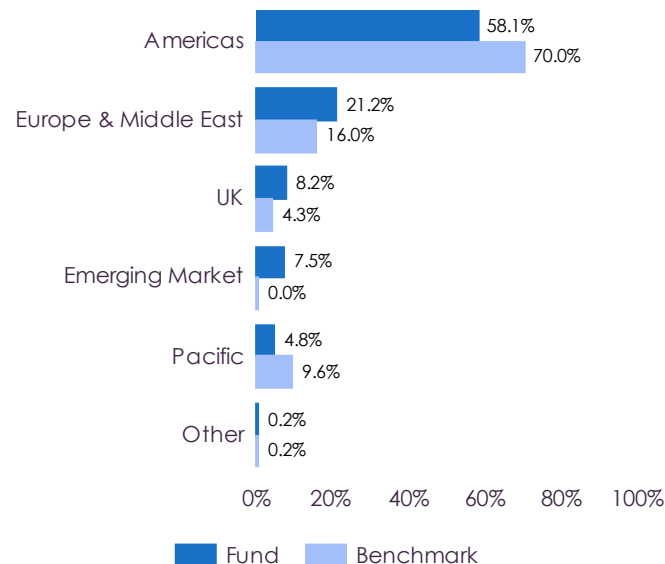
*Source: Sustainalytics. The table is ordered by negative overall ESG impact on the portfolio, with the most impactful at the top. ESG Risk Score reference: 0-10 is Negligible, 10-20 is Low, 20-30 is Medium, 30-40 is High, 40+ is Severe.

Carbon metrics

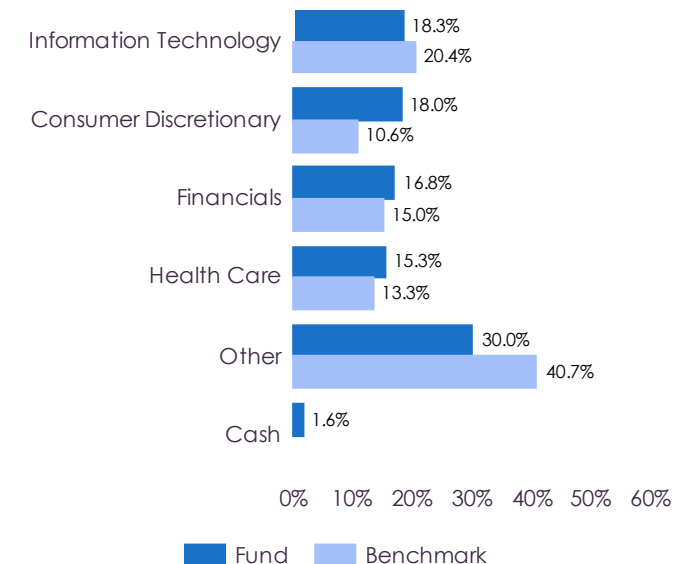
Portfolio	WACI		Extractives revenues ¹		Extractives reserves ²	
	2022 Q4	2023 Q1	2022 Q4	2023 Q1	2022 Q4	2023 Q1
Global High Alpha	89	82	1.29	1.19	3.32	3.60
MSCI World*	193	166	2.81	3.26	7.83	9.22

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

Regional exposure



Sector exposure



Global Sustainable Equities

Investment strategy & key drivers

Global equity exposure concentrating on ESG factors

Liquidity

Managed

Benchmark

MSCI ACWI

Outperformance target

+2%

Total fund value

£321m

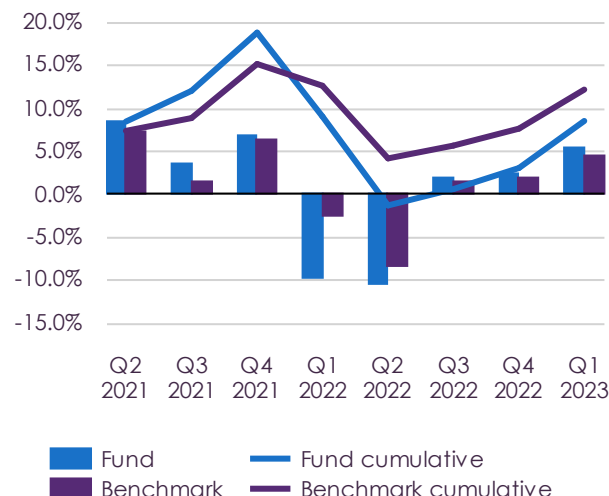
Risk profile

Low

Oxfordshire's Holding:

GBP312m

Rolling performance



Performance to quarter end

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

Source: State Street Global Services

*per annum. Net of all fees.

Performance commentary

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

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

There was a notable outperformance of Growth during a recovery period through January and again during the second half of March as the market began to price in an expected reduction in the FED's interest rate rises. As

discussed in the CIO commentary, the expected reduction in interest rate rises was a consequence of cooling inflation data and financial sector volatility.

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

Given the CIO commentary, it should be noted that the fund itself does have minimal exposure to the overall Bank sector,

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

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

Global Sustainable Equities

Top 5 holdings

	Weight %	B'mark weight %	Client value (GBP)*
MICROSOFT CORP	2.57	3.40	8,004,378
MASTERCARD INC	2.51	0.52	7,830,769
ANSYS INC	2.43	0.05	7,585,471
MARKETAXESS HOLDINGS INC	2.30	0.02	7,164,193
ADYEN NV	2.09	0.06	6,506,507

