Public Document Pack

To: Members of the Pension Fund Committee

Notice of a Meeting of the Pension Fund Committee

Friday, 11 June 2021 at 10.00 am

Council Chamber - County Hall, New Road, Oxford OX1 1ND

Please note that Council meetings are currently taking place in-person (not virtually) with social distancing at the venue. Meetings will continue to be live-streamed and those who wish to view them are strongly encouraged to do so online to minimise the risk of covid-19 infection.

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

Places at the meetings are very limited due to the requirements of social distancing. If you still wish to attend this meeting in person, you must contact Khalid Ahmed by 9am four working days before the meeting and he will advise if you can be accommodated at this meeting and of the detailed Covid-19 safety requirements for all attendees**.**

Yvonne Rees
Chief Executive

3 June 2021

Committee Officer: ***Khalid Ahmed***
Tel: 07990368048; E-Mail: khalid.ahmed@oxfordshire.gov.uk

Membership

Voting Members of Oxfordshire County Council – Councillors Kevin Bulmer, I.U. Edosomwan, Nick Field Johnson, Bob Johnston and Richard Webber

Non-voting Members of the Academy sector (2 to be nominated)

Non-voting Scheme Member Representative - Mr Steve Moran

Non-voting Member of Oxford Brookes University – Mr Alistair Fitt

Non-voting Member of District Councils (To be nominated)

Notes:
- ***Date of next meeting: 10 September 2021***

Declarations of Interest

The duty to declare…..
Under the Localism Act 2011 it is a criminal offence to
(a) fail to register a disclosable pecuniary interest within 28 days of election or co-option (or re-election or re-appointment), or
(b) provide false or misleading information on registration, or
(c) participate in discussion or voting in a meeting on a matter in which the member or co-opted member has a disclosable pecuniary interest.

Whose Interests must be included?
The Act provides that the interests which must be notified are those of a member or co-opted member of the authority, **or**
- those of a spouse or civil partner of the member or co-opted member;
- those of a person with whom the member or co-opted member is living as husband/wife
- those of a person with whom the member or co-opted member is living as if they were civil partners.

(in each case where the member or co-opted member is aware that the other person has the interest).

What if I remember that I have a Disclosable Pecuniary Interest during the Meeting?.
The Code requires that, at a meeting, where a member or co-opted member has a disclosable interest (of which they are aware) in any matter being considered, they disclose that interest to the meeting. The Council will continue to include an appropriate item on agendas for all meetings, to facilitate this.

Although not explicitly required by the legislation or by the code, it is recommended that in the interests of transparency and for the benefit of all in attendance at the meeting (including members of the public) the nature as well as the existence of the interest is disclosed.

A member or co-opted member who has disclosed a pecuniary interest at a meeting must not participate (or participate further) in any discussion of the matter; and must not participate in any vote or further vote taken; and must withdraw from the room.

Members are asked to continue to pay regard to the following provisions in the code that *"You must serve only the public interest and must never improperly confer an advantage or disadvantage on any person including yourself"* or *"You must not place yourself in situations where your honesty and integrity may be questioned…..".*

Please seek advice from the Monitoring Officer prior to the meeting should you have any doubt about your approach.

List of Disclosable Pecuniary Interests:
Employment (includes"*any employment, office, trade, profession or vocation carried on for profit or gain*".), **Sponsorship, Contracts, Land, Licences, Corporate Tenancies, Securities.**

For a full list of Disclosable Pecuniary Interests and further Guidance on this matter please see the Guide to the New Code of Conduct and Register of Interests at Members' conduct guidelines. http://intranet.oxfordshire.gov.uk/wps/wcm/connect/occ/Insite/Elected+members/ or contact Glenn Watson on **07776 997946** or glenn.watson@oxfordshire.gov.uk for a hard copy of the document.

If you have any special requirements (such as a large print version of these papers or special access facilities) please contact the officer named on the front page, but please give as much notice as possible before the meeting.

AGENDA

1. **Election of the Chairman for the 2021/22 Municipal Year**

2. **Election of Deputy Chairman for the 2021/22 Municipal Year**

3. **Apologies for Absence and Temporary Appointments**

4. **Declarations of Interest - see guidance note**

5. **Appointment of Representative to the Brunel Oversight Board**

6. **Minutes** (Pages 1 - 10)

   To approve the minutes of the meeting held on 5 March 2021, and to receive information arising from them.

7. **Petitions and Public Address**

   Currently council meetings are taking place in-person (not virtually) with social distancing operating in the venues. However, members of the public who wish to speak at this meeting can attend the meeting 'virtually' through an online connection. Places at the meeting are very limited due to the requirements of social distancing. While you can ask to attend the meeting in person, you are strongly encouraged to attend 'virtually' to minimise the risk of Covid-19 infection.

   Please also note that in line with current government guidance all attendees are strongly encouraged to take a lateral flow test in advance of the meeting.

   Normally requests to speak at this public meeting are required by 9 am on the day preceding the published date of the meeting. However, during the current situation and to facilitate these new arrangements we are asking that requests to speak are submitted by no later than 9am four working days before the meeting i.e. 9 am on Monday 7 June 2021. Requests to speak should be sent to khalid.ahmed@oxfordshire.gov.uk. You will be contacted by the officer regarding the arrangements for speaking.

   If you ask to attend in person, the officer will also advise you regarding Covid-19 safety at the meeting. If you are speaking 'virtually', you may submit a written statement of your presentation to ensure that if the technology fails, then your views can still be taken into account. A written copy of your statement can be provided no later than 9 am 2 working days before the meeting. Written submissions should be no longer than 1 A4 sheet.

8. Minutes of the Local Pension Board (Pages 11 - 16)

10:10am
A copy of the unconfirmed Minutes of the Local Pension Board, which met on 23 April 2021 is attached for information only.

9. Report of the Local Pension Board (Pages 17 - 24)

10:15am
In a response to a request from the Chairman of Pension Fund Committee to have a dedicated item on each Committee agenda for the work of the Local Pension Board, attached is the report by the Independent Chairman of the Local Pension Board. It invites the Committee to respond to the key issues raised by the Pension Board at its most recent meeting.

10. Review of the Annual Business Plan (Pages 25 - 32)

10.20am
This report provides an update on progress against the key priorities set out in the Annual Business Plan for 2021/22, including the transition of assets to Brunel, an update on the proposals from the independent governance review, the implementation of the climate change policy and the latest position on the Mc Cloud remedy.

The Committee is RECOMMENDED to:
a. note progress against each of the key service priorities as set out in the report;
b. agree future membership of the Climate Change Working Group;
c. comment on the proposal from the Local Pension Board that a representative of the Committee attends all future meetings of the Board to answer questions from Board members on decisions made at the most recent Committee meeting;
d. agree a draft outline for future attendance of Brunel Officers at this Committee.

11. Age Discrimination Cases in the Firefighters Pension Scheme (Pages 33 - 36)

11.00am
The report will highlight the latest legal update in respect of the age discrimination cases in the firefighters pension scheme, and alert the Committee to the likely need to call a special meeting of the Committee to determine their policy in advance of Regulation changes.

The Committee is RECOMMENDED to note the latest legal position on the age discrimination cases in the firefighters pension schemes and the intention to call an additional meeting of this Committee to determine our Policy in advance of revised Regulations once in receipt of further legal advice and the publication of the National Framework.

12. Risk Register (Pages 37 - 46)

11.10am
The report presents the latest position on the Fund's risk register, including any new risks identified since the report to the last meeting.

The Committee is RECOMMENDED to note the changes to the risk register and offer any further comments.

13. Administration Report (Pages 47 - 52)

11.20am
This report updates the Committee on the key administration issues including the iConnect project, service performance measurement and any write offs agreed in the last quarter

The Committee is RECOMMENDED to

a) Note the report
b) Agree the changes to the Scheme of Delegation to add the 2 Employer Team Managers to the list of officers authorised to approve payments from the Pension Fund

14. EXEMPT ITEMS

The Committee is RECOMMENDED that the public be excluded for the duration of items 15 and 16 in the Agenda (during discussion on confidential matters) since it is likely that if they were present during those items there would be disclosure of exempt information as defined in Part I of Schedule 12A to the Local Government Act 1972 (as amended) and specified in relation to the respective items in the Agenda and since it is considered that, in all the circumstances of each case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

15. Overview of Past and Current Investment Position (Pages 53 - 142)

11.40am
The Independent Financial Adviser will review the investment activity during the past quarter, present a summary of the Fund's position as at 31 March 2021, and highlight any key performance issues, with reference to Tables and Graphs, the Investment Performance Reports produced by Brunel. The report itself does not contain exempt information and is available to the public.

The public should be 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 that such disclosure would prejudice the trading activities of the fund managers involved and would prejudice the position of the authority's investments in funding the Pension Fund.

The Committee is RECOMMENDED to receive the tables and graphs, and that the information contained in them be borne in mind, insofar as they relate to items on the agenda.

16. Overview and Outlook for Investment Markets (Pages 143 - 148)

11.55am
Report of the Independent Financial Adviser.

The report sets out an overview of the current and future investment scene and market developments across various regions and sectors. The report itself does not contain exempt information and is available to the public. The Independent Financial Adviser will also report orally and any information reported orally will be exempt information.

The public should be 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 that such disclosure would prejudice the trading activities of the fund managers involved and would prejudice the position of the authority's investments in funding the Pension Fund.

The Committee is RECOMMENDED to receive the report, tables and graphs, to receive the oral report, to consider any further action arising on them and to bear the Independent Financial Adviser’s conclusions in mind when considering the Fund Managers’ reports.

ITEMS FOLLOWING THE RE-ADMISSION OF THE PRESS AND PUBLIC

17. Corporate Governance and Socially Responsible Investment

12.10pm
This item provides the opportunity to raise any issues concerning Corporate Governance and Socially Responsible Investment which need to be brought to the attention of the Committee.

LUNCH

PENSION FUND COMMITTEE

MINUTES of the meeting held on Friday, 5 March 2021 commencing at 10.10 am and finishing at 1.30 pm

Present:

Voting Members:	Councillor Kevin Bulmer – in the Chair Councillor Nicholas Field-Johnson (Deputy Chairman) Councillor Ian Corkin Councillor Mark Lygo Councillor Charles Mathew Councillor John Sanders Councillor Roz Smith Councillor Alan Thompson District Councillor Alaa Al-Yousuf District Councillor Jo Robb
Other Members in Attendance:	Councillor Bob Johnston (Local Pension Board)
By Invitation:	Catherine Dix and David Vickers (Brunel) Ian Colvin (Hymans Robertson) Peter Davies (Independent Financial Adviser)
Officers:	Lorna Baxter, Sean Collins, Sally Fox, Gregory Ley (all Finance) and Khalid Ahmed (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 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.

1/21 APOLOGIES FOR ABSENCE AND TEMPORARY APPOINTMENTS
(Agenda No. 1)

An apology for absence was submitted by Councillor Lawrie Stratford.

2/21 MINUTES
(Agenda No. 3)

The Minutes of the meeting held on 4 December 2020 were approved and signed as an accurate record, subject to the inclusion of Peter Davies in the list of those in attendance.

Matters Arising

Sean Collins, Service Manager for Pensions reported that in relation to Minute No. 137/20 – Provision of the Independent Financial Advice, contact had been made with colleagues at other Pension Funds regarding exploring the option of appointing a single source of independent financial advice for all Funds within the Brunel Pension Partnerships and after discussion it had been decided not to take this forward.

3/21 MINUTES OF THE LOCAL PENSION BOARD

(Agenda No. 5)

The unconfirmed Minutes of the Local Pension Board which met on 22 January 2021 were noted.

4/21 OVERVIEW OF PAST AND CURRENT INVESTMENT POSITION

(Agenda No. 6)

The Independent Financial Adviser provided the Committee with an overview of the current and future investment scene and market developments across various regions and sectors.

Reference was made to page 19 of the agenda which provided details of the overall valuation of the Pension Fund as at 31 December 2020. Members were informed that there was appreciation of £200m which was attributable to equity markets being up by 8-10%. As of 31 December 2020, the highest value of assets was £2.9 billion, despite a rocky first period.

The Fund was overweight both listed equities and fixed income whilst waiting on Brunel to call down on the funds committed to Brunel on private equities, infrastructure, secured income and private debt.

The cash being held was £76m which needed to be high to meet potential calls.

Regarding the performance of the Fund; over the 12 month period performance had out-performed the benchmark by 1%, and similar out-performance of 0.7% over a three year period. However, there was a slight underperformance against the target by 1.1% in the most recent quarter.

There had been a notable performance from Brunel's Global High Alpha Equities, which was 15.4% above benchmark over the last 12 months.

A Member referred to page 24 under Private Equity and the benchmark figure of 24.2 and asked why this figure was high. The Independent Financial Adviser replied that this related to the FTSE small cap sector which had been very strong in that quarter period.

RESOLVED – That the Committee received the oral update provided, together with the tables and graphs submitted.

5/21 BRUNEL
(Agenda No. 7)

David Vickers, the recently appointed Chief Investment Officer from the Brunel Company attended the meeting and gave the Committee a presentation on the latest position on the investments through Brunel and gave his vision for future developments, with reference to the Investment Performance Reports.

Brunel's strategic objectives included:

- Offering a client driven range of products and services to ensure clients remained at the forefront of pension fund investment
- Outperforming benchmarks in long term (min 3-5 years listed, longer PM)
- Providing additional benefits (beyond financials) not available pre pooling including stewardship, responsible investment, diversification and risk analysis
- Taking a prudential approach, managing risk wherever possible through robust governance and controls
- Making fee savings, whilst maintaining performance, of £27.8m (8.9bp) by 2025
- Managing transition and operational costs to achieve breakeven by 2023 and cumulative net savings of £550m to 2036

Members were informed that Brunel currently managed c. £20 billion of assets and transitions had occurred largely in a linear fashion. Progression was good and was made at good speed. Most of the £20 billion of assets were in equity portfolios.

A Member referred to heavy investment exposure in organisations such as Apple, Microsoft, Alphabet and Google who were being investigated for the amount of tax they paid, and he questioned the ethics of this investment policy. It was suggested that Healthcare should be more prominent in the portfolio, particularly in relation to Covid 19 and the vaccines and reference was made to Tesla as another area where investment should be.

In response to a question on crypto-currency and block-change technology, the Chief Investment Officer of Brunel commented that bitcoins were presently unregulated which was why money was not put into this area. However, some central banks had been in talks about using their own digital currency, so there may be developments in the future. Currently bitcoins were unregulated and were not favoured by the Government.

In relation to block-change technology, this was an interesting sector as this was technology which removed intermediaries and had the potential to revolutionise how business was carried out.

Regarding emerging markets, the Committee was informed of the following:

- Balance of investment styles across managers
- Alpha drivers based on quality and stock selection
- Country skew U/W China, positive smaller economies

- Limited exposure to Frontier Markets and Smaller Caps
- Positive sector bias to consumer, low energy weighting
- Carbon intensity is below benchmark
- Fund was ESG integrated

U/W China (Many of China's companies were state owned and were primarily run for the benefit of the Chinese Government). The Chinese economy had not suffered as a result of Covid 19 as most other world economies had.

Regarding Active UK Equity - Targeted 2% excess return, targets 0.9 - 1.1 beta. Combined quant and fundamental approaches were style neutral but with a quality tilt. The fund was underweight oil & gas sectors. As a result of Brexit and the falling exchange rate, investment in UK from overseas decreased, particularly from US investors. 80% of the FTSE revenues were from outside the UK. The portfolio was less carbon intensive than the benchmark.

Global Sustainable Equity - There were three managers which deeply integrated ESG metrics throughout the process. Exposure to "positive pursuit" companies was maximised, were primarily growth focussed and carbon intensity was well below benchmark.

Investments were taking place in people who were providing solutions.

Discussion took place on the situation in China and around the use of fossil fuels and China being the world's biggest emitter of carbon. Members were informed that one should look to divorce Chinese companies from the Chinese Government and their policies, albeit this was difficult. However, a reference was made to the commitment made by the Chinese to be carbon neutral by 2060. Also, that use of fossil fuels was not just a Chinese problem, it was also a Western problem with the USA and Europe also being large emitters. China today equated to approximately 40% of the whole emerging market index and so in this context, was impossible to ignore.

Reference was made to duplication in portfolios (10% - £126m) invested in the energy market and high equity and the Committee was informed that managers were given restrictions, but it was not unusual to see duplications.

The Committee was provided with the private market assets under management (AUM) progress highlights: -

- £3,760 million of 'new money' commitments to new investments as part of Brunel PM Portfolio offerings (cycles 1 + 2 combined). The money would be invested over the next 4-5 years
- £1,300 million of clients' existing (legacy) property assets by January 2021(c.£135m Oxfordshire)
- PM Team and partners now responsible for stewardship of > £5,000 million of client money
- To come there was an opportunity for clients that made commitments to Cycle 2 to 'top up' their commitments in April 2021
- Cycle 3 planning would commence in early Summer 2021, to launch in 2022.

Details of Cycle 1 and 2 priorities were reported.

Discussion took place on the time it took Brunel to invest in private equities and Members were informed that Oxfordshire Pension Fund had started from a standing position in relation to this. It would take 4-5 years to get this up and running.

The Committee was informed that in cycle 2 there were total commitments of £220m with several parties engaged (Aksia, Stepstone, Neuberger/Berman). In response to a question regarding there being a greater focus on carbon metrics than eco metrics, the Committee was informed that metrics were developing all the time.

To deliver the Business Plan there would be

- Enhanced Client Reporting to develop overall presentation, content and value of these reports
- Private Market Resilience through increasing headcount and lower key person dependency
- Development of Responsible Investment (RI) Tools & Data/ Net Zero portfolios
- Reviewing passive benchmarks and creating Net Zero portfolios

RESOLVED – That the presentation given by Brunel be noted and received and David Vickers be thanked for the excellent information provided in the presentation.

6/21 EXEMPT ITEMS

(Agenda No. 8)

RESOLVED - That the public be excluded for the duration of items 9, 10 and 11 in the Agenda since it is likely that if they were present during those items there would be disclosure of exempt information as defined in paragraph 3 of Part I of Schedule 12A to the Local Government Act 1972 (as amended) .

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 that such disclosure would prejudice the trading activities of the fund managers involved and would prejudice the position of the authority's investments in funding the Pension Fund.

7/21 OVERVIEW AND OUTLOOK FOR INVESTMENT MARKETS

(Agenda No. 9)

Consideration was given to a confidential report of the Independent Financial Adviser which provided an overview of the current and future investment scene and market developments across various regions and sectors.

The public was excluded during this item because its discussion in public was 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 was considered that, in all the circumstances of the case, the public interest in maintaining the exemption outweighed the public interest in disclosing the information , in that such disclosure would prejudice the trading activities of the fund managers involved and would prejudice the position of the authority's investments in funding the Pension Fund.

RESOLVED – That the Committee received the report, tables and graphs.

8/21 REPORT ON LEGACY FUND MANAGERS

(Agenda No. 10)

The Independent Financial Adviser provided a confidential report on the recent meetings held with Legal and General, the Partners Group and Insight.

The public was excluded during this item because its discussion in public was 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 was considered that, in all the circumstances of the case, the public interest in maintaining the exemption outweighed the public interest in disclosing the information , in that such disclosure would prejudice the trading activities of the fund managers involved and would prejudice the position of the authority's investments in funding the Pension Fund.

RESOLVED – That the confidential report be noted.

9/21 SUMMARY BY THE INDEPENDENT FINANCIAL ADVISER

(Agenda No. 11)

The Independent Financial Adviser, Peter Davies informed the Committee he would be standing down from his role. Members placed on record their thanks to Peter for the work he carried out on behalf of the Pension Fund and wished him all the best in the future.

10/21 REPORT OF THE LOCAL PENSION BOARD

(Agenda No. 12)

Consideration was given to the latest report by the Independent Chairman of the Local Pension Board. Councillor Bob Johnston, Local Pension Board Member, spoke to the report on the Board's behalf, which invited the Committee to respond to the key issues contained within it.

Reference was made to the impending County Council elections in May 2021 and the need for a robust training and induction programme for new Committee Members after the elections. Assurance was given that induction training, specifically for new Committee Members was to take place.

RESOLVED – That the comments of the Board detailed in the report be noted and be taken into account when discussing the relevant items on this agenda.

11/21 GOVERNANCE REVIEW

(Agenda No. 13)

The Committee was provided with a report which highlighted the key findings from the recent governance review of the Fund undertaken by Hymans Robertson which set out proposed issues to include in a future improvement plan.

Ian Colvin from Hymans Robertson attended the meeting and provided a summary of the findings. Members were informed that no significant weaknesses had been identified with the current governance arrangements, however, there were ten recommendations which covered good governance.

Discussion took place on the recommendation relating to the future constitution of this Committee and Members were informed that this recommendation reflected the guidance from the Scheme Advisory Board and the significant changes to the Pension Scheme membership since the current Committee constitution was agreed.

The proposal was to widen scheme employer representation on the Committee to reflect active scheme membership but that this needed to be considered alongside the legal context of the Committee:

- Oxfordshire County Council was the Administering Authority of the Fund and was responsible for its management and performance
- The Committee was established under local government regulations and its membership should reflect the political composition of the Council as a whole, with the majority party on the Council, holding majority seats on the Committee.

The Committee discussed the potential model of the Committee which reduced the size of the Committee from the current 12 to 10, whilst increasing the representation of the scheme employers to reflect the scheme membership. It was noted that whilst the proposal was for County Council Members to have 5 voting members and the remaining 5 members to be non-voting, the Committee operated by consensus rather than formal voting.

Councillor Jo Robb referred to the recommendation which proposed consideration being given to the creation of a Governance Officer role at the Fund and Members were informed that this would be explored with Hymans Robertson and the Director of Finance to fully understand the requirement for this.

RESOLVED – (1) That the findings of the report from Hymans Robertson be noted.

(2) That Officers in consultation with Hymans Robertson be asked to provide a report to the first meeting of the new Pension Fund Committee in June 2021 on the proposals to take forward recommendations 1, 3-10 from the report.

(3) That this Committee recommends to Council, consideration of any changes to the Constitution of the Pension Fund Committee in light of recommendation 2 (below) of the Hymans Robertson report, such that these can be taken into account in establishing the new Pension Fund Committee after the May 2021 elections.

[5 voting members of the County Council, 2 non-voting members of the Academy sector, 1 non-voting scheme member representative, 1 non-voting member of Oxford Brookes University and 1 non-voting member of District Council.]

12/21 ANNUAL BUSINESS PLAN

(Agenda No. 14)

Sean Collins, Service Manager Pensions introduced the report which set out the strategic priorities and the budget for the Pension Fund for the 2021/22 financial year.

Reference was made to the four service priorities included with the plan, together with a number of key measures of success.

Discussion took place on performance fees for Brunel and the Service Manager Pensions reported that the majority of Funds did not use performance fees as it would result in higher fees. It was agreed that for the next meeting of the Committee a report be considered on the use of performance fees.

RESOLVED – (1) That the progress against the service priorities for 2020/21 be noted and approval be given to the setting of benchmarks for carbon emissions for the equity and fixed income portfolios based on December 2019, and Brunel be commissioned to undertake the work necessary to establish figures for the legacy portfolios held at that time.

(2) That approval be given to the Business Plan and Budget for 2021/22 as set out at Annex 1.

(3) That approval be given to the Pension Fund Cash Management Strategy for 2021/22.

(4) That delegated authority be given to the Director of Finance, in consultation with the Chairman of the Committee, 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 and that these be reported back to the Committee.

(5) That delegated authority be given to the Director of Finance, in consultation with the Chairman of the Committee, to open separate pension fund bank, deposit and investment accounts as appropriate, and that these be reported back to the Committee.

(6) That delegated authority be given to the Director of Finance, in consultation with the Chairman of the Committee, to borrow money for the pension fund in accordance with the regulations.

13/21 RISK REGISTER

(Agenda No. 15)

Consideration was given to a report which updated the Committee on the Fund's Risk Register, including any new risks identified since the report to the last meeting.

Discussion took place on the latest position on existing risks and new risks detailed in paragraphs 7 – 14 in the report and Councillor Jo Rob referred to the risks which had been identified in the Hymans Robertson Governance Review and the Committee was informed that these would be incorporated into the next Risk Report which would be submitted to the June meeting of the Committee.

RESOLVED – That the changes and update provided on the Risk Register be noted.

14/21 ADMINISTRATION REPORT

(Agenda No. 16)

The Committee was provided with a report which provided an update on the key administration issues including the iConnect project, service performance measurement and any write offs agreed in the last quarter. In addition, the Committee was asked to approve amendments to the Funding Strategy Statement following the recent consultation on amendments reflecting the changes in Regulations in respect of employer exits from the Fund.

The Committee was provided with details of the staffing position, particularly relating to the three administrator vacancies. The Chairman referred to the possibility of resource sharing with other Pension Funds aligned to Brunel. It was agreed that this be explored with a report submitted to the next meeting of the Committee.

Reference was made to the Service Level Agreement (SLA) where five subjects had not been met last month, based on a combination of factors, but being mainly due to inexperienced team members. The Committee was asked for a temporary reduction in SLA targets to 75%, to be reviewed at the next Committee meeting.

Members were also provided with an addendum to the report which sought consideration to amending the Scheme Pays Policy which allowed members to make backdated applications, for voluntary scheme pays elections, to the Fund, providing the Fund has the legal authority to accept these.

Discussion took place on the proposal and concern was expressed at the potential financial implications of this if there were further requests. Members agreed that the Scheme Pays Policy should not be amended to allow members to make backdated applications, for voluntary scheme pays elections, to the Fund. Councillors Jo Robb and Roz Smith abstained from voting on this decision.

RESOLVED – (1) That the report be noted.

(2) That approval be given to a temporary reduction in service level agreement targets (down to 75%) and this be reviewed at the next meeting of the Committee.

(3) That a report be submitted to the next meeting of the Committee on possible resource sharing with other Pension Funds aligned to Brunel.

(4) That approval be given to confirming the changes to the Funding Strategy Statement as detailed in the report.

(5) That approval not be given to the request to amend the Scheme Pays Policy which would allow members to make backdated applications, for voluntary scheme pays elections, to the Fund.

15/21 CORPORATE GOVERNANCE AND SOCIALLY RESPONSIBLE INVESTMENT

(Agenda No. 17)

There was nothing to report.

16/21 REVIEW OF THE COMMITTEE'S ACHIEVEMENTS

(Agenda No. 18)

The Chairman of the Committee introduced a report which outlined the achievements of the Committee in the last four years.

Particular reference was made to the achievements in relation to the climate change agenda, which included a successful Climate Change Workshop which had been attended by a number of key stakeholders from all parties, including academic research, the investment industry, the Committee and Board, scheme member representatives and Fossil Free Oxfordshire. The Committee noted that there would be a communications release next week regarding the work on Climate Change.

The Chairman thanked Members and officers for the work which had been carried out.

RESOLVED – That the achievements of the Committee over the last 4 years be noted.

.... in the Chair

Date of signing ....

DRAFT

LOCAL PENSION BOARD

MINUTES of the meeting held on Friday, 23 April 2021 commencing at 10.30 am and finishing at 12.30 pm

Present:

Voting Members:	Matthew Trebilcock – in the Chair Alistair Bastin Stephen Davis Councillor Bob Johnston Angela Priestley-Gibbins Sarah Pritchard
By Invitation:	Ian Colvin and Andrew McKerns from Hymans Robertson LLP
Officers:	
Whole of meeting	Sean Collins, Service Manager Pensions Insurance and Money Management; Sally Fox, Pension Services Manager; Colm Ó Caomhánaigh, Committee Officer

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

13/21 APOLOGIES FOR ABSENCE
(Agenda No. 2)

Sean Collins reported that Lisa Hughes had resigned from the Board for personal reasons. He had thanked her for her work on the Board. Members of the Board agreed that she had been a very active participant in their discussions and would be missed.

14/21 DECLARATIONS OF INTEREST - SEE GUIDANCE NOTE OPPOSITE
(Agenda No. 3)

There were no declarations of interest.

15/21 MINUTES
(Agenda No. 5)

The minutes of the meeting held on 22 January 2021 were approved.

16/21 UNCONFIRMED MINUTES OF THE PENSION FUND COMMITTEE - 5 MARCH 2021
(Agenda No. 6)

The meeting had before it the draft minutes of the last Pension Fund Committee meeting for consideration. Members who had attended the meeting confirmed that the draft minutes were an accurate record in their view and noted that the presentation by David Vickers of Brunel had been very impressive.

Sean Collins responded to questions on the resignation of Peter Davies as Independent Financial Adviser. He stated that Peter Davies was continuing to work on an ad hoc basis and that he hoped an appointment would be made before the June Committee meeting.

17/21 GOVERNANCE REVIEW
(Agenda No. 7)

The Board had been invited to consider the Governance Review which was presented to the March meeting of the Pension Fund Committee. Council subsequently had agreed to the proposed amendments to the Constitution as set out in the proposal from Hymans Robertson.

The Board had been invited to offer any comments on the process to fill the representative places on the new Pension Fund Committee and to offer any comments in respect of the other recommendations of the Hymans Robertson report, so that these can be taken into account when the Committee further considers the findings at their June meeting.

Ian Colvin, Head of Public Sector Consultancy and Governance at Hymans Robertson LLP, gave a presentation summarising the report. The Chairman suggested that the meeting discuss each of the recommendations in turn.

Recommendation 2
Sean Collins confirmed that this recommendation had been agreed by the Pension Fund Committee and had been adopted by Full Council.

Members discussed the number of places allocated to county councillors as well as city and district councillors and possible difficulties in reflecting political proportionality. Sean Collins responded that whatever number one chose, there was potential for problems in certain scenarios. He noted that the five city and district councils had no problem selecting just two representatives. The Chairman added that political proportionality was a requirement since it was a statutory committee.

Sean Collins asked if Members wanted to reconsider the make-up of the Board now that the membership of the Pension Fund Committee had been broadened. He recalled that they had previously targeted the academy sector but that they were now going to have representation on the Committee.

It was suggested that Members attend the June meeting of the Pension Fund Committee in order to introduce themselves to the new Committee members.

However, it was noted that the meeting would have to take place physically, not virtually, and due to social distancing requirements, there would be limited space at the meeting. It was agreed though that it would be beneficial to have at least one Member attend the Committee meeting.

Sean Collins stated that he would initiate recruitment for both the Board and Committee and let people know that there were vacancies on both. If there are more people interested than the places available, they will take into account the current membership and aim to balance the representation of different sectors.

Recommendation 1
Agreed.

Recommendation 3
Members supported the proposal to review the Terms of Reference of the Board and the Committee. It was agreed that greater clarity on communication between the two bodies would be helpful. In particular, they agreed that it would be beneficial to have a member of the Committee attend Board meetings in the same way that a member of the Board attends Committee meetings.

Recommendation 4
Agreed.

Recommendation 5
The criticism was raised that the Board had no opportunity to input into decisions of the Committee because there was no time for the Board to meet between the publication of the committee's agenda and the meeting. Others responded that individual Board members could make representations through Committee members but that the role of the Board was to scrutinise decisions after they were made and not to lead the Committee in its decision-making.

It was noted that the new composition of the Committee could lead to a new relationship with the Board. It was agreed to review the relationship after six months.

Recommendations 6, 7, 8 and 9
Agreed

Recommendation 10
Sean Collins emphasised that this was about a more formal approach to training and assessment that would include the power to remove somebody if they were not properly engaging. The recommendation was agreed.

Sean Collins agreed to take the report to the June Committee meeting back to the Board for further discussion.

18/21 REVIEW OF THE ANNUAL BUSINESS PLAN
(Agenda No. 8)

The Board was invited to review the latest position against the Annual Business Plan for 2020/21 as considered by the Pension Fund Committee at their meeting on 5 March 2021, and to comment on the Business Plan agreed for 2021/22.

Sean Collins noted that the objectives for 2021/22 largely followed on from 2020/21. The objectives on climate change were always going to take more than one year to achieve.

Members asked if in future the Green, Amber, Red indicators could also be flagged by text so that it is clear for those who cannot see the colours.

Sean Collins stated that an update will go to the Pension Fund Committee every quarter. Work was ongoing on improving the presentation and ensuring that it was clearly linked to the risk register.

19/21 RISK REGISTER

(Agenda No. 9)

The Board had been invited to review the latest risk register as considered by the Pension Fund Committee on 5 March 2021 offer any further views back to the Committee.

The report was introduced by Sean Collins. There were no red indicators. There had been one in the last report related to the exit cap but that had been removed by the government. The outcomes of the February 2021 review had been reflected in the report.

The report was noted.

20/21 ADMINISTRATION REPORT

(Agenda No. 10)

The Board had been invited to review the latest Administration Report as presented to the Pension Fund Committee on 5 March 2021, including the latest performance statistics for the Service.

Asked about the McCloud judgement, Sally Fox responded that the data received for employers was being examined by the Systems Team to identify any gaps. They will then be sent to the Employer Team who will set out a plan to contact employers who are affected to get that information. Scheme employers had been alerted to the situation.

On staffing, Sally Fox reported that she had several vacancies and four new staff on training. The more experienced team members were being distributed thinly in order to support the less experienced.

The report was noted.

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

(Agenda No. 11)

It was agreed that the key points to feedback to the Committee on the Governance Review were as follows:

- To notify the Committee of the vacancy on the Board and the process for recruitment.
- The suggestion to have a Committee member attend each Board meeting.
- The Terms of Reference review should clarify the roles, relationships and communications between the Board and Committee.
- The importance of training and assessment.
- The suggestion to review the relationship after six months.

22/21 ITEMS TO BE INCLUDED IN THE AGENDA FOR THE NEXT BOARD MEETING
(Agenda No. 12)

The Committee discussed possible items for the next agenda. The Chairman noted that they would receive another report on the Governance Review following the Pension Fund Committee meeting.

It had already been agreed to provide a report on investment performance and costs for the July meeting. Sean Collins agreed to include a comparison of fees over the last three years.

.... in the Chair

Date of signing ....

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Division(s): n/a

PENSION FUND COMMITTEE – 11 JUNE 2021

REPORT OF THE PENSION BOARD

Report by the Independent Chairman of the Pension Board

RECOMMENDATION

1. **The Committee is RECOMMENDED to note the comments of the Board as set out below, and take the proposals set out in paragraph 7 and 8 below in considering next steps in responding to the independent governance review.**

Introduction

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

3. This report reflects the discussions of the Board members at their meeting on 23 April 2021. The virtual meeting was attended by Matthew Trebilcock as the independent Chairman, and five voting members of the Board. The Board received the resignation of the 6th member of the Board, Lisa Hughes, who had left for personal reasons. The Board thanked Lisa for her contributions to the work of the Board, and particularly for her work on improving reporting standards. The meeting was attended by Hymans Robertson as part of their feedback on the independent review of the governance arrangements of the Fund.

4. Since the last meeting of the Board, Cllr Bob Johnston has been appointed to serve on the Pension Fund Committee and in accordance with the guidance has therefore resigned from his position on the Local Pension Board. We are therefore currently recruiting for two scheme employer representatives.

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

5. The Board received four of the reports which had been presented to the March meeting of this Committee. These were the reports on the independent governance review, the quarterly review of progress against the annual business plan, the risk register, and the administration report.

6. The Board spent the majority of its meeting discussing the findings of the independent governance review. Overall, the Board were happy with the report

and agreed the findings. The main discussion was in respect of the respective roles and responsibilities of the Committee and the Board, and the quality of communications between the two bodies. They particularly welcomed the proposal to review the terms of reference for both bodies and ensure these are well understood.

7. As part of the discussion, the Board noted that the arrangements where a Board member attended the Committee meeting, presented their report and responded to questions from the Committee appeared to be effective. They therefore invited the Committee to consider establishing a reciprocal arrangement where a member of the Committee could attend future Board meetings, to answer questions from the Board, and help clarify decisions made by the Committee.

8. The Board also discussed the ability of the Board to feed into Committee agenda items in advance of their discussion by the Committee. The overall consensus of the Board was that their role was primarily a scrutiny role, and therefore it was not appropriate that they should play a role in advance of the decision making process by the Committee, unless specifically invited to do so by the Committee. They felt this should be clarified as part of the review of the terms of reference, with the effectiveness of the arrangements reviewed after a period of 6 months.

9. Finally, the Board welcomed recommendation 10 and the proposals around a more robust training policy. They felt this was key given the level of responsibility associated with the role of the Committee.

10. Whilst the Board discussed the reports on the Annual Business Plan, the Risk Register and Administration Issues, they had no matters they wished to bring to the attention of the Committee. The Board agreed to undertake a further review of investment management costs at their July meeting, and asked if Officers would prepare a report including an analysis of costs and performance over a 3-year period.

Matthew Trebilcock
Independent Chairman of the Pension Board

Contact Officer: Sean Collins
Tel: 07554 103465

June 2021

OXFORDSHIRE LOCAL PENSION BOARD – 22 JANUARY 2021

INVESTMENT MANAGEMENT COSTS AND PERFORMANCE

Report by the Director Finance

Recommendation

1. The Board are invited to discuss the contents of this report and consider what advice, if any, to send to the Pension Fund Committee.

Introduction

2. This is the third in a series of reports considered by this Board in respect of the costs and performance of the investment management portfolios run on behalf of the Pension Fund Committee. The previous two reports were presented to the Board at their meetings in January and July 2019, and looked at investment management costs in the year to March 2018 and March 2019 respectively.

