Public Document Pack

OXFORDSHIRE COUNTY COUNCIL

To: Members of the Pension Fund Committee

Notice of a Meeting of the Pension Fund Committee

Friday, 10 June 2022 at 10.15 am*

Please Note – there will be a training session immediately before the Committee, starting at 9:30am

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

If you wish to view proceedings online, please click on the link shown on the website.

Stephen Chandler
Interim Chief Executive

May 2022

Committee Officer: ***Khalid Ahmed***
Tel: 07990 368048; E-Mail: khalid.ahmed@oxfordshire.gov.uk

Membership

Chairman – Councillor Bob Johnston
Deputy Chairman – Councillor Kevin Bulmer

County Councillors (Voting Members)

Imade Edosomwan **Sally Povolotsky** **Eddie Reeves**

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

Notes:

- ***Date of next meeting: 9 September 2022***

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. Apologies for Absence and Temporary Appointments

2. Declarations of Interest - see guidance note

3. **Minutes** (Pages 1 - 14)

To approve the minutes of the meeting held on 4 March 2022 and to receive information arising from them.

4. Petitions and Public Address

Members of the public who wish to speak at this meeting can attend the meeting in person or 'virtually' through an online connection. To facilitate 'hybrid' meetings we are asking that requests to speak are submitted by no later than 9am four working days before the meeting i.e., 9am on Monday 6 June 2022. Requests to speak should be sent to khalid.ahmed@oxfordshire.gov.uk If you are speaking 'virtually', you may submit a written statement of your presentation to ensure that if the technology fails, then your views can still be taken into account. A written copy of your statement can be provided no later than 9am 2 working days before the meeting. Written submissions should be no longer than 1 A4 sheet.

5. **Minutes of the Local Pension Board** (Pages 15 - 20)

10:20

A copy of the unconfirmed Minutes of the Local Pension Board, which met on 22 April 2022 is attached for information only.

6. **Report of the Local Pension Board** (Pages 21 - 22)

10:25

The report sets out the items the Local Pension Board wishes to draw to the attention of this Committee following their last meeting in April 2022

The Committee is RECOMMENDED to note the comments of the Board as set out below, and that for the first time since the inception of quarterly reporting, the Board had no significant issues it wished to bring to the attention of the Committee.

7. Review of the Annual Business Plan 2022/23 (Pages 23 - 30)

10:30

Report of Director of Finance

This report provides an update on progress against the key priorities set out in the Annual Business Plan for 2022/23.

The Committee is RECOMMENDED to

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

8. Actuarial Valuation 2022 (Pages 31 - 70)

10:50

The Fund Actuary will present a report on the 2022 Valuation and seek the agreement of the Committee to the financial and demographic assumptions to be used within the Valuation process.

The Committee is RECOMMENDED to endorse the assumptions recommended by the Fund Officers and Fund Actuary for the 2022 triennial valuation of the Oxfordshire County Council Pension Fund, including the small increase in level of prudence.

9. Report from the Climate Change Working Group (Pages 71 - 94)

11:10

Report by Director of Finance

This report will provide a summary of the discussions held by the Climate Change Working Group at their meeting on 5 May 2022.

The Committee are RECOMMENDED to note the progress to date, the proposed future work programme and to agree the Engagement Policy and ask Officers to use this as the basis for negotiations with the Brunel company and the other 9 Funds within the Brunel Pension Partnership in developing an Engagement Policy for the Partnership as a whole.

10. **Risk Register** (Pages 95 - 104)

11:40

Report by Director of Finance

This 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 latest risk register and accept that the risk register covers all key risks to the achievement of their statutory responsibilities, and that the mitigation plans, where required, are appropriate*.**

11. **Administration Report** (Pages 105 - 118)

11:50

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

The Committee is RECOMMENDED to

a) approve the temporary increase to establishment of 6 temporary FTE

b) agree that current standards are moving towards an acceptable level, and that the additional staffing sought should are reasonable to address the shortfall in performance.

c) agree the write off of £16.78

12. **Changes to the Constitution of the Pension Fund Committee** (Pages 119 - 122)

12:10

Report by Director of Finance

This report sets out a revised set of proposed changes to the Constitution of the Pension Fund Committee to those initially agreed in September 2019, and invites the Committee to recommended them to Council via the Audit and Governance Committee for adoption.

The Committee is RECOMMENDED to note the content of the report and:

a. Agree to amend their Governance Policy to mandate all Members of the Committee to complete training in line with the

Training Policy as set out in paragraph 18 below;

b. ***Agree that only named substitutes allowed where they have completed training in line with the Training Policy; and***

c. ***Recommend Council via the Audit and Governance Committee to make the appropriate changes to the Terms of Reference and Constitution to formalise the new governance arrangements*.**

13. Report of the Independent Financial Advisor (Pages 123 - 238)

12.20

This report covers an overview of the financial markets, the overall performance of the Funds investments against the Investment Strategy Statement and commentary on any issues related to the specific investment portfolios. The report includes the standard quarterly investment performance monitoring reports.

14. EXEMPT ITEMS

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

THE REPORTS RELATING TO THE EXEMPT ITEMS HAVE NOT BEEN MADE PUBLIC AND SHOULD BE REGARDED AS STRICTLY PRIVATE TO MEMBERS AND OFFICERS ENTITLED TO RECEIVE THEM.

15. Report from the Climate Change Working Group - Exempt annex (Pages 239 - 242)

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)

Annex 1 to this report is a draft statement prepared by The Investor Agenda and is confidential at this stage until it has been agreed with all potential signatories and formally published. 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 to do so would prejudice the on-going negotiations between the parties to the Statement and the impact of the Statement on its formal release, which in turn would prejudice the Authority's ability to deliver its stated policy aims

16. Additional Voluntary Contributions - Update (Pages 243 - 248)

12:50

Report by Director of Finance

This report sets out the latest review of the provision of AVC services to the Pension Fund and seeks the Committee's views of future arrangements.

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 Scheme Provider involved and would prejudice the Administering Authority in negotiating new commercial arrangements and therefore their ability to properly discharge their statutory duties and their fiduciary duty to scheme members.

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PENSION FUND COMMITTEE

MINUTES of the meeting held on Friday, 4 March 2022 commencing at 10.00 am and finishing at 1.15 pm

Present:

Voting Members:	Councillor Bob Johnston – in the Chair Councillor Kevin Bulmer (Vice-Chair) Councillor Imade Edosomwan Councillor Nick Field- Johnson (Substitute Member for Councillor Eddie Reeves) Councillor Sally Povolotsky
Non-Voting Members:	Steve Moran (Pension Scheme Member) Alistair Fitt (Oxford Brookes University) (Remotely attended) District Councillor Jo Robb (District Councils) (Remotely attended)
By Invitation:	Tim Dickson (Client Relations Manager – Brunel) Liz McKenzie (Shareholder Non-Executive Director - Brunel) Philip Hebson (Independent Financial Adviser) David Vickers (Chief Investment Officer – Brunel)
Local Pension Board Members:	Alistair Bastin (Remotely attended) Stephen Davis (Remotely attended) Angela Priestley – Gibbins (Remotely attended)
Officers:	Lorna Baxter (Director of Finance) Sean Collins (Service Manager Pensions Insurance and Money Management) Sally Fox (Pension Services Manager) ((Remotely attended) Gregory Ley (Financial Manager- Pension Fund Investment) Khalid Ahmed (Law and Governance)

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

1/22 APOLOGIES FOR ABSENCE AND TEMPORARY APPOINTMENTS

(Agenda No. 1)

An apology for absence was submitted by Councillor Eddie Reeves (Councillor Nick Field-Johnson substituted).

2/22 MINUTES
(Agenda No. 3)

The Minutes of the meeting held on 3 December 2021 were approved and signed.

3/22 PETITIONS AND PUBLIC ADDRESS
(Agenda No. 4)

Mr Gillott attended the meeting and addressed the Committee on behalf of the Staff Climate Action Group.

"The Staff Climate Action Group is an informal forum for OCC staff from any directorate that meets on the last Tuesday of every month to hear updates on the council's climate agenda and find ways to work together to address the climate crisis. Members of the group champion climate action within their individual teams and welcome the opportunity to focus on supporting the Pension Fund Committee to be as ambitious as possible in their endeavours to address the climate emergency.

International experts agree that burning fossil fuels created the climate emergency, therefore there is considerable interest amongst the Staff Climate Action Group in the investment decisions of the Pension Fund Committee (PFC). Thank you to Sean Collins, the Pensions Service Manager, who accepted our invitation and attended our March 2021 meeting to brief the group on the committee's progress in relation to climate risk.

We would like to congratulate the PFC for its decision last year to opt for Paris Aligned Benchmarks for 15% of the fund in passive equities, thereby effectively excluding investments in fossil fuel companies. We note that this decision to divest this part of the fund from fossil fuel (and tobacco) companies will have no financial impact on the fund. We also applaud the PFC for achieving a 17% reduction in emissions across its measurable investments, and fully support the aim to decarbonise the whole fund.

The decision over passive equities raises the question of the place of investments in fossil fuel companies in the remaining 85% of the fund. In our communications with Sean Collins, he has raised the problem of a lack of standard definition of a fossil fuel company. He mentions that Brunel continues to work with Governments and within the investment industry to develop standard definitions which will improve the level of reporting going forward, including the use of the criteria developed for the new Paris Aligned Benchmark to assess the investments held by the LGPS's active fund managers. Sean states that this benchmark excludes a number of companies based on the revenue earned from the exploration, extraction and processing of coal, oil and gas as well as a number of energy companies based on the carbon intensity of their operations.

We ask the PFC to provide a report for this group on progress with the development of definitions of fossil fuel companies, the time frame/dates for the adoption of the Paris Aligned Benchmark, and as the definition becomes clear, the funds' holdings in fossil fuel companies. In the meantime, we welcome the development of a listing of all investments on the pensions website and would like to request that we are sent such a listing.

We understand that there is also no standard definition of a climate positive company. However, we are interested in any examples of investments in such things as renewable technologies and sustainable housing particularly if this is specifically made as part of the Fund's present climate policy. Oxfordshire Fair Deal Alliance has made the climate emergency its number one priority. From recent national polls we know that there is widespread support for action. A YouGov poll earlier this year found just 12% of the UK public were in favour of fossil fuel investments from pension funds. Polling from NEST in 2020 found that 65% of pension savers believed their pension should be invested in a way that reduced the impact of climate change.

From Sean's presentation we understand that the PFC's current position is that it is better to engage with companies to encourage them to change rather than divest from a whole investment sector (though the recent decision to divest its passive funds from fossil fuels may suggest a shift in thinking). Scientists say that 60% of current oil and gas reserves (and 90% of coal) must remain underground to meet the IPCC's 1.5 degree target, which means that fossil fuel companies must change their business plans and stop exploring for and developing new reserves. If the PFC's position favours engagement in rather than blanket divestment from fossil fuel companies for the remainder of the fund, the Staff Climate Action Group would like to ask for a report on the requirements being placed on fossil fuel companies to halt exploration for and development of new reserves, the timeframes for compliance and the consequences of non-compliance.

We urge the PFC to continue along a path to address climate risk in all of its investment decisions. When we asked Sean about the potential for bringing forward the 2050 target for making the fund carbon neutral, and help us to understand the barriers that would, for example prevent the fund being aligned to the council's more ambitious 2030 target (or failing that an interim target such as 2040), he responded that 'as a global investor with a wish to drive real world change to deliver a sustainable future (rather than simply aiming to de-carbonise our own investments without delivering real world change, and therefore leaving the Fund exposed to the same long term risks around the sustainability of the world as we currently recognise it) our timescales are heavily influenced by international responses.' We understand this position in relation to target dates and applaud the aspiration of the Committee for setting its sights on 'real world change' rather than simply on financial returns. In light of the latest UN report announcing a 'code red for humanity', we are keen for updates on how the Pension Fund Committee is progressing with its agenda for achieving real world change and ask that the target date for a carbon neutral fund be kept under review.

Sean Collins has mentioned ways in which the Pension Fund Committee is striving to be transparent and provide information, for example through the Pension Fund web pages. As we have already found out in our email correspondence with Sean this is a complex area with potentially huge risks and benefits, which is why we value opportunities to hear directly from Sean to ask questions for clarity. We would therefore like to ask him to attend our group to provide biannual updates to provide a feedback loop between staff and the PFC.

In summary, we would like to ask Sean Collins to attend a meeting in the near future to provide us with;

• A report on progress with the development of definitions of fossil fuel companies and climate positive companies, and the time frame for the adoption of the Paris Aligned Benchmark

• A PFC report with a clear breakdown of all holdings, with any which have been specifically invested in as "Climate Solutions" highlighted

• A report on the requirements being placed on fossil fuel companies to halt exploration for and development of new reserves, the timeframes for compliance and the consequences of non-compliance."

4/22 MINUTES OF THE LOCAL PENSION BOARD
(Agenda No. 5)

The unconfirmed Minutes of the Local Pension Board, which met on 21 January 2021 were noted.

5/22 REPORT OF THE INDEPENDENT FINANCIAL ADVISOR
(Agenda No. 6)

Mr Philip Hebson, the Independent Financial Adviser attended the meeting and presented his report.

The Committee was provided with a summary and was informed that the value of the Fund in the quarter had risen to £3.38bn, which was an increase of £160m compared to the end September value of £3.22bn. The Fund had produced a return of 5.1% over the quarter, which was 0.4% ahead of the benchmark.