*Estimated client value

Top 5 active overweights

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

Top 5 active underweights

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

Largest contributors to ESG risk

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

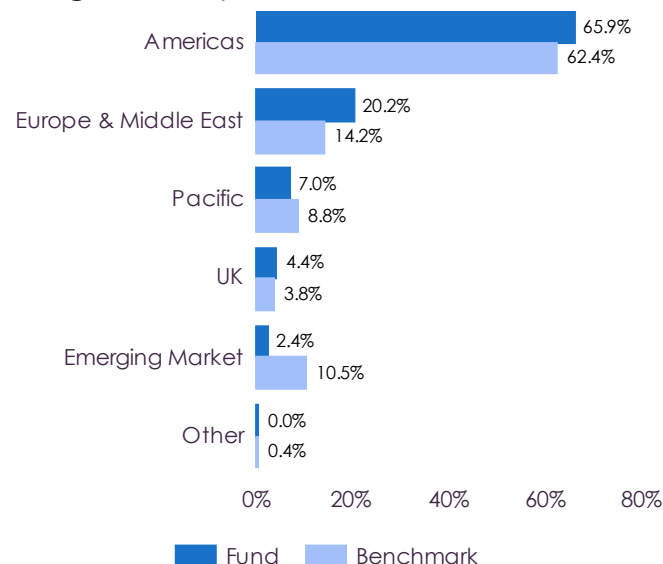
*Source: Sustainalytics. The table is ordered by negative overall ESG impact on the portfolio, with the most impactful at the top. ESG Risk Score reference: 0-10 is Negligible, 10-20 is Low, 20-30 is Medium, 30-40 is High, 40+ is Severe.

Carbon metrics

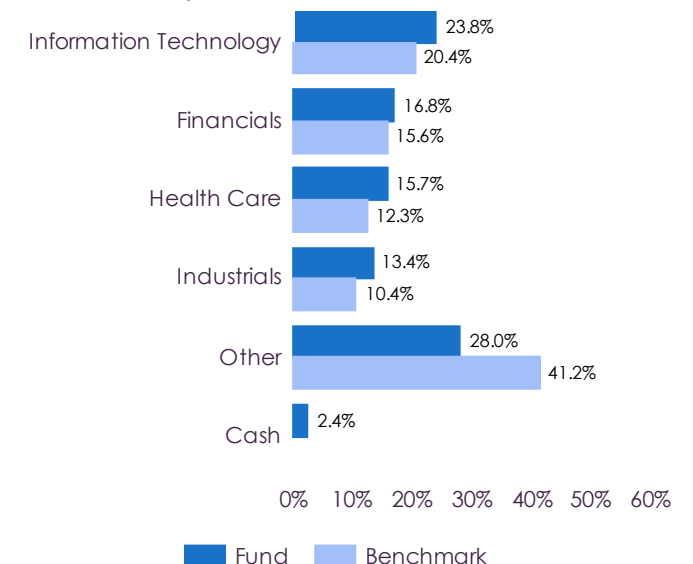
Portfolio	WACI		Extractives revenues ¹		Extractives reserves ²	
	2022 Q4	2023 Q1	2022 Q4	2023 Q1	2022 Q4	2023 Q1
Global Sustainable	152	140	2.65	2.64	3.13	5.64
MSCI ACWI*	222	193	2.82	3.27	7.76	9.06

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

Regional exposure



Sector exposure



UK Active Equities

Investment strategy & key drivers

Active stock and sector exposure to UK equity markets

Liquidity

Managed

Benchmark

FTSE All Share ex Inv Tr

Outperformance target

+2%

Total fund value

£1356m

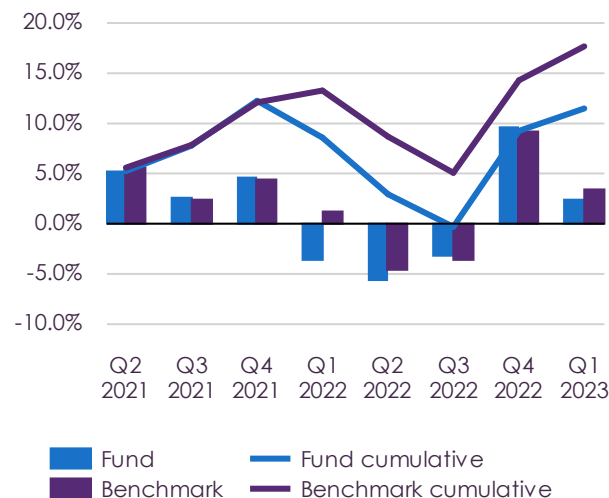
Risk profile

Low

Oxfordshire's Holding:

GBP497m

Rolling performance



Performance to quarter end

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

Source: State Street Global Services

*per annum. Net of all fees.

Performance commentary

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

The portfolio returned 2.3% during the period, underperforming the benchmark by 1.1%. Attribution analysis shows positive contribution from allocation unable to fully

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

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

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

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

UK Active Equities

Top 5 holdings

	Weight %	B'mark weight %	Client value (GBP)*
ASTRAZENECA PLC	6.34	7.55	31,543,793
UNILEVER PLC	5.17	4.84	25,706,973
SHELL PLC	3.93	7.46	19,520,331
HSBC HOLDINGS PLC	3.18	5.03	15,831,816
BP PLC	3.10	4.16	15,429,982

*Estimated client value

Top 5 active overweights

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

Top 5 active underweights

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

Largest contributors to ESG risk

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

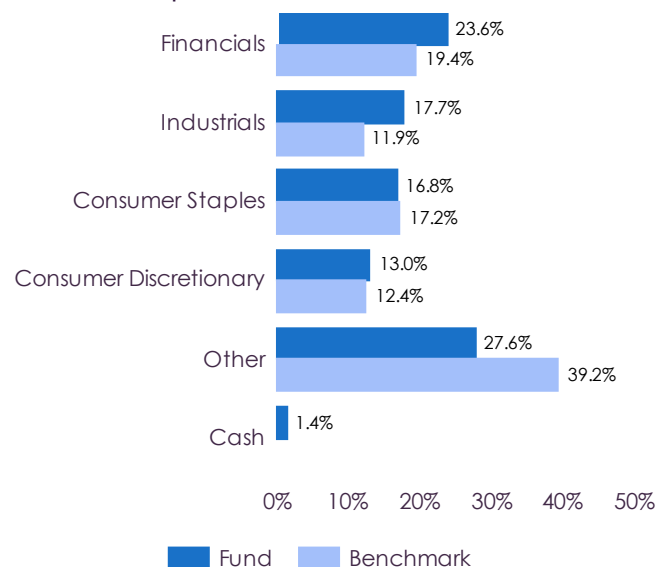
*Source: Sustainalytics. The table is ordered by negative overall ESG impact on the portfolio, with the most impactful at the top. ESG Risk Score reference: 0-10 is Negligible, 10-20 is Low, 20-30 is Medium, 30-40 is High, 40+ is Severe.