3. In the previous two reports, Officers have highlighted their concerns in seeking to draw too many conclusions from the cost and performance data, especially when considered over periods as short as one year. The majority of fees paid are ad valorem i.e. at a fixed rate and not related to performance. Over a period of time therefore, the total level of fees for any specific portfolio will remain reasonably steady, varying only in line with the assets under management. Performance on the individual portfolios in contrast will be more volatile over time, reflecting investment styles and/or characteristics of the investment classes. In the short term therefore, it is expected that some portfolios will show out-performance in excess of the active fees paid, whilst others will show under-performance. Over the full investment cycle it would be expected that active Fund Managers will deliver outperformance against the relevant benchmark well in excess of any active management fees paid.

4. It is also important to note that the Investment Strategy Statement needs to be assessed on a much wider basis than a simple assessment of costs and performance. Diversification of investment risk is a key element of the investment strategy, which the Committee has delivered in recent years through increased allocations to the private markets. Given the specialist mature of these markets, fee levels tend to be higher than those paid in the traditional listed markets.

5. Paying higher fees to target improved long-term investment performance through greater analysis and engagement on environmental, social and governance factors should also be considered, especially in light of the inclusion in the most recent Investment Strategy Statement of the Climate Change Policy. A Fund is likely to experience short-term underperformance during any period companies are transitioning to a more sustainable business model.

Latest Annual Figures

6. Annex 1 shows the latest annual figures for investment management fees paid, using the same format as the previous reports. For each portfolio the annex shows a simple average of assets under management during the year to provide context for the fee level, as well as the reported investment performance against benchmark.

7. The figures are all shown for the year ended 31 March 2020. Whilst there are later performance figures that have been reported to Committee, information on gross investment management fees is not so readily available. Not all fees are directly invoiced to the Fund by the Fund Managers and are offset within the investment portfolio against gross investment performance. These costs are then provided to the Fund by Fund Managers as part of the cost transparency templates on an annual basis. It is also the case that the Fund does not accrue for any outstanding fees on a quarterly basis but does so once a year as part of the closure of the Fund accounts.

8. Interpretation of the figures is further complicated by the on-going of transitions to switch management of the Fund's investment assets to Brunel and the impact on the financial markets of the current pandemic. In respect of the former, the annex does not include any performance figures where the portfolio was not held for the full year to 31 March 2020. In respect of the later, it should be noted that many of the performance figures for the private market investments were subject to review and differences between Fund performance and benchmark performance will in part reflect the timing of these reviews.

9. The total investment management fees paid in 2019/20 amounted to £7.827m. This was an increase of £495,000 over the previous year, which is mainly accounted for by the additional fees payable to Brunel to reflect the establishment of their private markets team. Some of these costs are one-off in nature and others are fixed so we would not expect to see a proportionate increase in these fees as more money is committed to the private market portfolios, including the money currently invested through Adams Street and Partners Group. We would therefore expect to see overall reductions in fees as the transitions in the private markets continue and the fees to the existing private market fund managers drop out.

10. The total fees represent 32 basis points (i.e. 0.32%) of the total assets under management. This figure compares to 30bps in 2018/19. The increase is again largely explained by the costs related to the transitions in the private markets.

11. The performance figures for the Fund as a whole of over the period covered by the fees paid show an investment loss of 5.8% against a benchmark loss of 5.5%. On the face of these figures therefore it would not appear to be effective to be paying active management fees. However, it should be noted that whilst there is a large market in passive equity products, the same is not true for fixed income and the private markets. As noted above, it is therefore necessary to pay the active management fees particularly in the private markets to obtain the

diversification of total investments and the overall level of investment performance.

12. It should also be noted that whilst the 1 year performance figures are disappointing relative to benchmark, the performance figures within the Annual Report and Accounts show that over 3, 5 and 10 years the Fund has beaten its benchmark by 50bps, 40bps and 20 bps respectively. Over recent years therefore the performance has more than justified the level of fees paid.

Lorna Baxter
Director of Finance — January 2021

Contact Officer: Sean Collins, Service Manager (Pensions)
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Telephone Number: 07554 103465

Annex 1 Fund Manager Fees 2019/20

Portfolio - Fund Manager	Fees as per the 2019/20 Final Accounts £000	Average Portfolio Size 2019/20 £000	Actual Investment Performance %	Benchmark Investment Performance %	Variation %
Part Year Equities					
Global Equities – Wellington (*)	715	133,597			
Global High Alpha – Brunel (*)	385	118,434			
Emerging Markets – Brunel (*)	166	32,047			
	1,266	**284,078**			
In-House Property					
Bridges	373				
Partners Group (!)	-202				
	171	**28,623**	**5.4**	**0.0**	**5.4**
Private Equity					
Adams Street	805				
Epiris	141				
Longwall Ventures	178				
Partners Group (!)	106				
	1,230	**172,165**	**3.8**	**-19.4**	**23.2**
Other Portfolios					
UK Equities – Brunel	850	396,015	-20.0	-18.5	-1.5
UK Passive Equities – Brunel ($)	29	175,279	-18.5	-18.5	0.0
Developed World Passive Equities – Brunel ($)		232,804	-5.4	-5.4	0.0
Global Equities - UBS	863	282,893	-9.9	-6.2	-3.7
Fixed Income - LGIM	1,197	503,755	4.0	4.8	-0.8
Property - UBS	245	139,572	1.9	0.0	1.9
Infrastructure - Brunel	261	6,629	15.9	1.5	14.4
Infrastructure – Partners (!)	263	11,065	16.3	4.7	11.6
Private Equity - Brunel	798	7,871	17.4	-6.2	23.6
Secured Income - Brunel	52	7,503	0.1	1.5	-1.4
Diversified Growth Fund - Insight	602	126,306	-5.5	4.7	-10.2
In-House Cash		51,160			
Total Fund	**7,827**	**2,425,714**	**-5.8**	**-5.5**	**-0.3**

(*) – portfolios not in pace for the full year so not possible to show full year's performance figures
($) – passive fees not split between UK and Developed Market Funds
(!) – Partners Fees include both a management and a performance element – due to poor performance the performance fees are negative and in the case of property more than offset the management fee

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Division(s): n/a

PENSION FUND COMMITTEE – 11 JUNE 2021

REVIEW OF THE BUSINESS PLAN 2021/22

Report by the Director of Finance

RECOMMENDATION

1. **The Committee is RECOMMENDED to:**
   a. **note progress against each of the key service priorities as set out in the report;**
   b. **agree future membership of the Climate Change Working Group;**
   c. **comment on the proposal from the Local Pension Board that a representative of the Committee attends all future meetings of the Board to answer questions from Board members on decisions made at the most recent Committee meeting;**
   d. **agree a draft outline for future attendance of Brunel Officers at this Committee.**

Introduction

2. This report sets out the latest progress against the key service priorities set in the business plan for the Pension Fund for 2021/22. The Plan was agreed by the last meeting of the old Committee in March 2021.

3. The key objectives for the Oxfordshire Pension Fund as set out in the Business Plan for 2021/22 remain consistent with those agreed for previous years. These are summarised as:
   - To administer pension benefits in accordance with the LGPS regulations, and the guidance set out by the Pensons 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.

4. 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

5. There were 4 service priorities included in the 2021/22 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
- Red – insufficient progress or insufficient actions identified to deliver measures of success

6. Deliver Key Progress on the Implementation of the Climate Change Policy. The position against the 3 agreed measures of success are ser out in the table below.

Measure of Success	Key Progress Achieved	Outstanding Actions
Metrics, benchmarks and targets in place for all portfolios to assess progress against the 7.6% per annum reduction in carbon emissions - AMBER	Benchmark report produced for all equity portfolios and the corporate bond investments as at December 2019 and December 2020.	Benchmark report to be reviewed by the Climate Change Working Group and key findings and proposed targets to be brought to the September meeting of the Committee. Work to be undertaken with Brunel to identify metrics and benchmarks for remaining portfolios.
Metrics, benchmarks and targets in place to assess progress in investing in climate solutions - RED	No action to date – resources focussed on closure of accounts as planned.	Definitions of investments in climate solutions to be agreed, current investments assessed and future targets set.
Robust Arrangements in place to assess the effectiveness of the Engagement Strategy and Voting Process in advance of the 2022 stocktake - RED	No action to date – resources focussed on closure of accounts as planned.	Review of current engagement and voting reports to assess quality of existing target outcomes set for engagement, and how success is measured. Review voting and escalation processes and assess whether timescales for achieving desired change are realistic.

7. There has been limited progress on the further implementation of the Climate Change Policy over the first 2 months of 2021/22, and as such the three measures of success are scored Amber or Red. However, this position is not

unexpected, as the local election process restricted the ability to hold meetings of the Climate Change Working Group, and Officers were required to prioritise resources on closing the Pension Account Accounts in line with statutory deadlines. Going forward, the Committee will need to consider whether there are sufficient resources within the Pension Investment Team to deliver the full range of additional responsibilities associated with the Climate Change Policy and other responsible investment initiatives.

8. In line with the decisions at the last Committee, we have now received the report to provide carbon data on the equity and corporate bond investments, with data for both December 2019 and December 2020. It is intended to take this report initially to the Climate Change Working Group and then bring a full report to the September meeting of this Committee. It is also intended that the Working Group undertake the initial work set out above in respect of investing in climate solutions and monitoring the effectiveness of our engagement and voting strategies and include initial recommendations to the September meeting of the Committee.

9. In light of its new membership, the Committee are invited to consider the membership of the Climate Change Working Group. Previous membership consisted of the Chair and Vice Chair of the Committee along with the Opposition Spokesperson, a scheme member representative from the Local Pension Board, a representative from Fossil Free Oxfordshire and the Independent Financial Adviser.

10. <u>Deliver further improvements to the governance arrangements of the Fund.</u> There were 3 specific measures of success set out in the 2021/22 Business Plan in respect of this priority. The progress against these in set out in the table below.

Measure of Success	Key Progress Achieved	Outstanding Actions
New Committee Constitution in place - GREEN	New constitution agreed by full Council in March 2021, elected member appointments made in May, alongside agreement to the scheme member and Oxford Brookes University representatives. Process for appointing the Academy and District Council representatives initiated.	Leaders Group to appoint representative of the City/District Councils. Process to appoint Academy representatives to be concluded.
New ways of working for the Committee and Board to be in place to	Series of meetings held with team from Hymans Robertson to	Full report to the September Committee on each of the 9

satisfaction of members - AMBER	take forward all recommendations from the independent governance review.	outstanding recommendations
Full Training Programme in place, with levels of engagement and skills and knowledge scores increasing - AMBER	Draft training programme developed with the support of Hymans Robertson.	Initial skills and knowledge assessment to be completed for all Committee and Board Members. Training programme to be finalised to pick up any gaps identified from initial assessment. Review process to be put in place.

11. Officers have continued to meet regularly with Hymans Robertson to develop action plans to deliver against the 9 outstanding actions of the independent governance review carried out by Hymans. Two of the measures are showing as amber due to the amount of work still required to finalise the proposals to be brought to the September meeting of the Committee, although good progress has been made, and all targets should be delivered.

12. The proposals to the September meeting will include:

- A scheme specific conflict of interest policy, including how the conflict between the roles of the County Council (and its officers) acting as the Administering Authority and as Scheme Employer will be managed.
- A review of the terms of reference for this Committee and the Local Pension Board to ensure roles and responsibilities are fully understood and clear communication channels exist between the two bodies. On this point the Committee are invited to comment on the proposal from the Board that a representative of the Committee attends all future Board meetings to answer questions from members of the Board on decisions taken at the last Committee meeting.
- The future staffing structure of Pension Services to mitigate the current key person risks and strengthen the governance and communication function. This will also include a proposal in response to the draft proposal from the national Good Governance Review about the nomination of the LGPS Senior Officer.
- A review of Committee agendas to ensure there is sufficient time to focus on the key responsibilities of the Committee. This will be supported by a governance matrix which sets out the timetable for the key decisions facing the Committee going forward. This matrix is currently being drafted with the support of Hymans Robertson.
- A revised training policy and training programme including the approach to regular assessment of the skills and knowledge of the Committee and Board members and supporting Officers. We are currently developing an outline training programme with Hymans to tie in with the governance matrix and the key issues likely to face the

Committee over the next 12 months, including the response to the age discrimination cases in both the LGPS and Firefighters Pension Schemes, delivery of the climate Change Policy and preparing for the 2022 Valuation.

13. Further improve the data management arrangements between the Fund and both scheme employers and scheme members. 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 scores recorded in customer satisfaction surveys - AMBER	Customer satisfaction scores sent out regularly	Increase number of survey responses to build meaningful feedback.
Increase take up of Member Self Service (MSS) - GREEN		Further develop the scope of MSS and improve the functionality for scheme members.
Further Improvements in data quality scores - GREEN	Resolution of long term Guaranteed Minimum Pension (GMP) issues	Resolve outstanding issues with missing addresses and historic cases with missing data.
Clear Policy in place for calculating benefits where underpin benefits cannot be established due to missing data - AMBER	Full review of all data previously received from scheme employers and analysis of gaps underway.	Complete review of data gaps and produce policy paper for Committee setting out the scale of the issue, the key risks in collecting outstanding data and key risks associated of undertaking benefit calculations in absence of data.

14. The biggest challenge in data management terms currently facing the Committee is the retrospective work required to deliver the proposed remedy to the age discrimination issues identified through the McCloud/Sargeant court cases. At this point we are still assessing the scale of the issue as the majority of the scheme employers had continued to send us the data set now required, even though at the time it was not expected to be necessary. The data had not been verified and loaded to the Pensions System, so this now forms a key task, alongside identifying all gaps.

15. Where gaps do exist in the data, we will need to review the amount of time and effort required in seeking the missing data, and the likelihood that it will be collectable. The main challenges will be in cases where the scheme member

has moved employer, or the scheme employer has changed their legal status (e.g. moving to a new Academy Trust), and/or the employer has changed payroll provider in the period since 2014 and the introduction of the new Care Average Revalued Earnings (CARE) scheme.

16. The Committee will need to develop a policy as to the amount of resource it wishes to commit to collecting all missing data, and the ability to carry out benefit calculations without the missing data and the risks associated with doing so.

17. Review the arrangements with Brunel following the transition of the majority of Fund assets to Brunel portfolios. Progress against the two measures of success for this service priority are set out below.

Measure of Success	Key Progress Achieved	Outstanding Actions
All investment portfolios deliver long term performance in line with their specifications - AMBER	Officers have work through the Client Group with Brunel to agree draft format of new reports.	Introduce revised performance and assurance reports. Training session to be provided for Committee members on the assurance process.
High confidence/satisfaction scores expressed by Committee members in next client Survey - AMBER		New monitoring arrangements to be agreed by the Committee including future Committee attendance of Brunel officers.

18. We are currently in the middle of the transition process for the fixed income assets, and on completion 80% of the Funds assets will be invested in Brunel portfolios. Of the remaining £600m held outside Brunel, there is:

- £140m held in closed end funds, where the money will be transferred to the equivalent portfolio at Brunel as the investments with the current legacy managers mature and money is distributed back to the Fund
- £185m is held in cash or retained by the legacy fixed income manager whilst awaiting calls against the commitments made to the private market portfolios in Brunel
- £125m is invested in publically quoted private equity companies. Brunel do not currently offer an equivalent investment opportunity and the previous Committee agreed to hold this money outside Brunel.
- £150m is invested in the legacy diversified growth fund. The previous Committee did not believe that the new Brunel portfolio met the same investment objectives and therefore determined not to transition this Funds. This money therefore provides this Committee with flexibility to make minor amendments to its strategic asset allocation.

19. As the majority of funds have now transitioned to Brunel, all 10 Client Funds have taken the opportunity to review the current reporting arrangements to

ensure both the investment performance reports and the assurance reports are providing the information necessary for Funds to meet their responsibilities. A number of changes have been agreed and Brunel are currently taking these forward and revised reports will be available for the Committee later this year.

20. It is intended to run a short training session for Committee members to talk through the assurance process to build confidence that the long-term performance of the investments should be in line with the portfolio specifications.

21. Elsewhere to today's agenda, the Committee will be asked to review the current investment performance reports from Brunel. The Committee are invited to consider how frequently they would like to see the Officers from Brunel to enable them to question them on portfolio performance and developing issues within the investment world. It is suggested that as a minimum, we invite the Chief Investment Officer to the Committee on an annual basis, with the option to request the attendance of the Head of Listed Markets, the Head of Private Markets and/or the Chief Responsible Investment Officer where the Committee have specific issues or concerns that they wish to explore in more detail.

22. Part C of the Business Plan sets out the Fund's budget for 2021/22 which totals £15,588,000. At this point, just 2 months into the financial year it is too early to identify any significant variations in expenditure. The position will be updated at each future meeting of the Committee.

23. Part D of the Business Plan sets out the broad Training Plan for Committee Members, based on the draft Policy previously agreed by the Committee. As noted above, officers are currently working with Hymans Robertson to produce a comprehensive draft training programme which will be presented to the September meeting of this Committee for approval. This will take into account the skills and knowledge of the new Committee as well as additional subjects relevant to the Committee's work programme for the year.

Lorna Baxter
Director of Finance

Contact Officer
Sean Collins
Tel: 07554 103465

June 2021

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Division(s): n/a

ITEM

PENSION FUND COMMITTEE – 11 JUNE 2021

AGE DISCRIMINATION CASES IN THE FIREFIGHTERS PENSION SCHEME

Report by the Director of Finance

RECOMMENDATION

1. **The Committee is RECOMMENDED to note the latest legal position on the age discrimination cases in the firefighters pension schemes and the intention to call an additional meeting of this Committee to determine our Policy in advance of revised Regulations once in receipt of further legal advice and the publication of the National Framework.**

Introduction and Background

2. As part of the reform of the public sector pension schemes following Lord Hutton's review the Government established the Firefighters Pension Scheme 2015. Unlike under the Local Government Scheme where all members of the legacy scheme were transferred to the new scheme, and the legacy scheme closed for the accrual of new benefits, the Government left open the legacy Firefighters Pension Scheme (either the 1992 Scheme or the 2006 Scheme), with Members transferring to the 2015 Scheme at different points dependent on age.

3. For those members of the 1992 Scheme who were 45 or older as at 1 April 2012, they were given protected rights to stay in the 1992 Scheme on the assumption that they would retire at or before their normal retirement age in the 1992 Scheme of 55. For those aged between 41 and 45, they were given tapered protection which meant that they transferred to the 2015 Scheme at some point between 1 April 2015 and 31 March 2022. Those younger than 41 as at 1 April 2012 were transferred to the 2015 Scheme with effect from 1 April 2015.

4. Similar protections existed for those members of the 2006 Scheme, except the relevant ages at 1 April 2012 were 50 or older, 46-50 and under 46 reflecting the normal retirement age in the 2006 Scheme of 60.

5. The Fire Brigades Union (FBU) did not accept the changes made to the pension schemes for their members and alongside the Judges launched legal action to challenge the decision. The 2 test cases were in the name of McCloud for the judicial scheme and Sargeant for the Firefighter scheme. Following a series of legal decisions, McCloud and Sargeant finally won their cases against the

Government reforms on the grounds of unlawful age discrimination, and in 2018 the Appeal Court refused the Government leave for further appeal.

6. The Government are now in the process of introducing further changes to all the public sector pension schemes to remedy the age discrimination. Unfortunately, this is not a quick process requiring changes to the primary legislation set out in the Public Section Pensions Act 2013 before changes can be introduced in the secondary legislation in respect of each public sector scheme.

7. The Government have set out the principles behind the remedy arrangements they intend to implement. As of 1 April 2022, all active scheme members irrespective of their age will earn all future pension benefits within the 2015 Scheme. For the Remedy Period (1 April 2015 to 31 March 2022), all members who were in a legacy scheme as at 1 April 2012 and were still an active member as at 1 April 2015 (or re-joined after that date where the break in service is deemed as a qualifying break under the Regulations) will be placed back in their legacy scheme for the full remedy period. At the point of their retirement, they will be given the option for their pension benefits for the remedy period to be calculated under either their legacy scheme or the 2015 Scheme.

8. Unlike the other public sector unions, the FBU have issued further legal challenges to seek immediate remedy of the age discrimination rather than wait for all remedies to be actioned following implementation of the new Regulations. The new Regulations are not expected until April 2022 at the earliest. The Courts have already ruled in favour of the FBU in dismissing the shared defence of the Fire Authorities that they were required to act under the statutory regulations, with the Employment Appeals Tribunal ruling that Fire Authorities cannot base a defence on regulations which have been found to be discriminatory, and must seek to address the unlawful discrimination in their role as Scheme Manager to their schemes.

9. The FBU currently have further test cases in front of the Courts in order to force the appropriate Fire Authorities to address the age discrimination present in each case. The FBU have stated that on the basis of a successful outcome, they will join all Fire Authorities to further legal challenge if they do not have in place arrangements to address the current age discrimination issues.

Current Position

10. The challenge facing all Fire Authorities is the complexity of the proposed remedy and the fact that many of the features of the 1992, 2006 and 2015 schemes are different including normal retirement age, contribution rates, ill health retirement provisions, ability to purchase additional pension benefits, definition of pensionable pay. As such, where any member moves retrospectively from the 2015 Scheme back to their legacy scheme, there are a number of complex calculations to be performed. For some elements, there are no equivalent elements in the legacy scheme to enable a straight transfer of 2015 benefits to be undertaken.

11. The issues are all compounded by the interaction between the pension regulations and the tax regulations, with issues including the treatment of tax relief when adjusting prior year contributions. The tax issues are seen to be greatest where individuals are already in receipt of their pension.

12. The Scheme Advisory Board is therefore working through the Local Government Association in an attempt to produce a Framework which all Fire Authorities and Administrators can use to provide a consistent approach to addressing these issues. On 25 May 2021, the Scheme Advisory Board wrote an open letter to Her Majesty's Treasury seeking guidance on those financial and tax issues which must be determined to allow Fire Authorities to address the age discrimination issues in advance of new Scheme Regulations. Further advice is also being sought from the Home Office as the Government Department with ultimate responsibility for the Firefighters Pension Schemes

Oxfordshire Position

13. There are a raft of legal issues therefore to resolve in determining how to move forward on the age discrimination cases in the firefighters pension schemes. We are currently seeking advice from Queens Counsel as well as waiting for the National Framework which the Scheme Advisory Board is seeking to produce.

14. The Fire Authority is currently monitoring the situation and will re-evaluate the position once the legal advice has been obtained and guidance clarified. It is at this point that the Fire Authority will return to an additional meeting of this Committee with a more in-depth paper outlining the legal position and proposed way forward. It is anticipated that consideration will need to be given to approximately 20 cases.

15. For those Members interested in finding out more information in advance of the additional meeting, please see the employer and scheme member websites run by the Local Government Association at Welcome (fpsregs.org) or Welcome to Firefighters' Pension Scheme | Firefighters' Pension Scheme (fpsmember.org) respectively.

Lorna Baxter
Director of Finance

Contact Officer
Sean Collins
Tel: 07554 103465

June 2021

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Division(s): n/a

PENSION FUND COMMITTEE – 11 JUNE 2021

RISK REGISTER

Report by the Director of Finance

RECOMMENDATION

1. **The Committee is RECOMMENDED to note the changes to the risk register and offer any further comments.**

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 23 April 2021 the risk register and report as presented to the March meeting of this Committee and offered no further comments.

Latest Position on Existing Risks/New Risks

6. Over the last quarter there has been little movement in the overall levels of risks faced by the Fund. All risks are recorded at the same risk score as in March 2021 with the exception of risk 8, where the risk score has improved (lower impact). Two new risks have been added to the Register, and the risk around the Government's previous exit payment cap legislation has been removed following the revoking of the relevant regulations. Overall, five of the risks have been scored as Amber therefore requiring regular review, and one of the new risks as Red requiring more urgent attention.

7. The wording for risk 4 has been updated to reflect the transition of assets to Brunel and change in the mitigation controls away from meetings with individual fund managers to the assurance process with Brunel. The wording of risk 5 has also been updated to reflect the fact that Hymans use 5,000 economic scenarios rather than a fixed set of financial assumptions in their valuation process. In neither case has there been a change in risk scores, with both risks currently at target.

8. The impact of risk 8 has been reduced and the risk switched from Amber to Green reflecting the gradual return to more normal times and therefore the reduced risk to the future cash flows of scheme employers. This is now set at target levels.

9. The four risks which are still scored as Amber are risks 6, 13, 14 and 20. The mitigation of risk 6 is based on the setting of metrics, benchmarks and targets for carbon emissions to enable monitoring of the climate change risks in the portfolios. The delay in this work until the September Committee means that there is no improvement in the risk score this quarter.

10. The amber score for risk 13 reflects the number of new members of the Pension Fund Committee and the need to undertake an initial skills and knowledge assessment of the committee as a whole before reducing the scores down to their target levels. Risk 14 relates to the skills and knowledge of the Pension Services Team, where the risk of breach of regulations and/or errors in payment are currently showing as possible due to the numbers of new members within the Team. This risk is covered further in the Administration report elsewhere on today's agenda. The final risk retaining its Amber score is risk 20 which covers the implications of the proposed new Regulations seeking to remedy the Court decisions in the age discrimination cases brought by McCloud. As reported last quarter, the risks associated with this issue will be better understood once the Government have responded to the consultation exercise and published the agreed changes to the scheme Regulations.

11. A new risk 21 has been added to the register separating out the related issue of age discrimination in the Firefighters pension schemes following the Sargeant judgement. As covered elsewhere on today's agenda, the Fire Brigades Union has raised a number of test cases on this issue in advance of the agreement of amended regulations. The risk has been scored Red to reflect the urgency of establishing a policy in respect of these cases to avoid the risk of being joined to future legal actions from the Fire Brigades Union.

12. The other new risk included at 22 relates to the key person risk identified in the independent governance review carried out by Hymans Robertson. This suggested there were short term risks to the overall governance and strategic direction of the Fund associated with the position of Service Manager – Pensions. Their recommendations included the appointment of a new Governance Officer to manage the increased workload associated with governance issues as well as acting to mitigate the key person risk. As covered elsewhere on the agenda it is intended to bring a full report on the future structure of Pension Services to the September meeting of the Committee

including proposals to mitigate this key person risk and strengthen the current governance and communication issues.

Lorna Baxter
Director of Finance

Contact Officer: Sean Collins
Tel: 07554 103465 June 2021

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Risk Register

Identification of Risks:

These are the risks that threaten the achievement of the Pension Fund's 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	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	Financial – Business as Usual	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 2021	At Target
2	Investment Strategy not aligned with Pension Liability Profile	Financial – Business as Usual	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 2021	At Target
3	Investment Strategy not aligned with Pension Liability Profile	Financial – Business as Usual	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 2021	At Target
4	Under performance of asset managers or asset classes	Financial – Business as Usual	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 2021	At Target
5	Actual results vary to key financial assumptions in Valuation	Financial – Business as Usual	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 2021	At Target
6	Under performance of pension investments due to ESG factors, including climate change.	Financial – Business Plan Objective	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.	4	2	8	↔	Improve performance monitoring information on ESG scores within current investment portfolios, to identify any policy breaches by fund managers.	September 2021	4	1	4	June 2021	Proposals to Committee at September 2021 meeting on suite of metrics and exercise to set benchmark scores as at December 2019.

Ref	Risk	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.	Financial – Business as Usual	Poor Control Processes within Fund Managers and/or Custodian	Long Term - Pension deficit not closed	Financial Manage	Review of Annual Internal Controls Report from each Fund Manager. Clear separation of duties.	3	1	3	↔			3	1	3	June 2021	At Target
8	Employer Default - LGPS	Financial – Business as Usual	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 2021	At Target
9	Inaccurate or out of date pension liability data – LGPS and FSPS	Financial & Administrative – Business Plan Objective	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 2021	At Target
10	Inaccurate or out of date pension liability data – LGPS and FSPS	Administrative – Business Plan Objective	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 2021	At Target
11	Inaccurate or out of date pension liability data – LGPS and FSPS	Administrative – Business Plan Objective	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 2021	At Target
12	Insufficient resources to deliver responsibilities- – LGPS and FSPS	Administrative – Business as Usual	Budget Reductions	Breach of Regulation	Service Manager	Annual Budget Review as part of Business Plan.	4	1	4	↔			4	1	4	June 2021	At Target
13	Insufficient Skills and Knowledge on Committee – LGPS and FSPS	Governance – Business Plan Objective	Poor Training Programme	Breach of Regulation. Loss of Professional Investor Status under MIFID II	Service Manager	Training Review	4	2	8	↔	Training Programme put in place on review of new Committee requirements.	September 2021	4	1	4	June 2021	Risk score retained above target whilst new members of the Committee are appointed and initial skills and knowledge assessment completed.
14	Insufficient Skills and Knowledge amongst – LGPS and FSPS Officers	Administrative – Business as Usual	Poor Training Programme and/or high staff turnover	Breach of Regulation and Errors in Payments	Service Manager	Training Plan. Control checklists.	3	2	6	↔			3	1	3	June 2021	Likelihood score above target due to numbers of new staff and pressure from pandemic conditions.

Ref	Risk	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	Key System Failure – LGPS and FSPS	Administrative – Business as Usual	Technical failure	Inability to process pension payments	Pension Services Manager	Disaster Recovery Programme	4	1	4	↔			4	1	4	June 2021	At Target
16	Breach of Data Security – LGPS and FSPS	Administrative – Business as Usual	Poor Controls	Breach of Regulation, including GDPR	Pension Services Manager	Security Controls, passwords etc. GDPR Privacy Policy.	4	1	4	↔			4	1	4	June 2021	At Target
17	Failure to Meet Government Requirements on Pooling	Governance – Business Plan Objective	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 2021	At Target
18	Failure of Pooled Vehicle to meet local objectives	Financial – Business Plan Objective	Sub-Funds agreed not consistent with our liability profile.	Long Term - Pension deficit not closed	Service Manager	Full engagement within Brunel Partnership	4	1	4	↔	Review in line of request for Paris Aligned Portfolios.	On-going	4	1	4	June 2021	At Target
19	Significant change in liability profile or cash flow as a consequence of Structural Changes	Financial – Business as Usual	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.	TBC	4	1	4	June 2021	At Target
20	Insufficient Resource and/or Data to comply with consequences of McCloud Judgement	Administrative – Business Plan Objective	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	↔	Establish project plan. Respond to consultation, and work with SAB to seek guidance on mitigating key risks where data not available. Look to bring in additional resources.	On-Going	2	2	4	Feb 2021	Awaiting Government response to consultation exercise on new Regulations to assess full impact.
21	Legal Challenge on basis of age discrimination in Firefighters Pension Schemes	Legal & Administrative – Business Plan Objective	Pressure from Fire Brigades Union to act in advance of new Regulations	Court Order to deliver remedy	Pension Services Manager	Seeking to follow consistent approach in line with Scheme Advisory Board guidance.	4	3	12	**New**	Legal Advice to be received, National Framework to be published by Scheme Advisory Board. Local Policy determined.	September 2021	4	1	4	June 2021	New risk due to increased litigation by Fire Brigades Union.

Ref	Risk	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		
22	Loss of strategic direction	Governance – Business Plan Objective	Loss of key person	Short term lack of direction on key strategic issues	Director of Finance		3	2	6	New	Review structure to strengthen governance and communication functions	December 2021	2	2	1	June 2021	Risk as identified in the independent governance review by Hymans Robertson

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PENSION FUND COMMITTEE – 11 JUNE 2021

ADMINISTRATION REPORT

Report by the Director of Finance

RECOMMENDATION

The Committee is RECOMMENDED to

a) Note the report
b) Agree the changes to the Scheme of Delegation to add the 2 Employer Team Managers to the list of officers authorised to approve payments from the Pension Fund

Introduction

1. This report updates the Committee on the key administration issues including the iConnect project, service performance measurement and any write offs agreed in the last quarter.

Staffing

2. There are two changes to staffing levels reported last quarter. A new administration assistant joined the Benefits Administration team on 01 June, and, at the time of writing this report, an appointment has been made for the office administrator role.

3. During the period there have been three team members recording 5 or more days of sickness absence which comes to a combined total of 45 days absence in the quarter.

4. Additionally, there are some performance issues which are being addressed, but these have resulted in performance slipping rather than improving.

Incoming Data

5. The number of late / missing data returns has increased slightly during May. These returns are being chased.

6. Vetting of incoming data returns is set up as all returns to be cleared by the 18th of the month following receipt. The latest figures for March 2021, which would be due to be received on 19th April and vetted by 18th May are showing:

- Completed 63%
- Queried 22%
- Admission in progress 3% and
- Outstanding 12%

7. The Investment Team monitor late and missing contributions. In April 9 scheme employers made payment after 19th May. Further analysis will be provided in the next report.

Workload and Performance

8. At the last meeting of the Committee a request was made to temporarily reduce the service level agreement from completion of 90% / 95% of work to be completed within deadline to 75% of work being completed in deadline. The committee agreed to this change, requesting an updated report to be submitted this quarter.

9. As noted in paragraph 3 and 4 above there has been some long-term sickness and performance issues which have added to the initial issue of having several staff in training at same time. The sickness absence would equate to 0.70 FTE across the whole quarter. This had a direct effect on the statistics which are *, as the senior administrators were doing this work whilst administrators are training. The final * reflects the continuing administration assistant vacancy.

10. The impact of the issues above reflects in the numbers as:

	April	March
• APC	00.00	83.33
• Interfunds In *	25.00	26.09
• Interfunds Out*	09.09	73.33
• Transfer Out	20.51	27.08
• HR Estimates	50.00	88.24
• Refunds *	36.66	83.33
• Assistants *	88.00	60.00

- New Starters – no information.

11. Managers are working with our IT suppliers to identify how the system reporting can be improved and developed to provide better management information and reporting.

Projects

12. In the coming quarter the projects to note are:

- GMP Reconciliation – the changes were made to the April payroll for scheme members where under or over payments had been identified. GMP remains on the project list as checks and any corrections need to be applied to both active and deferred records.

- Implementation of i-connect – bar a couple of tidy up meetings all scheme employers are fully operational on system with the exceptions of OCC and OBU. For OCC this will link up with end of year to ensure that all data is matched, and files being uploaded are monitored. Once complete process will be fully handed back to OCC payroll for July. For

OBU a similar process has been followed as for OCC – the process was handed over at end of May.

- Administration to Pay has been the project with the most delays to timetable. The implementations in February and March were achieved, however work on retirements has been delayed yet again and is now scheduled for go live in June 2021.

Area of Work	**Implementation date**	**Implemented (Y/N)**
IFA out	February 2021	Y
TV out	February 2021	Y
Refunds (not including over 75s and post 14 leavers being paid more than 5 years after leaving) *	March 2021	
Retirements from active status (redundancy, efficiency, ill health, age retirement)	May 2021	
Retirements from deferred pension	July 2021	
Death **	September 2021	
Trivial Commutations	November 2021	
Fire	January 2022	

* Solution being sought with software suppliers to deal with post 75 and post 14 leavers being paid after 5 years as the tax implications are different and Altair does not calculate these at present

** Deaths. Further work needs to be done in cases where death grants are split between multiple beneficiaries.

13. The next major project for the team will be the "McCloud" project which is included as part of the annual business plan.

14. All other projects are on target.

Communications

15. Scheme communications are being sent out on agreed timescales, although there is little, if any feedback from recipients.

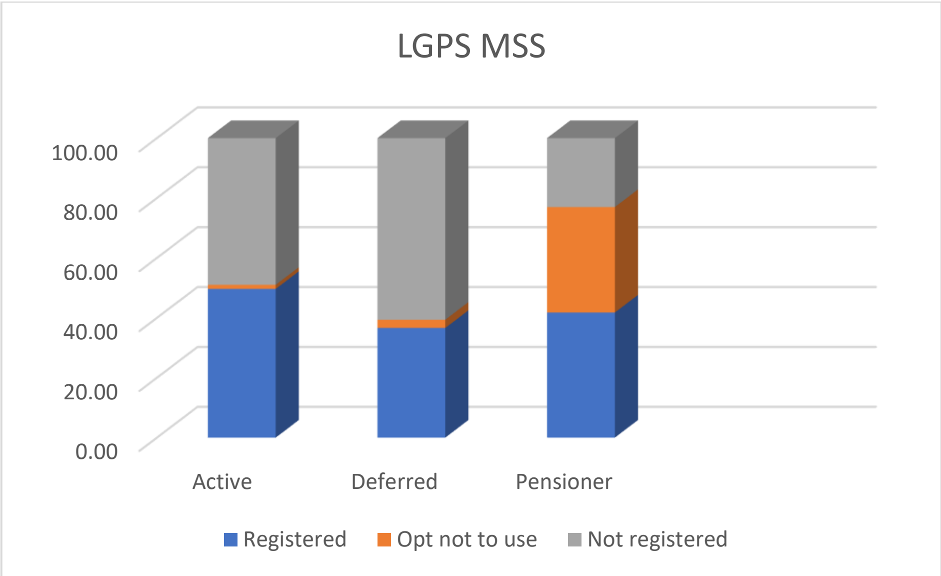
16. In the last quarter work on the member pages of our website has been completed.

17. As detailed in the business plan a customer survey was launched in March. Generally, this is an online link although it can be posted out to members if they are not registered for online use.