Members were informed that in relation to performance against benchmark there was not any standout highlights to report in public markets. Reference was made to negative performance against the Global High Alpha Equity portfolio, which due to another poor quarter from Baillie Gifford, although performance since inception remained well above benchmark.

Over a 12-month period the Fund recorded a healthy positive relative return against the benchmark of 1.3%. The Fund had performed ahead of benchmark over the three, five and ten year periods.

Reference was made to developments in the Ukraine and the possible implications in the short term on performance of the Fund. In addition, forecasts for higher inflation and higher energy prices would impact.

Members were informed that the Independent Adviser had been provided with considerable reassurance about the thorough process in the creation of Brunel's sub funds that was followed in the appointment of the investment managers. However, Members were informed that more detailed performance information was required from Brunel which would help with the understanding of the structure of each sub fund, including performance attribution for each manager.

Discussion took place on the duty of the Committee to protect the Oxfordshire Pension Fund, particularly during this period of economic uncertainty and whether assets should be moved to more conservative commodities. It was agreed that this would be looked at the next meeting of the Committee.

RESOLVED - That approval be given to the following:

(i) allocation to Private Equity being increased from 9% to 10%,
(ii) Infrastructure increased from 3.0% to 5.0%,
(iii) Private Debt is increased from 3.0% to 5.0%,
(iv) allocation to Multi Asset (DGF) is removed (5.0% to 0%),
(v) and that Officers are instructed to make allocations to the cycle 3 private markets accordingly. The total allocation to Alternatives would remain at 33% of Fund investments.

6/22 PRESENTATION FROM DAVID VICKERS, CHIEF INVESTMENT OFFICER AT BRUNEL

(Agenda No. 7)

David Vickers, Chief Investment Officer, Tim Dickson the Client Relations Manager and Liz McKenzie the Shareholder Non-Executive Director at Brunel all attended the meeting to present Brunel's Performance Report for Quarter ending 31 December 2021.

The Committee was informed that the situation in Ukraine would have implications on the Fund investments for the short term, and that Brunel had made the decision to not make any new investments in Russian assets, and to dis-investment from any current Russian assets wherever feasible to do so. David Vickers confirmed that this decision was made on investment/fiduciary duty grounds.

Reference was made to the need for contingency plans for the Fund's investments if the war in Ukraine spreads.

Discussion took place on the long-term impact of the sanctions against Russia and the implications on investment governance and risk of stranded Russian assets. Overall, as a long-term investor, it was believed that the Pension Fund could ride out any short-term volatility in asset values with the exception of the Russian assets previously discussed where long-term value could remain close to nil.

David reminded the Committee of the Strategic objectives for Brunel which were:-

- Offering a client driven range of products and services to ensure our 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. Total fees are £13mn lower vs pre-pooling. Total Investment Management fees are 14bps lower than the market. Targeting cumulative net savings of £550m to 2036.

The Committee was provided with Cost Transparency Initiative data for 2019-21 for Brunel compared to the market average:-

- Management Fees - 21 basic points (bps), (market average 35 bps)
- Total Investment costs - 43 bps, (market average 62 bps)
- Pool-level transaction costs 16 bps, (market average 18 bps).

Information was provided on the Portfolio launches and Members were informed there were 17 listed market portfolios and private market portfolios across 5 asset classes.

Global High Alpha:-

- Targets benchmark plus 2% - 3% excess return
- High conviction fund, 5 managers and range of styles
- Expect volatility at individual manager level
- Benchmark agnostic, fundamental stock selection
- Bias tilt against value and towards growth
- Underweight energy and utilities; low carbon intensity
- Overweight IT, consumer stocks
- Very strong outperformance since launch

Global Sustainable Equity:-

- Targets benchmark plus 2% excess return
- Originally 3 managers now 5 with deeply integrated RI metrics throughout the process
- The portfolio will use a broader strategy consideration of environmental and social sustainability to identify companies and investment themes able to succeed in the long term by contributing to society
- Maximise exposure to "positive pursuit" companies
- Primarily growth focussed
- Anti value bias, very little in Energy and Banking sector
- Carbon intensity is well below benchmark, but it is nuanced. Orsted for example has a high carbon intensity because of its turbines.

Active UK Equity:

- Targets 2% excess return
- Combines quant and fundamental approaches in its allocation via Baillie Gifford and Invesco
- Style neutral but with a quality tilt
- Fund is underweight oil & gas sectors
- Carbon intensity is below benchmark

Emerging Markets:-

- Targets benchmark plus 2% 3% excess return
- Balance of investment styles across 3 managers
- Alpha drivers based on quality and stock selection
- Country skew underweight 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

Multi - Asset Credit:-

- Targeting excess return of 4% over the risk free rate
- 3 managers
- A relatively new fund launched in 2021
- Designed to gain exposure to enhanced credit opportunities with low interest rate sensitivity
- Incorporates; High Yield, Loans, Convertibles, Asset Backed Securities, Emerging market bonds.
- Average portfolio rating BB-
- Effective duration 2.68
- Yield to Worst 4.98%
- Managers are mandated to develop their ESG reporting

Sterling Corporate Bonds:-

- Targets benchmark plus 1% excess return
- New fund launched in 2021
- 1 Manager Royal London
- RLAM's returns have been consistently driven by credit selection.
- Modified duration 7.69
- 46% of bonds are secured versus 19% on the benchmark

Passive Developed Paris aligned:-

- Passive exposure to the FTSE PAB index
- Launched November 2021.
- Index carbon exposure starting point is 50% below equivalent FTSE index
- Targets further 7% annual decline in carbon footprint.

Private Market Progress highlights - AUM

- £4bn of ‘new money’ commitments to new investments as part of Brunel PM Portfolio offerings (cycles 1 + 2 combined)
- Money will be invested over the next 4-5 years
- £ 1,300 million of clients’ existing (legacy) property assets by Jan ’22(c.£ 150 m Oxfordshire)
- PM Team and partners now responsible for stewardship of > £5bn of client money

<u>To come:</u>

- Opportunity for clients that make commitments to Cycle 3

Information was provided on Oxfordshire's investments into Brunel cycle 1 PM Portfolios.

- Portfolios fully committed to underlying funds
- All funds committed to have reached final close and are fully focussed on investing capital raised over the next 3-4 years
- PE benefitting from secondary and co investment fund exposures
- Infrastructure has a skew towards new renewable energy assets which will take time to construct, hence are held at cost until they reach commercial operations More direct infrastructure investments have picked up pace
- Secured Income fully drawn down, strong performance to date

Information was provided on Oxfordshire's investments into Brunel cycle 2 PM Portfolios.

- Infrastructure; General strong; Renewables slower than plan, but picking up
- Private Debt draw downs picking up; expect to be 25% invested by end Q1'22
- Very strong early Private Equity portfolio performance; draw downs increasing
- Secured Income expected to be fully invested by end H1'22; strong performance to date

Details of Cycle 3 proposed portfolios: (2022-2024) were provided.

Details on Brunel's Climate Change policy was reported with targets of Net Zero for financed emissions for investments by 2050, or before. Net Zero on operational emission by 2030, or before.

RESOLVED – (1) That Brunel be thanked for the presentation and the information provided.

(2) That because of turbulence in the market and the uncertainty in the world economy, Brunel be asked to submit a further report to the next meeting of the Committee providing an update on the situation.

7/22 REPORT OF THE LOCAL PENSION BOARD
(Agenda No. 8)

The Committee was provided with a report of the Local Pension Board which was introduced by Alistair Bastin.

Reference was made to the issue of cyber security as an area for the Pension Fund Committee to consider being prioritised as part of the development of the Annual Business Plan for 2022/23.

Members were informed that following the meeting of the Board, Cyber Security was highlighted at the Annual Business Plan and Budget workshop held on 4 February 2022 and it was agreed that this should be covered as part of the developing governance improvements under the new Governance and Communications Team Leader.

The report was noted.

8/22 REVIEW OF THE ANNUAL BUSINESS PLAN 2021/22, AND THE ADOPTION OF THE ANNUAL BUSINESS PLAN AND BUDGET FOR 2022/23

(Agenda No. 9)

The Committee was provided with an update on progress against the key priorities set out in the Annual Business Plan for 2021/22. The report sought the Committee to adopt the Annual Business Plan and Budget for 2022/23 following the Workshop attended by members of both the Committee and Local Pension Board on 4 February 2022.

Sean Collins reported that there were four service priorities included in the 2021/22 Plan and he set out the latest position on each one.

Progress on the Implementation of the Climate Change Policy – There had been a lot of work in this area. This would be carried forward to 2022/23. There would be a review of the December 2021 Carbon Emission figures once published.

On delivering further improvements to the governance arrangements of the Fund – Members were informed that all key measures of success against this priority had been delivered with the exception of the appointment of the new Governance and Communications Team Leader which was in progress.

Reference was made to other Pension Fund Committees who hosted meetings where Pension Fund Scheme members were provided with an opportunity to ask questions on the Fund. Officers undertook to look into this.

On further improving the data management arrangements between the Fund and scheme employers and scheme members, the outstanding work in this area relates to the implementation of the remedy to age discrimination identified in the McCloud case. Members were informed that this work was progressing, however, central guidance was still awaited before the project plan could be finalised and the assessment of the data requirements finalised with policy decisions required by this Committee.

On reviewing the reporting arrangements with Brunel following the transition of the majority of Fund assets to Brunel portfolios – Brunel were currently taking this forward. There would be a short training session for the Committee on the assurance process to build confidence that the long-term performance of the investments should be in line with the portfolio specifications.

Reference was made to the Service Priorities for 2022/23 which was discussed at the workshop which was held on 4 February 2022.

RESOLVED – (1) That the progress against the service priorities for 2021/22 be noted.

(2) That approval be given to the Business Plan and Budget for 2022/23 as set out in Annex 1 of the report.

(3) That approval be given to the Pension Fund Cash Management Strategy for 2022/23.

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

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

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

9/22 CLIMATE CHANGE ENGAGEMENT POLICY

(Agenda No. 10)

The Committee was presented with a report which sought approval to an Engagement Policy and requested that officers used this as the basis for negotiations with the Brunel company and the other 9 Funds within the Brunel Pension Partnership in developing an Engagement Policy for the Partnership as a whole.

Members were informed that it had been agreed that the Climate Change Working Group could undertake a further review of the potential practical impacts of implementing the draft policy and report back their findings and any proposed revisions to the draft Policy to the June meeting of this Committee.

RESOLVED – That approval be given to the draft Climate Change Engagement Policy as included as the Annex to the report and officers be instructed to work with the Climate Change Working Group and Brunel to assess the practical implications of the Policy using the latest available data and report back to the June Committee.

10/22 RISK REGISTER

(Agenda No. 11)

The Committee was presented with the latest position on the Fund's risk register, which included new risks identified since the report to the last meeting of the Committee

Discussion took place on a previous decision made by the Committee in September 2019 in relation to the membership of the Committee, skills and knowledge and continuation training of Members. Inadvertently, the recommendation of this Committee did not get submitted to Council.

Members asked that in relation to the proposal for this Committee not to have substitute Members, that the Governance Review be asked to look at this to enable substitute Members to be appointed as long as they have training to enable them to have the required skills and knowledge required.

Discussion took place on recent world events such as the Russian invasion of Ukraine, the energy price crisis and the impact on the Pension Fund and long-term investments.

The Committee agreed that this needed to be monitored in relation to the Risk Register.

Members were informed that the amendments as requested by the Local Pension Board in relation to the inclusion of Cyber Security Policy (Risk 16 -Loss of Key Systems) and (Risk 17 – Breach of Data Security) had been added to the Risk Register. Discussion took place on resilience planning and that this should be looked at.

RESOLVED – That the Committee noted the changes to the risk register and accepted that the risk register covers all key risks to the achievement of their statutory responsibilities, and that the mitigation plans, where required, are appropriate.

11/22 ADMINISTRATION REPORT

(Agenda No. 12)

Consideration was given to a report which update the Committee on the key administration issues including service performance measurement, the debt recovery process and any write offs agreed in the last quarter.

Members noted that performance had improved, however there were still pressures on the Team with only two vacancies of the four being filled.

In relation to contribution monitoring, the Committee noted that APCOA who had failed to make their deficit payment would be referred to the Pension Regulator, if payment was not received by 7 March 2022.

RESOLVED – (1) That the Committee determined that no further information was required to ensure they are in a position to monitor that service standards are consistent with their responsibilities under the Regulations.

(2) That approval be given to the current standards being at an acceptable level and that full Service Level Agreement be reached by April 2022.

(3) That approval be given to the write off of £37.48, as detailed in the report.

12/22 IMMEDIATE DETRIMENT AND THE FIRE FIGHTERS PENSION SCHEMES

(Agenda No. 13)

The report updated Members on the decision taken by the Chief Fire Officer and Director of Finance regarding the implementation of the Immediate Detriment Framework in line with the delegation from the December meeting of this Committee.

RESOLVED – That the Committee noted the decision of the Chief Fire Officer and Director of Finance under powers delegated by the Committee at their December Meeting.

13/22 CORPORATE GOVERNANCE AND SOCIALLY RESPONSIBLE INVESTMENT
(Agenda No. 14)

The report provided the opportunity to raise any issues concerning Corporate Governance and Socially Responsible Investment which need to be brought to the attention of the Committee.

Noted.

14/22 EXEMPT ITEMS
(Agenda No. 15)

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

15/22 CESSATION OF A SCHEME EMPLOYER
(Agenda No. 16)

The Committee was asked to determine their approach to the Cessation Debt in respect of the cessation employer detailed in the confidential report.