Carbon metrics

Portfolio	WACI		Extractives revenues ¹		Extractives reserves ²	
	2022 Q4	2023 Q1	2022 Q4	2023 Q1	2022 Q4	2023 Q1
UK Active Equities	93	84	3.48	5.02	15.89	11.30
FTSE All Share ex Inv	160	152	4.95	6.28	21.71	19.50

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

Sector exposure



Classification: Public

Emerging Markets Equities

Investment strategy & key drivers

Equity exposure to emerging markets

Liquidity

Managed

Benchmark

MSCI Emerging Markets

Outperformance target

+2-3%

Total fund value

£1,088m

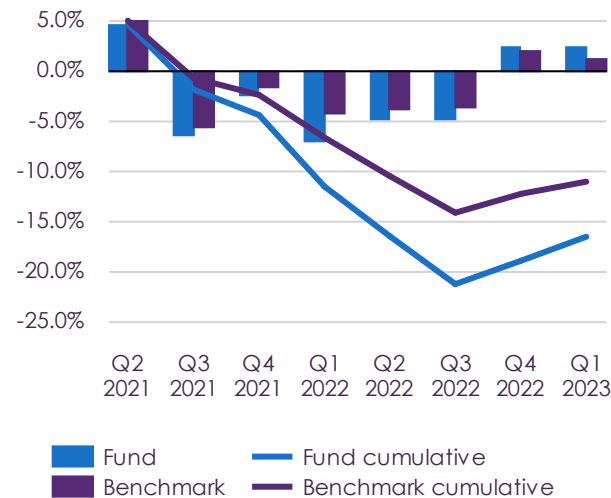
Risk profile

High

Oxfordshire's Holding:

GBP81m

Rolling performance



Performance to quarter end

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

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

Performance commentary

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

The portfolio had another positive quarter, returning +121bps over the benchmark on a net of fees basis. This was mixed at manager level. Genesis, Wellington & Ninety-One had gross relative returns of +170bps, +47bps and +163bps respectively. Genesis benefitted from country allocation because of India

and the Middle East significantly underperforming. Ninety-One showed strong selection skill in Taiwan, particularly in Semiconductors. Wellington lagged the other managers due to poorer selection, particularly in China and Korea.

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

Styles exhibited dispersion during the quarter. Deep Value and Quality Value outperformed the main market by

approximately +2-3%. The Defensive style was by far the weakest, underperforming the broader market by almost -6%. Ultimately, these investment styles didn't impact relative performance.

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

Emerging Markets Equities

Top 5 holdings

	Weight %	B'mark weight %	Client value (GBP)*
TAIWAN SEMICONDUCTOR	7.60	6.58	6,184,284
TENCENT HOLDINGS LTD	4.69	4.67	3,817,170
SAMSUNG ELECTRONICS CO LTD	4.24	4.10	3,450,155
ALIBABA GROUP HOLDING LTD	2.96	2.89	2,409,721
AIA GROUP LTD	2.31	-	1,876,998

*Estimated client value

Top 5 active overweights

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

Top 5 active underweights

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

Largest contributors to ESG risk

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

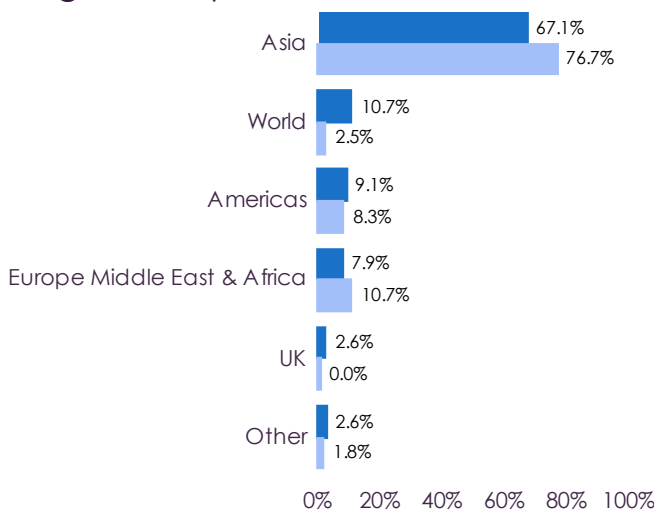
*Source: Sustainalytics. The table is ordered by negative overall ESG impact on the portfolio, with the most impactful at the top. ESG Risk Score reference: 0-10 is Negligible, 10-20 is Low, 20-30 is Medium, 30-40 is High, 40+ is Severe.

Carbon metrics

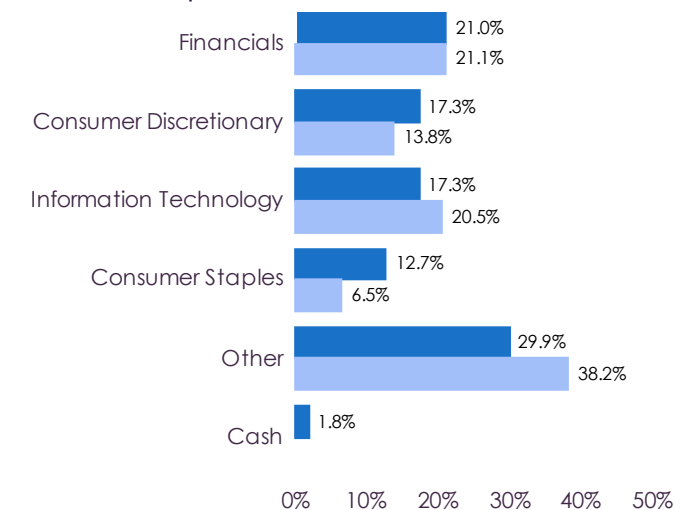
Portfolio	WACI		Extractives revenues ¹		Extractives reserves ²	
	2022 Q4	2023 Q1	2022 Q4	2023 Q1	2022 Q4	2023 Q1
Emerging Markets	196	186	0.81	1.05	5.03	4.06
MSCI Emerging	453	418	3.29	3.61	7.26	7.78