18. During the quarter 19 replies were received. Of these 10 were from employer representatives who had attended one of our training sessions – these were well received and scored at 4.7/5.0 on average.

19. The remaining 9 comments, mainly from scheme members, were more of a mixed response with an average score of 4.2/5.0. Any complaints received via this survey were recorded as such.

20. Member self-service numbers are gradually increasing with just under 50% active members now signed up.



Employers

21. There are no issues to report

Complaints

22. In the last quarter, the formal complaint which had been outstanding with the scheme employer since August 2020 has been concluded with the member being granted ill-health retirement.

23. Of the two cases reviewed at stage 2 there has been no progress in one case but in the second the member has chosen to refer this back for further review by the scheme employer.

24. There has been an increase of informal complaints being recorded, which is indicative of the performance within the benefit team, with 9 cases being recorded in the last quarter.

Scheme of Delegation

25. Under the current Financial Scheme of Delegation there is provision for the authorisation of Pension Fund payments (e.g. transfer payments, retirement grants, tax payments) separate to the authorisation of payments for goods and services. These provisions delegate authority to authorise payments below £500,000 to the Service Manager – Pensions, Pension Services Manager, Communications Manager and the Systems Manager. For payments above £500,000 authorisation must be from 2 of the above list.

26. Both the Pension Services Manager and the Communications Manager are employed on part time contracts. As such, there are times when it is difficult to ensure 2 of the named officers are available to authorise payments. To provide greater flexibility and mitigate the risk that benefit/tax payments would be delayed in the absence of the necessary officers through leave, sickness, non-working days or away in meetings it is proposed to add the 2 Managers within the Employers Team to the list of authorised signatories. It should be noted that the employer Team is not responsible for the generation of any of the expected payments and therefore the inclusion of the Team Managers as authorised signatories does not create any conflicts of interest or risks around separation of duties.

Write Off

27. For the first quarter in recent times there are no amounts to write off.

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June 2021

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TABLE 1

OXFORDSHIRE COUNTY COUNCIL PENSION FUND
OVERALL VALUATION OF FUND AS AT 31st MARCH 2021

Investment	COMBINED PORTFOLIO 01.01.21	Brunel Pension Partnership Active Equities		Brunel Pension Partnership Passive Equities		Legal & General Fixed Interest		Brunel Pension Partnership Property		Brunel Pension Partnership Other Investments		In House Other Investments		COMBINED PORTFOLIO 31.03.2021		
	Value £' 000	Value £' 000	% of Total Value	Value £' 000	% of Total Value	Value £' 000	% of Total Value	Value £' 000	% of Total Value	Value £' 000	% of Total Value	Value £' 000	% of Total Value	Value £' 000	% of Total Value	Target %
EQUITIES																
UK Equities*	**590,736**	**447,802**	**37.6%**	**170,809**	**33.0%**	**0**	**0.0%**	**0**	**0.0%**	**0**	**0.0%**	**0**	**0.0%**	**618,611**	**20.9%**	**21.0%**
Emerging Market Equities		96,901														
Global Equities		643,902														
Overseas Equities																
TotalOverseas Equities	**1,060,448**	**740,803**	**62.3%**	**347,137**	**67.0%**	**0**	**0.0%**	**0**	**0.0%**	**0**	**0.0%**	**0**	**0.0%**	**1,087,940**	**36.8%**	**30.0%**
BONDS																
UK Gilts	127,904	0	0.0%	0	**0.0%**	123,838	23.0%	0	0.0%	0	0.0%	0	0.0%	123,838	4.2%	
Corporate Bonds	179,893	0	0.0%	0	**0.0%**	173,535	32.3%	0	0.0%	0	0.0%	0	0.0%	173,535	5.9%	
Overseas Bonds	81,517	0	0.0%	0	**0.0%**	59,551	11.1%	0	0.0%	0	0.0%	0	0.0%	59,551	2.0%	
Index-Linked	159,092	0	0.0%	0	**0.0%**	159,717	29.7%	0	0.0%	0	0.0%	0	0.0%	159,717	5.4%	
Total Bonds	**548,406**	**0**	**0%**	**0**	**0.0%**	**516,641**	**96.1%**	**0**	**0.0%**	**0**	**0.0%**	**0**	**0.0%**	**516,641**	**17.5%**	**16.0%**
ALTERNATIVE INVESTMENTS																
Property	160,025	0	0.0%	0	**0.0%**	0	0.0%	145,038	93.1%	0	0.0%	25,462	5.6%	170,500	5.8%	8.0%
Private Equity	227,916	0	0.0%	0	**0.0%**	0	0.0%	0	0.0%	25,992	25.7%	224,769	49.6%	250,761	8.5%	9.0%
Multi Asset - DGF	155,506	0	0.0%	0	**0.0%**	0	0.0%	0	0.0%	0	0.0%	156,204	34.5%	156,204	5.3%	5.0%
Infrastructure	31,455	0	0.0%	0	**0.0%**	0	0.0%	0	0.0%	18,054	17.9%	14,160	3.1%	32,214	1.1%	3.0%
Secured Income	25,289	0	0.0%	0	**0.0%**	0	0.0%	0	0.0%	56,712	56.0%	0	0.0%	56,712	1.9%	5.0%
Private Debt	-	0	0.0%	0	**0.0%**	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	3.0%
Total Alternative Investments	**600,191**	**0**	**0.0%**	**0**	**0.0%**	**0**	**0.0%**	**145,038**	**93.1%**	**100,758**	**99.5%**	**420,595**	**92.8%**	**666,391**	**22.6%**	**33.0%**
CASH	**106,258**	**1,179**	**0.1%**	**0**	**0.0%**	**21,198**	**3.9%**	**10,754**	**6.9%**	**513**	**0.5%**	**32,423**	**7.2%**	**66,067**	**2.2%**	**0.0%**
TOTAL ASSETS	**2,906,039**	**1,189,784**	**100.0%**	**517,946**	**100.0%**	**537,839**	**100.0%**	**155,792**	**100.0%**	**101,271**	**100.0%**	**453,018**	**100.0%**	**2,955,650**	**100.0%**	**100.0%**
% of total Fund		40.25%		17.52%		18.20%		5.27%		3.43%		15.33%		100.00%		

* During the quarter the Baillie Gifford UK Equities portfolio was transitioned in full to the Brunel UK Equities portfolio.

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TABLE 2

OXFORDSHIRE COUNTY COUNCIL PENSION FUND

Asset	Changes in Market Value					
	Brunel Pension Partnership Active Equities	Brunel Pension Partnership Passive Equities	Legal & General Fixed Interest	Brunel Pension Partnership Property	Brunel Pension Partnership Other Investments	In House Other Investments
	£000	£000	£000	£000	£000	£000
EQUITIES						
UK Equities	19,592	8,287	0	0	0	0
			0	0	0	0
Overseas Equities	14,085	13,416	0	0	0	0
	0	0	0	0	0	0
BONDS	0	0	0	0	0	0
	0	0	0	0	0	0
UK Gilts	0	0	(6,958)	0	0	0
Corporate Bonds	0	0	(6,358)	0	0	0
Overseas Bonds	0	0	(7,117)	0	0	0
Index-Linked Bonds	0	0	(12,043)	0	0	0
	0	0	0	0	0	0
	0	0	0	0	0	0
ALTERNATIVE INVESTMENTS	0	0	0	0	0	0
	0	0	0	0	0	0
Property	0	0	0	(5,071)	0	(446)
Private Equity	0	0	0	0	(86)	21,966
Multi Asset - DGF	0	0	0	0	0	698
Infrastructure	0	0	0	0	(487)	(309)
Secured Income	0	0	0	0	429	0
SUB TOTAL	33,677	21,703	(32,476)	(5,071)	(144)	21,909
CASH *	0	0	0	0	0	0
GRAND TOTAL	**33,677**	**21,703**	**(32,476)**	**(5,071)**	**(144)**	**21,909**

* Movement in cash is not confined to investment transactions but also includes dividend income and the payment of fees. Further details of cash movements can be

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BRUNEL

Pension Partnership

Oxfordshire Pension Fund

www.oxfordshire.gov.uk/pensions

Performance Report for Quarter Ending 31 March 2021

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Brunel News

BRUNEL
Pension Partnership

The first quarter was marked by a growing divergence globally in how different countries are managing the crisis – and in the resulting outlook for lockdowns easing. For Brunel, we continued working from home, making it more than a year since we enjoyed normal office life. Despite this, there were several developments in terms of funds, RI engagement and recruitment, although the situation also led us to think more deeply about lockdown-related issues, such as mental health.

At the end of January, Brunel added the PGIM Real Estate UK Affordable Housing Fund to the tailored portfolios of five of our clients. The open-ended Alternative Investment Fund invests in and develops new affordable housing for working families across the UK, while targeting acceptable net returns for investors. It therefore meets the twin aspirations of the partnership.

David Vickers, our CIO, says: "*We were delighted to add PGIM Real Estate to our fund suite because it fits so well with our priorities as a partnership. The fund is determined to encourage better practices, both environmentally and socially, and PGIM has a strong track record in raising standards in affordable renting, while also ensuring an appropriate return.*"

Responsible Investment remained a driving force throughout the quarter. With Faith Ward newly installed as Chair of the Institutional Investors Group on Climate Change, the partnership was closely involved in the launch, in March, of the Net Zero Investment Framework, the first framework to provide investors with the tools they need to follow through on the ambition to be Paris-aligned. The announcement was a timely one, coming at the start of the year of COP 26 in Glasgow. It was also the culmination of years of work by the IIGCC and its closest partners, including our partnership, which provided data for early road-testing, among other contributions. This was the main reason for the press attention we received for RI through the quarter, although not the only one.

Another reason was advocacy and engagement. In January, Brunel participated in a shareholder engagement at HSBC, Europe's largest bank, as one of a coalition of investors representing £2.4 trillion in assets. In March, as a result of the engagement, the bank made a number of significant commitments around climate impact reporting and ambitions – a clear step in the right direction. The Special Resolution will be put to a vote at HSBC's AGM on 28 May, with a 75% threshold required for the resolution to make it binding.

The first quarter saw the implementation of some significant developments in Brunel's governance structure, with the completion of changes in structure of the Board. Primary among these is the addition of a fifth Non Executive Director. We are delighted to welcome Liz Mckenzie as our new Shareholder Non-Executive Director. Liz spent 19 years at Toyota before making the switch to senior roles in financial services. We also appointed two highly-experienced Investment Non-Executive Directors. Miles Geldard has more than 35 years' experience in the asset management industry, including several years at Jupiter Asset Management. Roelie van Wijk brings experience from the Dutch pension fund industry, including two years as Chair of the Dutch Fund and Asset Management Association. These three bring significant and varied experience to our Board and will undoubtedly be a major asset in the years ahead.

We also strengthened our governance through hosting the inaugural Shareholder Forum, which will be a semi-annual meeting designed to strengthen communication across all levels of the partnership.

Covid and lockdown have inevitably made us think very carefully about our culture at Brunel and across the partnership, and this was reflected in how we looked at our own priorities through the first quarter. Laura Chappell blogged on our website about both International Women's day and mental health – and an Op-Ed by her on the latter, in Professional Pensions, placed the onus on CEOs to take mental health seriously.

At quarter-end, we published our Annual Report & Accounts in time for our AGM. The report emphasised our work as a broader partnership, our RI focus, and our progress on cost savings – and received external coverage. It showed that Brunel had already transitioned more than £20 billion of assets by the end of 2020 and made more than £30 million in cost savings.

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Executive Summary

Performance of Pension Fund

The fund delivered absolute performance of 1.5% over the quarter in GBP terms. This was behind the benchmark return of 2.5%. Total fund return for the year to March was 23.5%, which was broadly in line with the benchmark return of 23.4%.

Key points from last quarter:
- 1.5% Absolute Net Performance Q1
- 0.9% Relative Net Performance vs Benchmark Q1
- 23.5% Absolute Net Performance 1Y
- 0.1% Relative Net Performance vs Benchmark 1Y

The Brunel Emerging Markets Equity sub-fund benefited from the moderate rise in emerging markets equities over the quarter, as worries over Covid in major constituent countries such as Brazil, capped gains led by favoured sectors such as semiconductors. However, the sub-fund outperformed its benchmark, benefiting from stock selection – there was almost no impact from allocations to country, sector, market cap or style.

The Brunel Global High Alpha sub-fund delivered healthy returns over the quarter, benefiting from the exposure to Consumer Staples and Utilities in particular. However, the sub-fund underperformed the benchmark due to the fund's underweighting to both energy and financial stocks. The portfolio's overweight to China also detracted.

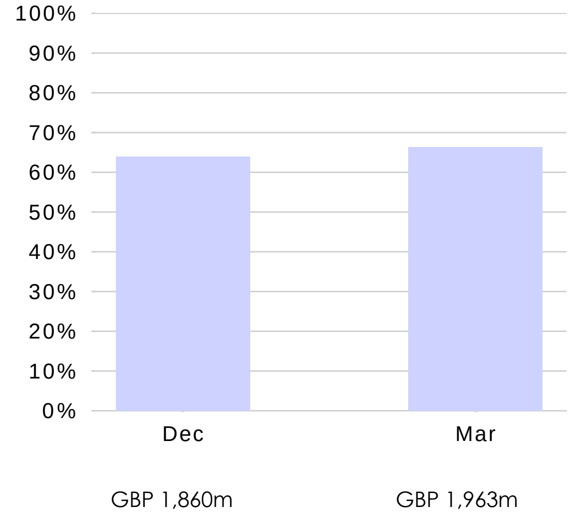
The Brunel Sustainable Equities sub-fund gained in absolute terms over the quarter, as it has since inception in October 2020, but underperformed the benchmark. The lag was driven by underweights to Energy and banks, which were the main drivers of broader market returns. Furthermore, some exposure to renewable energy securities such as Orsted and Neste contributed to underperformance.

The Brunel UK Active Equity sub-fund posted strong returns over the quarter, despite lagging the benchmark. Sub-benchmark performance was driven by a combination of the fund's quality bias and stock selection, as some of the higher quality names that had performed well during the Covid crisis began to lag, especially in Consumer Discretionary.

Total Fund Valuation

	Total (GBPm)
31 Dec 2020	2,906
31 Mar 2021	2,956
Net cash inflow (outflow)	5

Assets Transitioned to Brunel



Market Summary – Listed Markets

A review of the last twelve months illustrates the importance of the starting point when analysing investment returns. Fifty-three weeks before quarter-end, governments unveiled support packages as Covid-19 enforced lockdowns came into effect. Central banks provided stimulus to combat the ensuing economic contraction and markets began to recover from an aggressive sell off.

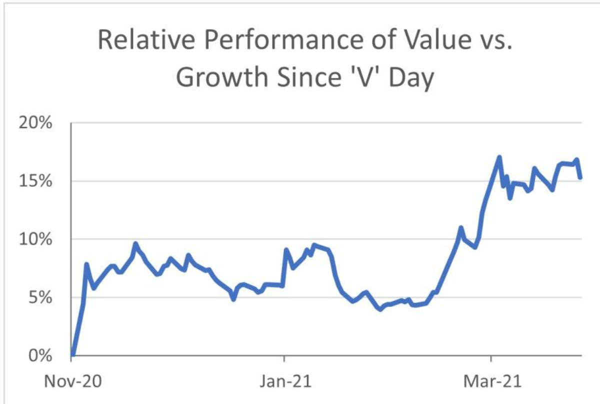
Infection rates, vaccine efficacy and virus variants dominated news flows over the period but there were several notable non-Covid developments. An acrimonious election saw Democrat Joe Biden become the 46th US President. Already holding a majority in the House of Representatives, the Democrats also took control of the Senate and have recently passed a $1.9 trillion stimulus package that includes a $1,400 payment to any American earning less than $75,000 a year.

The UK and EU signed a trade deal on goods, averting the spectre of a no-deal Brexit but still leaving terms of trade on services to be agreed; while Japan's longest serving Prime Minister, Shinzo Abe, stepped down.

Equity market leadership can be somewhat characterised falling into a year of two halves. By Autumn 2020, equity markets had reclaimed pre-Covid levels, driven by large index constituents such as Microsoft and Amazon, which were well-placed to serve the swathes of the world's population confined to their homes. Unsurprisingly, there were also 'Covid losers' in the earlier part of the reporting period, notably in the Consumer Discretionary sector, which includes the travel and hospitality industries.

Positive test results for the Pfizer/BioNTech vaccine in November signalled the beginning of a period of stronger relative performance for more cyclically exposed companies. Combined with subsequent vaccine approvals, an increase in global growth expectations and a steepening of yield curves, this resulted in a period of outperformance for Value stocks.

The MSCI All-Country World Index returned 3.7% in GBP terms over Q1 2021 and 39.6% for the twelve months ending 31 March 2021, highlighting the relevance of starting the twelve-month period from a relatively low base. The Consumer Discretionary and Materials sectors were the strongest-performing over the year, returning 60% and 59.5% respectively. Again, this was in part because these sectors had been hit relatively hard by the outbreak of Covid-19, but they also benefitted from increasing expectations for growth.



Relative performance of MSCI AC World Value TR Index to MSCI AC World Growth TR Index since Pfizer/BioNTech vaccine announcement 9th November 2021. Source: FactSet

Market Summary – Listed Markets

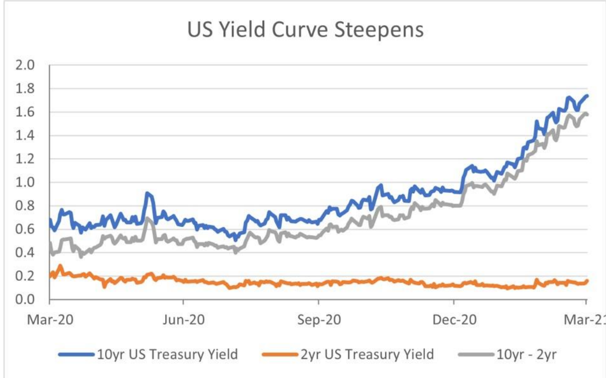
Regional performance varied widely, although, at the aggregate level, returns for developed and emerging markets were similar. The MSCI World Index returned 39.1% for sterling investors over the period and the MSCI Emerging Markets Index 42.8%. Despite the continuation of US-China disagreement into the Biden administration, both regions outperformed the global equity market over the year, with China returning 50.9% in GBP terms and the US 43.3%.

The make-up of the UK market, with more exposure to cyclical industries, resulted in standout performance in Q1 2021, as the FTSE All-Share Index returned 5.2%. Over the quarter, the energy sector returned 11% and the materials sector 10.7%. However, sectoral composition held back the UK market over the twelve-month period. The energy and healthcare sectors, accounting for more than 18% of the index, were essentially flat, with the FTSE All-Share returning 27.1%.

Aforementioned fiscal stimulus packages, in conjunction with loose monetary policy and high levels of household savings, contributed not only to the positive growth story but also to the prospect of higher inflation. Yield curves steepened significantly in Q1 2021, which will have provided a headwind for fixed income investors.

Predicting the path of inflation, policy withdrawal and eventual rate tightening is difficult at the best of times, and still more so in the current environment. From a global perspective, the lack of guidance around the Federal Reserve's Flexible Average Inflation Targeting policy only makes the task more challenging. We can say that the eventual withdrawal of central bank support, when it does happen, will result in increased bond market volatility.

A final comment is due on sterling, which appreciated 11% against the US dollar, and 3.9% against the euro over the year, marking a slight reversal of weakness in previous periods. At the end of March 2021, a pound bought $1.38 and €1.17. Though unhedged overseas returns will depend on specific currency cross rates, in general terms, sterling's strength will have dampened returns from unhedged overseas assets.



US Yield Curve Source: FactSet

Market Summary – Head of Private Markets

BRUNEL
Pension Partnership

Overview

The first quarter of 2021 brought a new US administration with a new fiscal stimulus, as well as the start of the global vaccination programme that should accelerate the re-opening of worldwide economies. This progress should improve economic data worldwide and has already led to outperformance from commodities and from small-cap, value and cyclical stocks, together with a sell-off in US Treasuries. The global economy is continuing to reflate, with GDP peaking in China, accelerating in the US and bottoming out in emerging markets.

While the balance of risks is to the upside, there are undoubtedly still downside risks, including the potential for the spread of Covid mutations which might undermine existing vaccines and the possibility of greater longer-term economic scarring than has been observed while the vast range of financial support measures are in place.

Infrastructure

Covid continues to dominate each of the managers' market agendas, and is expected to do so for the majority of 2021, until vaccine programmes have been fully rolled out. Managers continue to actively engage with suppliers, contractors and the communities surrounding projects to mitigate risks still arising from pandemic uncertainty. The Brunel portfolio is focused on essential infrastructure across both Cycle 1 and Cycle 2, meaning that, in most cases, assets have not been negatively impacted.

On a positive note, the UK government has confirmed new onshore wind projects will be eligible to compete in the next 'Contracts for Difference' round, which will take place in Q3/Q4 2021. Following the UK-EU Brexit terms agreement, sterling continued to fluctuate against the euro throughout Q1. Managers of European funds are introducing measures to ensure further investments in the UK are either capped or hedged in line with their investment strategies.

In Europe, onshore wind power purchase agreements (PPAs) increased in five markets last year, most significantly in the Netherlands (up 9.8%) and Germany (+7.9%). Price offers for solar PV PPAs rose in almost all markets in 2020, but only 2.1% on average. In markets where the future value of power is more sensitive to carbon pricing, rises were higher (e.g. Germany +4.6%, Poland +2.8%).

The most significant market events took place in the US, where the new Biden administration and a democratic-majority Senate have increased the chances of legal incentives for renewables. The administration looks likely to consider both energy transition and climate impact in all major decisions, in line with the US re-joining the Paris Agreement in January.

Photo by John Cameron on Unsplash

Market Summary – Head of Private Markets

Private Equity

Investment sentiment and activity remained strong in Q1 2021. The valuation of assets remained high. Hence, GPs focused more on operational improvements to create value in their portfolio companies. In addition, some GPs are executing more add-on acquisitions at lower prices to bring down the acquisition multiple. The interest in technology companies remained strong and there is a trend towards GPs digitising their portfolio companies in order to improve efficiency and to achieve higher multiples as they position for exit.

The fundraising market is bifurcated between the "haves" and "have nots". Fundraising for established platforms is moving quickly, while less proven GPs are struggling to gain investor attention. In addition, sector expertise has become increasingly important for GPs.

Private Debt

Private equity sponsors have had a buoyant start to the year. Confidence is running high and initial signs indicate a strong pace of activity in Q1, following record-breaking activity in Q4. Private debt participants have resumed lending activity in support of private equity sponsors, albeit more cautiously for sectors sensitive to Covid. Lenders continue to like defensive industries, like software and healthcare, where pricing on loans has therefore been tight. Broadly syndicated market (high yield bonds and leveraged loans) spreads hover close to 300bps in both the US and Europe. The expected wave of credit defaults has not occurred and large amounts of capital, raised in anticipation of a spike in distressed debt opportunities, remain on the sidelines.

Property

The first quarter of 2021 saw a return to optimism in UK property. Although only £57.5bn of transactions took place in Q1, pricing was relatively stable and international investors continued to account for 50% of investment activity. 24 deals took place in unit shops at under 7% yields and the industrial sector retained its pricing strength, with 44 deals transacting in distribution warehouses at sub-4% yield levels and multi-let trading at around 5% initial yields. Industrial rents are still increasing (+2.4% p.a. in UK regions and +3.7% p.a. in London). Fashion retail and leisure have suffered from protracted lockdowns, with rebasing of leases and lower rental levels ubiquitous. In the office sector, there has been a considerable uplift in availability, as tenant and secondary space has come onto the market, particularly in London, where overall vacancy rates have risen to 10%. However, prime Grade A office space remains in short supply and most of the development pipeline is pre-let. Though rent falls of over 10% may affect some offices in 2021, this year is expected to mark the peak in office vacancy levels. In the meantime, residential market activity remains strong, with private rental growth currently up 1.4% over the last year.

iStock.com/fokkebok

Responsible Investment & Stewardship Review

BRUNEL
Pension Partnership

For this report, we wanted to provide reflections by Laura Chappell (pictured right), CEO at Brunel Pension Partnership, on our Responsible Investment progress across the last year. A version of these thoughts also appeared in our recent 'Responsible Investment and Stewardship Outcomes Report', which covered 2020 and is now available on our website. As Laura explains, the self-analysis involved in scoring our RI outcomes has been more important than ever in light of recent events. Some of the highlights from the Outcomes Report are captured in the graphic overleaf.

It was a year unlike any of us at Brunel have known, and one that none of us could have anticipated. Amid the changes, all companies have needed to respond nimbly to the crisis and to review their practices and performance. In short, from 2020 right through to the end of the first quarter of 2021, we have has seen the value of going back to first principles and assessing ourselves across several key metrics. As a result, even a global pandemic and lockdown has not prevented us from ensuring that our stewardship activities live up to our own high expectations. We set our goals and make our decisions as a partnership, an approach that equips us to engage effectively not just with clients and shareholders, but also with managers and the broader asset management industry. These interactions and collaborations are crucial in enabling us to meet the long-term fiduciary and responsible goals set by our partnership.

Our Responsible Investment (RI) approach is built on three pillars: to integrate sustainability criteria into our operations and investment activities; to collaborate with others across the industry and support effective policymaking; and to be transparent in our activities. These three pillars underpin our operations, providing a bedrock for our team, our clients and our managers.

Despite the global disruption of 2020, Brunel was able to deliver widely on our plans through the year. By year-end, we had transitioned most of our clients' assets into Brunel funds. We also launched a number of new funds, including a Sustainable Equities Fund that positively targets sustainable investments, a Diversifying Returns fund, and a Global Small Cap fund. We completed Cycle 1 of Private Market investments (35% of which are in renewables) and embarked on Cycle 2, which has a dedicated sub-mandate for renewable energy opportunities.

We have worked closely with managers to ensure they embed our RI principles across our portfolios, in line with how we designed those portfolios. Manager selection is a central part of our RI, Stewardship and Climate policies. We examine how managers embed ESG principles into their investment process. We also look at their company culture, not least in the area of diversity and inclusion. We have continued to work with the Diversity Project and the 30% club to encourage a more inclusive culture – broader social movements in 2020 have offered a timely reminder of how much work remains to be done in this area. Although Brunel has too few employees to be obliged to report on diversity, we report on this area voluntarily.

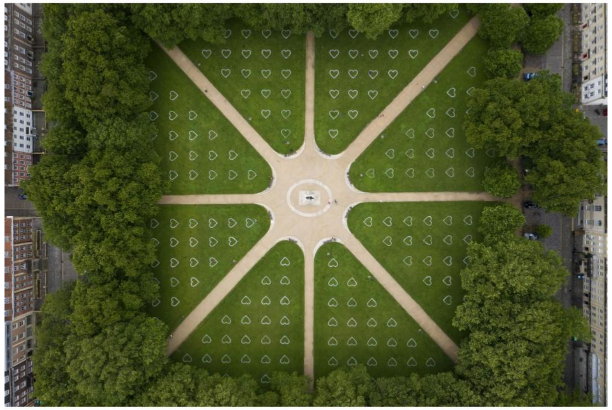
Our climate ambitions were expressed in our work with the Institutional Investors Group on Climate Change, when we copiloted the Net Zero Investment Framework ahead of an industry consultation. Faith Ward, our Chief Responsible Investment Officer, was named Chair of the IIGCC at the end of 2020. Having ensured Brunel's commitment to achieving Net Zero before 2050, Faith was closely involved in outreach to asset owners ahead of the formal launch of the framework in 2021. That outreach continues to mobilise asset owners and managers ahead of COP26 in the autumn. We have also been closely involved in work with both the TPI and TCFD in developing good practice in climate investing.

I am delighted to see how our determination to change the industry in this area is already bearing fruit, ahead of Brunel's own Climate Stocktake in 2022. To this end, we have begun work on Net Zero benchmarks, a major gap in the industry at present and one that prevents wholesale change. We have also been active in both shareholder engagement and voting, and our broader cooperation in this area has enabled significant climate policy changes at both HSBC and Barclays.

Responsible Stewardship and Responsible Investment cover many areas, among them water, biodiversity, cyber risk, cost transparency and supply chain risk. We review each of these in this report, since abuses or laxity in these areas can have grave consequences, and often severe social impacts. Focusing on climate risk to the exclusion of social factors is insufficient, and we are committed to integrating social risk and impacts into how we operate and invest. Our role as a pension pool makes it imperative for us to address these issues holistically, in line with client needs, so that the interests of pensioners, planet and people are considered together. We believe this is the right approach, but we also believe it will enable us to reduce investment risk and deliver strong investment returns over the years ahead.

A year of disruption has given us an exceptional opportunity to ensure we are doing all we can to invest for a world worth living in.

Heart prints decorate Queen Square, Bristol, in aid of social distancing



Highlights from the 2021 Responsible Investment and Stewardship Outcomes Report

Leaders
Recognised as leaders in RI, Climate and ESG in Europe and globally

Net-zero
by 2050, 50% carbon emission intensity reduction by by 2030

22%
greater carbon efficiency than benchmark for the Brunel Aggregate Portfolio – up from 15% a year earlier

35%
Females on board in UK Active and 28% in Global High Alpha – improvement in all active equities

75%
Carbon saving & **480 Jobs** from Secured Income Portfolio greenhouse project

20%
Reduction in water intensity (38% below investment benchmark) by Robeco (Brunel Low Volatility)

78
world's largest mining companies asked to review their relationships with First Nations communities and indigenous peoples

3,101
issues engaged on at 881 companies achieving 1,050 milestones

1,046
company meeting voted at, 1,666 votes against or abstain

Cybersecurity
Coalition of investors focuses on 25 companies

SDGs
Reporting pilot underway

100%
of our appointed listed market fund managers are currently achieving or committed to cost transparency.

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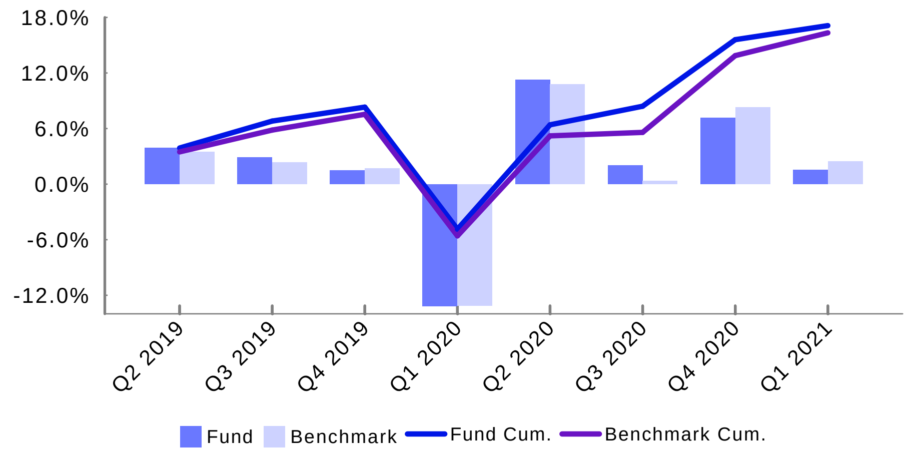
Summary of Pension Fund Performance

Performance of Fund Against Benchmark (Annualised Performance)

Period	Fund	Strategic BM	Excess
3 Month	1.5%	2.5%	-0.9%
Fiscal YTD	23.5%	23.4%	0.1%
1 Year	23.5%	23.4%	0.1%
3 Years	7.5%	7.2%	0.3%
5 Years	9.6%	8.8%	0.9%
10 Years	8.4%	8.2%	0.2%
Since Inception	7.5%	7.7%	-0.2%

Rolling Quarter Total Fund (Net of Manager Fees)

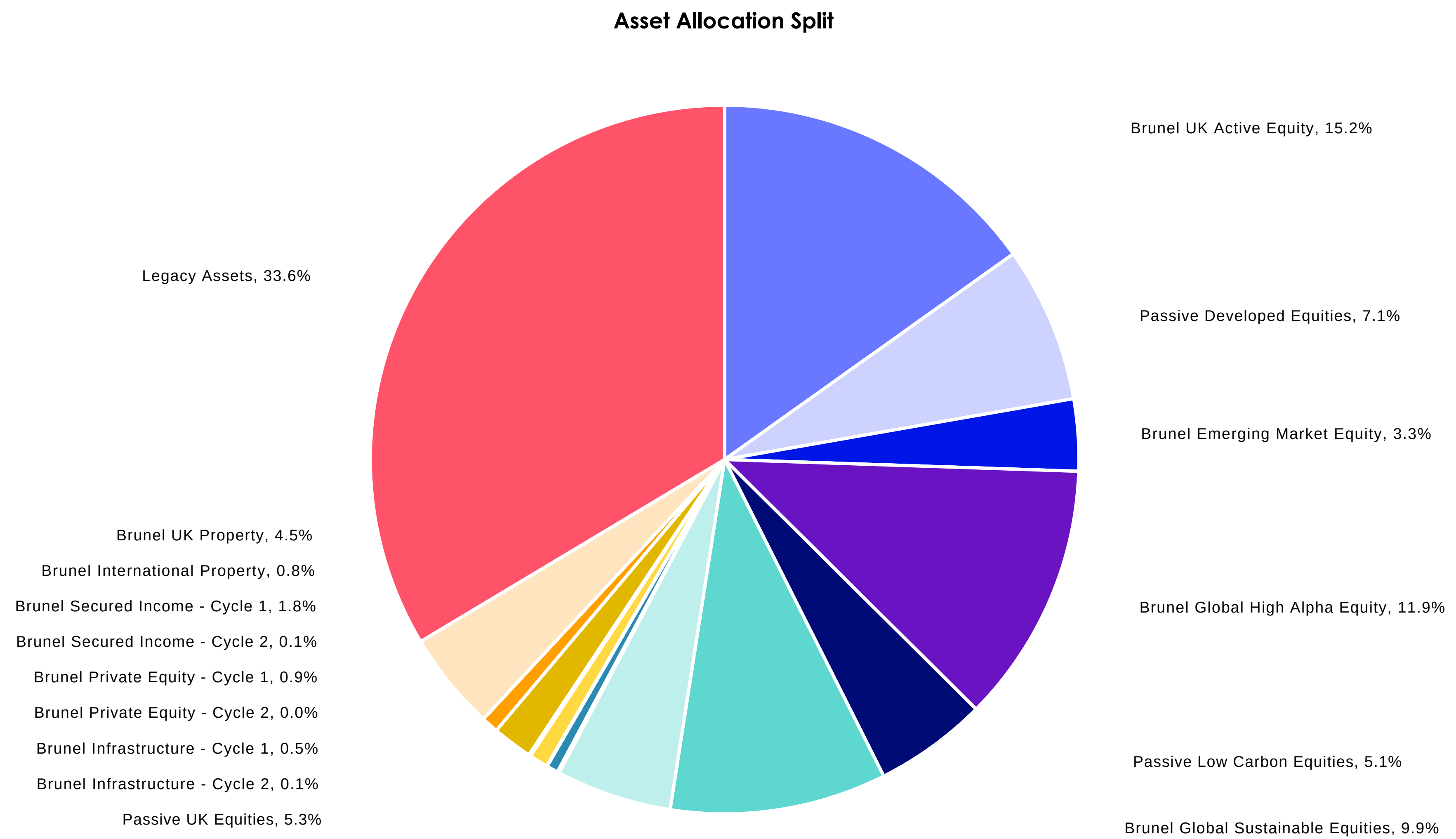


Key Drivers of Performance

Over the first quarter, the fund delivered a positive absolute return but lagged behind its strategic benchmark. Highlights during the period were:

• Global Emerging Markets added 2.1% in the first quarter and a one year return of 46.1%; these periods are 0.7% and 3.3% ahead of the benchmark respectively.
• Global High Alpha returned a 3.2% increase over the past quarter, taking the one year performance to 50%; this was 10.9% ahead of the MSCI TR World benchmark.
• Global Sustainable Equities lagged the benchmark by 3.3% since the start of the year with a 0.4% return.
• The UK Active portfolio was up 4.6% in the first quarter and +27.5% over the past year. One year performance is ahead of benchmark by 2%.