RESOLVED – That approval be given to option 3, as detailed in the report.

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.

16/22 ADMINISTRATION REPORT
(Agenda No. 17)

The Committee was asked to review the actions taken to date to make payment of a death grant to a child and to determine how payment should be made.

RESOLVED – That approval be given to the monies being paid to the father to use in the interests of the child, with appropriate legal conditions applied.

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.

.... in the Chair

Date of signing ....

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LOCAL PENSION BOARD

MINUTES of the meeting held on Friday, 22 April 2022 commencing at 10.30 am and finishing at 12.05 pm

Present:

Voting Members:	Matthew Trebilcock – in the Chair Alistair Bastin Stephen Davis Angela Priestley-Gibbins Marcia Slater
Officers:	Sean Collins (Service Manager Pensions Insurance and Money Management), Sally Fox (Pension Services Manager), and Khalid Ahmed (Law and Governance).

The Board 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.

9/21 APOLOGIES FOR ABSENCE
(Agenda No. 1)

Apologies for absence were received from Councillor Bob Johnston (Chair of the Pension Fund Committee) and Sarah Pritchard.

10/21 MINUTES
(Agenda No. 3)

The Minutes of the meeting held on 21 January 2022 were approved.

[In relation to Minute No. 8/22 - Items to be Included in the Agenda for the Next Board Meeting – the Service Manager for Pensions Insurance and Money Management reported that the look at costs and fees of assets to Brunel would be reported back on an annual basis and would be reported to the next meeting of the Board.]

11/21 UNCONFIRMED MINUTES OF THE PENSION FUND COMMITTEE - 4 MARCH 2022
(Agenda No. 4)

The meeting had before it the draft minutes of the last Pension Fund Committee meeting of 4 March 2022 for consideration. The draft Minutes were noted.

12/21 REVIEW OF THE ANNUAL BUSINESS PLAN

(Agenda No. 5)

The report set out the business plan and budget for the Pension Fund for 2022/23. It followed on from the Workshop held on 4 February 2022 to which all Members of the Pension Fund Committee and the Local Pension Board were invited.

The Plan detailed the key priorities for the Fund as agreed at the workshop, the key service activities for the year, and included the proposed budget and cash management strategy for the service.

The Board was provided with an update of the four key service priorities for 2020/21: -

- Delivering Key Progress on the Implementation of the Climate Change Policy - There had been a lot of progress in this area, and this would be carried forward to the 2022 Business Plan. Investing in climate solutions was the only area of shortfall and this would be picked up.
- Delivering further improvements to the governance arrangements of the Fund – The Board was informed that all key measures of success against this priority which had been recommended by the Hymans Robertson review had been delivered with the exception of the appointment of the new Governance and Communications Team Leader which was being progressed.
- Further improving the data management arrangements between the Fund and scheme employers and scheme members – The Board was informed the measure associated with improving customer satisfaction scores through the customer survey had been amended to Red reflecting the very low numbers of surveys returned, which meant there had been no meaningful feedback. Central guidance was still awaited on the implementation of the remedy to age discrimination identified in the McCloud case.
- On reviewing the reporting arrangements with Brunel following the transition of the majority of Fund assets to Brunel portfolios – Brunel were currently taking this forward to improve the quality of the quarterly performance reports.

Discussion took place on the low returns on the customer satisfaction survey and it was suggested the Board Members complete the survey. The Board was informed that next Year's Business Plan would include how communication could improve with scheme members. The impact of responses being made on-line was discussed and whether this was a reason for a poor response.

The Board was informed that there was a general lack of knowledge of pensions amongst some scheme members and this needed to be addressed to increase scheme member participation.

The Service Manager for Pensions Insurance and Money Management reported that as a result of the Workshop held on 4 February 2022, the priorities, resources and measures of success were agreed, and they have been incorporated into the draft Business Plan and Budget for 2022/23. The focus was on four key priorities:-

- Reviewing the scheme data

- Delivering a holistic approach to technology (including cyber security)
- Enhancing the delivery of the responsible investment priorities. This included the continuation of the current work on implementing the Climate Change Policy, but also looking to widen the focus to the rest of the environmental issues facing the Fund, alongside the key social and governance issues. ESG was wider than just climate, there was Biodiversity, Social and Governance issues, the war in Ukraine and the impact on investments in Russia and risks associated with emerging markets
- Improving the delivery of service performance to scheme members and ensuring service standards were consistently maintained. The objective of the Fund was to pay scheme members accurately. In 2021/22 performance levels dropped due to staffing shortages in the team. The Pension Fund Committee requested that service standards were consistently maintained throughout the year.

The Board was informed that the appointment of new staff required the new staff being trained, which put a burden on other team members. Update reports would be submitted to both the Board and the Pension Fund Committee on progress made.

Reference was made to the service priority of enhanced delivery of Responsible Investment responsibilities, and the appointment of the Responsible Investment (RI) Officer. The Board was informed that subject to the recruitment process, it was expected that reports from RI would be submitted to the Board.

The Board noted the report and the following decisions made by the Pension Fund Committee:

“(1) That the progress against the service priorities for 2021/22 be noted.

(2) That approval be given to the Business Plan and Budget for 2022/23 as set out in Annex 1 of the report.

(3) That approval be given to the Pension Fund Cash Management Strategy for 2022/23.

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

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

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

13/21 RISK REGISTER

(Agenda No. 6)

The Board was informed that the Pension Fund Committee agreed to add the two additional risks to the risk register, recommended by the Board at its last meeting:-

Cyber Security Policy as part of the mitigation for Risks 16 (Loss of Key systems) and Risk 17 (Breach of Data Security).

Discussion took place around the risk of skills and knowledge of both the Pension Fund Committee and the Board, and that this was less of an issue for Board Members.

Reference was made to the risk caused by the staffing shortages in the team, which impacted on the workload of the existing staff in the team.

The Board noted the Risk Register and expressed their thanks to the Pension Fund Committee for agreeing the recommendations of the Board to add the two additional risks to the Risk Register.

14/21 ADMINISTRATION REPORT
(Agenda No. 7)

The Board was provided with a report on the key administration issues including the iConnect project, service performance measurement and any write offs agreed in the last quarter.

An update was provided on staffing, with two out of the four administrators appointed, one of which was an internal candidate. There had been a high level of sickness in the team (both Covid and long term) and the Pension Fund Committee provided support by agreeing to additional resource for additional administrators.

Reference was made to the Pension Fund Committee who agreed that the team could continue working to a reduced SLA standard until March 2022, but that SLA should return to normal levels, thereafter.

An update was provided on the vetting of incoming returns and on the action being taken to both the outstanding vetting of returns and to vet the returns due to be made for the period November 2021 to March 2022.

In relation to complaints, the team had been asked to look at ways of engaging with customers to encourage feedback and advice had been sought from other funds on the most successful ways to engage.

Discussion took place on the Pension Dashboard and the Board was informed that no submission had been made to the DWP consultation on the draft Pensions Dashboard Regulations 2022. Fund scheme members still received paper statements if requested and officers were asked for data on those members who did not access the Pension Dashboard and did not receive paper statements.

The Board noted the report.

15/21 CLIMATE CHANGE ENGAGEMENT POLICY
(Agenda No. 8)

The Board was informed that at its December meeting, the Pension Fund Committee agreed an initial draft Climate Change Engagement Document which set out some of the key principles to be included in the final draft policy.

Officers were asked to continue working with the Climate Change Working Group to produce the final draft version of the Policy which was considered at the last Committee. Further consideration and views were taken at the Climate Change Working Group meeting in February 2022 where a number of changes / suggestions were made. This would be reconsidered at a further working group meeting to take place on 5 May 2022 and then submitted to both the Pension Fund Committee and this Board.

The Board noted the report.

16/21 ITEMS TO INCLUDE IN REPORT TO THE PENSION FUND COMMITTEE
(Agenda No. 9)

It was agreed that there were no significant issues to draw to the attention of the Pension Fund Committee. It was further agreed that the following item be submitted to the next meeting of the Board:

- Annual Report of the Local Pension Board

17/21 EXEMPT ITEMS
(Agenda No. 10)

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

18/21 CESSATION OF SCHEME EMPLOYER
(Agenda No. 11)

The Board noted the agreed approach by the Pension Fund Committee to the Cessation Debt in respect of the cessation employer detailed in the confidential report.

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.

19/21 PAYMENT OF DEATH GRANT
(Agenda No. 12)

The Board noted the decision of the Pension Fund Committee on the determination of payment of a death grant to a child.

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.

.... in the Chair

Date of signing ....

Division(s): n/a

ITEM

PENSION FUND COMMITTEE – 10 JUNE 2022

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 that for the first time since the inception of quarterly reporting, the Board had no significant issues it wished to bring to the attention of the Committee.**

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 22 April 2022. The virtual meeting was attended by Matthew Trebilcock as the independent Chairman, and four of the voting members of the Board. The other 2 Board Members and Cllr Bob Johnston were unable to attend.

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

4. The Board received four of the standard reports which had been presented to the March of this Committee. These were the reports on the annual business plan, the risk register, the administration report and the Climate Change Engagement Policy. They also considered the 2 exempt reports from the March Committee on the approach to an employer cessation and the payment of a death grant.

5. In respect of the review of the annual business plan, the Board noted the on-going issues of scheme member engagement and the provision of feedback on service delivery. The scheme member representatives on the Board volunteered to work with Officers to try and improve the current position and raise awareness and engagement of pension issues amongst scheme members.

6. The Board raised no new issues in respect of the risk register and thanked the Committee for adding in the two risks associated with cyber security as recommended by the last meeting of the Board.

7. The Board noted both the Administration Report and the Report on the Climate Change Engagement Policy and offered no further comments to the Committee, noting that Alistair Bastin would continue to represent their position on the Climate Change Working Group.

8. The Board welcomed the opportunity to consider the two exempt reports on the approach to a ceasing scheme employer and the payment of a death grant. It was noted that consideration of these reports and the decision of the Committee provided a key opportunity for the Board to review the way the Committee undertook its statutory duties in line with the key scrutiny role of the Board. The Board were happy to endorse the approach taken by the Committee in terms of compliance with their regulatory duties.

Matthew Trebilcock
Independent Chairman of the Pension Board

Contact Officer: Sean Collins
Tel: 07554 103465

May 2022

Division(s): n/a

ITEM

PENSION FUND COMMITTEE – 10 JUNE 2022

REVIEW OF THE BUSINESS PLAN 2022/23

Report by the Director of Finance

RECOMMENDATION

The Committee is RECOMMENDED to

a) review progress against each of the key service priorities as set out in the report; and

b) agree any further actions to be taken to address those areas not currently on target to deliver the required objectives.

Introduction

1. This report sets out the latest progress against the key service priorities set in the business plan for the Pension Fund for 2022/23 as agreed by the March meeting of this Committee.

2. The key objectives for the Oxfordshire Pension Fund as set out in the Business Plan for 2022/23 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.

3. The service priorities for the year do not include the business as usual activity which will continue alongside the activities included in the service priorities. Business as usual activities are monitored as part of the Administration Report and the report on Investment Performance.

Key Service Priorities – Progress to Date

4. There were 4 service priorities included in the 2022/23 Plan each with a number of key measures of success. The latest position on each is set out in the paragraphs below. The assessment criteria agreed by the previous Committee for each measure of success is as follows:

   - Green – measures of success met, or on target to be met

- Amber – progress made, but further actions required to ensure measures of success delivered, or degree of progress/future requirements unclear
- Red – insufficient progress or insufficient actions identified to deliver measures of success

5. Review and Improve the Scheme's Data The position against the 5 agreed measures of success are set out in the table below.

Measure of Success	Key Progress Achieved	Outstanding Actions
Data Quality scores submitted to the Pension Regulator within acceptable bounds and no follow up action. AMBER	Initial reports run from new Insights functionality. Queries on report referred to Supplier. Data is in the process of being checked as part of the end of year processes.	Complete verification of end of year data. Re-run provisional data quality reports. Identify any corrective actions before final submission.
Valuation completed with data signed off as fit for purpose and scheme employers raising no concerns with outcome. GREEN	End of Year Returns received from employers and in process of being verified.	End of year processes to be completed and data submitted to Actuary.
Data of a standard to support delivery of all service KPI's as reflected in quarterly performance reports. AMBER	Limited development of reports to date.	More extensive use of new Insights Reporting tool to deliver full suite of performance reports and enable data quality to be assessed.
No data security breaches reported. GREEN		
Cyber Security Policy is updated (where required) with clear information on roles and responsibilities. GREEN	Cyber Security Workshop held with attendees from Pensions, ICT and Information Management.	Report on Outcome of Workshop to be presented to the June Committee. Action Plan from Workshop to be delivered.

6. Whilst we are only 2 months into the year, a lot of work has already been completed in this area enabling the Green assessment to be given on 3 of the 5 measures of success. The two amber scores reflects a lack of information to assess the current position and the amount of outstanding work, rather than any real concerns at this time that the objectives will not be delivered.

7. As noted in the Business Planning Workshop, the data quality threshold for the Valuation submission is lower than that required for the Data Quality submissions and the calculation of the pension benefits for individual scheme members. There is no evidence from the end of year work to date to suggest that the data submission for the 2022 Valuation will not be of sufficient quality. However, we need to complete more of the end of year verifications and run provisional data quality reports to be assess the data against the higher standards expected by the Pension Regulator.