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

Regional exposure



Sector exposure



Multi-Asset Credit

Investment strategy & key drivers

Exposure to higher yield bonds with moderate credit risk

Liquidity

Managed

Benchmark

SONIA +4%

Outperformance target

0% to +1.0%

Total fund value

£1,599m

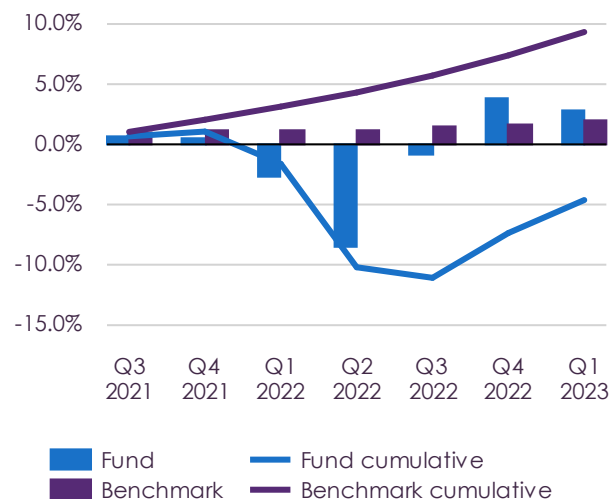
Risk profile

Moderate

Oxfordshire's Holding:

GBP135m

Rolling performance



Performance to quarter end

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

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

Performance commentary

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

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

The banking fears ultimately resulted in Credit Suisse being forced to merge with UBS. As part of the merger terms, FINMA - the regulation authority in Switzerland - forced 100% losses on the AT1 bonds whilst preserving some value in equity

capital. This subsequently caused the entire AT1 market to reprice, as investors expressed doubt that AT1 bonds across Europe would remain higher in the capital structure.

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

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

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

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

Sterling Corporate Bonds

Investment strategy & key drivers

Managed credit selection to generate excess sterling yield returns

Liquidity

Managed

Benchmark

iBoxx Sterling Non Gilt x

Outperformance target

+1%

Total fund value

£2017m

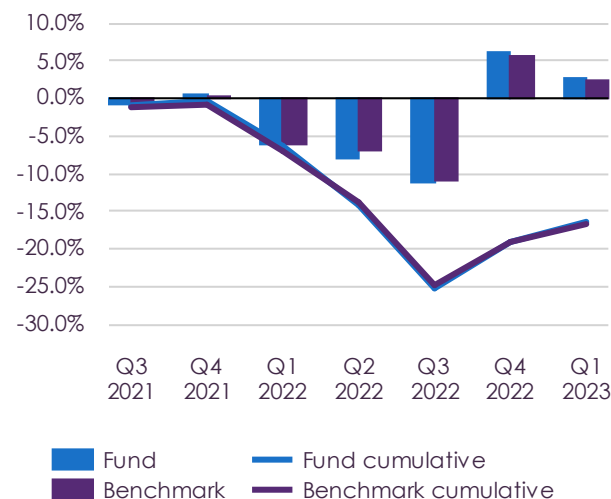
Risk profile

Moderate

Oxfordshire's Holding:

GBP95m

Rolling performance



Performance to quarter end

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

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

Performance commentary

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

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

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

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

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

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

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

Passive Index Linked Gilts over 5 years

Investment strategy & key drivers

Passive exposure to index linked gilts with over 5 year duration

Liquidity

High

Benchmark

FTSE-A UK ILG >5Y

Outperformance target

Match

Current fund value

£744m

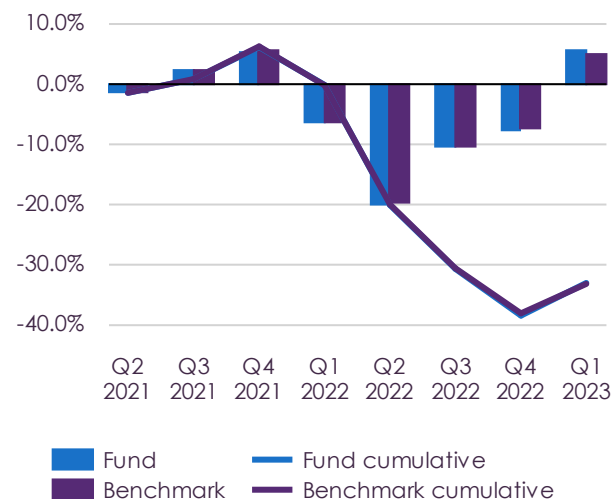
Risk profile

Low

Oxfordshire's Holding:

GBP141m

Rolling performance



Performance to quarter end

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

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

Performance commentary

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

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

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

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

PAB Passive Global Equities

Investment strategy & key drivers

Passive global equity exposure aligned to Paris Agreement climate goals

Liquidity

High

Benchmark

FTSE Dev World PAB

Outperformance target

Match

Total fund value

GBP620m

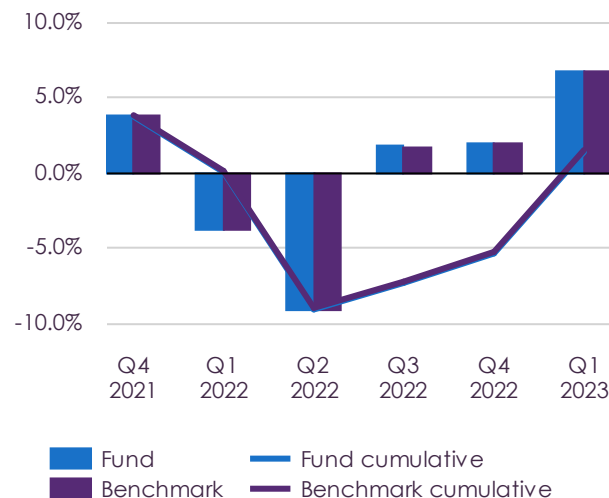
Risk profile

High

Oxfordshire's Holding:

GBP497m

Rolling performance



Performance to quarter end

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

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

Performance commentary

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

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

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

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

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

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

PAB Passive Global Equities

Top 5 holdings

	Weight %	Client value (GBP)*
APPLE INC	5.68	28,225,918
TESLA INC	5.60	27,844,003
MICROSOFT CORP	5.54	27,545,655
ALPHABET INC	4.96	24,640,425
AMAZON.COM INC	4.47	22,208,329

*Estimated client value

Largest contributors to ESG risk

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

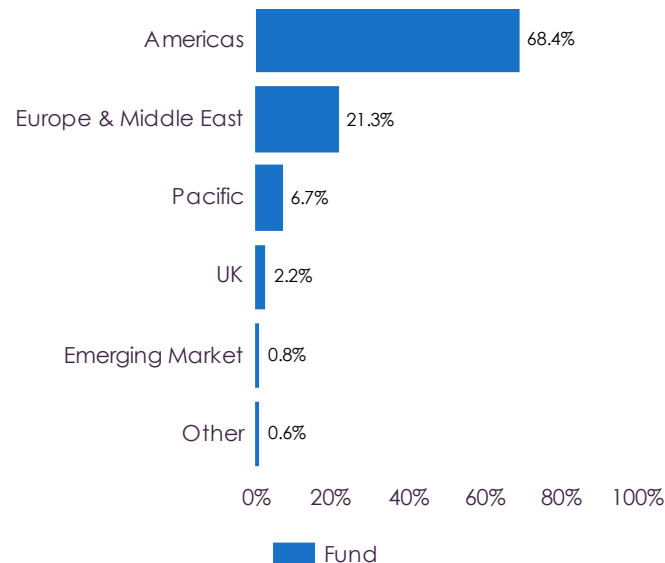
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Carbon metrics

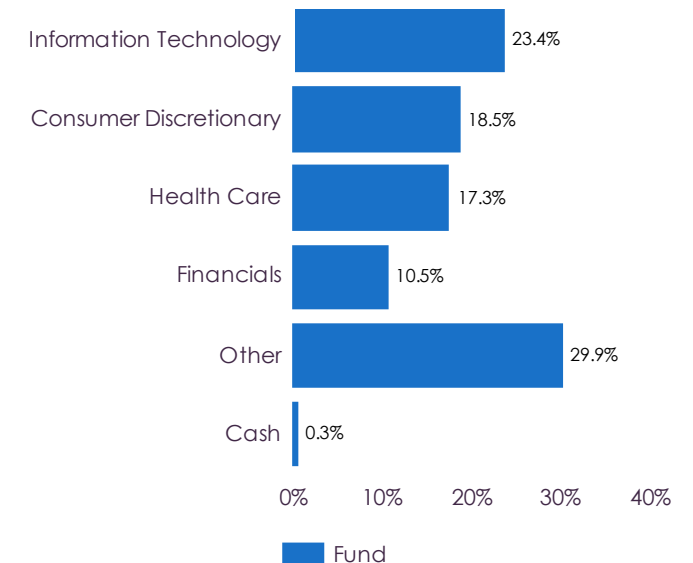
Portfolio	WACI		Extractives revenues ¹		Extractives reserves ²	
	2022 Q4	2023 Q1	2022 Q4	2023 Q1	2022 Q4	2023 Q1
PAB Passive Global	102	79	0.91	0.61	1.68	3.42
FTSE Dev World TR	194	168	2.69	3.10	7.69	9.44

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

Regional exposure



Sector exposure



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

£102.11m

Amount Called

£61.34m

% called to date

60.08

Number of underlying funds

7

Oxfordshire's Holding:

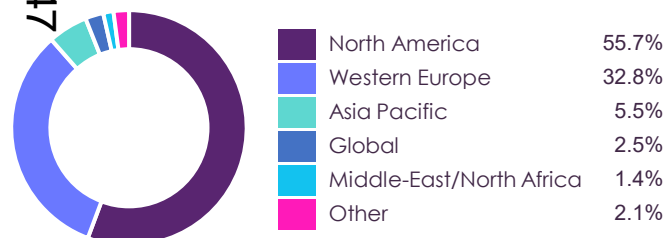
GBP75.87m

Performance commentary

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

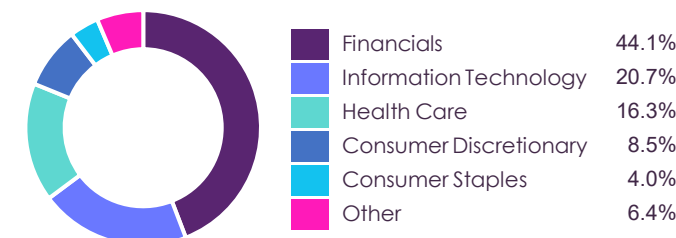
The pace of portfolio deployment remains strong, with the portfolio now over 60% called (buyout funds having now largely matched the deployment levels seen in the secondaries and coinvest funds). Portfolio performance remains positive (albeit with some slight deterioration versus the prior quarter).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

Country Invested in underlying investments



Source: Colmore
Country data is lagged by one quarter

Sector GICs level 1



Source: Colmore
Sector data is lagged by one quarter

Portfolio summary

Market value (GBP millions)	3 Month MWR*	1 Year MWR*	Since Inception MWR*	Inflows	Outflows	Net cash flow latest quarter	Value added latest quarter	Contribution to return: 3 months	Contribution to return: 1 year	Contribution to return: since inception
75.9	-3.3%	12.9%	19.1%	4,524,267	1,005,127	3,519,140	-2,555,220	-0.1%	0.2%	0.0%

*Money weighted return. Net of all fees.