Asset Allocation of Pension Fund



Legacy Manager Performance

BRUNEL
Pension Partnership

Legacy Manager Performance – 3 Year

	Annualised Return	Risk (Standard Deviation)	Benchmark Return	Benchmark Standard Deviation
Cash	0.5%	0.1%	0.6%	0.1%
Infrastructure	7.1%	12.1%	4.5%	0.1%
Insight Diversified Growth	3.3%	7.7%	4.5%	0.1%
LGIM Fixed Income	4.4%	7.0%	3.5%	7.0%
Pooled Property	2.1%	6.9%	2.4%	2.7%
Private Equity	15.9%	9.4%	9.9%	19.5%
Oxfordshire County Council	7.5%	10.1%	7.2%	9.6%

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Brunel Portfolios Overview

BRUNEL Pension Partnership

Portfolio	Benchmark	AUM (GBPm)	Perf. 3 Month	Excess 3 Month	Perf. 1 Year	Excess 1 Year	Perf. 3 Year	Excess 3 Year	Perf. 5 Year	Excess 5 Year	Perf. SII*	Excess SII*	Initial Investment
Brunel Emerging Market Equity	MSCI EM TR Gross	97	2.1%	0.7%	46.1%	3.3%					14.9%	0.9%	13 Nov 2019
Brunel Global High Alpha Equity	MSCI World TR Gross	352	3.2%	-0.9%	50.0%	10.9%					23.9%	10.4%	15 Nov 2019
Brunel Global Sustainable Equities	MSCI AC World GBP Index	292	0.4%	-3.3%							9.5%	-3.1%	30 Sep 2020
Brunel UK Active Equity	FTSE All Share ex Investment Trusts	448	4.6%	-1.0%	27.5%	2.0%					3.4%	0.1%	21 Nov 2018
Passive Developed Equities	FTSE World Developed	210	4.1%	-0.0%	39.4%	-0.1%					11.4%	-0.0%	11 Jul 2018
Passive Low Carbon Equities	MSCI World Low Carbon	152	3.8%	-0.0%							26.3%	-0.2%	15 May 2020
Passive UK Equities	FTSE All Share	156	5.3%	0.1%	27.0%	0.3%					0.0%	0.0%	11 Jul 2018

*Since Initial Investment

Performance based on tradeable NAV

Where there are disparities between returns quoted above and returns provided for the same fund and period in the following pages, this is because the fund-specific pages reflect the posttransition phase, important for monitoring the performance of selected managers, while those given above reflect the Clients' actual experience from the point of initial investment, which in some cases includes the shared impact of transition costs.

Tradeable NAV performance reflects NET performance. The following product pages reflect the portfolio's NET performance

Passive Developed Equities

BRUNEL
Pension Partnership

Overview

	Description
Portfolio Objective:	Provide exposure to FTSE Developed World using a low cost highly liquid approach.
Investment Strategy & Key Drivers:	Geographically diversified range of equities.
Liquidity:	High
Risk/Volatility:	High absolute risk with very low tracking error.
Total Fund Value:	£2,227,951,544

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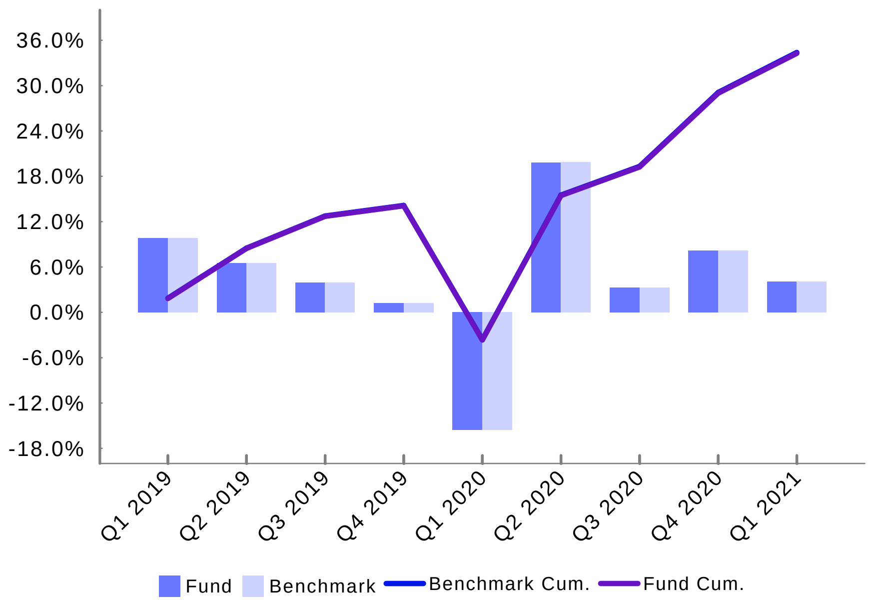
Performance to Quarter End

Ann. Performance	Fund	BM	Excess
3 Month	4.1%	4.1%	0.0%
Fiscal YTD	39.4%	39.4%	-0.1%
1 Year	39.4%	39.4%	-0.1%
3 Years			
5 Years			
10 Years			
Since Inception	11.4%	11.5%	0.0%

Rolling Performance*



* Partial returns shown in first quarter

• In Q1 2021, global equity markets continued their rebound from late Q4 2020, with an increasing rate of vaccination in many developed markets raising the hope that locked-down economies will be able to fully re-open in mid-2021. The benchmark FTSE Developed World Index was up 4.1% over this period. The index also delivered extremely strong positive performance over the 12-month period following the initial coronavirus downturn in March 2020, up 39.4% in absolute terms to quarter-end. The Passive Developed Equities product closely replicated the performance of the benchmark over both periods.

• GBP appreciated against a basket of developed market currencies over the quarter, up 5% vs the euro, 8% against JPY and up 0.9% vs USD. As a consequence, the GBP-hedged product outperformed the unhedged product, with 6.38% outperformance over the quarter.

• In sterling terms, all sectors performed positively over the quarter. Energy, Financials, Industrials and Basic Materials were the main beneficiaries in terms of sector. These areas were particularly unloved during the uncertainty of pre-vaccine 2021, when the likelihood of near-term demand and recovery were still in the balance; however, with the prospect of economic re-opening, they have surged back strongly. Financials have also benefitted from the expectation of potentially higher interest rates, which would become more likely if this economic recovery leads to inflation.

Passive Developed Equities – Region & Sector Exposure

Top 20 Holdings

	Mkt. Val.(GBP)
APPLE INC	100,084,896
MICROSOFT CORP	91,311,294
AMAZON.COM INC	67,838,725
FACEBOOK INC-CLASS A	36,564,171
ALPHABET INC-CL A	32,006,718
ALPHABET INC-CL C	31,093,664
TESLA INC	26,445,431
JPMORGAN CHASE & CO	23,849,840
JOHNSON & JOHNSON	22,392,346
VISA INC-CLASS A SHARES	18,496,687
UNITEDHEALTH GROUP INC	18,167,944
SAMSUNG ELECTRONICS CO LTD	17,418,868
WALT DISNEY CO/THE	17,247,551
PROCTER & GAMBLE CO/THE	17,063,710
HOME DEPOT INC	16,958,127
BERKSHIRE HATHAWAY INC-CL B	16,927,996
NVIDIA CORP	16,304,115
MASTERCARD INC - A	16,250,972
NESTLE SA-REG	15,866,957
BANK OF AMERICA CORP	15,480,018

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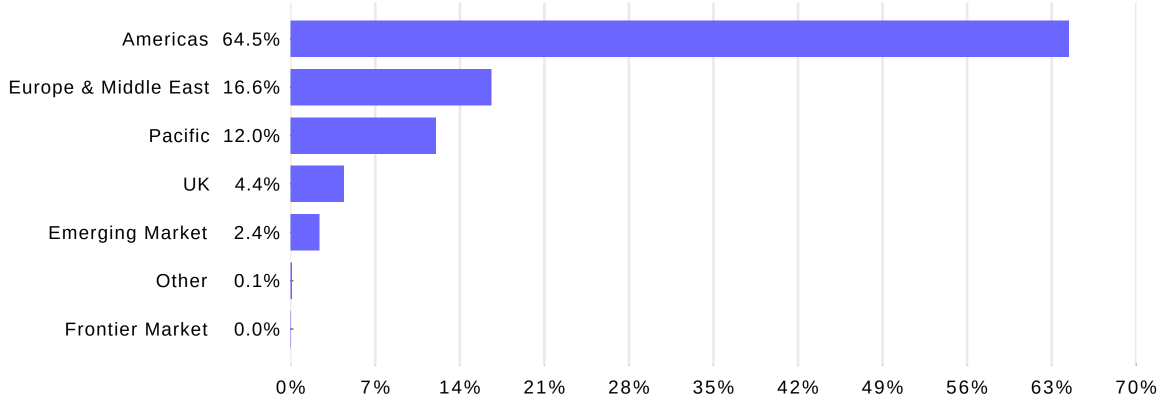
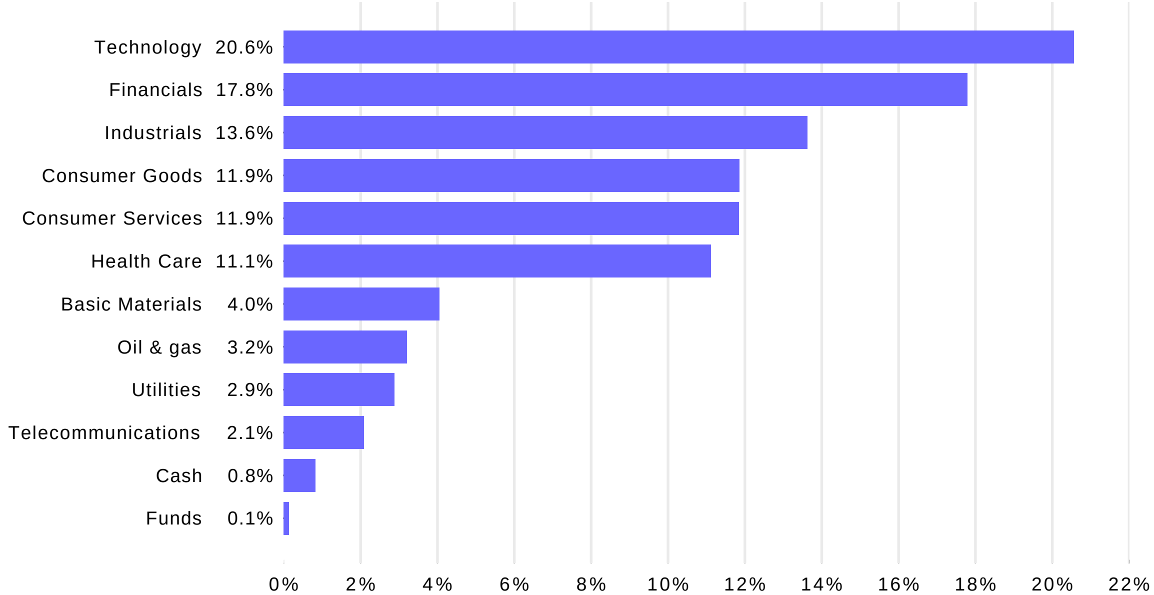
Regional Exposure



Sector Exposure



Passive Developed Equities – Responsible Investment

BRUNEL
Pension Partnership

Top 10 ESG Contributors to Overall Score

	Insight	Momentum
1. ASML HOLDING NV	64.6	84.4
2. NEXTERA ENERGY INC	70.3	32.8
3. HONEYWELL INTERNATIONAL INC	64.4	65.4
4. TEXAS INSTRUMENTS INC	63.0	76.7
5. ACCENTURE PLC	62.5	61.1
6. NESTLE SA	58.7	48.6
7. SAP SE	64.1	31.6
8. SCHNEIDER ELECTRIC SE	71.6	50.0
9. PROCTER & GAMBLE CO/THE	57.9	70.5
10. ENEL SPA	71.5	28.8

Bottom 10 ESG Detractors to Overall Score

	Insight	Momentum
1. AT&T INC	43.4	32.7
2. SAMSUNG ELECTRONICS CO LTD	47.6	67.2
3. VISA INC	46.2	29.5
4. JPMORGAN CHASE & CO	47.1	62.3
5. JOHNSON & JOHNSON	42.9	83.4
6. AMAZON.COM INC	49.4	50.0
7. FACEBOOK INC	42.0	58.4
8. MICROSOFT CORP	48.5	35.1
9. ALPHABET INC	44.8	57.6
10. APPLE INC	46.5	50.1

From Q4 onwards we have moved to the latest and enhanced version of Truvalue Labs data. Please see supplementary note on the Client portal for more detail.

* Position 1 is the top contributor/detractor.

0 50 100

Weighted Average ESG Score	2020 Q4	2021 Q1
Portfolio	53.3	53.7
Passive Dev Equities	53.3	53.7

TruValue Labs & SASB

Brunel Assessment:

- **Texas Instruments** (Technology), have released a major advancement in electric vehicle (EV) battery management systems (BMS), enabling automakers to improve the reliability, efficiency and range of EV's
- **AT&T** (Telecom Services), is committing $2 billion over the next three years to make internet access affordable for more Americans by opening 'connected learning centers'. The initiative is an attempt to narrow the gap in access to education and job opportunties, known as the digital divide.
- **SAP** (Software and IT Services) have redrawn their diversity policies in a bid to improve recruitment and act to address issues of race more openly in the workplace. The company was also listed in the top 20 of companies to work for globally by Top Employers Institute.
- **Enel** (Electric Utility) buys eleven Brazilian solar projects from Arena Power totalling 519 MW. The company has also teamed up with Saras to develop a new 'renewable hydrogen' technology produced via electrolysis of water and powered exclusively by renewable electricity.

100% of the bottom 10 ESG detractors are covered by engagement or specific voting activities.
The carbon intensity of the benchmark (and index tracking Portfolio) remained largely unchanged this quarter.

Weighted Average Carbon Intensity (WACI)

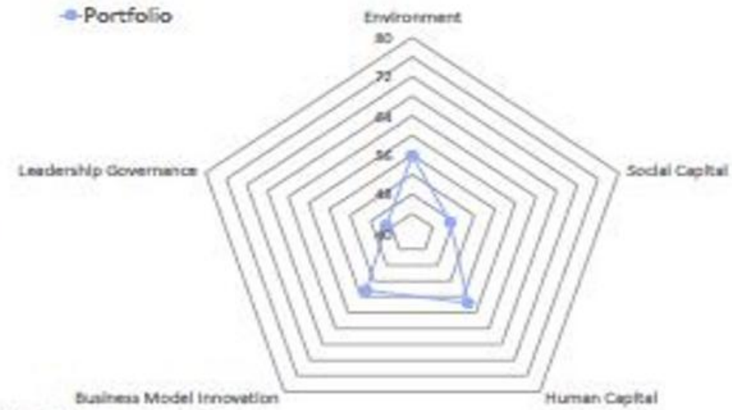
Source: Trucost

Extractive Exposure

	Total Extractive Exposure[1]		Extractive Industries (VOH)[2]	
	Q4	Q1	Q4	Q1
Portfolio	3.0	2.9	7.5	7.6
Passive Dev EQ	3.0	2.9	7.5	7.6

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

Absolute Weighted ESG Scores



TruValue Labs & SASB

Passive Low Carbon Equities

BRUNEL
Pension Partnership

Overview

	Description
Portfolio Objective:	Provide exposure to equity returns and global economy with low exposure to carbon emissions and fossil fuels.
Investment Strategy & Key Drivers:	Portfolio is invested in global equities in accordance with Low Carbon index.
Liquidity:	High
Risk/Volatility:	High absolute risk with very low tracking error.
Total Fund Value:	£1,197,181,863

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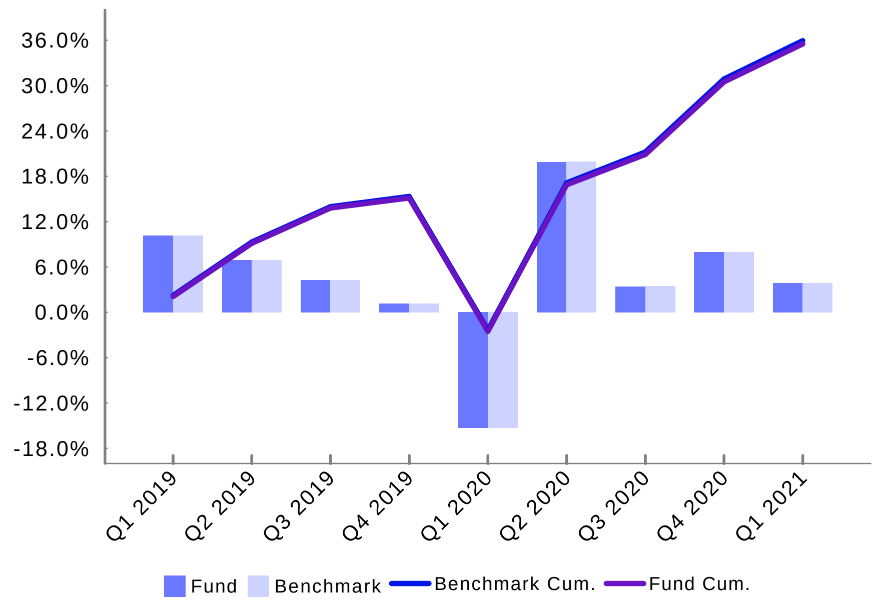
Performance to Quarter End

Ann. Performance	Fund	BM	Excess
3 Month	3.8%	3.9%	0.0%
Fiscal YTD	39.0%	39.2%	-0.2%
1 Year	39.0%	39.2%	-0.2%
3 Years			
5 Years			
10 Years			
Since Inception	11.8%	11.9%	-0.1%

Rolling Performance*



* Partial returns shown in first quarter

• The Passive Low Carbon product recorded a return of 3.9% during Q1 2021, in line with the MSCI World Low Carbon Target Index.

• The MSCI World index returned 4.1% over the quarter. The 0.2% underpeformance of the MSCI World Low Carbon Target Index vs the MSCI World Index is primarily driven by an underweight to the high-performing energy sector. The other main source of underperformance was stock selection within the materials sector.

• Over the previous 12 months, the Passive Low Carbon portfolio returned 39.0%, moderately behind the MSCI World Low Carbon target return of 39.2%.

• The MSCI Low Carbon Index moderately outperformed the MSCI World Index over the twelve months, which returned 39.1%. This was mainly due to stock selection within Energy, with zero exposure or underweights to oil & gas companies contributing positively to the relative return of the Low Carbon index.

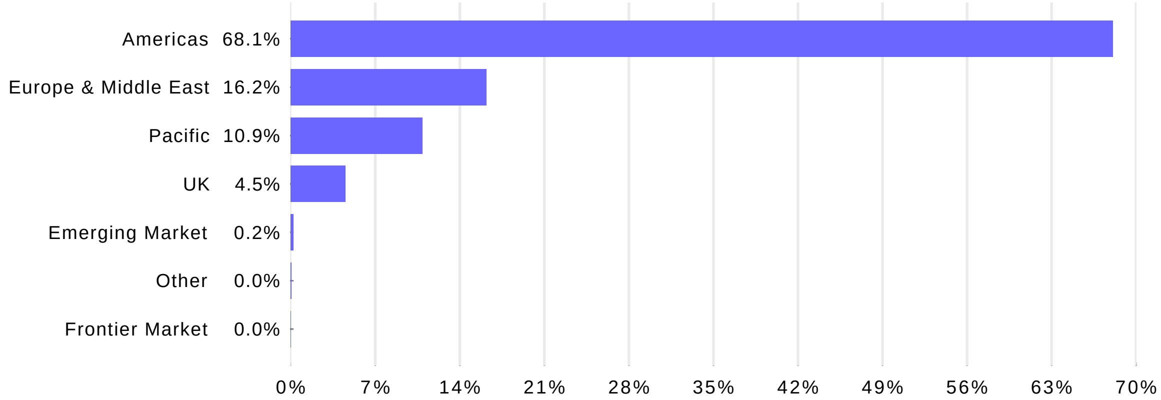
Passive Low Carbon Equities – Region & Sector Exposure

BRUNEL
Pension Partnership

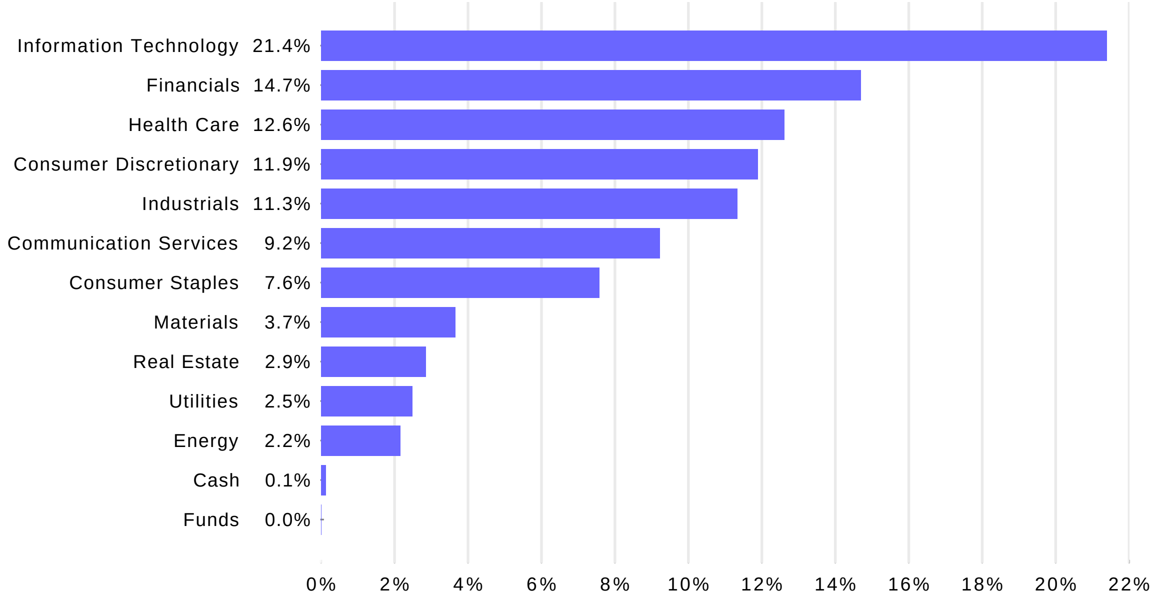
Top 20 Holdings

	Mkt. Val.(GBP)
APPLE INC	68,339,401
MICROSOFT CORP	55,525,916
AMAZON.COM INC	43,367,926
FACEBOOK INC-CLASS A	23,177,313
ALPHABET INC-CL A	20,778,070
ALPHABET INC-CL C	20,002,545
TESLA INC	16,440,299
JPMORGAN CHASE & CO	14,983,458
JOHNSON & JOHNSON	14,451,915
VISA INC-CLASS A SHARES	12,162,868
PROCTER & GAMBLE CO/THE	11,484,696
UNITEDHEALTH GROUP INC	11,410,218
BERKSHIRE HATHAWAY INC-CL B	11,385,658
NVIDIA CORP	10,887,809
WALT DISNEY CO/THE	10,751,685
HOME DEPOT INC	10,675,802
NESTLE SA-REG	10,649,047
MASTERCARD INC - A	10,592,243
SCHLUMBERGER LTD	10,048,884
BANK OF AMERICA CORP	9,755,504

Regional Exposure



Sector Exposure



Passive Low Carbon Equities – Responsible Investment

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Top 10 ESG Contributors to Overall Score

	Insight	Momentum
1. ASML HOLDING NV	64.6	84.4
2. NEXTERA ENERGY INC	70.3	32.8
3. SCHLUMBERGER NV	60.5	50.0
4. HONEYWELL INTERNATIONAL INC	64.4	65.4
5. TEXAS INSTRUMENTS INC	63.0	76.7
6. ACCENTURE PLC	62.5	61.1
7. SCHNEIDER ELECTRIC SE	71.6	50.0
8. NESTLE SA	58.7	48.6
9. PROCTER & GAMBLE CO/THE	57.9	70.5
10. SIEMENS AG	63.7	68.7

Bottom 10 ESG Detractors to Overall Score

	Insight	Momentum
1. BROADCOM INC	43.2	50.0
2. AT&T INC	43.4	32.7
3. VISA INC	46.2	29.5
4. JPMORGAN CHASE & CO	47.1	62.3
5. JOHNSON & JOHNSON	42.9	83.4
6. AMAZON.COM INC	49.4	50.0
7. FACEBOOK INC	42.0	58.4
8. MICROSOFT CORP	48.5	35.1
9. ALPHABET INC	44.8	57.6
10. APPLE INC	46.5	50.1

**From Q4 onwards we have moved to the latest and enhanced version of Truvalue Labs data. Please see supplementary note on the Client portal for more detail.*

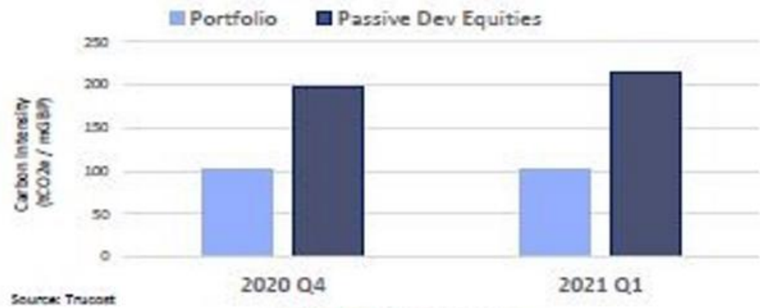
* Position 1 is the top contributor/detractor.

0 50 100

Weighted Average ESG Score	2020 Q4	2021 Q1
Portfolio	53.1	53.5
Passive Dev Equities	53.3	53.7

TruValue Labs & SASB

Weighted Average Carbon Intensity (WACI)



Source: Trucost

Extractive Exposure

	Total Extractive Exposure[1]		Extractive Industries (VOH)[2]	
	Q4	Q1	Q4	Q1
Portfolio	2.4	2.4	4.4	4.3
Passive Dev EQ	3.0	2.9	7.5	7.6

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

Absolute Weighted ESG Scores

TruValue Labs & SASB

Brunel Assessment:

- **Texas Instruments** (Technology), have released a major advancement in electric vehicle (EV) battery management systems (BMS), enabling automakers to improve the reliability, efficiency and range of EV's
- **AT&T** (Telecom Services), is committing $2 billion over the next three years to make internet access affordable for more Americans by opening 'connected learning centers'. The initiative is an attempt to narrow the gap in access to education and job opportunties, known as the digital divide.
- **Alphabet** (Big Tech) will contribute 25 million euros to the newly set up European Media and Information Fund to combat fake news. Regulatory scrutiny however continues, the UK has launched a new watchdog, the Digital Markets Unit (DMU) to look at how a code of conduct could govern the relationship between digital platforms, such as small businesses and news publishers.
- **Honeywell International** (Electronic Equipment) expanded its supply chain suite to help enterprises better track and monitor operations.

100% of the bottom 10 ESG detractors are covered by engagement or specific voting activities.
The benchmark is the MSCI Developed World so that carbon reductions achieved to create the Brunel Passive Low Carbon Portfolio can be monitored. Carbon intensity of the Portfolio is half that of the MSCI Developed World Index.

Passive UK Equities

BRUNEL
Pension Partnership

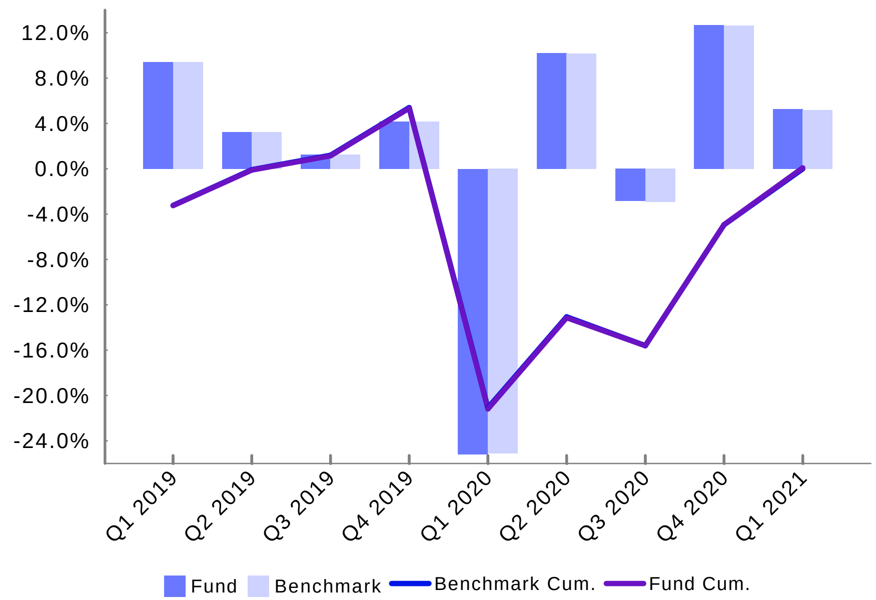
Overview

	Description
Portfolio Objective:	Provide exposure to FTSE All Share using a low cost highly liquid approach.
Investment Strategy & Key Drivers:	Invest passively in securities underlying the FTSE All Share. Provide long term growth
Liquidity:	High
Risk/Volatility:	High absolute risk with very low tracking error.
Total Fund Value:	£823,433,947

Performance to Quarter End

Ann. Performance	Fund	BM	Excess
3 Month	5.3%	5.2%	0.1%
Fiscal YTD	27.0%	26.7%	0.3%
1 Year	27.0%	26.7%	0.3%
3 Years			
5 Years			
10 Years			
Since Inception	0.0%	0.0%	0.0%

Rolling Performance*



* Partial returns shown in first quarter

• The UK stock market performed well in Q1 2021, with the benchmark FTSE All-Share Index returning 5.19% through the period. The Brunel Passive UK Equities product performed in line with the benchmark, returning 5.27%.

• Much like global indices, most sectors in the FTSE All-Share performed positively over the quarter. Leading the recovery were Basic Materials and Energy, following on from strong performance in Q4 2020, as the prospect of lockdown relaxations and rejuvenated demand, coupled with buoyant commodity prices, took hold. Healthcare was the only negatively-performing sector over the quarter, although, at -0.9%, falls were range-bound.

• Over the 12 months to 31 March 2021, the FTSE All-Share has returned 26.7%, less than the global indices, but with strong returns in Basic Materials, Industrials and Consumer Discretionary. Negative returns in the Energy and Healthcare sectors over the period were drags on the overall returns of the index.

Passive UK Equities – Region & Sector Exposure

Top 20 Holdings

	Mkt. Val.(GBP)
UNILEVER PLC	36,949,014
ASTRAZENECA PLC	34,097,792
HSBC HOLDINGS PLC	30,903,991
DIAGEO PLC	24,577,484
GLAXOSMITHKLINE PLC	22,753,969
BRITISH AMERICAN TOBACCO PLC	22,690,832
RIO TINTO PLC	21,592,372
BP PLC	20,939,347
ROYAL DUTCH SHELL PLC-A SHS	20,834,135
ROYAL DUTCH SHELL PLC-B SHS	17,738,158
BHP GROUP PLC	15,604,372
RECKITT BENCKISER GROUP PLC	14,688,180
PRUDENTIAL PLC	14,397,393
VODAFONE GROUP PLC	12,661,486
ANGLO AMERICAN PLC	12,525,841
RELX PLC	12,116,142
BARCLAYS PLC	11,515,029
GLENCORE PLC	10,984,772
NATIONAL GRID PLC	10,978,814
LLOYDS BANKING GROUP PLC	10,721,867

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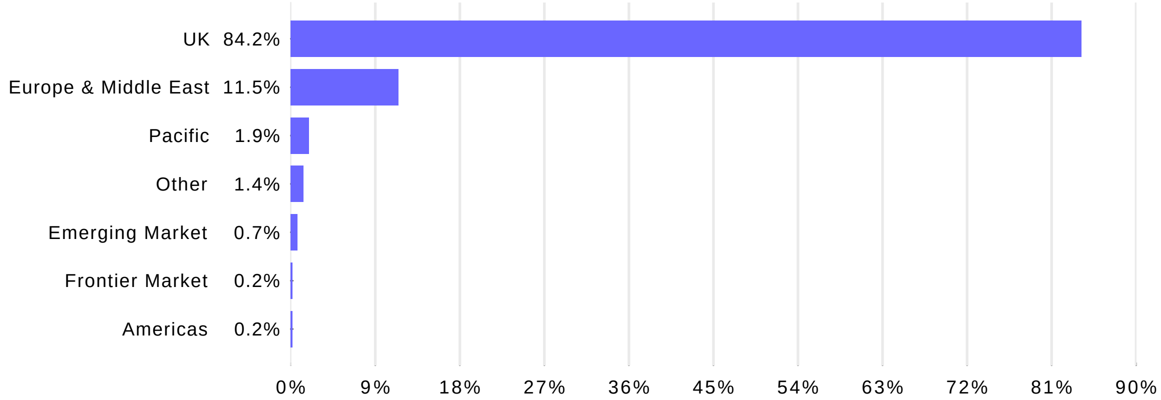
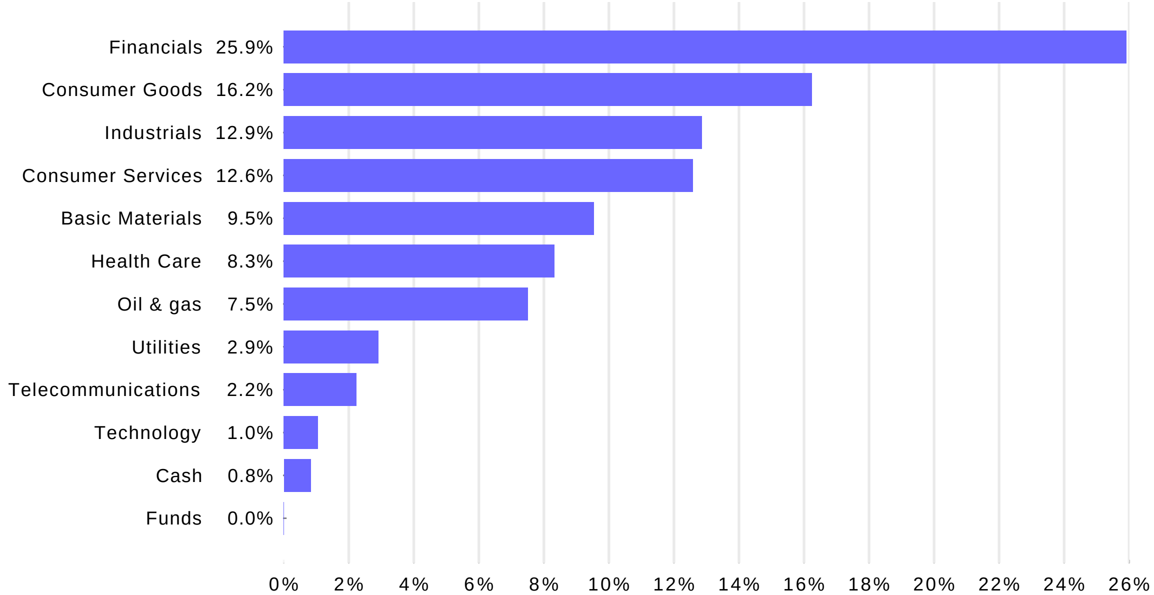
Regional Exposure



Sector Exposure



Passive UK Equities – Responsible Investment

BRUNEL
Pension Partnership

Top 10 ESG Contributors to Overall Score

	Insight	Momentum
1. NATIONAL GRID PLC	65.7	55.0
2. UNILEVER PLC	58.4	50.0
3. DIAGEO PLC	59.3	54.6
4. BP PLC	59.6	72.0
5. SSE PLC	69.0	69.9
6. CRH PLC	62.5	33.7
7. ROYAL DUTCH SHELL PLC	57.0	66.3
8. CRODA INTERNATIONAL PLC	71.6	26.4
9. COMPASS GROUP PLC	60.3	61.7
10. LEGAL & GENERAL GROUP PLC	63.0	66.0

Bottom 10 ESG Detractors to Overall Score

	Insight	Momentum
1. RSA INSURANCE GROUP PLC	33.6	22.6
2. GLENCORE PLC	49.4	69.7
3. FLUTTER ENTERTAINMENT PLC	45.4	57.5
4. BARCLAYS PLC	45.8	74.3
5. EXPERIAN PLC	39.1	35.7
6. RECKITT BENCKISER GROUP PLC	45.9	82.7
7. BRITISH AMERICAN TOBACCO PLC	47.7	39.8
8. ASTRAZENECA PLC	49.4	31.9
9. GLAXOSMITHKLINE PLC	46.2	58.6
10. HSBC HOLDINGS PLC	44.9	59.0

From Q4 onwards we have moved to the latest and enhanced version of Truvalue Labs data. Please see supplementary note on the Client portal for more detail.

* Position 1 is the top contributor/detractor.