8. The issues around cyber risk and data quality are covered in more detail elsewhere on today's agenda as part of the Administration report.

9. <u>Develop a holistic approach to technology across Pension Administration Services.</u> There were 3 specific measures of success set out in the 2022/23 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
Committee Decision on whether to extend current contract and tender for bolt on solutions as appropriate to deliver full specification, or to run full tender exercise for single holistic solution. AMBER	Initial discussions held to identify a project lead.	Project Lead appointed. Full system specification developed. Review of current offerings on the LGPS National Procurement Framework to assess value in running tender at this time.
Tender project plans agreed consistent with the end date of the current system contract. AMBER		Dependent on outcome of work above.
Clear targets established for increase in on-line completion of services. AMBER		

10. Whilst there has been some initial work to identify the additional resources needed to carry out the holistic review of our technology requirements, insufficient progress has been made to be able to confirm we are on track to meet the deadlines associated with the procurement requirements if the option to re-tender the service is selected. The project is therefore Amber at the present time.

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

Measure of Success	Key Progress Achieved	Outstanding Actions
RI Officer in post GREEN	Job Description agreed and role submitted for Job Evaluation	Recruitment Exercise and appointment.
Engagement Policy signed off and reflected in overall Engagement Policy agreed by Brunel Pension Partnership. GREEN	Policy and potential impact on existing investments presented to the Climate Change Working Group. Policy shared with colleagues within Brunel, and confirmation that broadly in line with Brunel's preferred approach.	Sign off Policy at June Committee. On-going discussions with Brunel and partner funds to develop single Brunel approach.
Improved quarterly reporting in place to both Committee and on Fund webpages, including wider ESG targets and performance measures, reflected in positive feedback from all stakeholders. GREEN	Initial presentation by Brunel of new reporting being developed for the Private Markets.	Need to work alongside Brunel to draft new reports to ensure they meet our requirements. Appointment of new RI and Communication resources to enable development of website reporting.
Successful application in respect of Stewardship Code. AMBER		Appointment of new Responsible Investment Officer. Full application completed and submitted
Revised Funding Strategy Statement and Investment Strategy Statement including revised Strategic Asset Allocation signed off at March 2023 Committee. GREEN		To be reviewed alongside 2022 Valuation.

12. Work has continued on a number of fronts against this objective. It is hoped that the recruitment for the new Responsible Officer will begin later in June,

following confirmation of the grade at the Job Evaluation Panel at the beginning of the month.

13. The Climate Change Working Group has met again and a report from their meeting is elsewhere on today's agenda, including the final version of the Engagement Policy with the recommendation that this forms the basis of our discussions with Brunel and the other 9 partnership Funds. As part of the recent Climate Stocktake session with Clients, Brunel presented their own initial thoughts on their future Engagement Policy which were broadly consistent with our proposed policy. The main area of difference was in respect of escalation timescales which were not included in the Brunel presentation, and are subject to further discussion.

14. At the same Stocktake session, Brunel also presented some initial draft reports on portfolios which provided a breakdown of current green revenues and positive impacts. Whilst more work needs to be completed to understand the basis of these reports, the early indications are that they will enhance the current responsible investment reporting and allow greater scrutiny of the extent that existing portfolios are aligned to our Investment Policies.

15. The one area shown as Amber against this objective relates to a successful application in respect of the Stewardship Code. This work does require the successful appointment of the additional resources, and it is clear from other Funds who have already completed the process there is a lot of work involved. At this stage therefore it is not possible to confirm the target can be met this financial year.

16. <u>Deliver improved and consistent service performance to scheme members.</u> Progress against the 3 measures of success for this service priority are set out below.

Measure of Success	Key Progress Achieved	Outstanding Actions
Services delivered to SLA Standards consistently throughout the year. RED	April's performance figures below SLA targets in a number of cases.	Recruit additional staff. Clear remaining backlog of work.
All services delivered in line with regulatory guidance with scheme changes implemented in accordance with stipulated timescales. AMBER		Final guidance received from Government on TCFD, Pooling and McCloud. Review of current arrangements and data against new requirements. Action Plan developed, additional resources

		required and plan delivered.
Scheme Member Engagement Policy adopted and positive feedback collected from scheme members. AMBER		New communications Officer appointed. Review of what scheme member engagement has worked well elsewhere. Engagement Policy developed and implemented.

17. The Administration report elsewhere on today's agenda presents the latest performance information and shows that in April, performance remained below the Service Level Agreement (SLA) targets on a number of measures. As the objective for this year was to deliver consistent service at target or above every month, we have scored this indicator red. Going forward, if we are successful in recruiting the additional staffing as set out within the Administration report elsewhere on today's agenda, performance standards should be increased and brought back into line with the SLA.

18. The measure of success around successful management of scheme changes is currently amber as the Government have again delayed the publication of the long awaited consultation which includes guidance on pooling in general, the implementation of the Task Force on Climate related Financial Disclosures (TCFD) template, and the implementation of the McCloud remedy In the absence of the detailed guidance it is not possible to assess the level of work involved and whether we have sufficient staffing to complete it, and whether we have all the data we need from scheme employers, and other LGPS Funds where scheme members have transferred into Oxfordshire during the transition period of 2014 to 2022.

19. The measure of success against the engagement policy with scheme members is also amber reflecting the challenges experienced in this area to date, and the need to appoint to the additional communications officer post to take forward the work to review best practice elsewhere and develop a new Policy for Oxfordshire.

20. Part C of the Business Plan sets out the Fund's budget for 2022/23 which totals £17,720,000. It is too early into the financial year to identify and significant variations to the approved budget

21. Part D of the Business Plan sets out the Training Plan for Committee and Pension Board Members. Training sessions associated with the 2022 Valuation have been built into the timetable for this year including the pre-committee training this morning. We will be reviewing the attendance of members at training in future reports including compliance with the mandatory training requirements if these are approved as part of today's meeting.

Lorna Baxter
Director of Finance

Contact Officer
Sean Collins
Tel: 07554 103465

May 2022

PENSION FUND COMMITTEE – 10 JUNE 2022

ACTUARIAL VALUATION 2022

Report by the Director of Finance

Recommendation

1. **The Committee is RECOMMENDED to endorse the assumptions recommended by the Fund Officers and Fund Actuary for the 2022 triennial valuation of the Oxfordshire County Council Pension Fund, including the small increase in level of prudence.**

Introduction

2. Every three years, each LGPS administering authority has a statutory obligation to carry out an actuarial valuation of the pension fund. The Oxfordshire County Council Pension Fund's assets and liabilities will be valued as at 31 March 2022 and the overall funding position calculated. Contribution requirements will also be set for all actively participating employers for the three-year period commencing one year after the valuation date (i.e. for the period from 1 April 2023 to 31 March 2026) in line with the Fund's funding strategy.

3. It is good practice at every formal valuation to review all of the assumptions about future experience on which these results are based. Setting financial and demographic assumptions for the 2022 valuation is a key part of setting the funding strategy. The chosen assumptions affect the value of the Fund's liabilities and future benefit payment projections, which form the basis of the decision making.

4. The chosen assumptions do not, however, impact the ultimate cost of making benefit payments to members. The chosen assumptions only affect the value of the Fund's liabilities as at the valuation date and the pace at which employers set monies aside to pay for their future obligations to the Fund.

5. Modelling has been carried out to inform the choice of assumptions for the 2022 valuation that meet the requirements of the LGPS guidance stating that the assumptions adopted contain an appropriate margin for prudence. All proposed assumptions have been set in line with the Actuary's best estimate of future experience, however a prudent discount rate has been set to meet the requirement for a prudent valuation.

6. The attached annex sets out in detail the approach to the Valuation and the key assumptions that are required as part of the Valuation process. The annex has been subject to discussion with the Fund Officers and reflects their preferred approach to be taken. A summary of the key assumptions is set out below.

Financial Assumptions

7. Financial assumptions are those that affect the projections of the value of the benefits required to be paid out in the future and therefore the money the Fund is aiming to hold in the future. The financial assumptions required to be set for the 2022 valuation are as follows:
    - Future investment return
    - Discount rate
    - CPI Inflation (benefit increases / CARE revaluation)
    - Salary increases

8. The future investment return and discount rate assumptions are set based on Hymans Robertson's ESS (Economic Scenario Service) model, updated to reflect the latest available market calibration as at the valuation date. It is proposed to increase the prudence level associated with these assumptions from 67% used in the 2019 Valuation to 70%. The high level of investment performance achieved over the last three years means that the level of prudence can be increased at this time with minimal impact on the contribution rates to be set for 2023/24 onwards. The higher level of prudence is in line with other LGPS Funds advised by Hymans Robertson, and allows for the increased uncertainty associated with impact of the pandemic, the Russian invasion of Ukraine and the on-going impacts of climate change.

9. CPI inflation (benefit increases / CARE revaluation) is set based on long-term projections of inflation expectations. Inflation expectations are expected to be slightly higher (around 0.4% to 0.5% p.a.) higher than at the 2019 valuation due to the current high economic outlook for inflation in the short term.

10. "Inflationary" salary increases will be set equal to the CPI inflation assumption reflecting sustained local government budgeting constraints over the longer term. An additional allowance will be made for promotional salary increases through the salary scale assumption.

Longevity assumptions

11. Longevity assumptions affect the length of time benefits are expected to be paid to members and their dependants. The longevity assumptions required to be set for the 2022 valuation are as follows:
    - Baseline longevity
    - Future improvements

12. Baseline longevity will be based upon the latest available member-specific Club Vita base tables which capture the most up-to-date experience (the same approach as at the 2019 valuation). An appropriate adjustment to recent data will be made to avoid the assumption being skewed by excess deaths due to Covid-19 in 2020 and 2021.

13. Future improvements in longevity will be set based on the latest version of the Actuarial Profession's CMI (Continuous Mortality Investigation) model, with the

parameters of the model updated to reflect the improved longevity for Fund members in comparison to the national population. We also recommend that no weighting is placed on the data from 2020 and 2021 which has been significantly affected by the Covid-19 pandemic.

Other demographic assumptions

14. Other demographic assumptions affect the timing and magnitude of the future benefit payments, however any changes to these assumptions only have a minor impact on the Fund's liabilities.

15. Following analysis of the Fund's other demographic assumptions, we propose to slightly increase the likelihood of withdrawal from active membership at each to reflect the Fund's own experience. We also propose to change the retirement age assumption to reflect the earliest age at which a member can retire with all benefits unreduced. All other demographic assumptions will remain unchanged from the 2019 valuation.

Lorna Baxter
Director of Finance

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May 2022

Oxfordshire Pension Committee

Assumption Setting for the 2022 Actuarial Valuation

Catherine McFadyen FFA

Tom Hoare FFA

30 May 2022

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The valuation process: Pensions Committee

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Valuation basics

How the Fund works

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Collect money (contributions)

Invest money (assets)

Pay money out (benefits)

Use the menu bar above to navigate to each section.

Outputs of the valuation

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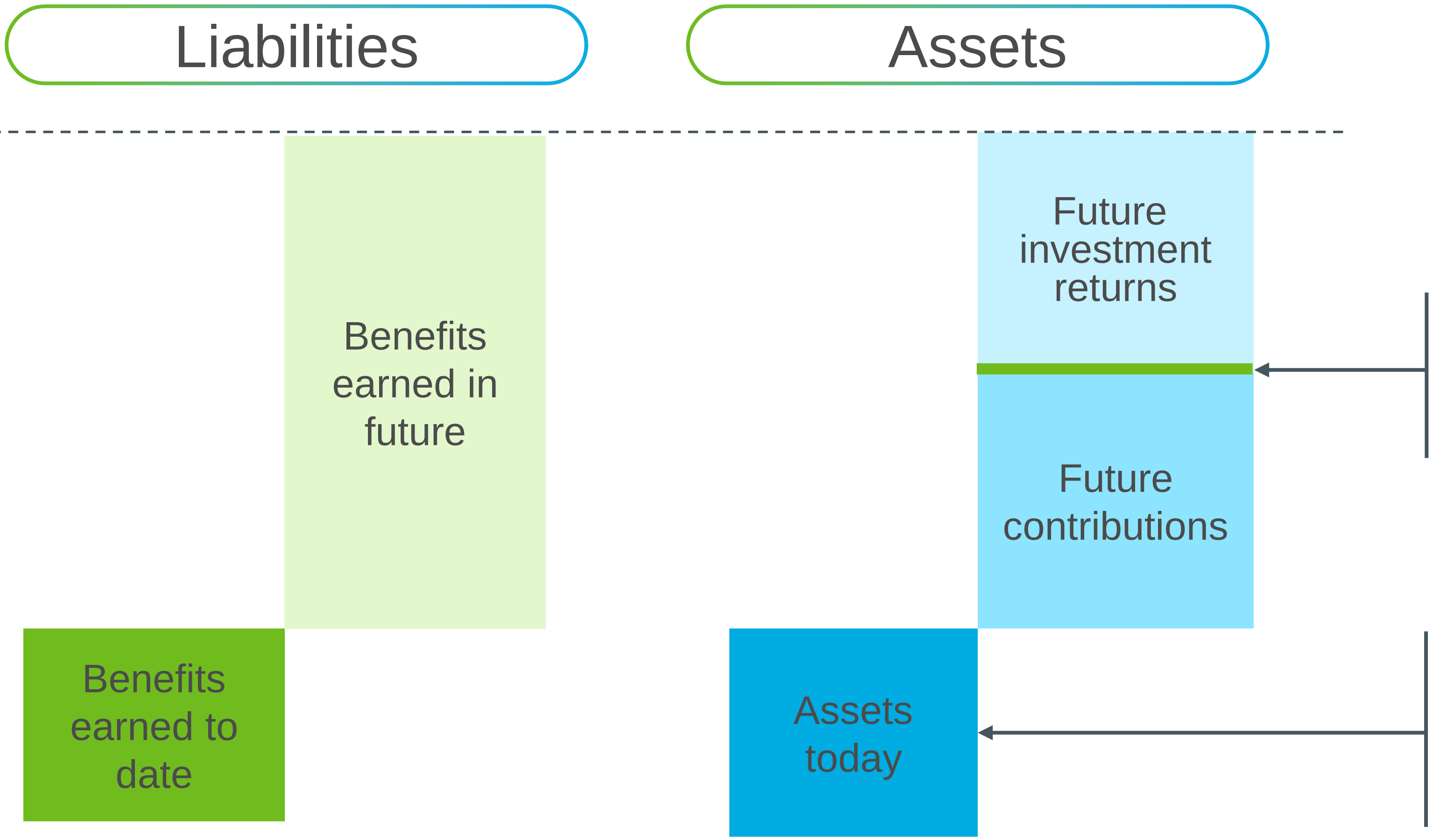