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

£71.94m

Amount Called

£23.88m

% called to date

33.19

Number of underlying funds

14

Oxfordshire's Holding:

GBP25.22m

Performance commentary

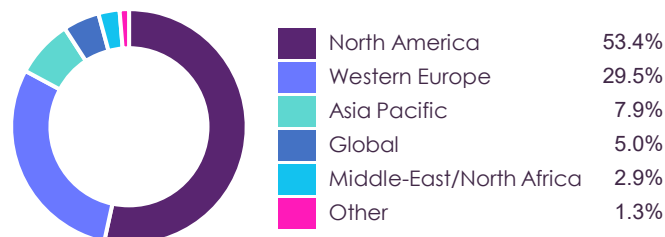
Given the episodic nature of M&A markets (and currently tending more to ebb than flow), deal activity has continued to slow, reflecting macro-economic headwinds. Major themes from 2022 continue to play out:

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

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

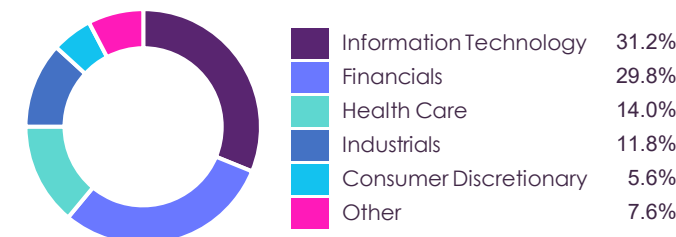
Portfolio deployment now stands at ~1/3rd of total commitments. Most funds in the portfolio have now called capital. Portfolio performance is broadly flat since inception (following some deterioration versus the prior quarter). Given the relative nascency of the portfolio, return measures are not yet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

Country Invested in underlying investments



Source: Colmore
Country data is lagged by one quarter

Sector GICs level 1



Source: Colmore
Sector data is lagged by one quarter

Portfolio summary

Market value (GBP millions)	3 Month MWR*	1 Year MWR*	Since Inception MWR*	Inflows	Outflows	Net cash flow latest quarter	Value added latest quarter	Contribution to return: 3 months	Contribution to return: 1 year	Contribution to return: since inception
25.2	-2.2%	-1.1%	7.2%	3,582,891	221,624	3,361,268	-531,371	-0.0%	-0.0%	0.0%

*Money weighted return. Net of all fees.

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

£32.61m

% called to date

46.59

Number of underlying funds

1

Oxfordshire's Holding:

GBP32.59m

Performance commentary

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

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

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

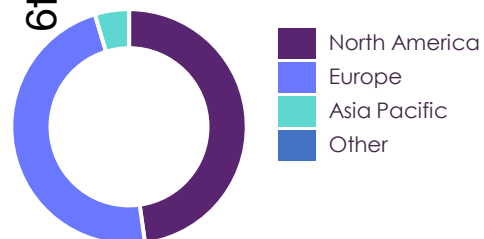
Given the rising interest costs for companies borrowing and a lack of alternative funding sources, the levels of debt being offered by managers is generally falling on new deals, as strict underwriting standards from lenders lead to a reduced loan size (higher costs of servicing). This is positive for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

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

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

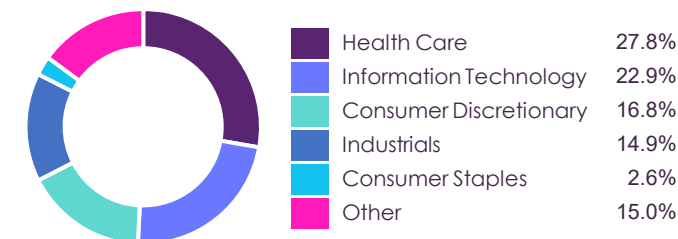
Portfolio performance has been flat over the period. This was expected, given the portfolio's focus on generating a contractual yield over the life of the investments whilst preserving value. Performance remains positive, whilst individual fund IRRs are not yet meaningful.

Country Invested in underlying investments



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

Sector GICs level 1



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

Portfolio summary

Market value (GBP millions)	3 Month MWR*	1 Year MWR*	Since Inception MWR*	Inflows	Outflows	Net cash flow latest quarter	Value added latest quarter	Contribution to return: 3 months	Contribution to return: 1 year	Contribution to return: since inception
32.6	-4.2%	2.9%	2.8%	0	0	0	-1,428,260	-0.0%	0.0%	0.0%

*Money weighted return. Net of all fees.

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

£20.00m

The fund is denominated in GBP

Commitment to Investment

£35.48m

Amount Called

£7.92m

% called to date

22.32

Number of underlying funds

2

Oxfordshire's Holding:

GBP7.85m

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

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

Performance commentary

Given the episodic nature of M&A markets (currently tending more to ebb than flow), deal activity has continued to slow, reflecting macro-economic headwinds. The major themes seen across 2022 continue to play out: (i) persistent (albeit slowing) inflation; (ii) hawkish central bank policy; (iii) the numerator/denominator effects; and (iv) a slow-down in both sponsor M&A activity and the funding of such via the public debt markets. With respect to the Brunel private debt portfolios, it remains an attractive environment for GPs to deploy capital, given the (majority) floating rate nature of

portfolios, which allows LPs to capture additional returns from rising rates. Loan margins and upfront fees have remained elevated following rises seen during 2022. This is accretive to performance. Given the rising interest costs for companies borrowing from private debt managers (and a lack of alternative funding sources), the levels of debt being offered by managers (and thus leverage) is generally falling on new deals. This positive news for lenders is also due to strict underwriting standards from lenders dictating a reduced loan size, given the higher costs of servicing. GPs are stressing a

Portfolio summary

Market value (GBP millions)	3 Month MWR*	1 Year MWR*	Since Inception MWR*	Inflows	Outflows	Net cash flow latest quarter	Value added latest quarter	Contribution to return: 3 months	Contribution to return: 1 year	Contribution to return: since inception
7.8	5.1%	-	5.1%	1,773,786	159,141	1,614,645	339,887	0.0%	0.0%	0.0%

*Money weighted return. Net of all fees.