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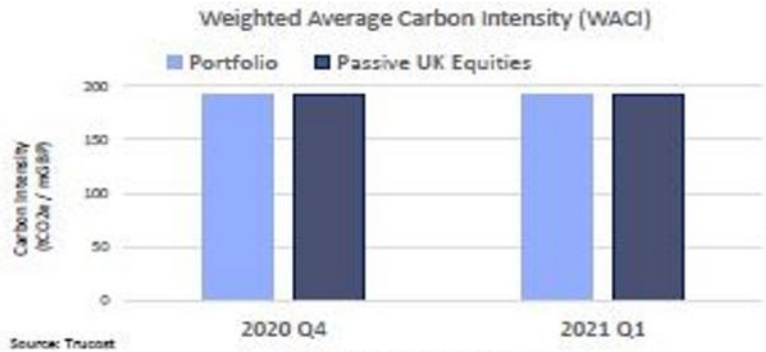
Weighted Average ESG Score	2020 Q4	2021 Q1
Portfolio	55.0	55.3
Passive UK Equities	55.0	55.3

TruValue Labs & SASB

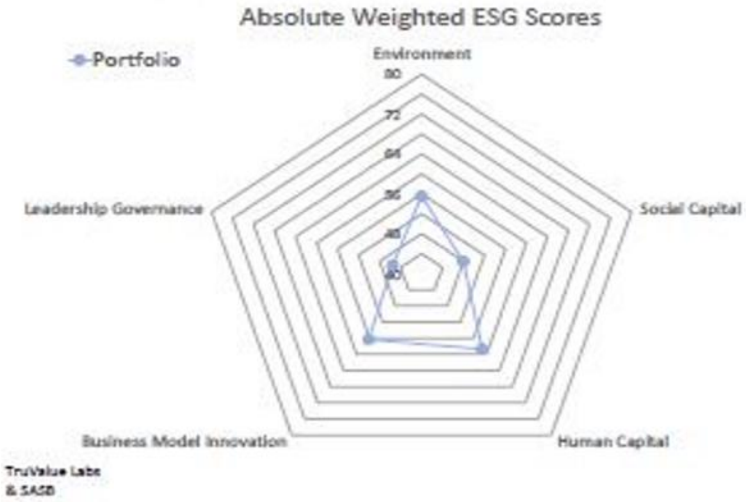


Source: Trucost

Extractive Exposure

	Total Extractive Exposure[1]		Extractive Industries (VOH)[2]	
	Q4	Q1	Q4	Q1
Portfolio	5.5	5.0	19.2	16.3
Passive UK EQ	5.5	5.0	19.2	16.3

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



TruValue Labs & SASB

Brunel Assessment:

- **HSBC** (Bank), was facing a shareholder resolution from a coalition of investors, including Brunel. Following intense engagement, this was withdrawn and in its place a board backed resolution will be put to shareholders. The proposal commits the bank to set short-and medium-term targets to align provision of finance with the Paris agreement and to publish a coal policy by the end of 2021.
- **Unilever** (Consumer Goods) seeks to eliminate fossil fuel based chemicals from its cleaning and laundry product formulations by 2030, last quarter they launched the first laundry capsule made from industrial carbon emissions, instead of fossil fuels, at no additional cost to consumers.
- **Experian** (Services) has partnered with FinScore, to deliver alternative credit scoring to help financial institutions reduce high default rates and prevent fraudulent activity, whilst simultaneously bridging the financial inclusion gap for unbanked individuals in the Philippines.
- **Croda International** (Chemicals), which uses smart science to create, make and sell speciality chemicals that improve lives, has recently been ranked first in the Most Sustainable International Company rankings by Barron's, a leading source of financial news for the American Stock Exchange.

100% of the bottom 10 ESG detractors are covered by engagement or specific voting activities.

The carbon intensity of the benchmark (and index tracking Portfolio) remained largely unchanged this quarter.

Brunel Emerging Market Equity

Overview

	Description
Portfolio Objective:	Provide exposure to emerging market equities, targeting excess returns and enhanced risk control from leading managers.
Investment Strategy & Key Drivers:	A geographically diverse portfolio, typically expected to achieve higher long-term growth rates than developed economies.
Liquidity:	Managed liquidity. Less exposure to more illiquid assets
Risk/Volatility:	High absolute risk with moderate to high relative risk, around 5% tracking error.
Total Fund Value:	£1,533,342,283

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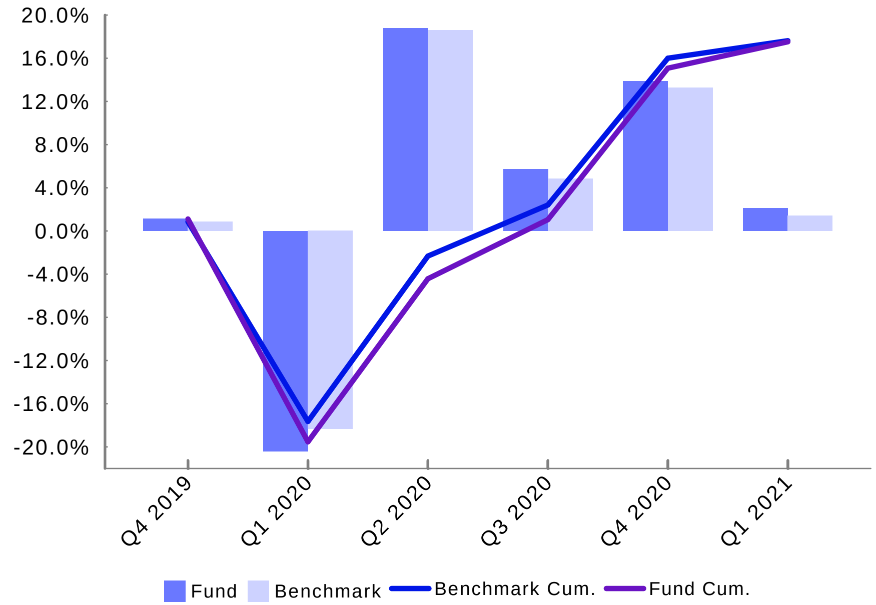
Performance to Quarter End

Ann. Performance	Fund	BM	Excess
3 Month	2.1%	1.4%	0.7%
Fiscal YTD	46.0%	42.8%	3.2%
1 Year	46.0%	42.8%	3.2%
3 Years			
5 Years			
10 Years			
Since Inception	12.3%	12.4%	-0.1%

Rolling Performance*



* Partial returns shown in first quarter

Emerging market equities continued their upward trend in Q1 2021. Returns over the quarter were modest, with the MSCI Emerging Markets Index returning +1.4% in GBP terms.

Return dispersion by country was notably large, when compared to the previous quarter. Taiwanese equities had a very strong quarter, returning +9.9%, mostly driven by robust demand for semiconductors. However, other significant country constituents like Brazil had a very different experience, contracting by 10.8% over the same period. The underperformance in Brazil was driven by a combination of COVID setbacks and sensitivity to the rising interest rate environment in the US. Rising rates in the US brought into question Brazil's ability to sustain its debt, given its negative current account balance (c. -1.5%) and net international investment position (c. -30%).

Sector dispersion was also present in Q1, though less significant than country dispersion. Materials was by far the strongest performing sector in Q1 2021; the sector currently comprises 7.7% of the MSCI Emerging Markets Index. The biggest winners within the sector were oil and industrial metals, notably copper. Copper and oil appreciated by +14% and +22% respectively, driven by growing prospects for global economic activity. Healthcare was one of the weakest

Brunel Emerging Market Equity

Continued Commentary

performers in emerging markets over the quarter, falling by 5.4% in GBP terms, partially driven by profit-taking.

One of the major stories over the quarter was the dismissal of Naci Agbal - governor of the Central Bank of Turkey – after just three months in the role. Recep Tayyip Erdogan dismissed the governor in favour of an academic, Sahap Kacioglu, who has consistently lobbied for lower interest rates. The decision to remove Agbal shocked financial markets; the Turkish lira fell as much as 14% in one day; equity markets suffered similar losses.

The portfolio had another strong quarter, returning +2.1% net of fees, which was +0.7% ahead of the benchmark. Ninety-One and Wellington did particularly well, outperforming the index by +2.6% and +1.4% respectively. Genesis lagged the benchmark this quarter, underperforming by 1.3%. The primary driver of relative returns across all managers was stock selection; there was almost no impact from the allocations to country, sector, market cap or style.

• The portfolio once again benefitted from strong stock selection, particularly in China. Significant value was added by underweights to larger Chinese technology-orientated index stocks, which fell in value. Examples of this include Pinduoduo, Xiaomi and NIO, which fell by -25%, -23% and -21% respectively. These names came under intense pressure following discount rate rises in the US, much like their developed market peers. Pinduoduo also suffered from the exit of CEO and founder Colin Huang Zheng. Held names also added to relative performance. Examples of this include China Longyuan and Country Garden Services, which rose +34% and +48% respectively.

• Value stocks continued to outperform the broader market at the start of 2021, in line with developed market peers. MSCI Emerging Markets value stocks outperformed the broad market index by +1.8% over the quarter. The most significant style observation was not Value vs Growth but in fact the momentum indicator. High momentum stocks were volatile and eventually underperformed the main market index by 6% in Q1 2021; they were outperforming by as much as +6% in mid-February. The portfolio is typically style neutral, with a modest tilt towards Quality, which performed in line with the main market.

• The portfolio has now outperformed the benchmark for four consecutive quarters on a net-of-fees basis. As a result, since inception, performance is almost flat versus the benchmark, erasing the significant underperformance observed in Q1 2020. Since-inception relative performance is now -0.04%

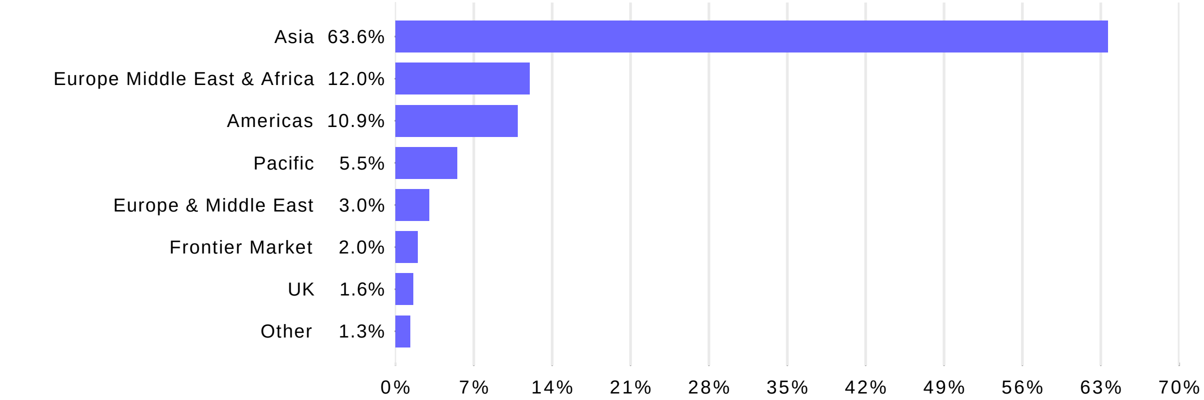
• One-year performance was strong in both absolute and relative terms. The portfolio returned +46.1%, comfortably ahead of the benchmark, which returned +42.8% over the same period.

Brunel Emerging Market Equity – Region & Sector Exposure

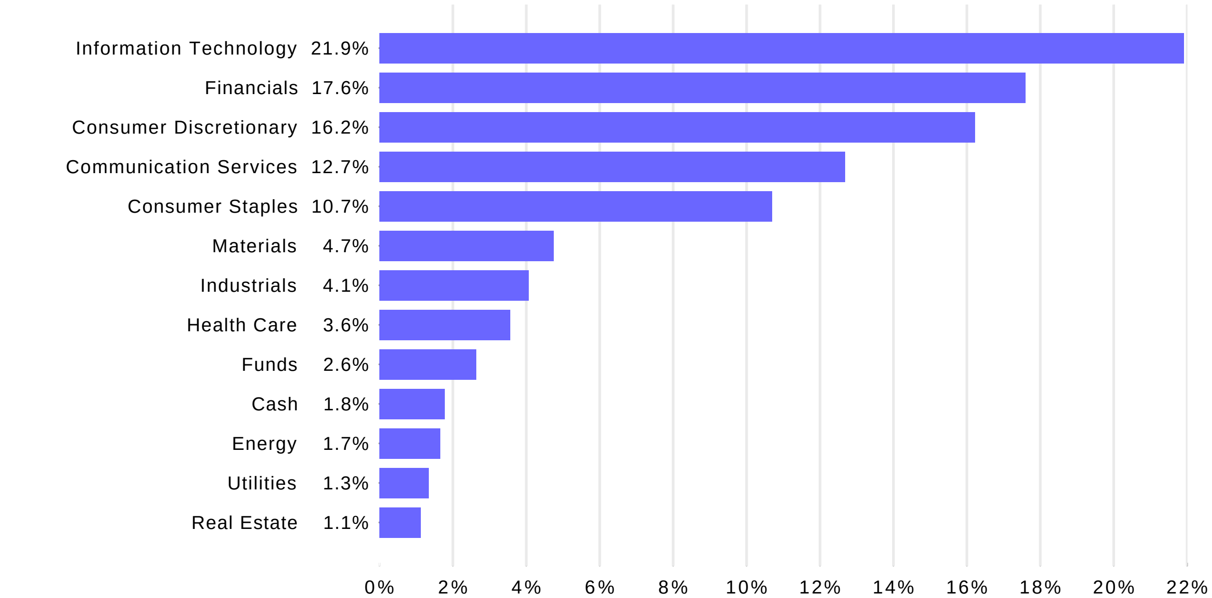
Top 20 Holdings

	Mkt. Val.(GBP)
TAIWAN SEMICONDUCTOR MANUFAC	110,478,180
TENCENT HOLDINGS LTD	100,026,354
SAMSUNG ELECTRONICS CO LTD	62,938,011
ALIBABA GROUP HOLDING-SP ADR	49,629,795
ISHARES MSCI INDIA ETF	38,824,397
SBERBANK PJSC -SPONSORED ADR	32,831,701
ALIBABA GROUP HOLDING LTD	27,831,422
AIA GROUP LTD	27,358,546
NASPERS LTD-N SHS	23,102,366
INFOSYS LTD-SP ADR	22,583,755
HDFC BANK LTD-ADR	20,399,843
MEDIATEK INC	16,242,206
PING AN INSURANCE GROUP CO-H	16,208,815
YANDEX NV-A	16,012,374
SAMSUNG ELECTRONICS-PREF	15,607,353
CHINA CONSTRUCTION BANK-H	15,524,413
WULIANGYE YIBIN CO LTD-A	14,988,294
BID CORP LTD	14,233,337
COUNTRY GARDEN SERVICES HOLD	14,113,620
CIE FINANCIERE RICHEMO-A REG	12,520,932

Regional Exposure



Sector Exposure



Brunel Emerging Market Equity – Responsible Investment

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Top 10 ESG Contributors to Overall Score

	Insight	Momentum
1. TAIWAN SEMICONDUCTOR MANUFACTURIN	62.0	37.5
2. DELTA ELECTRONICS INC	74.9	28.8
3. CHINA LONGYUAN POWER GROUP CORP LTD	68.8	40.5
4. MEDIATEK INC	63.3	67.5
5. INFOSYS LTD	58.3	81.4
6. OTP BANK NYRT	64.6	63.3
7. HANON SYSTEMS	69.2	83.8
8. WEICHAI POWER CO LTD	70.4	50.0
9. SINO-AMERICAN SILICON PRODUCTS INC	68.2	38.6
10. OPAP SA	64.8	78.9

Bottom 10 ESG Detractors to Overall Score

	Insight	Momentum
1. GRUPO MEXICO SAB DE CV	42.6	30.4
2. ICICI BANK LTD	43.2	57.5
3. WULIANGYE YIBIN CO LTD	46.3	91.2
4. NETEASE INC	43.2	78.5
5. YANDEX NV	45.8	36.6
6. KIMBERLY-CLARK DE MEXICO SAB DE CV	37.5	10.9
7. ANTA SPORTS PRODUCTS LTD	37.2	17.6
8. ALIBABA GROUP HOLDING LTD	48.6	25.1
9. SAMSUNG ELECTRONICS CO LTD	47.8	67.2
10. TENCENT HOLDINGS LTD	45.6	30.8

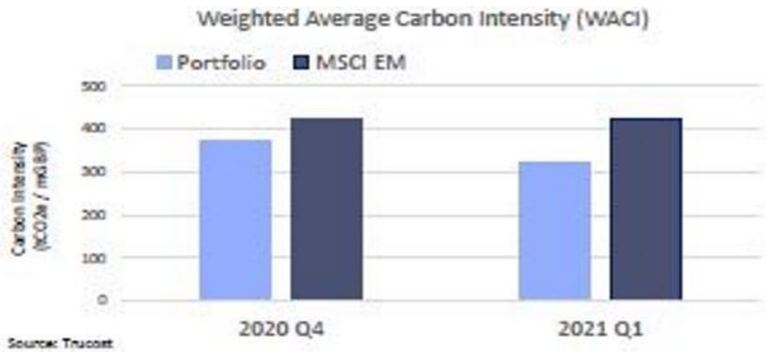
From Q4 onwards we have moved to the latest and enhanced version of Truvalue Labs data. Please see supplementary note on the Client portal for more detail.

* Position 1 is the top contributor/detractor.

0 50 100

Weighted Average ESG Score	2020 Q4	2021 Q1
Portfolio	53.5	53.6
MSCI EM	53.6	53.7

TruValue Labs & SASB

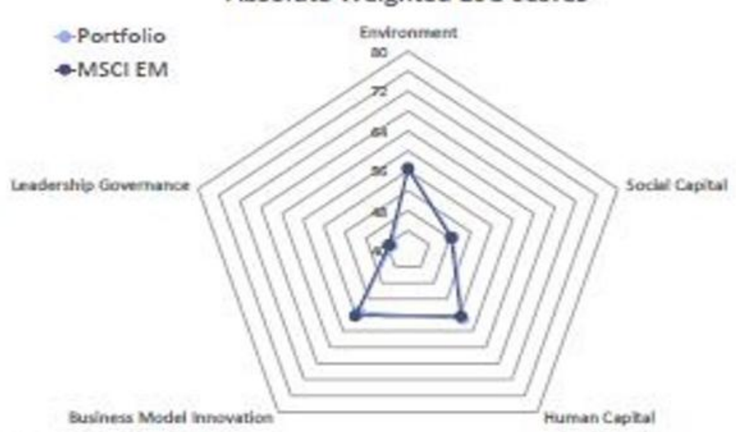


Source: Trucost

Extractive Exposure

	Total Extractive Exposure[1]		Extractive Industries (VOH)[2]	
	Q4	Q1	Q4	Q1
Portfolio	2.5	2.3	4.0	3.8
MSCI EM	2.9	3.4	8.0	8.2

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



TruValue Labs & SASB

Brunel Assessment:

- **Taiwan Semiconductor Manufacturing** (Semiconductors) production has been impacted by the worst drought in Taiwan in 56 years. This was exacerbated when construction damaged power supply and an estimated loss of 30,000 wafers and NT$1 billion.
- **Hanon Systems** (Transportation) has agreed to back Volta Energy Technologies, a $150 million energy storage start up fund. The investment comes at a time when interest in energy storage solutions couldn't be higher.
- **Yandex** (Internet Media and Services), the Russian internet giant, has been accused of violating competition law on its search engine at the expense of other companies. The Russian Competition watchdog says that it must allow third-party services to be included in search results on similar terms to its own services.

80% of the bottom 10 ESG detractors are covered by engagement or specific voting activities.
The carbon intensity of the Portfolio and its benchmark decreased over the quarter, following market movements. The Portfolio remains below its benchmark, the MSCI Emerging Markets for both extractives revenue exposures and extractive industries value of holdings.

Brunel Global High Alpha Equity

BRUNEL Pension Partnership

Overview

	Description
Portfolio Objective:	Provide global equity market exposure together with excess returns from accessing leading managers.
Investment Strategy & Key Drivers:	High conviction, concentrated portfolios with strong style/factor biases invested in a unconstrained manner.
Liquidity:	Managed liquidity. Less exposure to more illiquid assets.
Risk/Volatility:	High absolute risk with moderate to high relative risk, around 5-6% tracking error.
Total Fund Value:	£3,326,658,961

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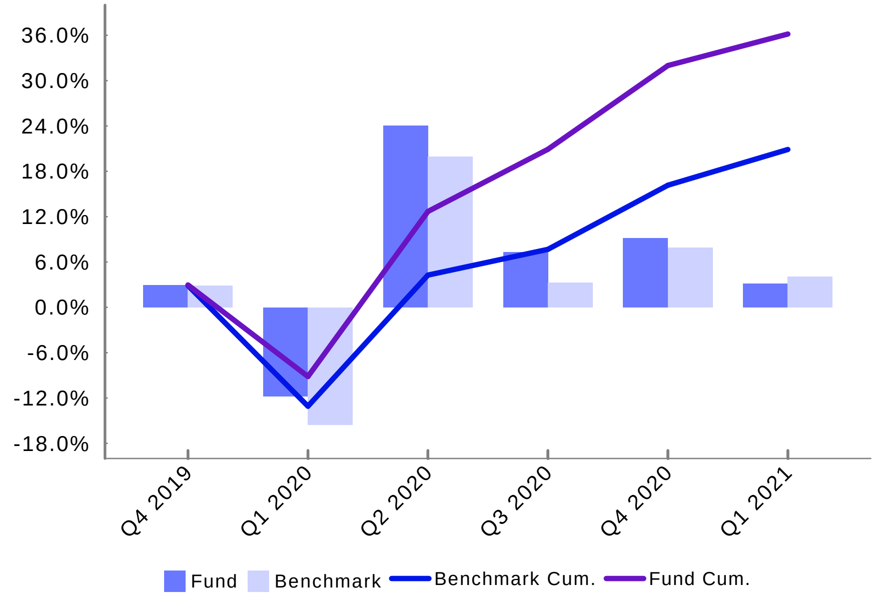
Performance to Quarter End

Ann. Performance	Fund	BM	Excess
3 Month	3.2%	4.1%	-0.9%
Fiscal YTD	49.9%	39.1%	10.8%
1 Year	49.9%	39.1%	10.8%
3 Years			
5 Years			
10 Years			
Since Inception	26.4%	15.5%	10.9%

Rolling Performance*



* Partial returns shown in first quarter

Over the last 12 months, the fortunes of global equity markets have been indelibly entwined with the impacts of Covid as governments, businesses and individuals have responded to the pandemic and investors have tried to understand the implications. Global developed equities (as proxied by the MSCI World index) delivered a 4.1% return over the quarter, consolidating the more significant returns seen over recent quarters.

In broad terms, the market rotation out of stocks deemed to have prospered from the COVID-induced slowdown into those stocks most hurt by the pandemic, continued this quarter. The two best-performing sectors by far were Energy and Financials, continuing their outperformance from last quarter. Dispersion of returns was in evidence throughout the quarter, both between sectors and within sectors, and the portfolio saw these themes play out.

The portfolio returned 3.3% over the quarter, underperforming the benchmark by 0.8%, thus ending a run of quarterly outperformance that began at inception in December 2019. The quarterly performance was robust given an environment that provided headwinds for a portfolio with a negative Value and pro-Growth tilt.

Brunel Global High Alpha Equity

Continued Commentary

The quarterly underperformance was largely driven by stock selection, with weak performance in the Financials; the more Quality-diversified financial names held as overweights (such as MSCI and Moody's) suffered, whilst the more cyclical Value names which are underrepresented in the portfolio (such as Wells Fargo and Bank of America) performed strongly. Weak stock selection in the Consumer Discretionary sector highlighted another trend over the quarter, as overweight Growth names gave up recent strong gains (Pinduoduo, Peloton, Tal Education and NIO all fell by more than 20%). On a positive note, the portfolio was able to participate in the 'recovery trade' in the materials sector with overweights in companies such as Steel Dynamics, Reliance Steel, Anglo and Glencore.

On a sector allocation basis, the negative impact of being underweight Energy and Financials sectors outweighed the benefit of being underweight Consumer Staples and Utilities, the two lowest-performing sectors. On a country allocation basis, the portfolio's overweight to China detracted, whilst the underweight to US had a neutral impact.

Managers' performance continues to reflect their different investment styles. Harris and RLAM performed strongly in market conditions that rewarded their more value-driven approaches. Despite their smaller allocations within the fund, their material contribution to fund returns partially offset the negative contribution of the larger allocation to more Growth-oriented managers, such as AB and BG, which struggled over the quarter.

Over one year, the portfolio performed strongly in both absolute and relative terms, returning 50.7%, and thus outperforming the benchmark by +11.6%. This excellent outcome was largely the result of positive stock selection, which is important for a portfolio where the focus is on fundamental managers selected for their ability to select concentrated portfolios of high-conviction names.

During the quarter, £185m was redeemed from the portfolio as two clients rebalanced their wider asset portfolios. The outflow was used to rebalance the underlying manager allocations back towards target.

Brunel Global High Alpha Equity – Region & Sector Exposure

BRUNEL
Pension Partnership

Top 20 Holdings

	Mkt. Val.(GBP)
MICROSOFT CORP	136,151,420
MASTERCARD INC - A	95,610,898
ALPHABET INC-CL A	88,404,184
TAIWAN SEMICONDUCTOR-SP ADR	74,233,520
MOODY'S CORP	70,640,651
KEYENCE CORP	64,568,931
NESTLE SA-REG	60,625,388
SCHWAB (CHARLES) CORP	58,932,632
TJX COMPANIES INC	58,337,880
ASML HOLDING NV	51,622,766
AMAZON.COM INC	48,936,546
TENCENT HOLDINGS LTD	48,149,789
NIKE INC -CL B	45,570,596
ALIBABA GROUP HOLDING-SP ADR	43,661,552
CAPGEMINI SE	40,041,095
NIDEC CORP	40,002,600
JOHNSON & JOHNSON	38,537,341
APTIV PLC	38,434,511
AUTOMATIC DATA PROCESSING	36,443,179
FACEBOOK INC-CLASS A	36,367,956

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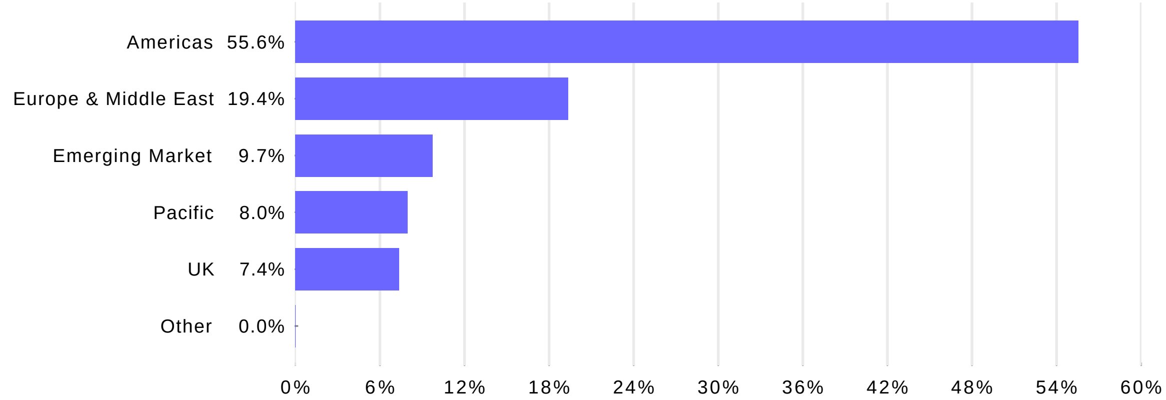
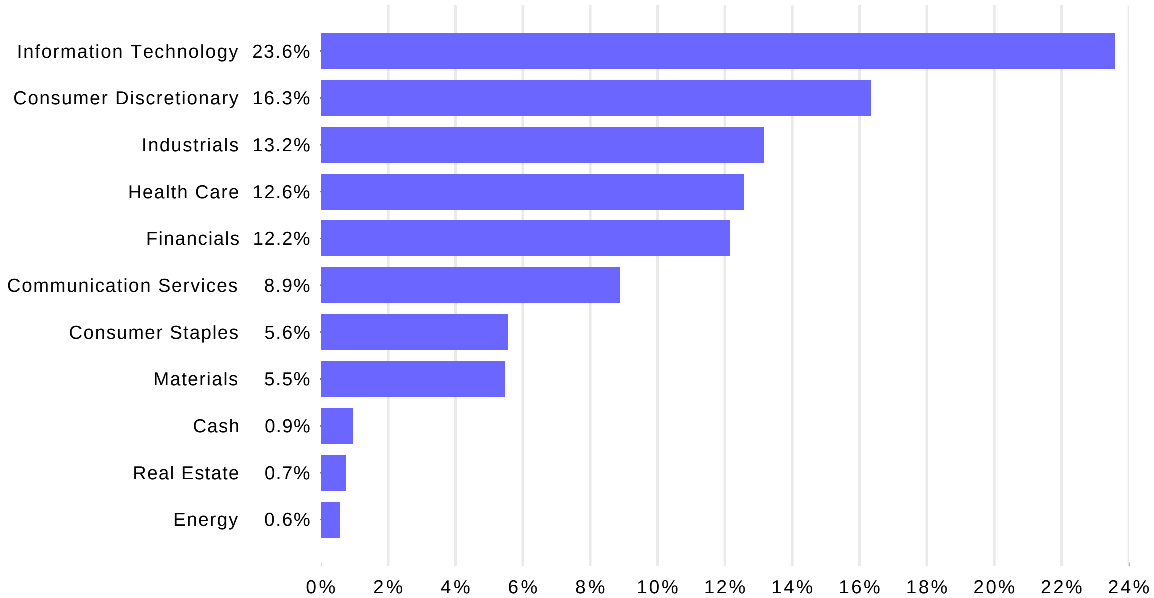
Regional Exposure



Sector Exposure



Brunel Global High Alpha Equity – Responsible Investment

Top 10 ESG Contributors to Overall Score

	Insight	Momentum
1. TAIWAN SEMICONDUCTOR MANUFACTURIN	62.0	37.5
2. ASML HOLDING NV	64.6	84.4
3. RECRUIT HOLDINGS CO LTD	67.5	25.4
4. MURATA MANUFACTURING CO LTD	69.7	86.0
5. CAPGEMINI SE	63.4	69.6
6. NIDEC CORP	61.5	26.2
7. SPIRAX-SARCO ENGINEERING PLC	69.6	54.8
8. STEEL DYNAMICS INC	63.8	62.3
9. NESTLE SA	58.7	48.6
10. CARRIER GLOBAL CORP	63.7	83.5

Bottom 10 ESG Detractors to Overall Score

	Insight	Momentum
1. ALIBABA GROUP HOLDING LTD	46.6	25.1
2. BECTON DICKINSON AND CO	44.2	75.3
3. NIKE INC	47.2	68.8
4. TENCENT HOLDINGS LTD	45.6	30.8
5. JOHNSON & JOHNSON	42.9	83.4
6. FACEBOOK INC	42.0	58.4
7. AUTOZONE INC	36.4	81.8
8. TJX COS INC/THE	41.0	22.5
9. MICROSOFT CORP	48.5	35.1
10. ALPHABET INC	44.8	57.6

**From Q4 onwards we have moved to the latest and enhanced version of Truvalue Labs data. Please see supplementary note on the Client portal for more detail.*

* Position 1 is the top contributor/detractor.

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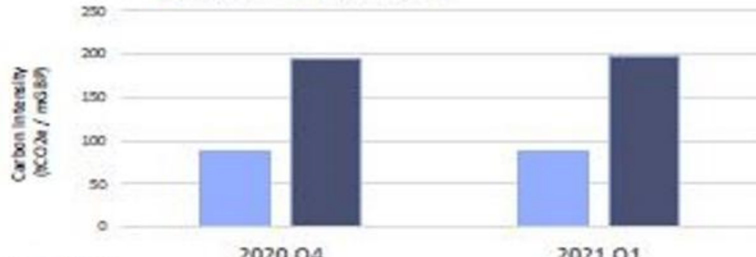
Weighted Average ESG Score	2020 Q4	2021 Q1
Portfolio	53.7	54.1
MSCI World	53.2	53.7

TruValue Labs & SASB

Weighted Average Carbon Intensity (WACI)



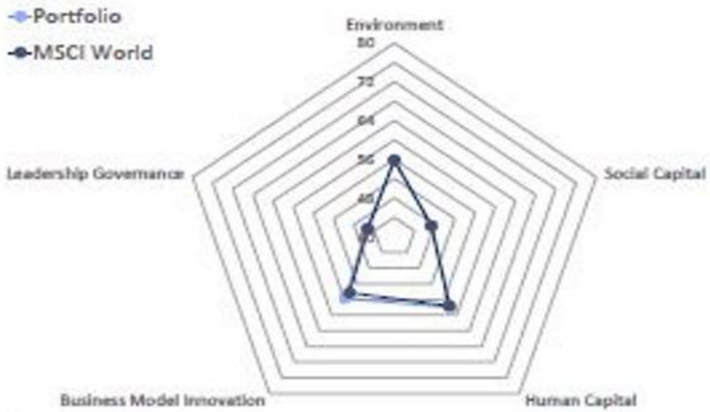
Source: Trucost

Extractive Exposure

	Total Extractive Exposure[1]		Extractive Industries (VOH)[2]	
	Q4	Q1	Q4	Q1
Portfolio	1.6	1.5	3.3	3.2
MSCI World	3.2	3.0	7.5	7.6

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

Absolute Weighted ESG Scores



TruValue Labs & SASB

Brunel Assessment:

- **Taiwan Semiconductor Manufacturing** (Semiconductors) production has been impacted by the worst drought in Taiwan in 56 years. This was exacerbated when construction damaged power supply and an estimated loss of 30,000 wafers and NT$1 billion.
- **ASML Holding NV** (Semiconductors) has signed a 10 year green power purchase agreement with RWE. ASML aim to source 100% of their energy from responsible, renewable sources, such as wind, solar and geothermal energy in 2025.
- **Capeminin** (Technology) entered a collaboration with YuWaah, UNICEF, and United Nations Global Compact Network India (UNGCNI) to work together to skill India's young people. The company has also joined the 'Partnering for Racial Justice in Business Initiative' launched by the World Economic Forum.
- **Autozone** (Technology) has been involved in a multimillion-dollar battle between car companies lobbying about the 'right to repair law', parties have been criticised for scaremongering advertisements. The law would give independent mechanics access to car's diagnostic codes, supporters seek to avoid a monopoly on car repairs whilst opposers have concerns over data protection.

90% of the bottom 10 ESG detractors are covered by engagement or specific voting activities.
The Portfolio continues to have a carbon intensity significantly lower than its benchmark. Revenues from extractive activity are half that of its benchmark..

Brunel Global Sustainable Equities

BRUNEL Pension Partnership

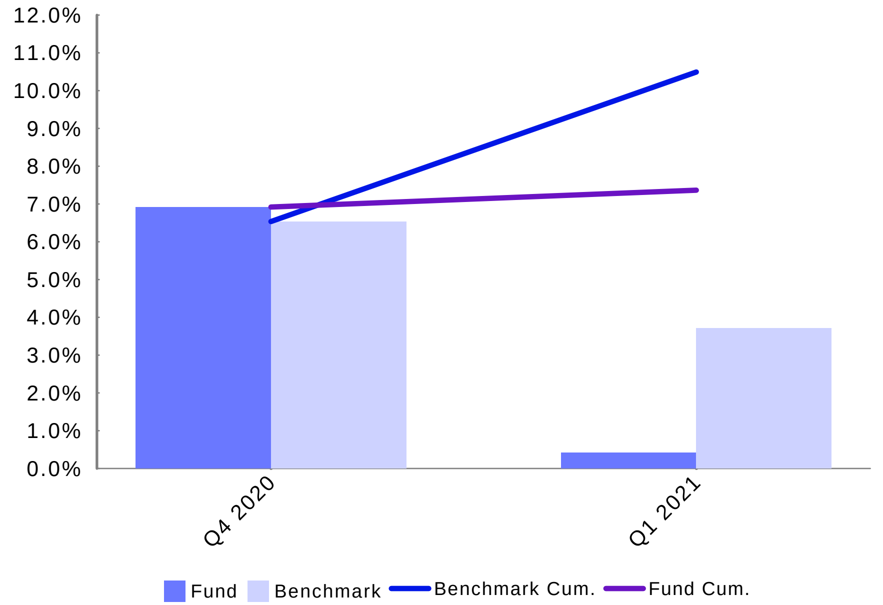
Overview

	Description
Portfolio Objective:	To provide exposure to global sustainable equities markets, including excess returns from manager skill and ESG considerations.
Investment Strategy & Key Drivers:	Actively managed, diversified by sector and geography. Consideration for a companies Environmental & Social sustainability.
Liquidity:	Managed Liquidity.
Risk/Volatility:	High, representing an equity portfolio.
Total Fund Value:	£1,864,556,822

Performance to Quarter End

Ann. Performance	Fund	BM	Excess
3 Month	0.4%	3.7%	-3.3%
Fiscal YTD			
1 Year			
3 Years			
5 Years			
10 Years			
Since Inception	7.4%	10.5%	-3.1%

Rolling Performance*



* Partial returns shown in first quarter

The Global Sustainable Equity portfolio launched on 19 October. From inception through to 31 March 2021, the MSCI ACWI index returned 10.5%, whilst the portfolio returned 7.4% on a net-of-fees basis.

• This quarter we saw a continued rally for value stocks, carrying on from the renewed vaccine hopes that marked the end of 2020. Notably, the Energy and Finance (especially Banks) outperformed and were the main contributors to the fund's relative underperformance over the quarter. Energy and Financials returned 17% and 11% respectively; the portfolio has an underweight allocation to Energy and an underweight allocation to banks, which were the main contributors to financial sector returns. These sectors usually exhibit unsustainable characteristics and the underweights are to be expected in the portfolio.

• Whilst there have been value headwinds since inception, we take comfort that the three managers have provided varying alpha characteristics and continue to operate with sustainability at the forefront of their processes.

Continued Commentary

• Nordea outperformed the MSCI ACWI over the quarter by 1.7%, as its thematic Climate and Environment Strategy gives it increased exposure to small/mid-caps, which outperformed large-cap stocks over the quarter. Its selection of industrial stocks also contributed to outperformance. Ownership and RBC both underperformed, however, as they are considered to be broader sustainable managers with more exposure to the larger end of the market cap scale. Ownership manages a concentrated bottom-up portfolio, with an overweight to growth sectors such as Technology, which underperformed over the quarter. RBC's underperformance can largely be attributed to positions in renewable energy securities such as Orsted and Neste, both of which gave way as older-economy energy securities rose.