Contribution rates

Pay for benefits earned in future, allowing for funding position to date

Future investment returns vs Future contributions

Funding level

Comparison of 'assets today' vs. 'benefits earned to date'

Balance sheet snapshot of Fund at valuation date

Benefits "Liabilities" valued using assumptions

Why and how we set assumptions

What assumptions are needed

Assumption	Description	Required for
Financial assumptions		
Future investment return	Projected annual returns and volatility on asset classes invested by the Fund e.g. UK equities, property etc.	**Asset projection** – to project employers' asset shares to the end of the funding time horizon
Discount rate	Annual rate of future investment return that will be earned on the Fund's assets after the end of the funding time horizon	**Funding objective** – to place a present value at the end of the funding time horizon of the future benefit payments
CPI inflation (benefit increases / CARE revaluation)	Future Consumer Price Index inflation	**Benefit projection** – to determine the size of future benefit payments (LGPS benefits are index-linked to CPI inflation)
Salary increases	Future inflationary salary awards	**Benefit projection** – to determine the size of future benefit payments (the pre-2014 final salary and post-2014 Career Average Revalued Earnings benefits are linked to salary) **Asset projections** – to determine future payroll values (and hence contribution income)
Demographic assumptions		
Baseline longevity	How long we expect members to live based on current observed death rates	**Benefit projection** – to determine how long each member's benefits are paid for
Future improvements in longevity	How death rates are expected to change in the future (historically life expectancy has improved over time)	**Benefit projection** – to determine how long each member's benefits are paid for
Other demographic events	Events such as retirement age, rate of ill health retirement, level of commutation and 50:50 take up	**Benefit projection** – to determine the size and timing of future benefit payments

How we review and set assumptions

Our approach

1. **Look at the assumptions from the last valuation**

2. **Review evidence and consider the landscape:**

- Changes in financial/economic conditions
- Regulation and guidance
- Population and general pension scheme statistics
- Fund specific data and experience, especially members' demographic characteristics
- Future trends
- Assessment of employers' financial strength
- Investment strategy
- Fund views – and employer views in some cases (e.g. salary increases)

3. **Propose, discuss and agree changes to set new assumptions**

Acknowledging uncertainty

There is no certainty about how the future may evolve and it is important to acknowledge this uncertainty during the valuation. Understanding the impact of the future deviating from the assumptions on funding levels and contribution rates is an important aspect of how the Fund manages risk.

Ways of understanding the impact:

- **Stress testing –** measures immediate changes in assumptions by testing alternatives at valuation date. We will stress test the longevity assumptions as part of the valuation.
- **Risk-based modelling –** risk-based approach involves projecting a wide range of possible future outcomes. There is no single figure for an assumption – instead, we work with a future range. We use a "risk-based" approach to calculate the benefit and asset projections and set the underlying financial assumptions.
- **Scenario projection –** considers future projections across different scenarios, bringing together relevant factors for a better understanding of overall impact. We will use different climate change scenarios at the valuation to help you understand this risk.

Most assumptions are a best estimate, set objectively without margins for adverse experience.
A prudent discount rate assumption meets the requirement (from LGPS guidance) for a 'prudent' valuation.

Assumptions matter – projecting future benefit payments and assets

To determine the level of employer contributions we carry out two projections.

The **benefit projection** estimates the future payments that will be made to members, allowing for future pension increases, death and other events.

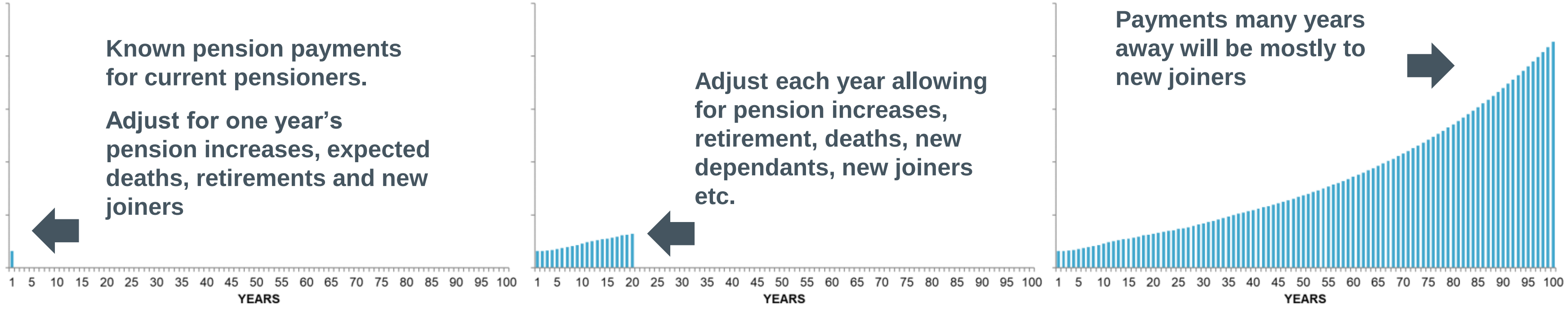
The **asset projection** takes into account future investment returns, contributions and benefits paid to members.

The contribution rates are set so at the funding time horizon, there are enough assets to meet future benefit payments in a sufficiently high number of future economic scenarios – the funding objective.

Because we can't see into the future, the projections mean working with uncertainty and require assumptions.

We review assumptions regularly to make sure they're relevant to the financial, demographic and regulatory environment.

Illustration: how we project benefit payments



Two types of assumptions:

1. **Financial** assumptions (like inflation) affect the amount of payments and asset values.
2. **Demographic** assumptions (like how long members live) affect the timing of payments.

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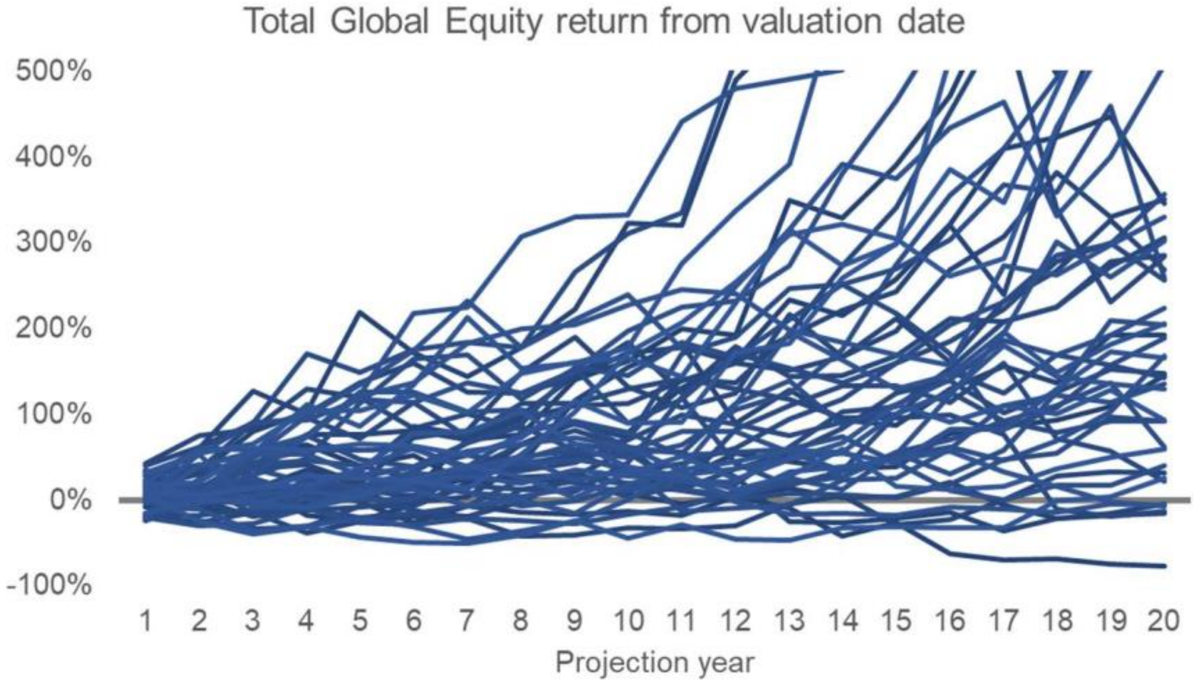
Assumptions and our valuation approach

We use a “risk-based” approach to calculating the benefit and asset projections.

Under this approach, we use an economic scenario generator (Hymans Robertson’s proprietary generator is called the Economic Scenario Service – ESS) to produce 5,000 different simulations of future economic conditions and associated assumptions.

The assumptions in each scenario vary by year i.e. they are not ‘flat’, so they are a better representation of reality than a single, linear assumption.

The chart shows a sample of the 5,000 simulations for future cumulative total returns on global equities over the next 20 years.



This approach allows the generation of a distribution of future benefit and asset projections so all stakeholders in the Fund can better understand risk.

Other factors affecting assumptions at the 2022 valuation

Climate change

Climate change will affect many aspects of the Fund's assets and liabilities, for example the return on its assets, the inflation used to revalue benefits and the longevity of its members. The uncertainty around future climate pathways and their impact means that it is impossible to factor climate change considerations meaningfully into every assumption described in this paper.

We will however consider climate change scenarios when setting the long-term longevity improvements assumption, and the Fund will consider climate risk in its funding strategy by testing the resilience of the strategy in three climate scenarios.

Possible benefit changes

McCloud

Benefits accrued by certain members between 2014 and 2022 may be increased in future following the outcome of the McCloud case, which ruled that transitional protections introduced in 2014 to older members were discriminatory. We will make an allowance for the cost of these potential improvements in the 2022 valuation, based on the assumptions agreed here (in particular the salary increase and withdrawal assumptions). The impact is expected to be minimal for the majority of employers.

Cost sharing mechanism

Benefits could also change as a result of the 2016 and 2020 "cost cap" valuations, neither of whose outcome has been completely confirmed. If new assumptions are necessary to value any potential changes we will agree these separately.

Guaranteed Minimum Pension equalisation and revaluation

As per our approach for the 2019 valuation, we will assume that the Fund will fund all increases on GMP for members with a State Pension retirement date after 5 April 2016.

Other legal cases

Benefits could change as a result of other legal challenges (e.g. the "Goodwin" case affecting partner pensions), but at present we do not believe any additional assumptions are needed to value these.

Financial assumptions

Level of prudence

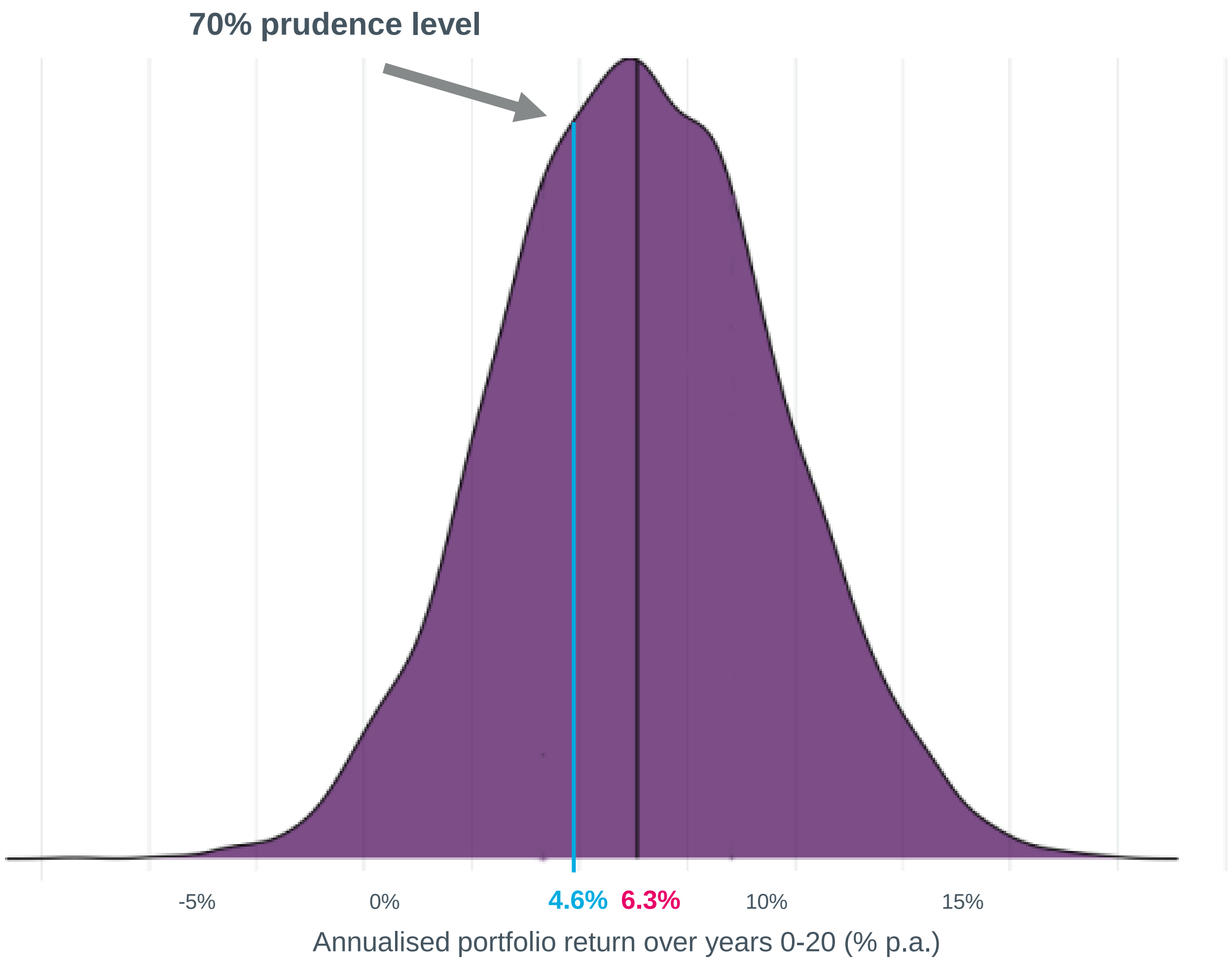
The prudence level in the future investment return (discount rate) assumption is the likelihood of the Fund's investment strategy achieving a given annualised return over the period.