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

£49.89m

Amount Called

£38.88m

% called to date

77.92

Number of underlying funds

5

Oxfordshire's Holding:

GBP41.94m

Performance commentary

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

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

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

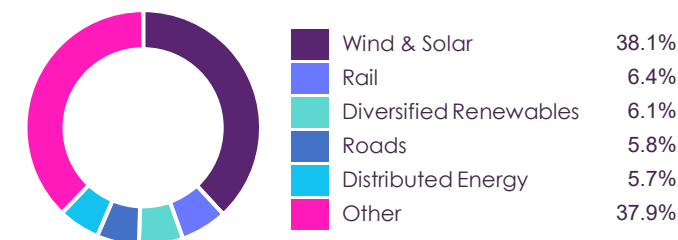
Country

Commitment in underlying investments



Source: Stepstone
Country data is lagged by one quarter

Sector



Source: Stepstone
Sector data is lagged by one quarter

Portfolio summary

Market value (GBP millions)	3 Month MWR*	1 Year MWR*	Since Inception MWR*	Inflows	Outflows	Net cash flow latest quarter	Value added latest quarter	Contribution to return: 3 months	Contribution to return: 1 year	Contribution to return: since inception
41.9	-0.8%	14.1%	9.3%	1,938,206	902,985	1,035,221	-334,038	-0.0%	0.2%	0.0%

*Money weighted return. Net of all fees.

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

£13.35m

% called to date

66.74

Number of underlying funds

1

Oxfordshire's Holding:

GBP14.42m

Performance commentary

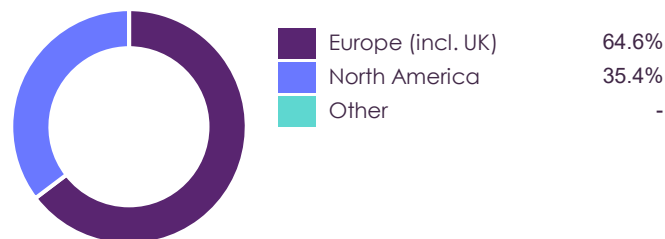
Economic growth was set to slow in 2023 in the light of tighter financial conditions and elevated inflation. This downbeat outlook began to ease over the first quarter, with most economies seeing upward revisions to their GDP growth forecasts. Bank failures in March saw the spectre of volatility in markets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

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

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

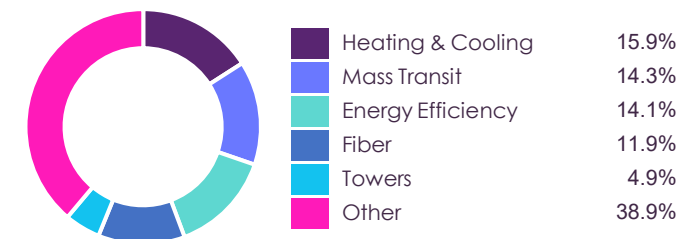
Country

Commitment in underlying investments



Source: Stepstone.
Country data is lagged by one quarter

Sector



Source: Stepstone
Sector data is lagged by one quarter

Portfolio summary

Market value (GBP millions)	3 Month MWR*	1 Year MWR*	Since Inception MWR*	Inflows	Outflows	Net cash flow latest quarter	Value added latest quarter	Contribution to return: 3 months	Contribution to return: 1 year	Contribution to return: since inception
14.4	5.2%	14.6%	11.1%	649,263	205,793	443,470	700,940	0.0%	0.0%	0.0%

*Money weighted return. Net of all fees.

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

£9.02m

% called to date

45.09

Number of underlying funds

1

Oxfordshire's Holding:

GBP9.65m

Performance commentary

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

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

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

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

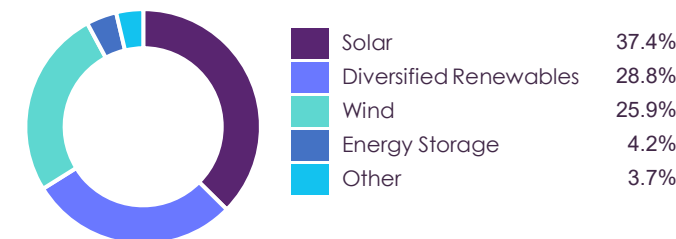
Country

Commitment in underlying investments



Source: Stepstone
Country data is lagged by one quarter

Sector



Source: Stepstone
Sector data is lagged by one quarter

Portfolio summary

Market value (GBP millions)	3 Month MWR*	1 Year MWR*	Since Inception MWR*	Inflows	Outflows	Net cash flow latest quarter	Value added latest quarter	Contribution to return: 3 months	Contribution to return: 1 year	Contribution to return: since inception
9.7	1.0%	21.1%	14.0%	1,251,974	-61,265	1,313,239	93,573	0.0%	0.0%	0.0%

*Money weighted return. Net of all fees.

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

£8.48m

% called to date

14.13

Number of underlying funds

1

Oxfordshire's Holding:

GBP8.31m

carbon credits; Project Ardor, an investment in an operating Indian renewables portfolio and IPP; Suez, the international water and waste company; and Havfram, an offshore wind installation vessel company.

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

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

Performance commentary

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

downside protection, strong inflation linkage and inherent mission-critical objectives.

Since the portfolio's inception, deal flow activity has been strong, and Brunel has been selective. As at the end of Q1, Cycle 3 is circa 27% committed to three Primary investments including Vauban Core Infrastructure IV, Sandbrook Climate Infrastructure Fund and Meadowlark Lands Fund. In addition, as of March 2023, Tactical investments include Project Appellation, a US forestry investment focused on income from

Portfolio summary

Market value (GBP millions)	3 Month MWR*	1 Year MWR*	Since Inception MWR*	Inflows	Outflows	Net cash flow latest quarter	Value added latest quarter	Contribution to return: 3 months	Contribution to return: 1 year	Contribution to return: since inception
8.3	-0.9%	-	-3.2%	5,637,467	247,771	5,389,696	-59,358	-0.0%	-0.0%	-0.0%

*Money weighted return. Net of all fees.