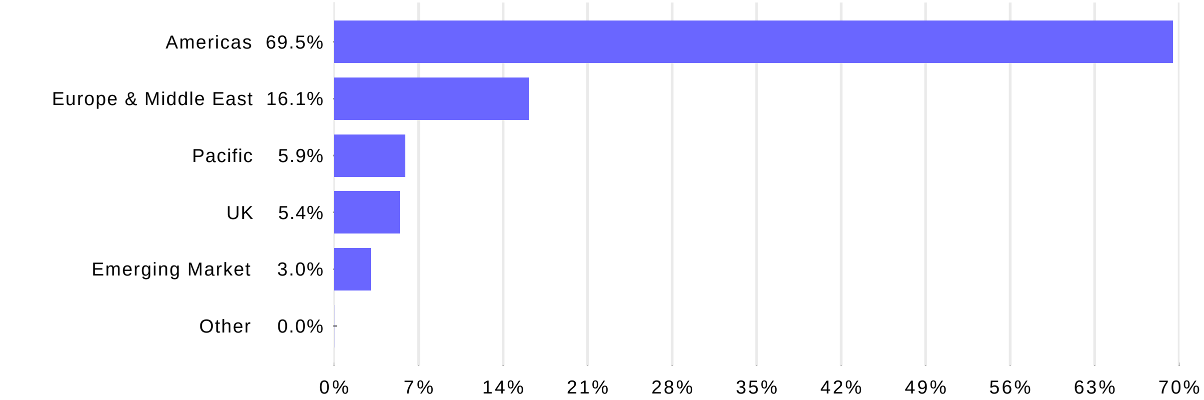
• Whilst it is still very early in this portfolio's journey, the performance of the fund has been in line with expectations, given the obvious headwinds of a Value rally in the less sustainable parts of the market. We are also pleased that the portfolio's sustainable characteristics are aligned with those expressed during the construction phase. The fund exhibits a carbon reduction relative to the MSCI ACWI of ~30%, as well as demonstrating an ESG score that is superior to the benchmark, as measured by our ESG data provider. The WACI has increased slightly since last quarter due to a coverage update from the data provider, where portfolio coverage has increased from 87% to 96%. However, the fund still offers a sizeable WACI reduction.

Brunel Global Sustainable Equities – Region & Sector Exposure

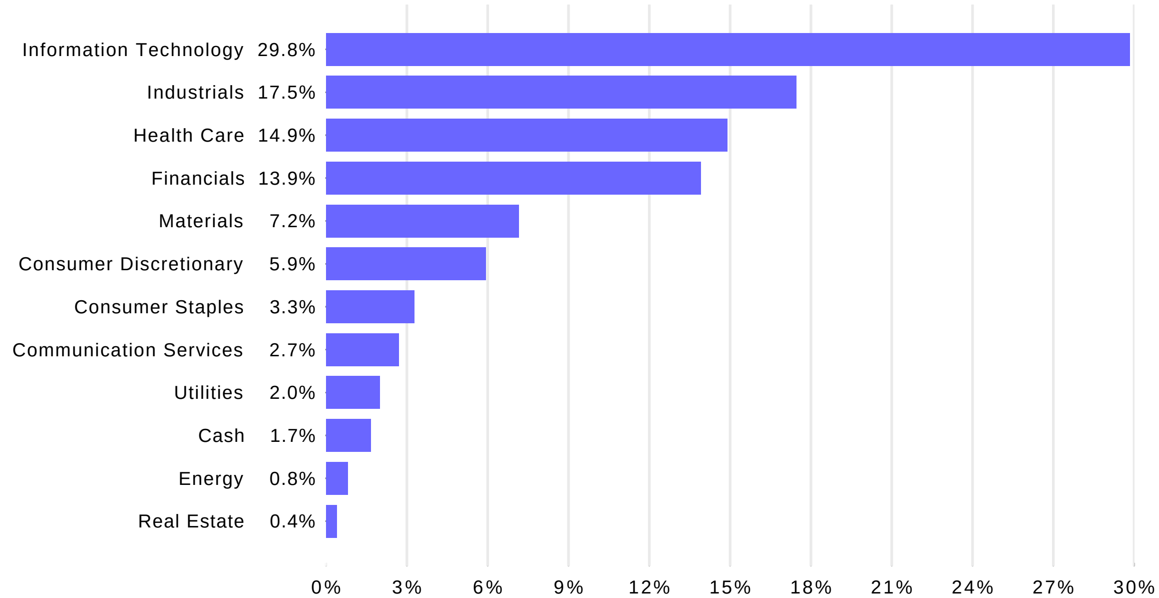
Top 20 Holdings

	Mkt. Val.(GBP)
MARKETAXESS HOLDINGS INC	59,072,056
MASTERCARD INC - A	54,356,548
ANSYS INC	49,227,331
ADYEN NV	47,405,278
WORKDAY INC-CLASS A	42,643,163
MICROSOFT CORP	36,572,237
TRADEWEB MARKETS INC-CLASS A	35,872,146
MASIMO CORP	34,361,984
ALPHABET INC-CL A	34,167,166
ECOLAB INC	33,028,973
INTUIT INC	32,794,638
PTC INC	32,110,847
BIO-TECHNE CORP	31,985,971
PAYPAL HOLDINGS INC	31,519,676
EDWARDS LIFESCIENCES CORP	31,493,745
ROCHE HOLDING AG-GENUSSCHEIN	31,252,502
INTERCONTINENTAL EXCHANGE IN	30,817,628
ILLUMINA INC	30,387,024
FIRST REPUBLIC BANK/CA	29,637,935
UNITEDHEALTH GROUP INC	28,272,098

Regional Exposure



Sector Exposure



Brunel Global Sustainable Equities – Responsible Investment

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Top 10 ESG Contributors to Overall Score

	Insight	Momentum
1. WORKDAY INC	71.0	23.5
2. MARKETAXESS HOLDINGS INC	66.5	81.1
3. ECOLAB INC	71.3	63.6
4. MASIMO CORP	67.4	80.5
5. ORSTED AS	71.9	34.0
6. PTC INC	66.4	45.3
7. CRODA INTERNATIONAL PLC	71.6	28.4
8. TERADYNE INC	76.2	69.2
9. FORTIVE CORP	65.4	20.2
10. ZEBRA TECHNOLOGIES CORP	71.4	64.1

Bottom 10 ESG Detractors to Overall Score

	Insight	Momentum
1. MASTERCARD INC	55.0	70.8
2. AMAZON.COM INC	49.4	50.0
3. VISA INC	46.2	29.5
4. TYLER TECHNOLOGIES INC	49.1	12.1
5. ROCHE HOLDING AG	50.4	48.1
6. PAYPAL HOLDINGS INC	49.8	74.7
7. INTERCONTINENTAL EXCHANGE INC	47.7	68.8
8. MICROSOFT CORP	48.5	35.1
9. TJX COS INC/THE	41.0	22.5
10. ALPHABET INC	44.8	57.6

From Q4 onwards we have moved to the latest and enhanced version of Truvalue Labs data. Please see supplementary note on the Client portal for more detail.

* Position 1 is the top contributor/detractor.

0 50 100

Weighted Average ESG Score	2020 Q4	2021 Q1
Portfolio	58.8	59.2
MSCI ACWI	53.3	53.7

TruValue Labs & SASB

Weighted Average Carbon Intensity (WACI)

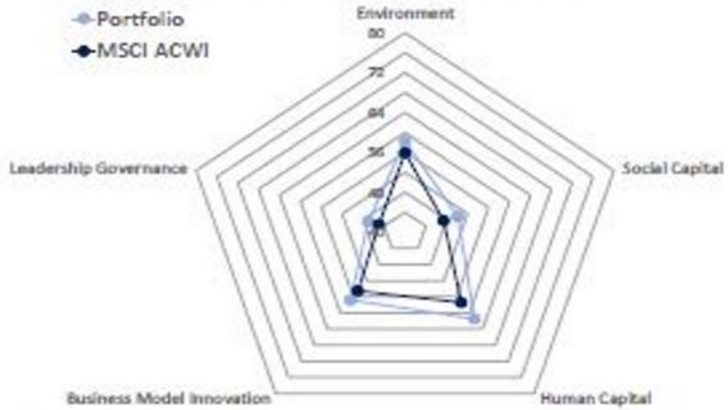
Source: Trucost

Extractive Exposure

	Total Extractive Exposure[1]		Extractive Industries (VOH)[2]	
	Q4	Q1	Q4	Q1
Portfolio	1.7	2.9	3.4	3.8
MSCI ACWI	3.1	3.0	7.5	7.7

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

Absolute Weighted ESG Scores



TruValue Labs & SASB

Brunel Assessment:

- **MarketAxess** (Services), the largest green bond marketplace, announced the success of its 'Trading for Trees' program. The initiative plants 5 trees for every $1 million of green bond executed and saw over 134,000 trees planted in 2020 alone.
- **Croda** (Chemicals) has been named first in Barron's 'Most Sustainable International Companies' listing. The company that uses science to make speciality chemicals, and has been heavily involved in vaccine contracts, tops the list which measures companies against 230 key ESG indicators.
- **Zebra Technologies** (Technology & Communications), has backed a Chicago logistics start up called FourKites that has launched a logistics software that tracks one million shipments a day. Zebra Technologies was recently named as one of the 'Best Workplaces for Innovators' by Fast Company.
- **Masimo** (Medical Equipment & Supplies) has announced FDA approval or a new real-time and wireless Bluetooth connectivity patient monitoring device. The technology will reduce clutter in operating rooms where space is at a premium and improve safety as cables can accidently be pulled on conventional patient monitoring equipment.

80% of the bottom 10 ESG detractors are covered by engagement or specific voting activities.

As expected from this Sustainable Portfolio, the carbon intensity and exposure to extractive industries are significantly below benchmark. The Portfolio has considerably higher ESG scores compared to its Benchmark across Environment, Social and Human Capital categories.

Brunel UK Active Equity

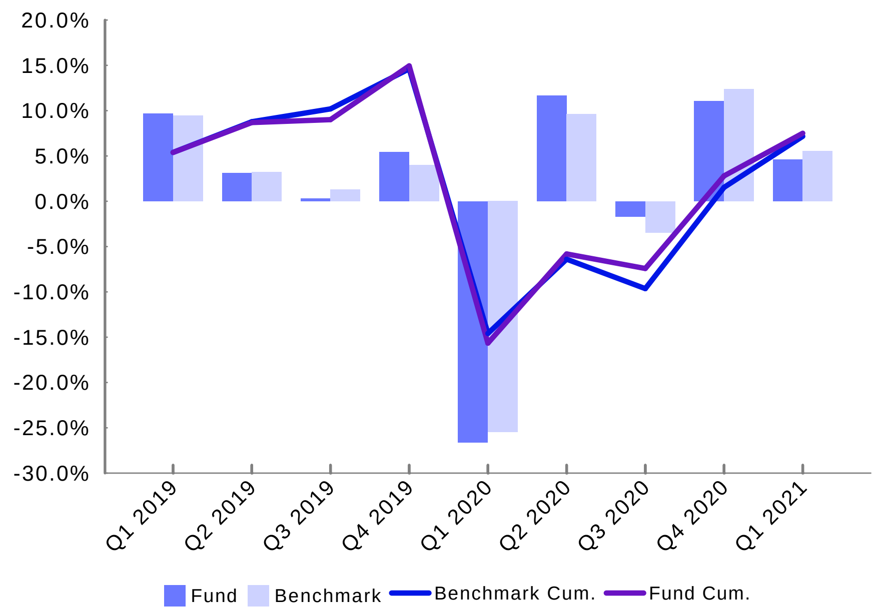
Overview

	Description
Portfolio Objective:	Provide exposure to UK Equities, together with enhanced returns from manager skill.
Investment Strategy & Key Drivers:	Skilled managers will create opportunities to add long term value through stock selection and portfolio construction.
Liquidity:	Managed level of liquidity. Less exposure to more illiquid assets.
Risk/Volatility:	High absolute risk with moderate relative risk, around 4% tracking error.
Total Fund Value:	£1,438,041,573

Performance to Quarter End

Ann. Performance	Fund	BM	Excess
3 Month	4.6%	5.6%	-1.0%
Fiscal YTD	27.5%	25.5%	2.0%
1 Year	27.5%	25.5%	2.0%
3 Years			
5 Years			
10 Years			
Since Inception	3.2%	3.0%	0.1%

Rolling Performance*



* Partial returns shown in first quarter

The FTSE All-Share Index excluding Investment Trusts returned 5.6% as UK equities outperformed global indices over the quarter. UK market sentiment was supported by strong progress in the UK vaccination programme, which resulted in Covid recovery stories being favoured above those companies already seen to have benefitted during the pandemic. This was apparent when looking at sector performance - those sectors that have struggled over previous quarters (financials, basic materials and energy) significantly outperformed, whilst the more defensive sectors such as healthcare and utilities were weaker.

• Over the quarter, the portfolio returned 4.6%, underperforming the index by 1%. Attribution analysis shows relative fund performance was driven by a negative impact from stock selection, as we saw underperformance from some of the higher quality names that fared well since the pandemic began. This was particularly noticeable in the Consumer Discretionary and Real Estate sectors, with higher quality names such as Games Workshop and Rightmove among the significant detractors. This underperformance is not unexpected given the fund's material overweight to Quality in a period where high earnings quality names have underperformed their poorer quality peers.

• Sector allocation had a neutral effect, with the benefit from being underweight to Consumer Staples, Healthcare and Utilities, offsetting the negative

Brunel UK Active Equity

Continued Commentary

impact of the underweight to Energy and Basic Materials which were the best performing sectors over the quarter.

• Both managers underperformed during the quarter. Baillie Gifford's stock selection in Technology, Financials and Consumer Discretionary sectors were the main detractors, reflecting the underperformance of quality names described above. Invesco underperformed to a similar degree, with the positive impact from their value factor exposure more than offset by the negative impact of other factor exposures, continuing the theme from last quarter.

• Over the year to 31 March 2021, a period commencing after the large drawdown of March 2020, UK equities returned 25.5%. The portfolio delivered a strong absolute return of 27.5%, outperforming the index by 2%. The relative story is very much one of positive sector allocation impacts, with the portfolio benefitting significantly from an underweight to Healthcare and Energy sectors and an overweight to the Consumer Discretionary sector. The portfolio also gained from its small cap tilt, as smaller companies within the index benefitted in the early recovery post-March 2020, and also from the market rotation phase after the autumn vaccine news. The small cap factor was the standout performer within UK equities over the 12-month period. It is worth noting that the portfolio was restructured in September 2020 as Avon divested from the portfolio and our portfolio therefore moved to a two-manager structure.

• The portfolio remains ahead of the index since inception, at +0.1% net on an annualised basis.

To broader points of note featuredthis quarter, impacting the portfolio. On 3 March 2021, the **Hill Review submitted its findings that propose a material change to the UK listing regime.** The proposals are aimed at maintaining the competitiveness of the UK stock market and the UK's status as a leading financial centre, whilst also opening a wider dialogue on how to balance the protection of shareholder rights and corporate governance standards.

Proposals include: allowing dual class share structures; lowering of the free float requirement; accepting dual listings in the UK; and allowing Special Purpose Acquisition Companies (SPACs). They also enable changes to financial track record requirements so earlier-stage companies can list (but at the expense of demonstrating revenue generation capability); and lowering the threshold that requires at least 75 per cent of current operations to have a three-year audited record, to allow companies growing by acquisition to list within three years of their most recent significant addition.

There is a further consultation on the proposals planned for later in the year. At this point, it is worth noting the potential impact the proposed changes could have on the characteristics and makeup of the opportunity set for this portfolio.

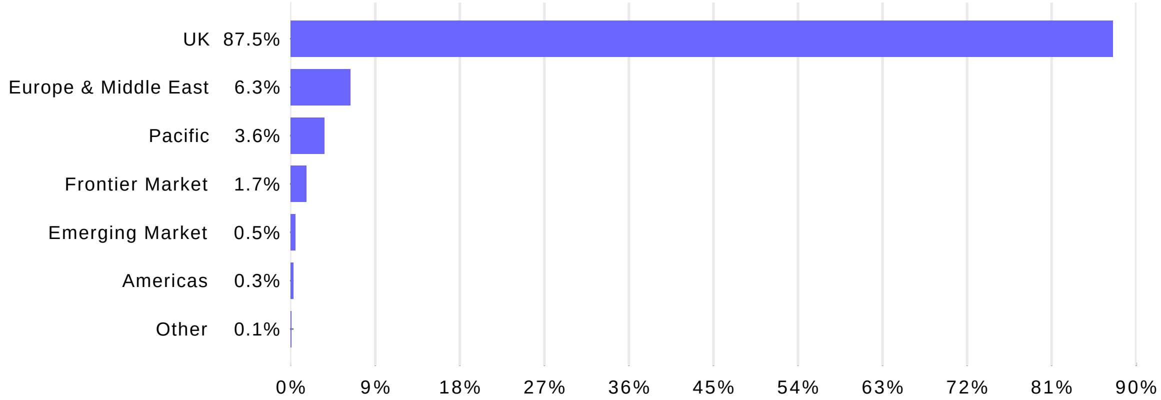
As of 22 March 2021**, FTSE made changes to the Industry Classification Benchmark** (ICB) used for their equity indexes. The two main changes are:
• The addition of a standalone Real Estate industry classification, reflecting the scale of this sector and allowing more detail at subsector level. This increases the number of the highest-level industries to 11.
• The reclassification of the Oil and Gas Industry as 'Energy', with sub sectors for Oil, Gas and Coal, or Alternative Energy, capturing the rising prominence of energy alternatives to fossil fuels.
The investment guidelines for this portfolio have been reviewed for any impact and no change is necessary. Reporting versus the index reflects these new industry classifications.

Brunel UK Active Equity – Region & Sector Exposure

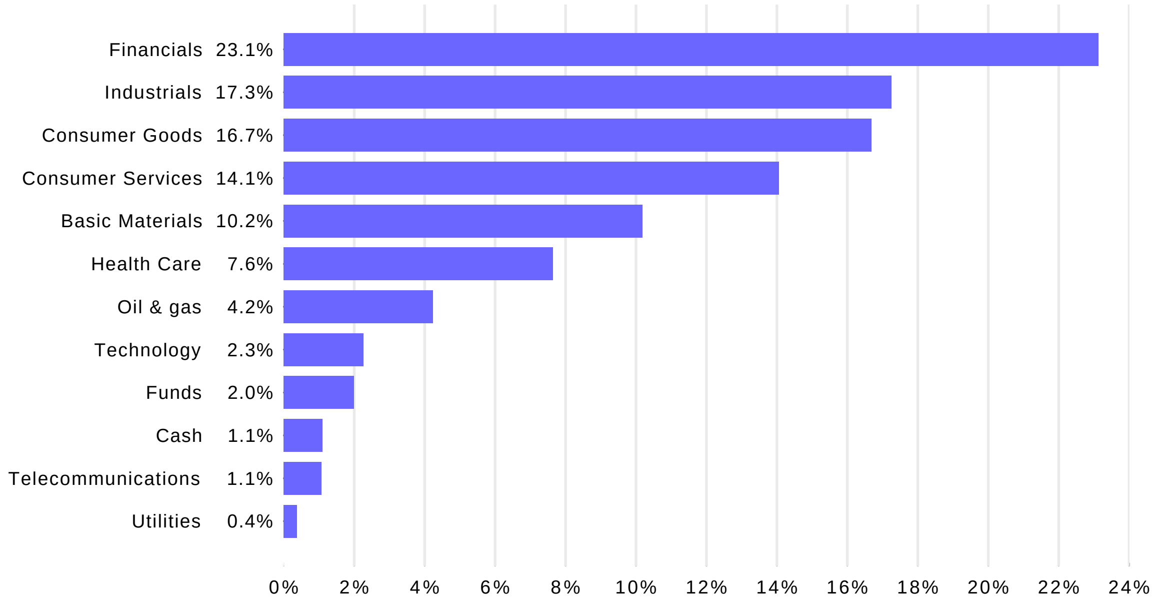
Top 20 Holdings

	Mkt. Val.(GBP)
RIO TINTO PLC	54,453,037
BHP GROUP PLC	51,872,803
ASTRAZENECA PLC	51,501,617
BRITISH AMERICAN TOBACCO PLC	50,528,759
UNILEVER PLC	49,786,913
DIAGEO PLC	36,531,041
LEGAL & GENERAL GROUP PLC	34,299,209
PRUDENTIAL PLC	34,015,786
BAILLIE GIFFORD BR SM-C-ACC	28,728,444
HSBC HOLDINGS PLC	27,441,488
BARCLAYS PLC	26,898,977
BUNZL PLC	26,107,851
ST JAMES'S PLACE PLC	26,057,155
ROYAL DUTCH SHELL PLC-A SHS	25,934,941
RIGHTMOVE PLC	24,183,352
HIKMA PHARMACEUTICALS PLC	23,957,928
ASHTEAD GROUP PLC	23,188,379
AUTO TRADER GROUP PLC	22,127,006
PERSIMMON PLC	21,079,615
EXPERIAN PLC	20,227,461

Regional Exposure



Sector Exposure



Brunel UK Active Equity – Responsible Investment

BRUNEL
Pension Partnership

Top 10 ESG Contributors to Overall Score

	Insight	Momentum
1. AUTO TRADER GROUP PLC	70.8	18.2
2. LEGAL & GENERAL GROUP PLC	63.0	66.0
3. TATE & LYLE PLC	73.5	44.6
4. 3I GROUP PLC	66.8	50.0
5. INTERMEDIATE CAPITAL GROUP PLC	64.9	76.0
6. ST JAMES'S PLACE PLC	61.6	86.4
7. UNILEVER PLC	58.4	50.0
8. DIAGEO PLC	59.3	54.6
9. INFORMA PLC	69.5	67.2
10. MONDI PLC	68.3	71.8

Bottom 10 ESG Detractors to Overall Score

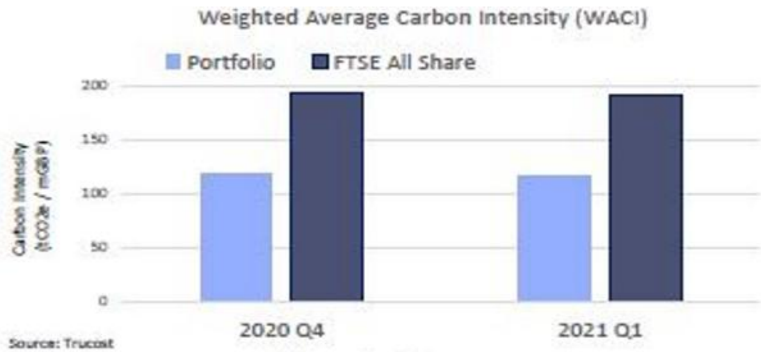
	Insight	Momentum
1. IG GROUP HOLDINGS PLC	44.9	12.6
2. GLAXOSMITHKLINE PLC	46.2	58.6
3. HISCOX LTD	31.2	22.2
4. INCHCAPE PLC	43.4	31.1
5. BARCLAYS PLC	45.8	74.3
6. HSBC HOLDINGS PLC	44.9	59.0
7. ASTRAZENECA PLC	49.4	31.9
8. EXPERIAN PLC	39.1	35.7
9. BRITISH AMERICAN TOBACCO PLC	47.7	39.8
10. LANCASHIRE HOLDINGS LTD	18.2	21.3

From Q4 onwards we have moved to the latest and enhanced version of Truvalue Labs data. Please see supplementary note on the Client portal for more detail.

* Position 1 is the top contributor/detractor.

Weighted Average ESG Score	2020 Q4	2021 Q1
Portfolio	54.7	55.4
FTSE All Share (ex. Inv.)	54.8	55.3

TruValue Labs & SASB



Source: Trucost

Extractive Exposure

	Total Extractive Exposure[1]		Extractive Industries (VOH)[2]	
	Q4	Q1	Q4	Q1
Portfolio	3.8	4.4	13.0	11.2
FTSE All Sh. (ex. Inv)	5.5	5.4	19.3	16.5

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

TruValue Labs & SASB

Brunel Assessment:

- **HSBC** (Bank), faced a shareholder resolution from investors, including Brunel that was withdrawn following intense engagement. A board backed resolution will be put to shareholders instead, committing the bank to setting short and medium-term targets to align provision of finance with the Paris agreement and to publish a coal policy by the end of 2021.
- **Unilever** (Consumer Goods) seek to eliminate fossil fuel based chemicals from cleaning and laundry products by 2030. Last quarter they launched a laundry capsule made from industrial carbon emissions, instead of fossil fuels, at no additional cost to consumers.
- **Experian** (Services) partnered with FinScore, to deliver alternative credit scoring to help financial institutions reduce high default rates and prevent fraud, whilst simultaneously bridging the financial inclusion gap for unbanked individuals in the Philippines.
- **Tate & Lyle** (Processed Foods) in partnership with Bemis Associates, have developed a renewably sourced plant-based adhesive film with a lower carbon footprint compared to petroleum derived materials. Tate & Lyle aspire that all products demonstrate a measurable environmental benefit as compared to their predecessor by 2025.

60% of the bottom 10 ESG detractors are covered by engagement or specific voting activities.
Brunel has engaged extensively to improve the carbon intensity of this Portfolio which is now significantly below its benchmark. Since inception, carbon intensity has fallen from 210 to below 120 tCO2e/£m.

Glossary of Terms

Term	Previously referred as	Meaning
Absolute return		The actual return, as opposed to the return relative to a benchmark.
Allocation		Measures the impact of decisions to allocate assets differently from the benchmark.
Alternative Investment Fund (AIF)		An Alternative Investment Fund such as a hedge fund, private equity, real estate fund and other funds focused on alternative asset classes.
Alternative Investment Fund Managers (AIFM)		A fund manager that is authorised (full scope AIFM) or registered (if they manage AIFs with assets under management below certain thresholds) to manage AIFs such as hedge funds, private equity, real estate funds.
Alternative Investment Fund Managers Directive (AIFMD)		This is an EU law that requires each AIF managed within the scope of the Directive to have a single AIFM responsible for ensuring compliance with the Directive.
Annualised		Figures expressed as applying to one year.
Assets Under Management (AUM)		This measures the total market value of all the financial assets which a financial institution such as a mutual fund, venture capital firm, or brokerage house manages on behalf of its clients and themselves.
Attribution		Identifies the drivers of performance relative to the fund benchmark. The relative return is decomposed into two areas; Allocation and Selection.
Authorised Contractual Scheme (ACS)		An investment vehicle and fund manager, based in the UK, that allows LGPS pension funds or other organisations with money to invest alongside each other - while keeping a clear record of who owns what.
Benchmark Return		Expected return based on market indices as dictated by the fund strategy.
Brunel Board	Brunel Manager Board	Board of executive and non-executive directors, leading the Brunel company.
Brunel		Brunel Pension Partnership - The FCA-authorised investment manager entity that manages the pooled investments.
Brunel Executive Directors **(ED)**		The Executive Directors are responsible for overseeing the delivery of the Brunel objectives.

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Term	Previously referred as	Meaning
Brunel Pension Partnership Limited **(Brunel)**		One of the eight LGPS Pools in England & Wales. A FCA regulated company, wholly owned by the Administering Authorities, and responsible for implementing the asset allocation strategies of the Brunel Funds by investing Fund assets within defined 'portfolios'. In particular, it will research and select the investment funds needed to meet the requirements of the detailed Strategic Asset Allocations. These investment funds will be operated by professional external investment managers. Brunel Pension Partnership [c£30bn: Avon, Buckinghamshire, Cornwall, Devon, Dorset, Environment Agency, Gloucestershire, Oxfordshire, Somerset, Wiltshire]
Chief Finance Officer **(CFO)**		A corporate officer primarily responsible for managing the financial risks of the corporation. This officer is also responsible for financial planning and record-keeping, as well as financial reporting to higher management. In the Local Authorities this is the S151 officer.
Chief Legal Officer **(CLO)**		The chief lawyer of the legal department, usually in a company or a governmental department who minimizes its legal risks by advising the company's other officers and board members on any major legal and regulatory issues the company confronts, such as litigation risks. In the Local Authorities this is the Monitoring Officer.
Collective Investment Scheme **(CIS)**		This is an investment scheme wherein several individuals come together to pool their money for investing in a particular asset(s) and for sharing the returns arising from that investment as per the agreement reached between them prior to pooling in the money.
Creation, Amendment and Deletion policy **(CAD policy)**		Brunel procedure for creation, amendment and deletion of portfolios
Cross Pool Collaboration Group **(CPCG)**		A collaborative group across the eight UK LGPS pools

Glossary of Terms

Term	Previously referred as	Meaning
Deloitte		Auditors, appointed to provide internal audit services to Brunel
Duration		The weighted average time to payment of cashflows (in years), calculated by reference to the time and amount of each payment. It is a measure of the sensitivity of price/value to movement in yields.
Environment, Social and Governance **(ESG)**		A subset of non-financial performance indicators used by investors to evaluate corporate behaviour and to determine the future financial performance of companies.
Full Business Case **(FBC)**		Strategic, financial, economic, commercial and management case.
Finance and Legal Assurance Group **(FLAG)**		Finance and Legal Assurance Group (with membership of each AAs equivalent to Chief Finance Officer (CFO) and Chief Legal Officer (CLO)) will sponsor the changes in the Funds and the arrangements for governance of the Brunel company.
Financial Conduct Authority **(FCA)**		This is a financial regulatory body in the United Kingdom, which operates independently of the UK government and is financed by charging fees to members of the financial services industry.
Freedom Of Information Request **(FOI)**		The Freedom of Information Act (FOIA) gives individuals the right to request access to recorded information held by public sector organisations.
Fund Manager		An organisation that provides investment products
FundRock		FundRock is a leading third party UCITS Management Company, Alternative Investment Fund Manager, Authorised Corporate Director and Authorised Contractual Scheme (ACS) Operator. FundRock serves as Brunel's ACS operator.
Fund Return		The total return achieved by the fund or asset class over the period. The return is obtained using the following equation on a monthly basis: ((capital gain/loss + income) / average balance) * 100
Grant Thornton		Auditors appointed to provide external audit services to Brunel
INALYTICS		An investment transition advisor procured by Brunel to initially advise on the passive equities transition

Term	Previously referred as	Meaning
Institutional Investors Group on Climate Change **(IIGCC)**		The Institutional Investors Group on Climate Change (IIGCC) is a forum for investors to collaborate on climate change. IIGCC's mission is to mobilise capital for the low carbon future by amplifying the investor voice and collaborating with business, policymakers and investors. IIGCC provides investors with a collaborative platform to encourage public policies, investment practices, and corporate behaviour that address long-term risks and opportunities associated with climate change.
Investment Management Agreement **(IMA)**		The contract with a fund manager
Investment Strategy Statement **(ISS)**	Replaces the Statement of Investment Principles	A document that replaces the Statement of Investment Principles under the 2016 LGPS (Management and Investment of Funds) Regulations. Administering Authorities are required to prepare and maintain an ISS documenting how the investment strategy for the fund is determined and implemented, including its approach to pooling.
Know Your Customer **(KYC)**		The process of a business identifying and verifying the identity of its clients. The term is also used to refer to the bank regulation which governs these activities.
Legal & General Investment Management **(LGIM)**		Investment management firm
Local Government Association **(LGA)**		This is an organisation which comprises local authorities in England and Wales. The LGA seeks to promote better local government; it maintains communication between officers in different local authorities to develop best practice. It also represents the interests of local government to national government.
Local Authority Pension Funds Investments **(LAPF)**		A magazine for local authority pension investment specialists.
Local Authority Pension Fund Forum **(LAPFF)**		The collaborative shareholder engagement group for local authority pension funds. The Forum provides a unique opportunity for Britain's local authority pension funds to discuss investment issues and shareholder engagement.
Local Government Pension Scheme **(LGPS)**		This is a nationwide scheme and is a valuable part of the pay and rewardpackage for employees working in local government or working for otheremployers participating in the Scheme and for some councillors.

Glossary of Terms

Term	Previously referred as	Meaning
Local Government Pension Scheme **(LGPS)**		The Scheme is administered locally for participating employers through 99 regional pension funds
LGPS (Management and Investment of Funds) Regulations 2016 (Investment Regulations)	Draft LGPS (Management and Investment of Funds) Regulations 2016	Regulations 2016 (Investment Regulations) that came into effect 1 November 2016.
LGPS Code of Transparency (Transparency Code)		A move toward investment fee transparency and consistency, and part of the government's criteria for pooling investments.
Market volatility		The impact of the assets producing returns different to those assumed within the actuarial valuation basis, excluding the yield change and inflation impact.
Markets in Financial Instruments Directive II **(MiFID II)**	MiFID	MiFID is the European Union (EU) legislation that regulates firms who provide services to clients linked to 'financial instruments' (shares, bonds, units in collective investment schemes and derivatives), and the venues where those instruments are traded. MiFID applied in the UK from November 2007, and was revised by MiFID II, which took effect in January 2018. MiFID II is made up of MiFID (2014/65/EU) and the Markets in Financial Instruments Regulation (MiFIR - 600/2014/EU).
Money-weighted rate of return		The rate of return on an investment including the amount and timing of cashflows.
Portfolio	Fund	The grouping of the asset types to be available for funds. For example, Global Equities Core, Hedge funds, UK Gilts, LDI.
Portfolio group		The higher level category of asset types. For example, equities, alternatives, fixed interest.
Relative return		The return on a fund compared to the return on index or benchmark. This is defined as: Return on Fund minus Return on index or Benchmark.
Selection		Measures the impact of performance at asset class or manager level in relation to the overall fund.

Glossary of Terms

Term	Previously referred as	Meaning
Time-weighted rate of return		The rate of return on an investment removing the effect of the amount and timing of cashflows.
Yield (Gross Redemption Yield)		The return expected from a board if held to maturity. It is calculated by finding the rate of return that equates the current market price to the value of future cashflows.

Brunel Committees and Groups

BRUNEL
Pension Partnership

Full name	Abbreviation	Chair	Purpose
Audit, Risk & Compliance Committee	ARC	Patrick Newberry, NED	To oversee key functions of the Regulated Company, including: - Financial and Annual reporting - Internal controls - Compliance and whistleblowing - External audit function
Brunel Investment Committee	BIC	CIO	Formal meeting of the Brunel Investment Team, covering: - Economic and Markets update - Responsible Investment update - Stakeholder input (from Client Relations Team) - Investment proposals (private and listed markets) - Procedures - Forward look
Brunel Investment Risk Committee	BIRC	CIO	To provide challenge and insight in respect of investment risks and exposures. This will include oversight of portfolio guidelines and monitoring.
Brunel Oversight Board	BOB	Ray Theodolou (Glos)	The Oversight Board has been established by the administering authorities participating in the Brunel Pension Partnership. Acting for the administering authorities in their capacity as shareholders in, and clients of, Brunel, the Oversight Board will have responsibility for ensuring that Brunel delivers the services required to achieve investment pooling across the 10 LGPS funds comprising the Brunel Pension Partnership.The Oversight Board shall comprise of one individual appointee of each administering authority participating in the Brunel Pension Partnership. In addition to the individuals appointed by each of the administering authorities, two members representing Fund members shall be entitled to attend and contribute to meetings of the Oversight Board.
Brunel Operations Committee	BOC	COO	To review the detailed elements of Brunel's operations, including: - Technology and infrastructure - HR policies

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Brunel Committees and Groups

Full name	Abbreviation	Chair	Purpose
Brunel Operations Committee	BOC	COO	- Regulatory change (and compliance with) - Finance - Managing supplier relationships - ICAPP oversight
Brunel Risk and Compliance Committee	BRCC	DoR & GC	Second line review overseeing the Compliance and Risk function
Client Group	CG	Sean Collins	Client Group has been established by the administering authorities participating in the Brunel Pension Partnership. Acting for the administering authorities in their capacity as shareholders in, and clients of, Brunel, the Client Group will provide practical and technical support, guidance and assistance to the Oversight Board in its strategic role of ensuring that Brunel delivers the services required to achieve investment pooling across the 10 LGPS funds comprising the Brunel Pension Partnership.Client Group shall comprise of at least one individual appointee of each administering authority participating in the Brunel Pension Partnership.
The Executive Committee	ExCo	CEO	The core responsibility of ExCo is to oversee delivery of the Brunel objectives. The Executive Committee comprises: - Chief Executive Officer - Chief Investment Officer - Chief Operations Officer - Client Relationship Director
Remuneration Committee	RemCo	Mike Clark, NED	In line with the Shareholders Agreement, to set and monitor remuneration policy including that for senior management remuneration.