Using the Fund's current investment strategy and running 5,000 simulations of our proprietary economic model (ESS), we have generated a distribution of possible future annual investment returns over the 20 years from the valuation date. From the chart we can derive that:

- There is a 50% (best estimate) likelihood of the Fund's investments achieving at least an annual return of **6.3%** p.a. over the next 20 years;
- There is a 70% likelihood of the Fund's investments achieving at least an annual return of **4.6%** p.a. over the next 20 years (ie 70% of outcomes in the chart opposite lie to the right of this prudence line)

For the purpose of reporting a funding level and funding surplus/deficit for the 2022 valuation, **we have proposed the investment return assumption which has an associated 70% likelihood, namely 4.6% p.a.**. (note this has been increased slightly from 67% adopted at 2019, to allow for the risk of increased volatility in markets, e.g. post-pandemic, Ukraine invasion, climate transition risks).

The same level of prudence (70%) is used for the following 20 years (years 20-40) and the discount rate is based on the underlying economic conditions in 20 years time.



The Fund's level of prudence helps to balance to the long term solvency of the Fund while seeking to maintain affordable contributions for employers.

Investment return / discount rate

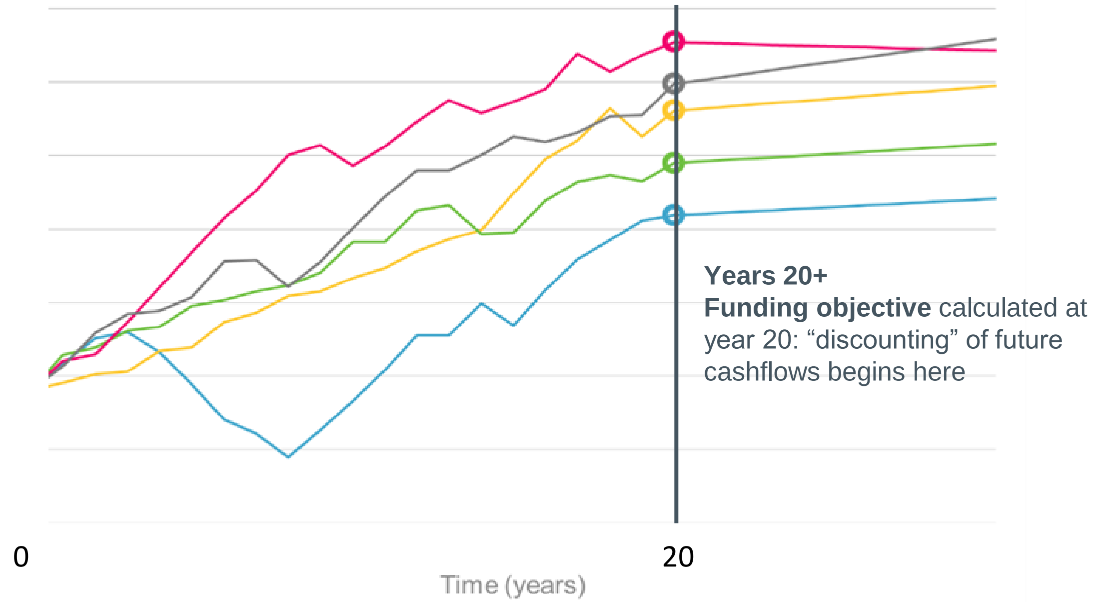
The approach to calculating the assumed future investment return differs over the projection period. However, the key decision for the Fund is to agree the level of prudence being adopted in setting the underlying assumptions within these approaches.

Years 0-20: Risk-based approach to generate future investment returns based on the Fund's investment strategy (using ESS).

Years 20+: projections further into the future lead to greater uncertainly. For this reason we adopt a 'straight line' approach to discounting the benefit cashflows. The Fund's discount rate is derived based on the underlying economic conditions in year 20, allowing for the Fund's level of prudence.

Same level of prudence (70% at the 2022 valuation) applies over both periods which drives the assumptions in line with the Fund's risk appetite.

Years 0-20:
Risk-based calculations over years 0-20 allowing for timing of cashflows and volatility of investment returns and inflation



Employer contribution strategies may be set using a different a time horizon (eg 17 years) however the above principle remains the same

Assumptions of future investment returns are generated in line with the Fund's proposed prudence level (70%)

Investment return and discount rate assumptions

2019 approach	• **Year 0-20: Investment return assumptions:** Risk-based approach to generate future investment returns, based on Fund's investment strategy. • **Year 20+: Discount rate assumption:** Assumed future investment returns are generated for each asset class and combined to estimate an overall portfolio return.
What's changed since the previous valuation?	• The outlook for returns on many asset classes is better compared to 2019 in years 0-20, however the expected returns from year 20 onwards are slightly lower compared to 2019 • Investment markets have experienced periods of disruption and increased volatility during the pandemic and the Ukraine invasion. . • The Fund's strategic asset allocation has been reviewed following the 2019 valuation.
Proposed approach for the 2022 valuation	• **Year 0-20: Investment return assumptions:** Same approach but updated for current market outlook and proposed level of prudence. Based on a 70% level of prudence, an assumed investment return of 4.6% p.a. at 31 March 2022 will be used for the purpose of reporting a funding level (note this was 4.3% p.a. at 2019, using a 67% level of prudence). • **Year 20+: Discount rate assumption:** use the same level of prudence (70%) in estimating the overall portfolio return based on the underlying economic conditions at year 20

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RECOMMENDATION:

Year 0-20: Continue to use modelling to generate future investment returns

Year 20+: Set discount rate assumption relative to Fund's proposed level of prudence (at 70%)

IMPACTS:

The money you are aiming to hold to meet benefit payments and the target for investment return

SIGNIFICANCE:

Increasing the assumed discount rate by 0.3% p.a. reduces the assets the Fund is aiming to hold by c6% (i.e. the funding target) placing more reliance on future investment returns to pay benefits

The investment strategy used in our analysis is set out in Appendix 2

Benefit revaluation and pension increases

2019 approach	• Benefit projections were assumed to be in line with CPI projections from the ESS model
What's changed since the previous valuation?	• Increased inflation expectations, perhaps due to government actions during Covid-19 pandemic and/or Brexit-related supply pressures
Proposed approach for the 2022 valuation	• No change in approach but update for current market outlook

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RECOMMENDATION:

CPI inflation will be derived from the updated calibration of the ESS model

IMPACTS:

The increase applied to benefits each year

SIGNIFICANCE:

Increase in assumed future inflation will increase inflation linked liabilities

Salary increases

2019 approach	• At the 2019 valuation, the assumption for 'inflationary' increases was based on long-term increases in line with CPI inflation, reflecting sustained local government budgeting constraints over the longer term. • Salary scale allows for promotional salary increases.
Page 53 **What's changed since the previous valuation?**	**Run off of final salary liabilities:** it is expected that this will be more gradual than at previous valuations and therefore the impact of any short-term pay restraint is negated **McCloud remedy:** many members' benefits earned between 2014 and 2022 will retain a link to final salary, meaning a more gradual run off of these liabilities. This further dampens the impact of any short-term pay restraint on the longer term salary increase assumption. **Impact of Covid-19 on budgets:** the impact of the pandemic on public and private sector finances may mean lower future salary increases **National living wage increases:** recent years have seen an above inflation rise in the National Living Wage (NLW) and an increasing number of employers adopting this as their minimum wage. Although the NLW is aimed at the lowest paid, these recent increases will put pressure on salary rates across the whole workforce as employers may feel the need to keep the increments between staff consistent to adequately reward those with more responsibility or experience.
Proposed approach for the 2022 valuation	• Maintain increases in line with CPI inflation with inflation updated for current market outlook • Salary scale allows for promotional salary increases.

RECOMMENDATION:

No change from 2019 assumption
CPI pa (plus a promotional salary scale)

IMPACTS:

The benefits paid to members with service earned prior to 31 March 2014

Payroll projections used for contribution modelling

The estimated cost of the McCloud remedy

SIGNIFICANCE:

Less significant than in previous valuations

Reporting the funding level

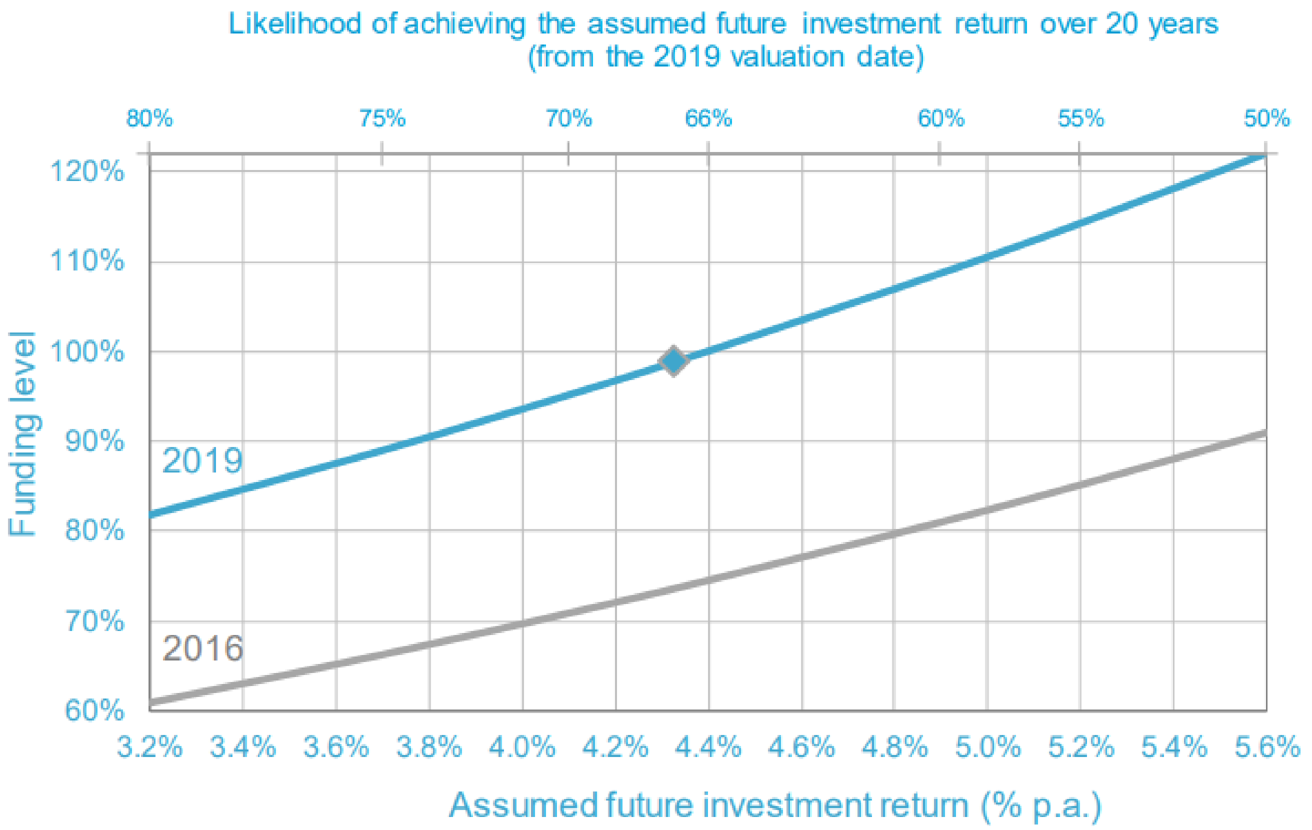
As well as setting contributions, a key output of the valuation is a measurement of past service liabilities at the valuation date itself to determine the funding level.