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

£59.96m

% called to date

99.93

Number of underlying funds

3

Oxfordshire's Holding:

GBP56.59m

concerns or shorter leases. The fund is likely to see a further modest valuation decline as we move through the first half of the year. Despite a challenging period, the fund remains an attractive proposition with a well-diversified portfolio, a strong tenant base and an attractive income return.

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

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

Performance commentary

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

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

The abrdn Long Lease Property Fund has also experienced a more muted performance in Q1, with early indications that the level of price declines is slowing. The fund is continuing to make tactical disposals to meet its redemption queue, predominantly where there are ESG issues, tenant covenant

Portfolio summary

Market value (GBP millions)	3 Month MWR*	1 Year MWR*	Since Inception MWR*	Inflows	Outflows	Net cash flow latest quarter	Value added latest quarter	Contribution to return: 3 months	Contribution to return: 1 year	Contribution to return: since inception
56.6	-1.4%	-12.3%	-0.7%	2,694	630,445	-627,751	-829,963	-0.0%	-0.3%	-0.0%

*Money weighted return. Net of all fees.

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

£39.99m

% called to date

99.97

Number of underlying funds

3

Oxfordshire's Holding:

GBP38.12m

concerns or shorter leases. The fund is likely to see a further modest valuation decline as we move through the first half of the year. Despite a challenging period, the fund remains an attractive proposition with a well-diversified portfolio, a strong tenant base and an attractive income return.

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

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Portfolio summary

Market value (GBP millions)	3 Month MWR*	1 Year MWR*	Since Inception MWR*	Inflows	Outflows	Net cash flow latest quarter	Value added latest quarter	Contribution to return: 3 months	Contribution to return: 1 year	Contribution to return: since inception
38.1	-1.0%	-7.5%	-0.2%	388,424	388,868	-444	-394,617	-0.0%	-0.1%	-0.0%

*Money weighted return. Net of all fees.

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

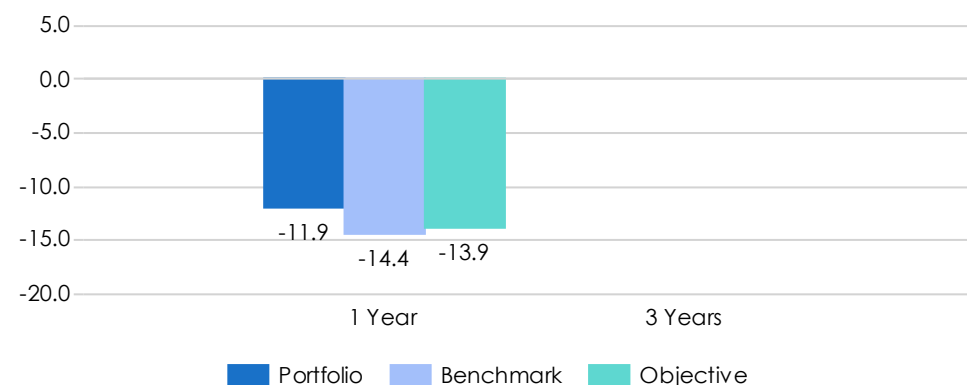
£150.0m

Amount Called

£141.9m

Number of portfolios

16



Performance commentary

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

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

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

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

In contrast, confidence in the outlook for the industrial sector has been boosted by Blackstone's recent offer for Industrial REIT, where Blackstone launched a cash offer for the REIT's shares at a level 42% higher than the existing share price (a

3.7% premium to its NAV). Current rental growth for Industrials is still over 9%, though tenants' ability to pay these higher rents in any future UK recession is yet to be tested.

Property holdings summary

Holding	Cost (GBP millions)	Market value (GBP millions)	Perf. 3 month	Perf. FYTD	Perf. 1 year	Perf. 3 year	Perf. 5 year	Inception Date
Brunel UK Property	95.2	164.1	-2.0%	-11.9%	-11.9%	-	-	Jul 2020

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

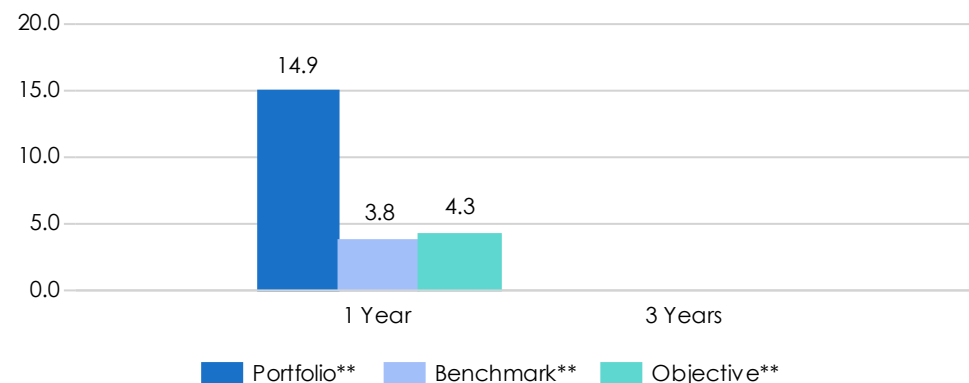
£61.0m

Amount Called

£50.2m

Number of portfolios

10



**Performance data shown up to 31 December 2022

Performance commentary

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

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

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

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

Property fundamentals remain healthy in many sectors (apart from office), mitigating some of the value declines. The industrial sector remains favourable, with further rental growth expected and vacancy rates still near record lows, reflecting a positive supply/demand dynamic. Nonetheless, yields will continue to expand with any further increases in interest rates, leading to additional value declines in that scenario. Attractive trades in retail, hospitality and some

niche areas like senior housing are likely, where capital has been less abundant post-Covid.

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

Property holdings summary

Holding	Cost (GBP millions)	Market value (GBP millions)	Perf. 3 month**	Perf. FYTD**	Perf. 1 year**	Perf. 3 year**	Perf. 5 year**	Inception Date
Brunel International Property	17.5	54.6	-6.4%	8.9%	14.9%	-	-	Jul 2020

**Performance data shown up to 31 December 2022

Glossary

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

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

Glossary

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

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

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