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Quarterly Report Overview

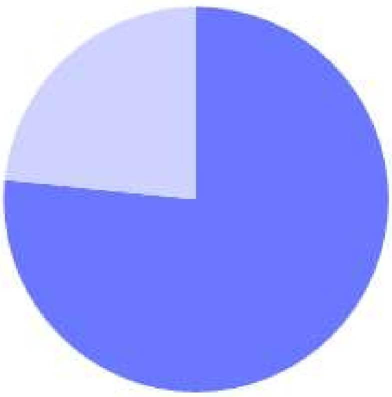
Oxfordshire Pension Fund

Brunel - Infrastructure (Cycle 1) Overview	March 31 2021 All figures unless otherwise stated are in GBP
Total Commitments to Brunel Portfolio	50,000,000
Total Commitments to Portfolio Investments	49,781,382
As a percentage of Total Commitments to Brunel Portfolio	99.56%
Amount Called	15,622,639
As a percentage of Total Committed to Portfolio Investments	31.38%
Number of Fund Investments	5

Performance	All figures unless otherwise stated are in GBP
Amount Called	15.62 million
Amount Distributed	0.99 million
Unrealised Value	15.50 million
Total Value	16.49 million
DPI	0.06x
TVPI	1.06x

Strategy Level

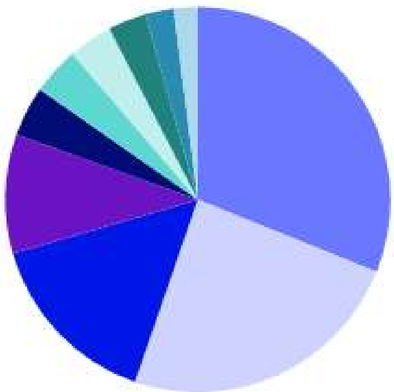
Commitment to Portfolio



General	76.6 %
Renewables	23.4 %

Country

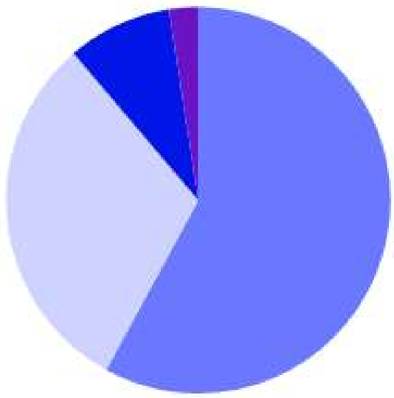
Invested in Underlying Investments



France	31.1 %	Sweden	4.0 %
United States	24.2 %	Norway	3.7 %
Spain	15.2 %	Southern Europe	3.2 %
United Kingdom	10.0 %	Italy	2.4 %
Finland	4.2 %	Ireland	2.0 %

GICS Level 1

Invested in Underlying Investments



Utilities	58.0 %
Industrials	30.8 %
Telecommunication Services	8.8 %
Health Care	2.4 %

BRUNEL
Pension Partnership

Quarterly Report Overview

Oxfordshire Pension Fund

Infrastructure
Covid19
COVID-19 continues to dominate each of the manager's market agendas and is expected to do so for the majority of 2021 until vaccine programmes have been fully rolled out. Managers continue to actively engage with suppliers, contractors and the communities surrounding projects to mitigate risks still arising through the pandemic uncertainty. The Brunel portfolio is focused on essential infrastructure across Cycle 1 and Cycle 2, meaning in most cases, assets have not been impacted.

UK
On a very positive note, the UK government has confirmed new onshore wind projects will be eligible to compete in the next 'Contracts for Difference' round, which is to take place in Q3/Q4 2021.

Following the UK-EU final Brexit terms agreement, the Pound has continued to fluctuate against the Euro during the uncertainty throughout Q1. Managers of European funds are putting measures in place so that any further investments into the UK are either capped or hedged, in line with the investment strategies.

Europe
Onshore wind power purchase agreements increased in five markets last year, most significantly in the Netherlands with a rise of 9.8% and Germany, up by 7.9%. Price offers for solar PV PPAs rose in almost all markets in 2020, but only by an average of 2.1%. Among the most significant increases were Germany (4.6%) and Poland (2.8%), where the rising carbon price is a key component of the future value of power.

US
Probably the most significant market events have happened in the US, with the beginning of the Biden administration and a democratic majority Senate, improving the chances of meaningful legislation that would provide additional incentives for renewables. It seems clear that the energy transition and climate impact will be considered alongside each decision the new administration makes, considering as well that the US recently officially re-joined the Paris Agreement.
ERCOT Blackouts: In the week beginning February 14, 2021, Texas faced historically low temperatures which led to widespread blackouts across the state. The main supply issue was lack of available thermal generation due to freezing conditions and non-winterized equipment. Power prices soared to the maximum of US$9000/MWh for extended periods of time. Many power producers with fixed-hedge agreements faced material losses, having had to cover the extreme merchant prices.

Infrastructure Cycle 1
As of 31st March 2021, the portfolio remains resilient and has not experienced any J-curve which is a testament to the diligence of the managers who focus on infrastructure that provide essential services and good quality assets.

Albeit with a particularly challenging market, high prices and uncertainty over the longevity of the impact of the global pandemic, deployment continued steady in Q1.

DWS completed a further transaction for Blue Pearl and completed the acquisition of 100% of Medipass S.r.l. ("Medipass"), a leading provider of Cancer Care and Advanced Diagnostic Imaging services in Italy and the UK.

Managers in the non-renewable space have identified further particularly strong sectors to focus on linked to the most recent market events, such as outsourcing of healthcare services and also seeing significant opportunities linked to the development of new mobility solutions and further digitalization.

Equity committed to projects across the six NTR acquisitions is up to 50% of total commitments. Clean Energy Infrastructure (CEI) Fund 8 closed on a 50Mw Scottish onshore wind deal estimated to reduce greenhouse emissions by over 2.6 million metric tons during its lifetime – the equivalent to the electricity to power over 440,000 homes for a year; as well as a 50Mw subsidy-free solar project in Spain, which, once fully operational in Q1 2022 is expected to reduce greenhouse emissions by over 70,000 metric tons – equivalent to the electricity to power over 12,500 homes for a year.

Quarterly Report Overview

Oxfordshire Pension Fund

In terms of fundraising, six out of the eight cycle 1 primary funds are now closed. DWS is still fund raising but has closed on more than its initial hard-cap of €2.5bn with its targeted final close in late May. CD CEI 8 has closed on 62% of its target with final close in September. Given current investor demand and BREXIT behind us, wheels are in motion for further investor due diligence and closes are expected in Q2 and Q3.

On the tactical front, Project Pattern, the secondary renewable energy portfolio of mainly onshore wind assets in Cycle 1 has had a valuation uplift from Q4 2020, driven by reaching the financial close on Western Spirit (a c1GW New Mexico wind project) and the closing of a re-structure of five operating projects in Japan with a c100bps improvement relative to underwritten rates from lower pricing and tax structuring. Following the Texas blackouts, Pattern's projects were some of the few that were able to maintain operations, partly due to learnings the team had from their Canadian projects on managing ice build-up. Unlike other projects, Pattern has not claimed any force majeure and has honoured its hedge contracts, which is positive for future ongoing bank and counterparty relationships while they continue to need finance support as they grow and develop the wider portfolio. Pattern now expects a cUSD45 million financial impact, but the current efforts to retroactively change the high pricing for c2 days would, if successful, reduce this impact by a further cUSD15 million. If it does apply fully then the USD45m impact would be paid over time (like a loan) due to the hedge structure and such impact represents only about c1% of Pattern's equity value (cUSD4.3 billion).

Furthermore, StepStone has progressed work on Project Legatus, a secondary transaction with a top tier GP; a mature portfolio of road, rail and social assets, which StepStone has negotiated as an off-market process. This is in late stage execution as at April 2021. A further co-investment opportunity is being considered, at a very early stage, in an operating bio-energy from waste power plant in the UK.

All in all, if the above two transactions complete, this will result in more than £40m being called from cycle 1 investors over the next two quarters, showing the benefit of speedier deployment to overall portfolio construction aspirations.

BRUNEL
Pension Partnership

Quarterly Report Overview

Oxfordshire Pension Fund

Portfolio Summary (GBP)

	Vintage	Ccy	Amount Committed	Amount Called	Percent Called	Unrealised Value	Realised Value	Total Value	DPI	TVPI	IRR
General Funds											
StepStone B Infrastructure Fund *Global, Core,*	2020	GBP	31,385,000	3,799,100	12.10%	3,679,778	68,832	3,748,610	0.02x	0.99x	(1.77%)
Vauban Core Infrastructure Fund 02 *Western Europe, Core,*	2017	EUR	6,759,456	6,266,817	92.71%	6,633,210	410,963	7,044,173	0.07x	1.12x	7.94%
Subtotal:			38,144,456	10,065,917	26.39%	10,312,988	479,795	10,792,783	0.05x	1.07x	5.79%
Renewables Funds											
Capital Dynamics Clean Energy and Infrastructure VIII SCSp *United Kingdom, Brownfield,*	2019	GBP	5,700,000	2,593,715	45.50%	2,649,512	128,329	2,777,841	0.05x	1.07x	5.83%
Capital Dynamics Clean Energy Infrastructure VII-A, L.P. *United States, Greenfield,*	2019	USD	3,429,361	1,568,020	45.72%	1,536,497	26,717	1,563,214	0.02x	1.00x	(0.31%)
NTR Renewable Energy Infrastructure II *Western Europe, Greenfield,*	2018	EUR	2,507,565	1,394,986	55.63%	1,003,031	356,091	1,359,122	0.26x	0.97x	(1.25%)
Subtotal:			11,636,926	5,556,721	47.75%	5,189,040	511,138	5,700,178	0.09x	1.03x	1.88%
Total Portfolio			**49,781,382**	**15,622,639**	**31.38%**	**15,502,028**	**990,933**	**16,492,961**	**0.06x**	**1.06x**	**18.10%**

Portfolio Summary (Fund Currency)

	Vintage	Ccy	Amount Committed	Amount Called	Percent Called	Unrealised Value	Realised Value	Total Value	DPI	TVPI	IRR
General Funds											
StepStone B Infrastructure Fund *Global, Core,*	2020	GBP	31,385,000	3,799,100	12.10%	3,679,778	68,832	3,748,610	0.02x	0.99x	(1.77%)
Vauban Core Infrastructure Fund 02 *Western Europe, Core,*	2017	EUR	7,600,000	7,019,869	92.37%	7,794,022	461,644	8,255,666	0.07x	1.18x	11.14%
Renewables Funds											
Capital Dynamics Clean Energy and Infrastructure VIII SCSp *United Kingdom, Brownfield,*	2019	GBP	5,700,000	2,593,715	45.50%	2,649,512	128,329	2,777,841	0.05x	1.07x	5.83%
Capital Dynamics Clean Energy Infrastructure VII-A, L.P. *United States, Greenfield,*	2019	USD	4,500,000	1,934,513	42.99%	2,117,753	35,598	2,153,351	0.02x	1.11x	11.41%
NTR Renewable Energy Infrastructure II *Western Europe, Greenfield,*	2018	EUR	2,833,243	1,524,759	53.82%	1,178,562	414,731	1,593,293	0.27x	1.04x	2.14%

DPI = Distributions to Paid In
TVPI = Total Value to Paid In
IRR = Internal rate of return

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Pension Partnership

Quarterly Report Overview

Oxfordshire Pension Fund

Portfolio Summary (GBP)

Fund Name	Vintage	Ccy	Amount Committed	Amount Called	Percent Called	Unrealised Value	Realised Value	Total Value	DPI	TVPI
StepStone B Infrastructure Fund Underlying Funds										
Arcus European Infrastructure II	2018	EUR	3,598,133	1,179,347	32.78%	1,136,076	54,134	1,190,210	0.05x	1.01x
Western Europe, Value Added										
Basalt Infrastructure Partners III	2020	USD	2,626,910	-	0.00%	(26,423)	-	(26,423)	-	-
Global, Value Add										
DWS PEIF III	2020	EUR	3,279,795	569,441	17.36%	547,148	-	547,148	-	0.96x
Western Europe, Generalist										
Macquarie GIG Renewable Energy Fund 2	2020	EUR	3,977,687	458,049	11.52%	597,107	3,661	600,768	0.01x	1.31x
Western Europe, Core plus										
Project Peggy	2020	USD	1,806,325	1,413,036	78.23%	1,489,035	-	1,489,035	-	1.05x
United States, Direct										
Subtotal:			15,288,850	3,619,874	23.68%	3,742,944	57,796	3,800,739	0.02x	1.05x
Total Portfolio			**15,288,850**	**3,619,874**	**23.68%**	**3,742,944**	**57,796**	**3,800,739**	**0.02x**	**1.05x**

Portfolio Summary (Fund Currency)

	Vintage	Ccy	Amount Committed	Amount Called	Percent Called	Unrealised Value	Realised Value	Total Value	DPI	TVPI
StepStone B Infrastructure Fund Underlying Funds										
Arcus European Infrastructure II	2018	EUR	4,137,908	1,291,698	31.22%	1,334,889	59,470	1,394,360	0.05x	1.08x
Western Europe, Value Added										
Basalt Infrastructure Partners III	2020	USD	3,620,670	-	0.00%	(36,419)	-	(36,419)	-	-
Global, Value Add										
DWS PEIF III	2020	EUR	3,827,565	642,899	16.80%	642,899	-	642,899	-	1.00x
Western Europe, Generalist										
Macquarie GIG Renewable Energy Fund 2	2020	EUR	4,655,147	519,404	11.16%	701,601	4,134	705,734	0.01x	1.36x
Western Europe, Core plus										
Project Peggy	2020	USD	2,294,376	1,752,306	76.37%	1,974,328	-	1,974,328	-	1.13x
United States, Direct										

DPI = Distributions to Paid In
TVPI = Total Value to Paid In
IRR = Internal rate of return

Please note:
The above figures were included at Clients' request to breakdown the performance of the StepStone fund. They are based on cash-adjusted, roll-forward NAV estimates, using underlying GP communications, which means they will differ from the main summary table owing to the lag in Brunel receiving the formal valuation report from StepStone up to 120 days post Quarter end.

Quarterly Report Overview

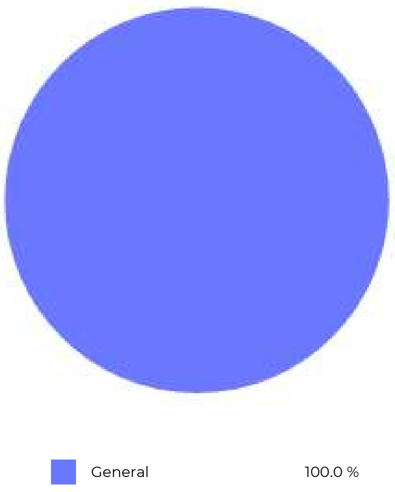
Oxfordshire Pension Fund

Brunel - Infrastructure (Cycle 2) StepStone B II - Generalist - Overview	March 31 2021 All figures unless otherwise stated are in GBP
Total Commitments to Brunel Portfolio	20,000,000
Total Commitments to Portfolio Investments	20,000,000
As a percentage of Total Commitments to Brunel Portfolio	100.00%
Amount Called	26,944
As a percentage of Total Committed to Portfolio Investments	0.13%
Number of Fund Investments	1

StepStone B II - Generalist - Performance	All figures unless otherwise stated are in GBP
Amount Called	0.03 million
Amount Distributed	0.00 million
Unrealised Value	0.00 million
Total Value	0.00 million
DPI	0.00x
TVPI	0.00x

Strategy Level

Commitment to Portfolio



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Quarterly Report Overview

Oxfordshire Pension Fund

Infrastructure Cycle 2
For Cycle 2 Infrastructure, Clients were offered the opportunity to invest either by committing to the Brunel 'Combined' Infrastructure Portfolio (which allocates 50% of total to renewables, 50% to general (non-renewables) infrastructure) or via the Brunel 'Renewables only' Portfolio which allocates 100% of total to renewables. In order to facilitate these Client outcomes, Brunel established two funds of funds with StepStone for cycle 2; SS-B II Renewables and SS-B II General. The Combined Infrastructure Clients are invested 50:50 into each fund. The Renewables only Clients are invested 100% in the Renewables fund.

As of 1st April 2021, three Brunel clients have topped up a total of GBP170m across the generalist and renewable vehicles, increasing the number of primary and tactical deals that will complete the portfolios for both funds.

General Infrastructure
At 31 March 2021, the portfolio had only made one primary fund commitment, to Vauban Core Infrastructure Fund III, a Core/Core+, majority European strategy, following on from CIF II in Cycle 1.

At period end, there were two greenfield primary fund commitments in final due diligence and legal negotiations; Meridiam Sustainable Infrastructure Europe IV, focused on addressing specific sustainable development goals (SDGS) and Infracapital Greenfield Partners II, focusing on decarbonization, technological change and building back better.

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Oxfordshire Pension Fund

StepStone B II - Generalist - Portfolio Summary (GBP)

	Vintage	Ccy	Amount Committed	Amount Called	Percent Called	Unrealised Value	Realised Value	Total Value	DPI	TVPI	IRR
General Funds											
StepStone B II - Generalist *Global, Core,*	2020	GBP	20,000,000	26,944	0.13%	-	-	-	-	-	-%
Total Portfolio			**20,000,000**	**26,944**	**0.13%**	**-**	**-**	**-**	**-**	**-**	**-%**

StepStone B II - Generalist - Portfolio Summary (Fund Currency)

	Vintage	Ccy	Amount Committed	Amount Called	Percent Called	Unrealised Value	Realised Value	Total Value	DPI	TVPI	IRR
General Funds											
StepStone B II - Generalist *Global, Core,*	2020	GBP	20,000,000	26,944	0.13%	-	-	-	-	-	-%

DPI = Distributions to Paid In
TVPI = Total Value to Paid In
IRR = Internal rate of return

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Oxfordshire Pension Fund

StepStone B II - Generalist - Portfolio Summary (GBP)

Fund Name	Vintage	Ccy	Amount Committed	Amount Called	Percent Called	Unrealised Value	Realised Value	Total Value	DPI	TVPI
StepStone B II - Generalist Underlying Funds										
Core Infrastructure Fund III	2020	EUR	2,005,103	314,991	15.71%	312,390	-	312,390	-	0.99x
Western Europe, Core										
Total Portfolio			**2,005,103**	**314,991**	**15.71%**	**312,390**	**-**	**312,390**	**-**	**0.99x**

StepStone B II - Generalist - Portfolio Summary (Fund Currency)

	Vintage	Ccy	Amount Committed	Amount Called	Percent Called	Unrealised Value	Realised Value	Total Value	DPI	TVPI
StepStone B II - Generalist Underlying Funds										
Core Infrastructure Fund III	2020	EUR	2,352,941	367,059	15.60%	367,059	-	367,059	-	1.00x
Western Europe, Core										

DPI = Distributions to Paid In
TVPI = Total Value to Paid In
IRR = Internal rate of return

Please note:
The above figures were included at Clients' request to breakdown the performance of the StepStone fund. They are based on cash-adjusted, roll-forward NAV estimates, using underlying GP communications, which means they will differ from the main summary table owing to the lag in Brunel receiving the formal valuation report from StepStone up to 120 days post Quarter end.

Quarterly Report Overview

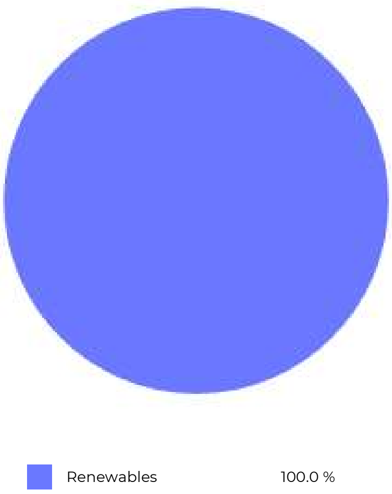
Oxfordshire Pension Fund

Brunel - Infrastructure (Cycle 2) StepStone B II - Renewables - Overview	March 31 2021 All figures unless otherwise stated are in GBP
Total Commitments to Brunel Portfolio	20,000,000
Total Commitments to Portfolio Investments	20,000,000
As a percentage of Total Commitments to Brunel Portfolio	100.00%
Amount Called	2,560,900
As a percentage of Total Committed to Portfolio Investments	12.80%
Number of Fund Investments	1

StepStone B II - Renewables - Performance	All figures unless otherwise stated are in GBP
Amount Called	2.56 million
Amount Distributed	0.02 million
Unrealised Value	2.50 million
Total Value	2.52 million
DPI	0.01x
TVPI	0.98x

Strategy Level

Commitment to Portfolio



Quarterly Report Overview

Oxfordshire Pension Fund

Renewable Energy
Cycle 2 started in June 2020. As of Mar 2021, the Cycle 2 Renewables Fund has committed to 3 primary funds and 1 tactical co-investment. Given the selected funds have limited exposure to Europe, the final two commitments will be allocated to managers offering European exposure and to further round out the geographic exposure, StepStone will tilt the Tactical portfolio towards Europe too.

Currently, all selected funds take construction risk, and some development risk. In general, the funds have been classified as Core+. The Fund aims to achieve medium to long term capital preservation and growth, together with a stable yield post the investment period.

StepStone is the manager of the tactical component and is only paid fees on tactical capital, not on the capital they commit to third-party primary funds, hence avoiding the traditional issue of using funds-of-funds.

Following the key person event, which triggered the ceasing of capital raise for CD CEI X, the manager is in the process of putting in place a new structure which will allow the current investment and asset management teams to continue to manage these investments, albeit via a contract with the team being part of new organization that is not owned by Capital Dynamics. Options for Fund CEI 7-A will likely be explored in late 2021/early 2022. We are reassured by the progress made to date and believe that the potential risks, whilst not mitigated, are subsiding. The assets in the CEI funds remain strong with significant tailwinds from the new Biden administration's policy agenda.

Post period-end, CIP IV held a final close at the fund hard cap of €7.0 billion (versus initial €5.5bn target). CIP is global leader in offshore wind energy and an excellent manager of development projects across technologies, with a proven track record and cautious use of financial leverage. In parallel with progressing three Seed Projects to FID in Q4, CIP has on behalf of CI IV pursued several additional project opportunities, and ownership or exclusivity has been secured on additional attractive pre-FID projects (a pumped storage project, Swan Lake, in the US, and an onshore wind project, Chalumbin, in Australia).

The Brookfield sidecar fund has invested over 40% of commitments to the fund. Most recently, Brookfield reached an agreement and launched a tender offer to acquire a co-controlling position (40% interest) in the Polish Renewable Power Business (Polenergia), a portfolio of offshore and onshore wind and solar assets, for a total commitment of $430 million.

Quarterly Report Overview

Oxfordshire Pension Fund

StepStone B II - Renewables - Portfolio Summary (GBP)

	Vintage	Ccy	Amount Committed	Amount Called	Percent Called	Unrealised Value	Realised Value	Total Value	DPI	TVPI	IRR
Renewables Funds											
StepStone B II - Renewables *Global, Infrastructure,*	2020	GBP	20,000,000	2,560,900	12.80%	2,501,528	17,334	2,518,862	0.01x	0.98x	(3.59%)
Total Portfolio			**20,000,000**	**2,560,900**	**12.80%**	**2,501,528**	**17,334**	**2,518,862**	**0.01x**	**0.98x**	**(3.59%)**

StepStone B II - Renewables - Portfolio Summary (Fund Currency)

	Vintage	Ccy	Amount Committed	Amount Called	Percent Called	Unrealised Value	Realised Value	Total Value	DPI	TVPI	IRR
Renewables Funds											
StepStone B II - Renewables *Global, Infrastructure,*	2020	GBP	20,000,000	2,560,900	12.80%	2,501,528	17,334	2,518,862	0.01x	0.98x	(3.59%)

DPI = Distributions to Paid In
TVPI = Total Value to Paid In
IRR = Internal rate of return

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Oxfordshire Pension Fund

StepStone B II - Renewables - Portfolio Summary (GBP)

Fund Name	Vintage	Ccy	Amount Committed	Amount Called	Percent Called	Unrealised Value	Realised Value	Total Value	DPI	TVPI
StepStone B II - Renewables Underlying Funds										
Brookfield IV Renewable Sidecar	2020	USD	1,118,201	243,805	21.80%	220,455	17,389	237,844	0.07x	0.98x
Global, Core Plus										
Capital Dynamics Clean Energy Infrastructure Investors X, SCSp	2020	USD	1,824,253	1,021,750	56.01%	933,811	13,957	947,769	0.01x	0.93x
United States, Value Added										
Centinela Funding	2020	USD	762,466	742,146	97.33%	719,330	36,391	755,721	0.05x	1.02x
United States, Co-Investment										
Copenhagen Infrastructure IV	2020	EUR	2,036,734	-	0.00%	-	-	-	-	-
Global, Core										
Total Portfolio			**5,741,654**	**2,007,700**	**34.97%**	**1,873,597**	**67,737**	**1,941,333**	**0.03x**	**0.97x**

StepStone B II - Renewables - Portfolio Summary (Fund Currency)

	Vintage	Ccy	Amount Committed	Amount Called	Percent Called	Unrealised Value	Realised Value	Total Value	DPI	TVPI
StepStone B II - Renewables Underlying Funds										
Brookfield IV Renewable Sidecar	2020	USD	1,538,462	333,281	21.66%	303,853	23,770	327,623	0.07x	0.98x
Global, Core Plus										
Capital Dynamics Clean Energy Infrastructure Investors X, SCSp	2020	USD	2,393,162	1,287,072	53.78%	1,287,072	18,894	1,305,966	0.01x	1.01x
United States, Value Added										
Centinela Funding	2020	USD	1,019,461	991,453	97.25%	991,453	50,368	1,041,821	0.05x	1.05x
United States, Co-Investment										
Copenhagen Infrastructure IV	2020	EUR	2,393,162	-	0.00%	-	-	-	-	-
Global, Core										

DPI = Distributions to Paid In
TVPI = Total Value to Paid In
IRR = Internal rate of return

Please note:
The above figures were included at Clients' request to breakdown the performance of the StepStone fund. They are based on cash-adjusted, roll-forward NAV estimates, using underlying GP communications, which means they will differ from the main summary table owing to the lag in Brunel receiving the formal valuation report from StepStone up to 120 days post Quarter end.

Quarterly Report Overview

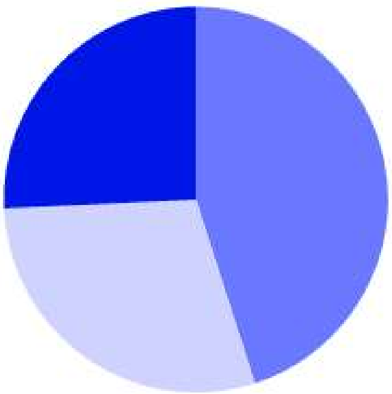
Oxfordshire Pension Fund

Brunel - Private Equity (Cycle 1) Overview	March 31 2021 All figures unless otherwise stated are in GBP
Total Commitments to Brunel Portfolio	100,000,000
Total Commitments to Portfolio Investments	96,887,485
As a percentage of Total Commitments to Brunel Portfolio	96.89%
Amount Called	25,557,217
As a percentage of Total Committed to Portfolio Investments	26.38%
Number of Fund Investments	7

Performance	All figures unless otherwise stated are in GBP
Amount Called	25.56 million
Amount Distributed	0.71 million
Unrealised Value	26.52 million
Total Value	27.23 million
DPI	0.03x
TVPI	1.07x

Strategy Level

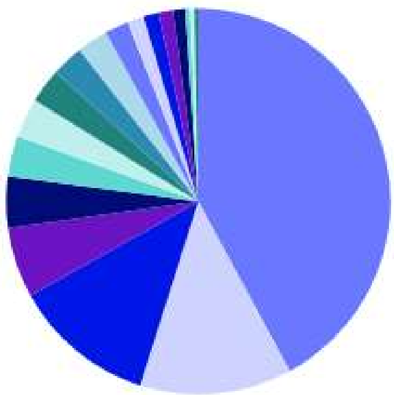
Commitment to Portfolio



Co-investment	45.1 %
Secondaries	29.2 %
Primary	25.7 %

Country

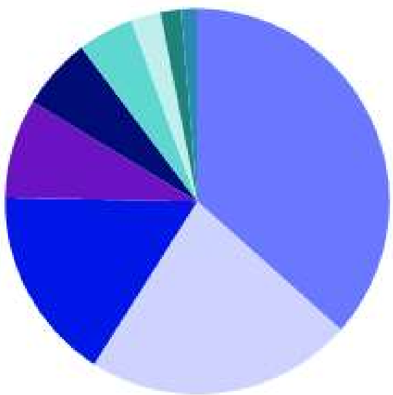
Invested in Underlying Investments



United States	42.1 %	Canada	2.6 %
Global	12.8 %	Spain	2.0 %
France	12.0 %	Poland	1.4 %
United Kingdom	5.9 %	Portugal	1.3 %
China	4.3 %	Japan	1.2 %
Italy	3.4 %	Singapore	1.0 %
Western Europe	3.3 %	Denmark	0.4 %
India	2.9 %	Ireland	0.4 %
Netherlands	2.7 %	Germany	0.3 %

GICS Level 1

Invested in Underlying Investments



Financials	36.5 %
Health Care	22.5 %
Information Technology	16.3 %
Consumer Staples	8.3 %
Consumer Discretionary	6.1 %
Industrials	4.7 %
Materials	2.5 %
Telecommunication Services	1.7 %
Undefined	1.4 %

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Quarterly Report Overview

Oxfordshire Pension Fund

Private Equity Cycle 1
As of March 2021, the drawdown of Cycle 1 increased slightly from the previous quarter. Cycle 1 is still in the investment phase, but the portfolio has maintained above cost with single digit IRR, largely avoided the J-curve since its inception due to its investment in secondaries funds. This will change as other funds in the portfolio start to draw capital to make investments.

Overall, the PE portfolio was relatively resilient, with some underlying portfolio companies affected in the short term while other portfolio companies benefit. With approximately one quarter of the commitments drawn as of March 2021, Cycle 1 portfolio overall experienced less impact from Covid-19 and has significant dry powder to invest in the new environment. The GPs in Cycle 1 are active and currently funding their investments through fund credit facilities. Most are expected to make capital calls throughout 2021.

In terms of fundraising, Covid-19 has slowed down fundraising activities. Nonetheless, NB Strategic Co-Investment Fund IV exceeded its target of $2bn with a final close of $2.1bn. Capital Dynamics Global Secondaries Fund V had a final close at $786m (target was $700m). Ardian Buyout Fund VII closed at €6.5bn, above its target of €6bn. NB Impact Fund raised $277m at its final close. While this is below its target of $300m, NB has made significant progress in Q1 2021.

Overall, all the private equity funds in Cycle 1 are now successfully closed and in full deployment mode.

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Quarterly Report Overview

Oxfordshire Pension Fund

Portfolio Summary (GBP)

	Vintage	Ccy	Amount Committed	Amount Called	Percent Called	Unrealised Value	Realised Value	Total Value	DPI	TVPI	IRR
Primary Funds											
Ardian LBO Fund 07 A	2019	EUR	10,952,877	3,329,485	30.40%	3,251,678	29,350	3,281,029	0.01x	0.99x	(1.44%)
Europe/North America, Buyout,											
Summit Europe Growth 03	2020	EUR	4,605,039	166,468	3.61%	111,254	-	111,254	-	0.67x	(87.77%)
Western Europe, Growth,											
Vespa Capital 03	2020	GBP	9,000,000	227,036	2.52%	(3,052)	-	(3,052)	-	(0.01x)	-%
United Kingdom, Buyout,											
Subtotal:			24,557,915	3,722,989	15.16%	3,359,880	29,350	3,389,230	0.01x	0.91x	(87.77%)
Secondaries Funds											
AlpInvest Secondaries 07	2020	USD	10,229,993	-	0.00%	17,776	-	17,776	-	-	-%
Global, Secondaries,											
Capital Dynamics Global Secondaries V (Feeder)	2018	USD	18,237,106	8,689,070	47.65%	10,303,024	680,700	10,983,724	0.08x	1.26x	20.33%
Global, Secondaries,											
Subtotal:			28,467,100	8,689,070	30.52%	10,320,800	680,700	11,001,499	0.08x	1.27x	20.48%
Co-Investment Funds											
NB PE Impact Fund	2018	USD	22,716,000	10,185,347	44.84%	10,193,892	-	10,193,892	-	1.00x	0.09%
Global, Co-Investment,											
NB SCIOP IV	2019	USD	21,146,469	2,959,811	14.00%	2,649,567	-	2,649,567	-	0.90x	(18.48%)
Global, Co-Investment,											
Subtotal:			43,862,470	13,145,157	29.97%	12,843,459	-	12,843,459	-	0.98x	(2.75%)
Total Portfolio			**96,887,485**	**25,557,217**	**26.38%**	**26,524,139**	**710,051**	**27,234,188**	**0.03x**	**1.07x**	**6.59%**

Portfolio Summary (Fund Currency)

	Vintage	Ccy	Amount Committed	Amount Called	Percent Called	Unrealised Value	Realised Value	Total Value	DPI	TVPI	IRR
Primary Funds											
Ardian LBO Fund 07 A	2019	EUR	12,700,000	3,742,469	29.47%	3,820,722	32,966	3,853,688	0.01x	1.03x	2.93%
Europe/North America, Buyout,											
Summit Europe Growth 03	2020	EUR	5,400,000	184,680	3.42%	130,723	-	130,723	-	0.71x	(83.50%)
Western Europe, Growth,											
Vespa Capital 03	2020	GBP	9,000,000	227,036	2.52%	(3,052)	-	(3,052)	-	(0.01x)	-%
United Kingdom, Buyout,											
Secondaries Funds											
AlpInvest Secondaries 07	2020	USD	14,100,000	-	0.00%	24,500	-	24,500	-	-	-%
Global, Secondaries,											
Capital Dynamics Global Secondaries V (Feeder)	2018	USD	24,400,000	11,238,695	46.06%	14,200,658	913,040	15,113,697	0.08x	1.34x	26.33%
Global, Secondaries,											
Co-Investment Funds											
NB PE Impact Fund	2018	USD	30,300,000	13,029,000	43.00%	14,050,241	-	14,050,241	-	1.08x	8.57%
Global, Co-Investment,											
NB SCIOP IV	2019	USD	29,000,000	3,933,328	13.56%	3,651,898	-	3,651,898	-	0.93x	(12.99%)
Global, Co-Investment,											

DPI = Distributions to Paid In
TVPI = Total Value to Paid In
IRR = Internal rate of return

Quarterly Report Overview

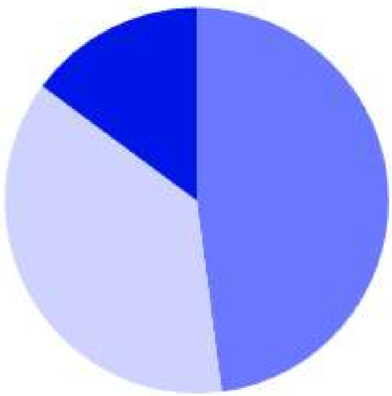
Oxfordshire Pension Fund

Brunel - Private Equity (Cycle 2) Overview	March 31 2021 All figures unless otherwise stated are in GBP
Total Commitments to Brunel Portfolio	70,000,000
Total Commitments to Portfolio Investments	27,348,027
As a percentage of Total Commitments to Brunel Portfolio	39.07%
Amount Called	528,460
As a percentage of Total Committed to Portfolio Investments	1.93%
Number of Fund Investments	4

Performance	All figures unless otherwise stated are in GBP
Amount Called	0.53 million
Amount Distributed	0.00 million
Unrealised Value	0.72 million
Total Value	0.72 million
DPI	0.00x
TVPI	1.37x

Strategy Level

Commitment to Portfolio



	Secondaries	47.9 %
	Co-investment	37.2 %
	Private Equity	14.9 %

Quarterly Report Overview

Oxfordshire Pension Fund

Private Equity Cycle 2
Cycle 2 started in June 2020. As of March 2021, Cycle 2 had committed to 6 funds, approximately halfway towards the target portfolio construction number.

Commitments were made to Genstar X (main fund) and Genstar X Opportunities Fund (co-investment fund) in Q1 2021. There was very strong demand for Genstar funds such that the GP managed to raise $10.2bn for Genstar X and $1.5bn for Genstar X Opportunities Fund in just 4 months, with all LPs being scaled back from their requested commitments.

In terms of fundraising, most of the funds selected for Cycle 2 have closed. AlpInvest Co-Investment Fund VIII, which was in the market for less than 6 months, had a final close on 20 April 2021. LGT Crown Secondaries Fund V has exceeded its target and will close in May 2021.

Both LGT Crown Secondaries V and New Mountain Fund VI had started to call capital in Q1 2021. The GPs have been funding their investments through credit facilities and are expected to call capital throughout 2021.