To report a funding level, we need to use a single value for each assumption (compared to the risk-based approach used for contribution rate setting).

To ensure consistency between the reported funding level and employer contribution rates, we still use the ESS to derive the assumptions used to report the funding level. These assumptions are summary statistics of the 5,000 individual simulations used to project forward assets and benefit payments when setting contributions.

At the 2019 valuation, we showed how the funding level at the valuation date varied with the choice of future investment return and the likelihood of the Fund's assets yielding at least a given investment return (based on the ESS simulations).

This was all detailed in this chart. A similar chart will be shown in your 2022 valuation preliminary results report.



Assumptions for reporting the funding level

2019 approach	Funding level was reported using an assumed investment return assumption of 4.3% p.a., which had an associated prudence level of 67% Pension and salary increases were based on market-implied CPI inflation.
Proposed approach for the 2022 valuation	Same approach but updated for market conditions as at 31 March 2022 and proposed level of prudence at 2022 (at 70%). • **Assumed investment return - u**se the same approach as in 2019 with a slightly increased prudence level used for setting the discount rate at 70%. This gives an assumed investment return of 4.6% p.a. • **Pension increases -** use the median estimated CPI inflation over the next 20 years (equivalent to 2.7% p.a. as at 31 March 2022) • **Salary increases -** assume salary increases in line with CPI inflation

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RECOMMENDATION:

Use prudence level of 70% for the assumed investment return, and assume pension and salary increases in line with the median estimated CPI inflation

IMPACTS:

Reported funding level.
Does not affect contributions.

SIGNIFICANCE:

For reporting and tracking the funding level only

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Longevity assumptions

Breaking it down

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Your longevity assumptions

How long you expect to pay a pension to each member and their dependants.

=

Baseline

- A snapshot of how long people currently live
- Measured **objectively** based on recent mortality data
- Use Club Vita analytics for a **best estimate** based on members' characteristics
- Reflects that people with certain characteristics tend to live longer (women, non-ill-health retirees, higher affluence, non-manual workers)

+

Future improvements

- How life expectancy increases over time
- Shorter-term expectations reflecting recent trends
- Longer-term expectations reflecting historical trends **plus** evidence that improvements may be higher or lower than historical trend
- **Subjective** – wide range of possible outcomes

Evidence based baseline + informed future judgement

Baseline

2019 approach	Club Vita tables tailored to fit each individual member of the Fund
What's changed since the previous valuation?	Current assumptions capture the unique mix of people in your scheme using experience across the Club Vita database of similar individuals to identify a baseline longevity assumption for each member. But new evidence on longevity emerges yearly. Since your last valuation more data has been gathered and VitaCurves have been updated.
Proposed approach for the 2022 valuation	Adopt the latest member-specific Club Vita base tables – a consistent approach that captures a more up-to-date experience. We will make an appropriate adjustment to recent data to avoid the assumption being skewed by excess deaths due to Covid-19 in 2020 and 2021
Other comments…	The Covid-19 pandemic has unfortunately resulted in increased morbidity and death since 2020. It is likely that we will see higher than expected death experience since the 2019 valuation. This will result in a decrease in liabilities as the Fund will be paying out less pension than expected. However, our initial estimates for a typical LGPS fund suggest that the reduction in liabilities due to the higher number of deaths will only be a decrease of 0.1-0.2%

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RECOMMENDATION:

Latest member-specific Club Vita mortality base tables, adjusted to avoid being skewed by Covid-19.

IMPACTS:

How long you expect to pay a pension to each member and their dependants.

SIGNIFICANCE:

Small change in base table to reflect up-to-date experience

Future improvements

2019 approach	The starting point is the Actuarial Profession's CMI model, which is updated annually with the latest observed mortality data. At the 2019 valuation we used CMI_2018 with default smoothing parameters, an initial addition of 0.25% for females/0.5% for males and long-term rate of improvement of 1.25% pa.
Proposed approach for the 2022 valuation	Use the latest available CMI model (CMI_2021) with adjustments as follows: **Weight placed on 2020 (and 2021) experience** Given that both 2020 and 2021 have been significantly affected by the Covid-19 pandemic, we would recommend that no weight is placed on data from these years. This will avoid overstating the impact of the pandemic on long-term rates of improvements, as we have little evidence of the long-term effects at this stage. **Adjustment to observed data to reflect scheme membership** Slightly positive reflection in the model for the difference between the population-wide data used in the model and the Fund's own membership. **Long-term improvement rate** Club Vita analysis suggests increasing the long-term rate of improvements to 1.5% p.a., offsetting the impact of lower starting improvements due to recent experience (even before Covid-19).

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RECOMMENDATION:

Updated to adjusted CMI 2021 model with no weight on 2020/21 data, reflection of slightly improved expectations vs national population, and long term improvement of 1.5%.

IMPACTS:

How long you expect to pay a pension to each of member and their dependants.

SIGNIFICANCE:

Increase liabilities by 1-2% vs 2019 assumption

Other demographic assumptions

Other demographic assumptions

Withdrawals (excluding ill-health)	Based on our LGPS experience analysis and Fund specific analysis for the period 2016-2019, we have increased the likelihood of withdrawals at each age.
Retirement age	Due to benefit changes in the LGPS, there are a complex set of rules determining the age a member can retire with unreduced benefits. These rules differ by member and the period in which the benefit was earned. However, by 2022, many of the members with complex retirement ages will have retired and therefore the assumptions can be simplified. At 2019 we assumed members retired in the years up to their state pension age, with a chance of retiring at each age from age 55 based on historical data. For 2022, the assumption will reflect the earliest age at which a member can retire with their benefits unreduced. We estimate the impact of this change to reduce liabilities by around 1%.

Following analysis, all other demographic assumptions remain unchanged from 2019 valuation.

RECOMMENDATION:

Adopt proposed demographic assumptions based on LGPS wide analysis, adjusted for local experience where appropriate

IMPACTS:

Timing and magnitude of future cashflows.

SIGNIFICANCE:

Minor impact on liabilities

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Summary of recommendations

Summary of recommendations

Assumption	Recommended approach	Comments
Future investment return assumption	Based on Hymans Robertson ESS model updated to latest market calibration (same as 2019)	**Asset class return expectations are generally higher than in 2019**
Discount rate	Set the discount rate in line with the proposed Fund's level of prudence for 2022 (at 70%)	**Propose to adopt a slightly higher level of prudence (than at 2019) to allow for increased market volatility risk and to bring the assumption more in line with similar LGPS funds**
CPI inflation (benefit increases / CARE revaluation)	Based on economic outlook (same as 2019)	**Inflation expectations are slightly higher (c.0.4-0.5% p.a.) than 2019 due to current economic outlook**
Salary increases	Equal to CPI inflation (same as 2019)	**2022 proposed assumption in line with 2019 long-term salary increase expectations.**
Baseline longevity	Based on Club Vita analysis updated to reflect non-Covid related experience	**Longevity assumptions are tailored to the Fund's experience and membership**
Future improvements in longevity	Updated to CMI 2021 model with no weight on 2020/21 data and long term improvement of 1.5%	**Latest version of CMI model is best practice but avoid projections being affected by short-term Covid-19 experience**
Demographic assumptions (excluding longevity)	Adopt Hymans proposed demographic assumptions	**All demographic assumptions have been reviewed against LGPS wide experience with some adjustment to reflect Fund's own experience**

Thank you

Appendices

APPENDIX 1

Economic Scenario Service (ESS)

The ESS uses statistical models to generate a future distribution of year-on-year returns for each asset class e.g. UK equities. This approach is also used to generate future levels of inflation (both realised and expected). The ESS is also designed to reflect the correlations between different asset classes and wider economic variables (e.g. inflation).

In the short-term (first few years), the models in the ESS are fitted with current financial market expectations. Over the longer-term, the models are built around our long-term views of fundamental economic parameters e.g. equity risk premium, credit-spreads, long-term inflation etc.

The ESS is calibrated every month with updated current market expectations (a minor calibration). Every so often (annually at most), the ESS is updated to reflect any changes in the fundamental economic parameters as a result of change in macro-level long-term expectations (a major calibration). The following table shows the calibration at 31 December 2021.

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		Annualised total returns														
		Index Linked Gilts (medium)	UK Equity	Private Equity	Property	UK Infrastructure Debt	Emerging Markets Equity	Multi Asset Credit (sub inv grade)	Global High Yield Debt	All World ex UK Equity in GBP Unhedged	Corporate Bonds (medium, A rated)	Inflation (RPI)	17 year real yield (RPI)	Inflation (CPI)	17 year real yield (CPI)	17 year yield
10 years	16th %'ile	-1.9%	-0.4%	-1.2%	-0.6%	-0.3%	-2.5%	1.7%	0.6%	-0.4%	-0.1%	2.4%	-1.7%	1.6%	-1.7%	1.1%
	50th %'ile	0.2%	5.7%	9.4%	4.4%	2.2%	5.8%	3.5%	3.4%	5.8%	1.6%	4.1%	-0.5%	3.3%	-0.5%	2.5%
	84th %'ile	2.4%	11.6%	20.1%	9.5%	4.3%	14.4%	5.2%	5.8%	11.9%	3.2%	5.7%	0.7%	4.9%	0.7%	4.3%
20 years	16th %'ile	-1.5%	1.7%	2.4%	1.4%	1.2%	0.1%	2.8%	2.1%	1.8%	1.1%	1.6%	-0.7%	1.2%	-0.7%	1.3%
	50th %'ile	0.1%	6.2%	10.0%	5.0%	2.7%	6.3%	4.4%	4.2%	6.3%	2.1%	3.1%	1.0%	2.7%	1.1%	3.2%
	84th %'ile	1.9%	10.6%	17.6%	8.9%	4.2%	12.8%	6.0%	6.4%	11.1%	3.2%	4.7%	2.7%	4.3%	2.7%	5.7%
40 years	16th %'ile	-0.3%	3.2%	4.7%	2.6%	2.3%	2.1%	3.6%	3.1%	3.4%	2.0%	1.1%	-0.6%	0.9%	-0.6%	1.1%
	50th %'ile	1.2%	6.7%	10.3%	5.5%	3.7%	6.8%	5.3%	5.1%	6.8%	3.1%	2.4%	1.3%	2.2%	1.3%	3.3%
	84th %'ile	3.1%	10.2%	16.1%	8.8%	5.1%	11.7%	7.1%	7.2%	10.4%	4.4%	3.9%	3.2%	3.7%	3.2%	6.1%
	Volatility (Disp) (1 yr)	7%	18%	30%	15%	8%	26%	6%	8%	18%	7%	3%		3%		

APPENDIX 2

The Fund's asset allocation

The table sets out the long-term strategic asset allocation we have used for the analysis of the future expected investment returns for the Fund and the subsequent discount rate recommendations.

This asset allocation is as provided by the Fund for the purposes of carrying out analysis of the discount rate to be adopted as part of the 2022 formal valuation.

Asset class	Allocation
UK Equities	15.0%
Global Equities	32.0%
Emerging Market Equities	4.0%
Corporate Bonds	4.0%
Index-linked Bonds	7.0%
Property	8.0%
Private Equity	10.0%
Private Debt	5.0%
Multi-Asset	5.0%
Infrastructure Debt	5.0%
Secured Income	5.0%
Total	100.0%

APPENDIX 3

Reliances and limitations

This paper is addressed to Oxfordshire County Council as Administering Authority to the Oxfordshire County Council Pension Fund. It has been prepared in our capacity as actuaries to the Fund and is solely for the purpose of discussing the assumptions for the 2022 formal valuation and setting out our recommendations. It has not been prepared for any other purpose and should not be used for any other purpose.

The Administering Authority is the only user of this advice. Neither we nor Hymans Robertson LLP accept any liability to any party other than the Administering Authority unless we have expressly accepted such liability in writing. The advice or any part of it must not be disclosed or released in any medium to any other third party without our prior written consent. In circumstances where disclosure is permitted, the advice may only be released or otherwise disclosed in its entirety fully disclosing the basis upon which it has been produced (including any and all limitations, caveats or qualifications).

The results of the Fund specific demographic assumptions analysis are wholly dependent on the valuation data provided to us for the 2019 valuation and the assumptions that we use in our calculations.

The assumptions in this document are for the Fund's ongoing employers. Different assumptions may be used for some employers (e.g. more prudent assumed investment return or more prudent longevity improvements assumptions) in particular circumstances. If required, these will be discussed and agreed as part of the 2022 valuation process and will be set out in the Funding Strategy Statement.

The following Technical Actuarial Standards are applicable in relation to this advice, and have been complied with where material and to a proportionate degree:
TAS100; and
TAS300.