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Quarterly Report Overview

Oxfordshire Pension Fund

Portfolio Summary (GBP)

	Vintage	Ccy	Amount Committed	Amount Called	Percent Called	Unrealised Value	Realised Value	Total Value	DPI	TVPI	IRR
Primary Funds											
New Mountain 06 *United States, Buyout,*	2020	USD	4,097,785	56,518	1.38%	(23,395)	-	(23,395)	-	(0.41x)	-%
Subtotal:			4,097,785	56,518	1.38%	(23,395)	-	(23,395)	-	(0.41x)	-%
Secondaries Funds											
LGT Crown Global Secondaries V *Global, Secondaries,*	2020	USD	8,204,483	471,943	5.75%	747,080	-	747,080	-	1.58x	1065.71%
Montana Capital Partners OSP V *Global, Secondaries,*	2020	EUR	4,808,511	-	0.00%	-	-	-	-	-	-%
Subtotal:			13,012,993	471,943	3.63%	747,080	-	747,080	-	1.58x	1065.71%
Co-Investment Funds											
AlpInvest Co-Investment 08 *Global, Co-Investment,*	2021	USD	10,237,249	-	0.00%	-	-	-	-	-	-%
Subtotal:			10,237,249	-	0.00%	-	-	-	-	-	-%
Total Portfolio			**27,348,027**	**528,460**	**1.93%**	**723,685**	**-**	**723,685**	**-**	**1.37x**	**519.70%**

Portfolio Summary (Fund Currency)

	Vintage	Ccy	Amount Committed	Amount Called	Percent Called	Unrealised Value	Realised Value	Total Value	DPI	TVPI	IRR
Primary Funds											
New Mountain 06 *United States, Buyout,*	2020	USD	5,650,000	79,922	1.41%	(32,245)	-	(32,245)	-	(0.40x)	-%
Secondaries Funds											
LGT Crown Global Secondaries V *Global, Secondaries,*	2020	USD	11,290,000	632,240	5.60%	1,029,700	-	1,029,700	-	1.63x	1279.47%
Montana Capital Partners OSP V *Global, Secondaries,*	2020	EUR	5,650,000	-	0.00%	-	-	-	-	-	-%
Co-Investment Funds											
AlpInvest Co-Investment 08 *Global, Co-Investment,*	2021	USD	14,110,000	-	0.00%	-	-	-	-	-	-%

DPI = Distributions to Paid In
TVPI = Total Value to Paid In
IRR = Internal rate of return

Quarterly Report Overview

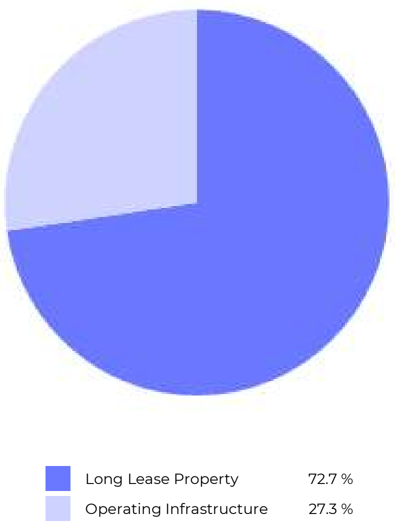
Oxfordshire Pension Fund

Brunel - Secured Income (Cycle 1) Overview	March 31 2021 All figures unless otherwise stated are in GBP
Total Commitments to Brunel Portfolio	60,000,000
Total Commitments to Portfolio Investments	60,000,000
As a percentage of Total Commitments to Brunel Portfolio	100.00%
Amount Called	41,632,683
As a percentage of Total Committed to Portfolio Investments	69.39%
Number of Fund Investments	3

Performance	All figures unless otherwise stated are in GBP
Amount Called	41.63 million
Amount Distributed	0.46 million
Unrealised Value	42.03 million
Total Value	42.49 million
DPI	0.01x
TVPI	1.02x

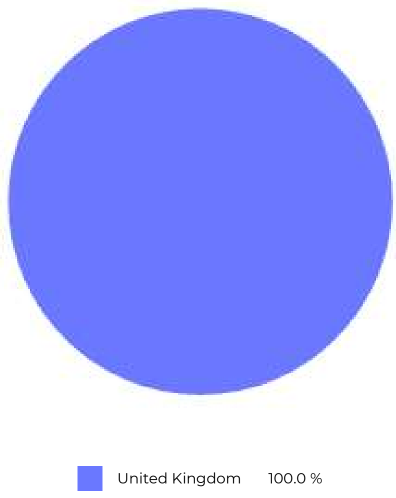
Strategy Level

Commitment to Portfolio



Country

Invested in Underlying Investments



BRUNEL
Pension Partnership

Quarterly Report Overview

Oxfordshire Pension Fund

Secured Income Cycle 1

We are now fully drawn into the ASI Long Lease Property fund, as deployment picked up over the quarter with the purchase of four assets: a government office in Bristol, a London office which is being transformed into a state-of-the-art laboratory, a London hotel, and a Holiday Park ground rent portfolio. As it stands there is no investment queue for the fund and ASI are in discussions with new/existing clients and consultants for further commitments, as a strong pipeline of assets remains. A number of off-market opportunities are being actively tracked and they expect these to come to fruition over the coming months.

Rent for the quarter exceeded 90%. ASI are happy that all outstanding rent will be paid and have no concerns with respect to deferred rents. The manager is currently working closely with ASI's ESG team to improve data collection and they are reviewing the fund's ESG strategy and the potential pathway to carbon neutral.

The M&G Secured Income Property Fund's total returns (net of fees) were 2.40%, 4.44% and 3.75% in the three, six and 12 months to the end of Q1 respectively. Stronger short-term returns have been driven by capital value growth across several of the Fund's high-quality holdings, including supermarkets, offices and the British Car Auctions portfolio.

SPIF's development funding continues to progress towards practical completion (PC). The Anglo American headquarters redevelopment in Farringdon is expected to reach PC in the next few weeks (with £78 million left to fund). The Paddington hotel/aparthotel development is expected to reach PC in September 2021 (£52 million left to fund).

With the gradual easing of Covid-19 restrictions, M&G anticipates that 95% of Q2 2021 rental income will be collected (up from 87% in Q1 2021). The majority of unpaid rent is deferred and is expected to be recovered.

Greencoat Renewable Income made a further £50m commitment to the Greencoat Solar II LP, further diversifying the sector exposure within the GRI fund. Solar II is a well-diversified fund, with around £1bn invested across 92 assets with a generating capacity of 740MW. As a result of the Solar II unitisation, GRI gains exposure to all existing and future assets in the Solar II portfolio as soon as it is invested.

During 2020, the Fund's main priority has been to ensure the wellbeing and safe working practices of its manager's employees, its operation and maintenance service providers, asset managers and the local communities in which the Fund's assets are located. The Manager continues to work closely with relevant industry bodies and is actively engaging stakeholders on risk management strategies.

BRUNEL
Pension Partnership

Quarterly Report Overview

Oxfordshire Pension Fund

Portfolio Summary (GBP)	Vintage	Ccy	Amount Committed	Amount Called	Percent Called	Unrealised Value	Realised Value	Total Value	DPI	TVPI	IRR
Long Lease Property Funds											
ASI Long Lease Property Managed Fund *United Kingdom, Long Lease Property,*	2003	GBP	22,000,000	22,000,000	100.00%	22,359,273	-	22,359,273	-	1.02x	4.86%
M&G Secured Property Income Fund *United Kingdom, Long Lease Property,*	2007	GBP	21,600,000	3,240,000	15.00%	3,285,628	-	3,285,628	-	1.01x	5.84%
Subtotal:			43,600,000	25,240,000	57.89%	25,644,901	-	25,644,902	-	1.02x	4.95%
Operating Infrastructure Funds											
Greencoat Renewable Income *United Kingdom, Operating Infrastructure Eq,*	2019	GBP	16,400,000	16,392,683	99.96%	16,386,070	458,439	16,844,509	0.03x	1.03x	2.43%
Subtotal:			16,400,000	16,392,683	99.96%	16,386,070	458,439	16,844,509	0.03x	1.03x	2.43%
Total Portfolio			**60,000,000**	**41,632,683**	**69.39%**	**42,030,971**	**458,439**	**42,489,410**	**0.01x**	**1.02x**	**3.20%**

DPI = Distributions to Paid In
TVPI = Total Value to Paid In
IRR = Internal rate of return

Quarterly Report Overview

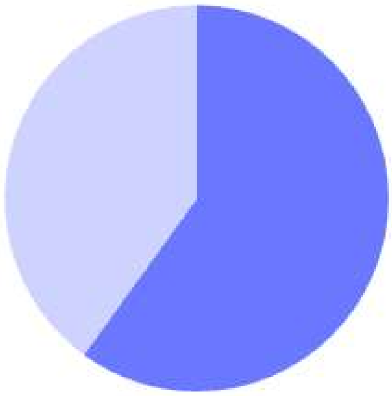
Oxfordshire Pension Fund

Brunel - Secured Income (Cycle 2) Overview	March 31 2021 All figures unless otherwise stated are in GBP
Total Commitments to Brunel Portfolio	40,000,000
Total Commitments to Portfolio Investments	40,000,000
As a percentage of Total Commitments to Brunel Portfolio	100.00%
Amount Called	14,758,334
As a percentage of Total Committed to Portfolio Investments	36.90%
Number of Fund Investments	3

Performance	All figures unless otherwise stated are in GBP
Amount Called	14.76 million
Amount Distributed	0.02 million
Unrealised Value	14.68 million
Total Value	14.70 million
DPI	0.00x
TVPI	1.00x

Strategy Level

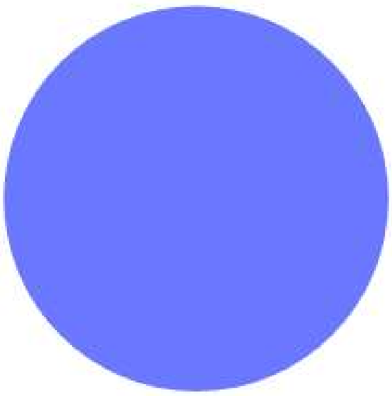
Commitment to Portfolio



Long Lease Property	60.0 %
Operating Infrastructure	40.0 %

Country

Invested in Underlying Investments



United Kingdom	100.0 %

BRUNEL
Pension Partnership

Quarterly Report Overview

Oxfordshire Pension Fund

Secured Income Cycle 2

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Pension Partnership

Quarterly Report Overview

Oxfordshire Pension Fund

Portfolio Summary (GBP)

	Vintage	Ccy	Amount Committed	Amount Called	Percent Called	Unrealised Value	Realised Value	Total Value	DPI	TVPI	IRR
Operating Infrastructure Funds											
Greencoat Renewable Income *United Kingdom, Operating Infrastructure Eq,*	2019	GBP	16,000,000	2,758,334	17.24%	2,681,304	23,436	2,704,740	0.01x	0.98x	(6.13%)
Subtotal:			16,000,000	2,758,334	17.24%	2,681,304	23,436	2,704,740	0.01x	0.98x	(6.13%)
Long Lease Property Funds											
ASI Long Lease Property Managed Fund *United Kingdom, Long Lease Property,*	2003	GBP	12,000,000	12,000,000	100.00%	12,000,000	-	12,000,000	-	1.00x	-%
M&G Secured Property Income Fund *United Kingdom, Long Lease Property,*	2007	GBP	12,000,000	-	0.00%	-	-	-	-	-	-%
Subtotal:			24,000,000	12,000,000	50.00%	12,000,000	-	12,000,000	-	1.00x	-%
Total Portfolio			**40,000,000**	**14,758,334**	**36.90%**	**14,681,304**	**23,436**	**14,704,740**	**-**	**1.00x**	**(6.13%)**

DPI = Distributions to Paid In
TVPI = Total Value to Paid In
IRR = Internal rate of return

BRUNEL
Pension Partnership

Quarterly Report Overview

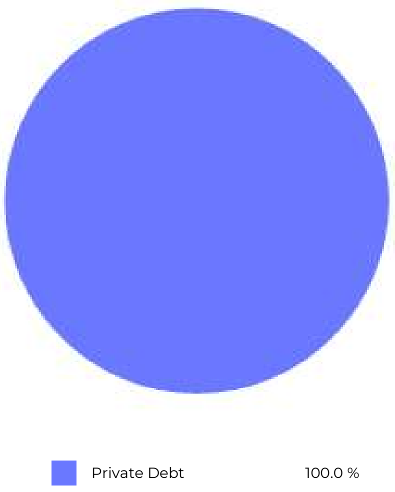
Oxfordshire Pension Fund

Brunel - Private Debt (Cycle 2) Overview	March 31 2021 All figures unless otherwise stated are in GBP
Total Commitments to Brunel Portfolio	70,000,000
Total Commitments to Portfolio Investments	70,000,000
As a percentage of Total Commitments to Brunel Portfolio	100.00%
Amount Called	-
As a percentage of Total Committed to Portfolio Investments	0.00%
Number of Fund Investments	1

Performance	All figures unless otherwise stated are in GBP
Amount Called	0.00 million
Amount Distributed	0.00 million
Unrealised Value	0.00 million
Total Value	0.00 million
DPI	
TVPI	

Strategy Level

Commitment to Portfolio



Quarterly Report Overview

Oxfordshire Pension Fund

Private Debt

The Brunel Private Debt Portfolio for Cycle 2 (2020-2022) launched in March with £945m of commitments from Brunel's clients. It is a dedicated, bespoke fund-of-funds targeting corporate direct lending strategies in Europe and North America. Brunel has partnered with Aksia, a specialist research and advisory firm. Aksia have a highly experienced team who provide extensive market coverage and industry-leading risk and performance analytics. Working together with Aksia, Brunel will allocate to 6-8 specialist managers with complimentary lending strategies such that the overall portfolio of loans is diversified by sector, region, and borrower. Private loans offer an attractive yield relative to the broadly syndicated market, with greater downside protection and a more hands-on approach from lenders.

In March, the Cycle 2 vehicle made its first primary commitment to a European focused fund, ICG Senior Debt Partners IV. ICG are a large established European direct lending manager and this is their 4th fund in the series. They were one of the first movers, launching their Senior Debt Partners series in 2012. Being a first-mover enabled them to build scale before others and they have since developed an edge as a senior lender at the upper-end of the middle market with an emphasis on control of loan structures.

Quarterly Report Overview

Oxfordshire Pension Fund

Client Name: **Oxfordshire Pension Fund**
Fund Name: **Brunel - UK Property**
End Date: **31 March 2021**

Brunel - UK Property Overview	March 31 2021 All figures unless otherwise stated are in GBP
Total Commitments to Brunel Portfolio	140,000,000
Current Value	122,191,814
Drawdowns Outstanding	9,950,000
Number of Fund Investments	16

UK Property

The MSCI/AREF UK Quarterly Property Fund Index is up +1.8% in 1Q 2021, sufficient to return the one-year total return index figure to positive territory (+0.7%). However, this benchmark Index continues to conceal a mixture of quite dramatic positive and negative returns from some of its constituent funds, particularly in specialist sectors, where the demand for industrial space and the lack of demand for non-essential retail space have remained contrasting themes.

The insecurity around ASI's Airport Industrial Property Trust, with over 90% of its assets tenanted by Heathrow Airport cargo/catering operators, has diminished with a successful sale of an £80m asset, which has reduced fund leverage. This, and the receipt of over 95% of rental income during 2020/21, have supported a +14% 12-month return to end-March. Similarly, LGIM's Industrial Property Investment Fund, despite carrying out a significant fund-raise over the last quarter, has returned +15.7% over the last year.

In contrast, both the major shopping centre funds within the index, ASI and Nuveen, have shown further negative returns over the last quarter, leading to one-year total returns of -25.1% and -48% respectively. Both these funds are closed-ended, locking investors into a sector where pricing is uncertain and where a substantial transaction to re-set valuation levels is awaited. The recent reopening of non-essential retail will start to provide metrics footfall and customer spend metrics, which should determine potential future unit rental levels and realistic cashflow projections for the centres.

Between these two extremes, the uncertainties around future demand for office space has led to weak pricing in the secondary market for Nuveen Central London Office Fund and Bentall Greenoak's West End of London Property Unit Trust (previously managed by Schroders). With office vacancy increasing to around 10% in London, tenants are becoming more selective and applying pressure to rental levels. However, rent collection in the sector has been resilient throughout 2020 and quality office space should prove defensive. As more people return to their offices over the summer, management decisions will dictate future demand and supply is likely to adjust to suit.

Brunel is working towards investing a greater proportion of client money in the 22% of the MSCI/AREF UK Quarterly Property Fund Index described as 'Other', where specialist funds seek to capitalise on structural changes within UK society and are focusing on Healthcare, Education, Private Rental and Affordable Housing. Most of Brunel's preferred Balanced Core funds have also targeted these areas as part of their overall portfolio strategies, giving Brunel's clients further exposure to these defensive sectors. Yields are already tightening in affordable housing as investors recognise the benefits of long-term index-linked income streams coupled with the social and environmental attributes of developing quality assets for affordable rental and purchase.

Within Education, Unite Student Accommodation Fund has had a turbulent year, adapting to students studying at home whilst also providing Covid-secure accommodation to those remaining on campus. However, bookings for the 2021/22 academic year are strong and USAF will be returning the distributions held back in 2020 for operational purposes to investors over the next month.

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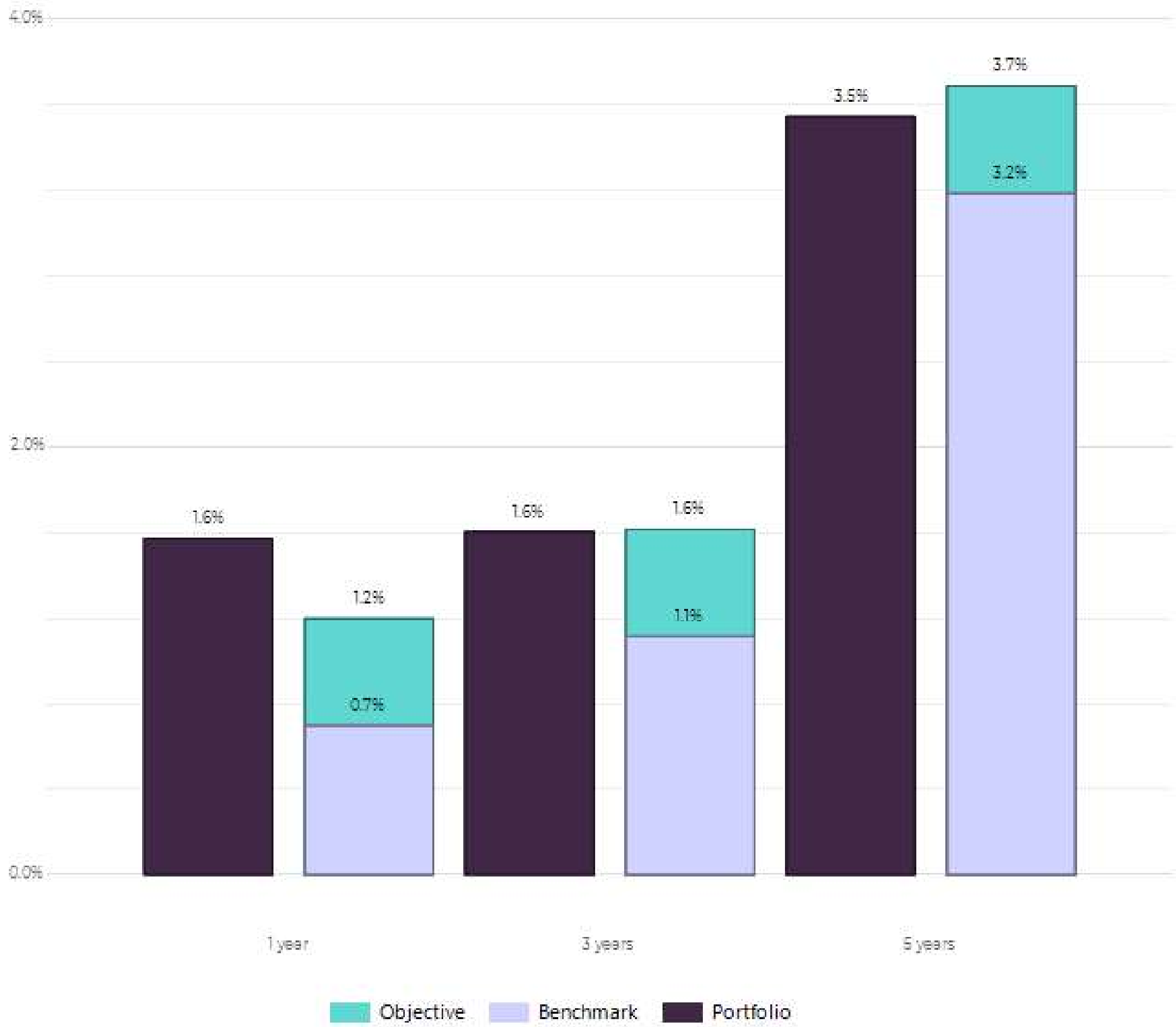
Quarterly Report Overview

Oxfordshire Pension Fund

Portfolio Performance

Client Name: Oxfordshire Pension Fund
Fund Name: Brunel - UK Property
End Date: 31 March 2021



BRUNEL
Pension Partnership

Quarterly Report Overview

Oxfordshire Pension Fund

Client Name: **Oxfordshire Pension Fund**
Fund Name: **Brunel - International Property**
End Date: **31 March 2021**

Brunel - International Property Overview	March 31 2021 All figures unless otherwise stated are in GBP
Total Commitments to Brunel Portfolio	21,000,000
Current Value	22,865,163
Drawdowns Outstanding	-
Number of Fund Investments	3

International Property
The COVID-19 pandemic continues to grip the world and weigh on activity. Extended lockdowns have been enforced across most European countries during the winter months and restrictions are also in place in the US. Asia Pacific is further ahead in the recovery and is returning to more normal life in many parts, although some localised lockdowns have been needed to combat the virus, such as in Sydney, Australia.

After allowing for seasonal effects, the Americas are showing a sharp pick-up in underlying activity and Asia Pacific also rose, albeit less dramatically. However, transactions in EMEA are struggling, reflecting tougher lockdown restrictions in the region which is impinging on activity.

Based on valuations data released so far by MSCI and NCREIF, for Canada, Ireland, the US and the UK, office capital values showed single digit falls for 2020 overall. In addition, retail values showed larger, double-digit falls, while industrial capital values showed single digit increases. At the Global All Property level, real estate values fell 2-3% in 2020 on a valuation basis. This would give a small positive total return on global real estate for the year.

There is significant uncertainty over the impact that more flexible working arrangements will have on offices in the medium-term once the pandemic has passed. In retail, further falls in capital values are expected as structural change of online shopping alters the retail landscape drastically. Hence, for offices and retail, the investment opportunities which exist are likely to be asset specific. In contrast, at the market level, industrial and logistics are expected to continue to perform well, fuelled by strong occupier demand pushing rents higher and heightened investor demand compressing yields. Multifamily also presents an option in regions where it is an institutional asset class. Niche and specialist sectors have the potential to grow and deliver good investment performance. This includes areas such as data centres, laboratory space, medical offices and affordable housing.

Brunel, supported by its property adviser, Aon Townsend, is currently focusing investment on specialist funds in the US, specifically industrial, residential and medical offices opportunities.

BRUNEL
Pension Partnership

Quarterly Report Overview

Oxfordshire Pension Fund

Portfolio Detail

Client Name: Oxfordshire Pension Fund

Fund Name: Brunel - UK Property

End Date: 31 March 2021

Holding	Country of Jurisdiction	Cost (GBP)	Market Value (GBP)	LTM Income (GBP)
Aviva Investors Pensions Ltd Property Fund B	United Kingdom	3,240,000	6,201,762	-
BlackRock UK Property Fund	Jersey	11,697,406	14,160,519	402,675
CBRE UK Property PAIF	United Kingdom	10,792,047	10,906,508	-
Columbia Threadneedle Pension Property Fund	United Kingdom	2,678,909	5,461,836	-
Threadneedle Property Unit Trust	Jersey	3,648,782	4,422,408	121,694
Hermes Property Unit Trust	United Kingdom	9,140,725	11,696,072	251,286
Industrial Property Investment Fund	United Kingdom	10,147,320	11,904,804	269,229
Lothbury Property Trust	Ireland	4,504,681	5,749,650	159,641
M&G UK Property Fund	United Kingdom	465,417	4,972,224	214,575
Nuveen UK Property Fund	Jersey	3,002,108	3,272,935	28,060
Nuveen UK Retail Warehouse Fund	United Kingdom	5,394,887	1,568,097	146,028
Rockspring Hanover PUT	United Kingdom	9,360,191	9,551,688	334,337
PGIM UK Affordable Housing	Luxembourg	50,000	50,000	-
Schroder UK Real Estate Fund	United Kingdom	10,819,333	13,346,184	222,145
UBS Triton Property Unit Trust	United Kingdom	7,453,099	7,484,761	118,086
Unite UK Student Accommodation Fund	United Kingdom	9,790,940	11,442,366	-
		102,185,845	**122,191,814**	**2,267,757**

BRUNEL
Pension Partnership

Quarterly Report Overview

Oxfordshire Pension Fund

Investment Activity

Client Name: Oxfordshire Pension Fund
Fund Name: Brunel - UK Property
Start Date: 01 January 2021
End Date: 31 March 2021

Acquisitions

Date	Investment	Currency	Acquisition Amount GBP
08 February 2021	PGIM UK Affordable Housing	GBP	50,000
26 February 2021	Hermes Property Unit Trust	GBP	5,000,006
01 March 2021	CBRE UK Property PAIF	GBP	10,792,047
TOTAL:			**15,842,053**

Investment Activity

Client Name: Oxfordshire Pension Fund
Fund Name: Brunel - UK Property
Start Date: 01 January 2021
End Date: 31 March 2021

Disposals

Date	Investment	Currency	Disposal Amount GBP
26 February 2021	M&G UK Property Fund	GBP	68,627
TOTAL:			**68,627**

BRUNEL
Pension Partnership

Quarterly Report Overview

Oxfordshire Pension Fund

Cashflow History

Client Name: Oxfordshire Pension Fund
Fund Name: Brunel - UK Property
Start Date: 01 January 2021
End Date: 31 March 2021

Date	Holding	Curr	Payments (GBP)
Cash Drawdown			
08 February 2021	PGIM UK Affordable Housing	GBP	50,000
26 February 2021	Hermes Property Unit Trust	GBP	5,000,006
01 March 2021	CBRE UK Property PAIF	GBP	10,792,047
			15,842,053
Cash Refund			
05 February 2021	Hermes Property Unit Trust	GBP	(481)
			(481)
TOTAL:			**15,841,573**

Date	Holding	Curr	Income (GBP)	Gains (GBP)
Cash Distribution				
20 January 2021	BlackRock UK Property Fund	GBP	41,129	
22 January 2021	Industrial Property Investment Fund	GBP	72,696	
28 January 2021	Nuveen UK Property Fund	GBP	7,513	
29 January 2021	Lothbury Property Trust	GBP	42,220	
04 February 2021	M&G UK Property Fund	GBP	55,980	
15 February 2021	Hermes Property Unit Trust	GBP	64,997	
22 February 2021	BlackRock UK Property Fund	GBP	36,668	
26 February 2021	M&G UK Property Fund	GBP		68,627
22 March 2021	BlackRock UK Property Fund	GBP	33,475	
			354,678	**68,627**
TOTAL:			**354,678**	**68,627**

Quarterly Report Overview

Oxfordshire Pension Fund

Portfolio Detail

Client Name: Oxfordshire Pension Fund

Fund Name: Brunel - International Property

End Date: 31 March 2021

Holding	Country of Jurisdiction	Cost (GBP)	Market Value (GBP)	LTM Income (GBP)
CBRE Global Invest Pan European	Luxembourg	4,823,414	6,105,574	100,159
LaSalle Encore Fund A Euro	Luxembourg	6,824,035	7,710,086	95,193
Nuveen European Outlet Mall Fund	Luxembourg	4,607,160	9,049,503	60,984
		16,254,610	22,865,163	256,336

Quarterly Report Overview

Oxfordshire Pension Fund

Investment Activity

Client Name:	Oxfordshire Pension Fund
Fund Name:	Brunel - International Property
Start Date:	01 January 2021
End Date:	31 March 2021

No acquisitions during period

Investment Activity

Client Name:	Oxfordshire Pension Fund
Fund Name:	Brunel - International Property
Start Date:	01 January 2021
End Date:	31 March 2021

No disposals during period

BRUNEL
Pension Partnership

Quarterly Report Overview

Oxfordshire Pension Fund

Cashflow History

Client Name: Oxfordshire Pension Fund
Fund Name: Brunel - International Property
Start Date: 01 January 2021
End Date: 31 March 2021

No Payments in this Period

Date	Holding	Curr	Income (GBP)	Gains (GBP)
Cash Distribution				
15 March 2021	Nuveen European Outlet Mall Fund	EUR	60,984	
24 March 2021	CBRE Global Invest Pan European	EUR	36,812	
26 March 2021	LaSalle Encore Fund A Euro	EUR	47,833	
			145,629	
TOTAL:			**145,629**	

OXFORDSHIRE COUNCIL PENSION FUND – 11 JUNE 2021

OVERVIEW AND OUTLOOK FOR INVESTMENT MARKETS

Report by the Independent Financial Adviser

Economy

1. The US economy registered strong 1.6% growth in the first quarter of 2021, and the Fed raised its full-year growth forecast to 6.5%, but in Continental Europe GDP contracted for the second successive quarter as coronavirus restrictions were tightened. Despite a fall of 1.5% in GDP in the first quarter, the successful rollout of vaccinations in the UK has allowed the Bank of England to increase its growth forecast for 2021 from 5% to 7.5%.

Consensus real growth (%)						**Consumer prices latest (%)**
	2017	**2018**	**2019**	**2020**	**2021E**	
UK	+1.6	+1.4	+1.4	-9.9	+5.1	+0.7 (CPI)
USA	+2.3	+2.9	+2.3	-3.6	+5.5	+4.2
Eurozone	+2.3	+1.9	+1.2	-7.6	+4.1	+1.6
Japan	+1.7	+0.7	+0.7	-5.3	+2.7	-0.1
China	+6.8	+6.6	+6.1	+1.9	+8.5	+0.4

[2021 estimates: Economist Intelligence Unit, ‘Economist’ May 8th, 2021]

2. The US Congress passed a $1.9trn spending package in February, and President Biden has since proposed a $2.3trn infrastructure spending bill and a $1.8trn expansion of the social security safety net. Meanwhile the Federal Reserve has maintained its $120bn/month asset purchase programme.

3. In the UK Budget on March 3rd, the Chancellor announced no immediate tax rises, but said that personal income tax thresholds would be frozen for four years from April 2022, and that Corporation Tax would rise from 19% to 25% in April 2023. Government borrowing reached £350bn in the tax year, and is still expected to be £234bn (10.3% of GDP) in the coming year as Covid support funding continues.

Markets
<u>Equities</u>

4. Equities rose steadily during the quarter, notably in those regions where the incidence of new coronavirus cases was tapering off as a result of vaccinations and lockdown measures. Several markets (including the US – see graph below) have surpassed their pre-pandemic peak levels. The extent to which the UK market has under-performed against Overseas equities during the past three years is apparent from the following table.

	Capital return (in £, %) to 31.3.21			
Weight %	Region	**3 months**	**12 months**	**36 months**
100.0	**FTSE All-World Index**	**+3.4**	**+36.8**	**+35.1**
59.1	FTSE All-World North America	+4.5	+40.3	+53.9
7.2	FTSE All-World Japan	+0.3	+23.7	+14.3
14.0	FTSE All-World Asia Pac ex Japan	+1.7	+41.5	+22.9
13.4	FTSE All-World Europe (ex-UK)	+2.0	+31.6	+16.5
4.1	FTSE All-World UK	+4.1	+18.9	**-4.6**
11.3	FTSE All-World Emerging Markets	+1.6	+37.4	+14.7

[Source: FTSE All-World Review, March 2021]

5. The resurgence in the prices of oil and minerals has boosted the Energy and Basic Materials sectors, while Technology has declined from its peak level.

	Capital return (in £, %) to 31.3.21		
Weight %	**Industry Group**	**3 months**	**12 months**
4.1	Basic Materials	+4.8	+57.3
22.0	Technology	+2.8	+53.9
13.6	Industrials	+5.4	+49.4
15.8	Consumer Discretionary	+0.8	+39.0
100.0	**FTSE All-World**	**+3.4**	**+36.8**
6.3	Consumer Staples	+1.2	+36.4
14.3	Financials	+7.4	+32.8
3.6	Energy	+14.1	+31.2
2.8	Real Estate	+3.7	+16.5
11.0	Health Care	-1.3	+14.2
3.5	Telecommunications	+2.8	+8.4
3.0	Utilities	-0.8	+7.9

[Source: FTSE All-World Review, March 2021]

6. The UK saw a continuation of the recent pattern of the smaller-capitalised stocks outperforming the larger companies.

(Capital only %, to 31.3.21)	**3 months**	**12 months**	**36 months**
FTSE 100	**+3.9**	**+18.4**	**-4.9**
FTSE 250	**+5.0**	**+42.5**	**+10.6**
FTSE Small Cap	**+9.1**	**+59.1**	**+21.2**
FTSE All-Share	**+4.3**	**+23.3**	**-1.6**

[Source: Financial Times]

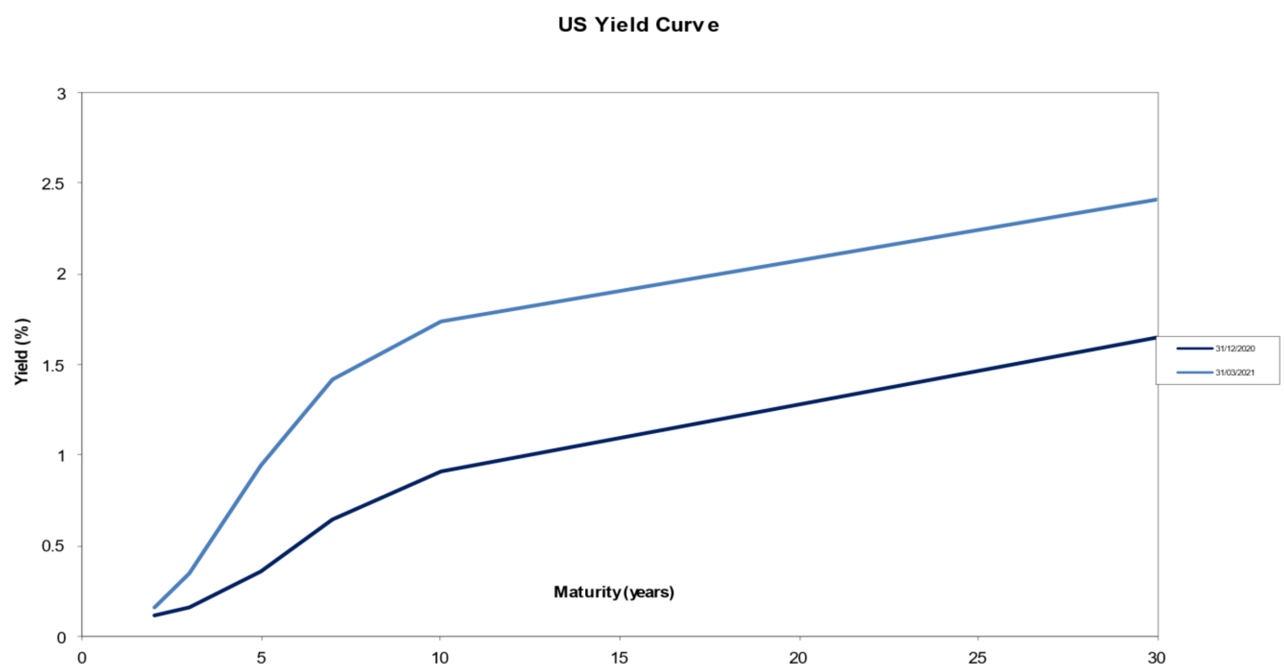
Bonds

7. The scale of the US Government spending plans passed and proposed has awakened fears that inflation will return, with the Fed still committed to its policy of low interest rates and quantitative easing. This in turn has caused a sharp rise in

the US Treasury yield curve, as shown in the graph below. This rise in yields has been mirrored in the UK and European bond markets.

10-year government bond yields (%)					
	Dec 2018	**Dec 2019**	**Sept 2020**	**Dec 2020**	**Mar 2021**
US	2.68	1.92	0.69	0.92	1.72
UK	1.14	0.73	0.23	0.20	0.84
Germany	0.24	-0.19	-0.52	-0.58	-0.01
Japan	-0.01	-0.02	0.01	0.02	0.01

[Source: Financial Times]



Currencies

8. The pound strengthened slightly against the dollar and more sharply against the euro and the yen during the quarter.

				£ move (%)	
	31.3.20	**31.12.20**	**31.3.21**	**3m**	**12m**
$ per £	1.24	1.367	1.38	+1.0	+11.3
€ per £	1.13	1.117	1.174	+5.1	+3.9
Y per £	1.339	141.13	152.46	+8.0	+13.9

Commodities

9. The oil price rose by 25% during the quarter, reaching $64 in March, and copper and iron ore prices rose to record levels in May as industrial demand recovered.

Property

10. Capital values in UK Property have fallen during the past year, so that it is only the rental yield which has pushed total returns into positive ground. Total returns over the past 3 and 12 months in the UK Balanced Funds category (in %) were:

	3 months	12 months
Top quartile	**+2.6**	**+3.4**
Median	**+2.0**	**+2.3**
Lower quartile	**+1.3**	**+1.2**

[Source: Association of Real Estate Funds, March 2021].

Outlook

11. Although the threat of the pandemic appears to be receding in some parts of the world, the devastating situation in India, as well as in other countries, shows that there is a continuing need for wider dissemination of vaccines and optimism about the resumption of travel and commerce will need to be tempered with caution.

12. The scale of the additional spending proposed by the US Administration, taken with the commitment of the Federal Reserve to low interest rates and quantitative easing, has heightened fears of rising inflation, which could necessitate higher interest rates and bond yields. This has caused nervousness in equity and bond markets, and is likely to remain a concern as economic growth accelerates during the remainder of the year.

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[Graphs supplied by Legal & General Investment Management]