APPENDIX 4

Glossary

Term	Explanation
50:50 option	An option for LGPS members to pay half contributions and earn half the retirement benefit (pre-retirement protection benefits are unreduced).
Baseline longevity	The rates of death (by age and sex) in a given group of people based on current observed data.
Club Vita	A firm of longevity experts who Hymans Robertson partner with for longevity analysis. They combine data from thousands of pension schemes and use it to create detailed baseline longevity assumptions at member-level, as well as insight on general longevity trends and future improvements.
Commutation	The option for members to exchange part of their annual pension for a one-off lump sum at retirement. In the LGPS, every £1 of pension exchanged gives the member £12 of lump sum. The amounts that members commute is heavily influenced by tax rules which set an upper limit on how much lump sum can be taken tax-free.
CPI inflation	The annual rate of change of the Consumer Prices Index (CPI). The CPI is the UK government's preferred measure of inflation and is the measure used to increase LGPS (and all other public sector pension scheme) benefits each year.
Demographic assumptions	Assumptions concerned with member and employer choices rather than macroeconomic or financial factors. E.g. retirement age, promotional salary scales etc. Demographic assumptions typically determine the timing of benefit payments.
Discount rate	A number used to place a single value on a stream of future payments, allowing for expected future investment returns. At the valuation the discount rate is used to calculate the value of remaining benefit payments at the end of a given time horizon (e.g. 20 years). It is expressed as a prudent margin above the risk-free rate.
ESS	Economic Scenario Service - Hymans Robertson's proprietary economic scenario generator used to create thousands of simulations of future inflation, asset class returns, interest rates etc

APPENDIX 4

Glossary

Term	Explanation
Inflation	The term for that prices in general tend to increase over time. It can be measured in different ways, with different measures using a different “basket” of goods and using different mathematical formulae.
Liability/ies	An employer’s liability value is the single value at a given point in time of all the benefit payments expected to be made in future to all members connected to that employer. The benefit payments are projected using demographic and financial assumptions and the liability is calculated using a discount rate.
Longevity improvements	An assumption about how rates of death will change in future. Typically we assume that death rates will fall and life expectancies will improve over time, continuing the long-running trend.
Prudence	To be prudent means to err on the side of caution in the overall set of assumptions. We build prudence into the choice of discount rate by choosing an assumption with a Prudence Level of more than 50%. All other assumptions aim to be best estimate.
Prudence Level	A percentage indicating the likelihood that a given discount rate assumption will be achieved in practice, based on the ESS model. The higher the Prudence Level, the more prudent the discount rate is.
RPI inflation	The annual rate of change of the Retail Prices Index. RPI is no longer linked to any LGPS benefits. It still has many legacy uses, notably to determine the payments to holders of index-linked government bonds.
Time horizon (or Horizon)	The period over which we require each employer in the Fund to reach full funding. The Time Horizon is typically long (up to 20 years) for employers who we expect to be in the Fund for the long-term (e.g. local authorities and academy schools) and shorter for employers who are expected to leave (e.g. contractors or employers who don’t admit new staff to the LGPS).
Withdrawal	Refers to members leaving the scheme before retirement. These members retain an entitlement to an LGPS pension when they retire, but are no longer earning new benefits.

Division(s): n/a

ITEM

PENSION FUND COMMITTEE – 10 JUNE 2022

REPORT FROM THE CLIMATE CHANGE WORKING GROUP

Report by the Director of Finance

RECOMMENDATION

1. **The Committee is RECOMMENDED to note the work of the Climate Change Working Group and agree the Engagement Policy as included at Annex 4 as the basis for a wider policy discussion across the whole of the Brunel Pension Partnership as part of the 2022 Climate Change stocktake with the aim of agreeing a single Policy across the whole of the partnership.**

Introduction

2. The Climate Change Working Group met on 5 May 2022 and its agenda comprised three items being the Global Investors Statement to Governments, the latest Carbon Metrics report and the draft Engagement Policy. This report provides the feedback on the discussions at the working group and invites the Committee to endorse the Engagement Policy as the basis for a wider policy discussion across the whole of the Brunel Pension Partnership as part of the 2022 Climate Change stocktake with the aim of agreeing a single Policy across the whole of the partnership.

2022 Global Investor Statement to Governments on the Climate Crisis

3. The Working Group had received a confidential version of the 2022 Global Investor Statement to Governments on the Climate Crisis. The Statement is included as a confidential annex to this report prior to its formal publication later this summer. The Statement has been prepared by the seven founding partners of The Investor Agenda which includes the Institutional Investors Group on Climate Change (IIGCC) of which the Oxfordshire Pension Fund is a member.

4. The Working Group considered that the content of the Statement was consistent with the agreed Policy of the Committee and as such were happy that officers signed the Statement on behalf of the Committee under their delegated powers.

5. As part of the discussion on the content of the Statement, the question was raised as to the impact of the Russian invasion of Ukraine and the associated issues with the global supply of oil and gas. Faith Ward, Chief Responsible Investment Officer at Brunel informed the Working Group of the statement published by the IIGCC on this issue which highlighted that despite the short-term pressures to replace the supply of oil and gas from Russia, the long term

goals remained the need to transition to new more affordable and sustainable forms of energy and that accelerating this transition would mitigate the future political risks as experienced though the current situation. The IIGCC Statement is available here https://www.iigcc.org/news/the-impact-of-russias-invasion-of-ukraine-for-the-energy-transition/

Carbon Metrics Report to December 2021

6. The Working Group were informed that the Carbon Metrics report for the Oxfordshire Fund for the period to 31 December 2021 had just been published. A copy of the report is included as Annex 2 to this report.

7. The Working Group were informed that a full analysis of this latest carbon metrics report would be included in the annual review of our Climate Policy and the latest Taskforce on Climate Related Financial Disclosures (TCFD) report both of which are due to be presented to the September meeting of this Committee.

8. In the meantime, the Group noted that whilst the carbon emissions for the relevant portfolios (equity and corporate bonds) were 28% below their respective benchmarks in aggregate, total emissions had risen slightly over the year.

9. Faith Ward advised the Working Group that this increase was in part based on the economic bounce back following the pandemic (also reflected in the increase in emissions for the aggregate benchmark), and partly as a result of changes to the Sustainable Equities portfolio. This portfolio had seen a more significant increase in carbon emissions as the result of the appointment of a new Fund Manager who specifically targeted the energy transition, which resulted in higher short term carbon emission figures with the potential for significantly lower emissions in the longer term.

10. The Group noted the need to develop a wider basket of suitable metrics to measure performance against our Climate Change Policy to include more forward-looking indicators as well as the more backward looking weighted average carbon intensity (WACI) figures.

Engagement Policy

11. As agreed at the last Climate Change Working Group and reported to the last meeting of the Committee, the Group received information on the potential impact of applying the current policy as drafted in order to review whether it was sufficient robust to meet the overall objectives of the Climate Change Policy.

12. The Group were presented an analysis of the Climate Action 100+ holdings assessments carried out under the Climate Action 100+ programme of work and reported in March 2022. The Group were told that a further update on the analysis would be published shortly to reflect the latest pledges made by companies.

13. It was explained that the assessment was across 166 companies which included the 100 companies responsible for the highest global carbon emissions as well as a further 66 companies which were seen as having material local or national impact on the transition to a net zero emissions economy or were subject to material climate related financial risks not reflected in the emissions data. Overall, these companies account for up to 80% of corporate industrial greenhouse gas emissions.

14. A summary of the presented analysis is included as Annex 3 to this report. A key point noted by the Group was that across the active portfolios, the Fund is only invested in 51 of the 166 Climate Action 100+ companies. Even allowing for the companies held within the passive fund, our Fund Managers have already made the decision not to invest in around half of the Climate Action 100+ list.

15. In light of the analysis, the Group were largely content that the Policy as drafted would enable sufficient challenge to Brunel and the underlying Fund Managers to manage the engagement in a timely manner, consistent with meeting our targets under the current Policy. No changes were therefore proposed to the Policy and it is included at Annex 4 with the recommendation that this forms the basis for a wider policy discussion across the whole of the Brunel Pension Partnership as part of the 2022 Climate Change stocktake with the aim of agreeing a single Policy across the whole of the partnership. There was a minority view that the timescales associated with the policy were not ambitious enough and should be shortened, especially in respect of the fossil fuel companies.

16. Members of the Group raised two other issues arising from the analysis. The first was a concern that the Climate Action 100+ list did not cover the banks and financial companies associated with financing much of the on-going exploration and development of new fossil fuel reserves. Faith Ward set out that Brunel were actively engaging with this sector including co-filing shareholder resolutions where appropriate. She noted that further information was available within the recently published Responsible Investment and Stewardship Outcomes Report (see link to Brunel website). Responsible Investment and Stewardship Outcomes Report - Brunel Pension Partnership

17. The other issue raised was in respect of the significantly higher proportion by value the Climate Action 100+ companies formed in the UK Equity Portfolio (19%) compared to the other active portfolios (next highest was 8% for Global High Alpha). It was agreed that this should form part of the consideration of the next strategic asset allocation review, due to be considered by this Committee at its meeting in March 2023.

Lorna Baxter
Director of Finance

Contact Officers: Sean Collins/Greg Ley
Tel: 07554 103465 / 07393 001071

May 2022

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Oxfordshire Carbon Metrics Report

Holdings as at 31st December 2021

Key Info:	AUM in mGBP: 1,858	Coverage: 99%	08/04/2022

The Oxfordshire Aggregate Portfolio

- This report illustrates key Carbon Metrics for the Oxfordshire Aggregate Portfolio and the associated underlying Brunel Portfolios.
- The Oxfordshire Aggregate Portfolio is made up of Brunel Portfolio's, weighted by investments as of 31 December 2021.
- A custom Strategic Benchmark has been used so that the Oxfordshire Aggregate Portfolio can be measured against a meaningful comparator. This is made up of the individual benchmarks from the Brunel Portfolios, weighted accordingly, as of 31 December 2021.

Performance Summary

- The Weighted Average Carbon Intensity (WACI) of the Oxfordshire Aggregate Portfolio is below its Strategic Benchmark, with a relative efficiency of +28%.
- Of the Brunel Portfolios within the Oxfordshire Aggregate, the highest intensity was the Brunel Emerging Markets (383 tCO2e/mGBP), whilst the lowest was the Brunel Global High Alpha (149 tCO2e/mGBP).
- All Brunel Active Equity Portfolios have lower levels of carbon intensity compared to their respective benchmarks.
- From December 2019 to December 2021, the weighted average carbon intensity of the Oxfordshire Aggregate Portfolio has reduced by 17%.
- The Oxfordshire Aggregate Portfolio is less exposed to both fossil fuel revenues (0.87% vs 1.91%) and future emissions from reserves (2.75 MtCO2 vs 5.48 MtCO2) than its Strategic Benchmark.
- Looking at disclosure rates, which assesses company disclosures for scope 1 emissions, 47% of companies within the Oxfordshire Aggregate Portfolio have fully disclosed carbon data by carbon weighted method, and 41% by investment weighted method. The Trucost methodology for this carbon disclosure metric has been updated from last year in order to reflect more granular disclosures. Companies must now be disclosing emissions across the different Kyoto protocol gases in order to be classified as 'full disclosure', whereas previously only an agregate emissions figure was required.
- The aggregate rate of 'full disclosure' is highest in the Brunel Paris Aligned Equity Index and lowest in the Brunel Sterling Corporate Bond fund.
- Absolute carbon emissions is a new metric we have included in this year's carbon metrics report. The measure refers to the total carbon emissions allocated to the portfolio in absolute terms and the higher percentage holding in a company within a portfolio, the more of its emissions are 'owned'. Absolute emissions for different Portfolios cannot be compared on a like for like basis because the data is not normalised and the size of the portfolio can skew the results.

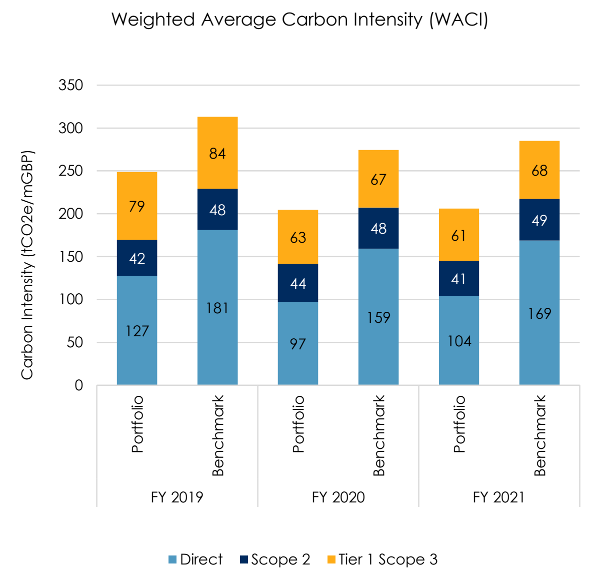
Oxfordshire Carbon Metrics Report

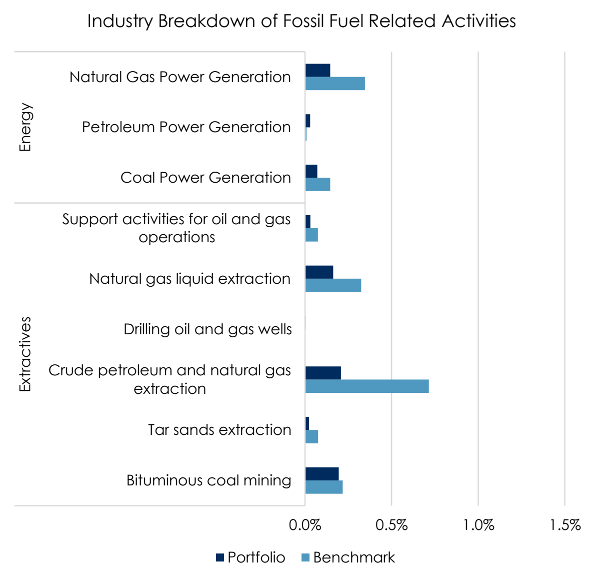
Oxfordshire Pension Fund
www.oxfordshire.gov.uk/pensions

BRUNEL Pension Partnership

Oxfordshire Aggregate vs. Oxfordshire Custom BM

Data as of 31 December 2021





Current Year Top Contributors to WACI

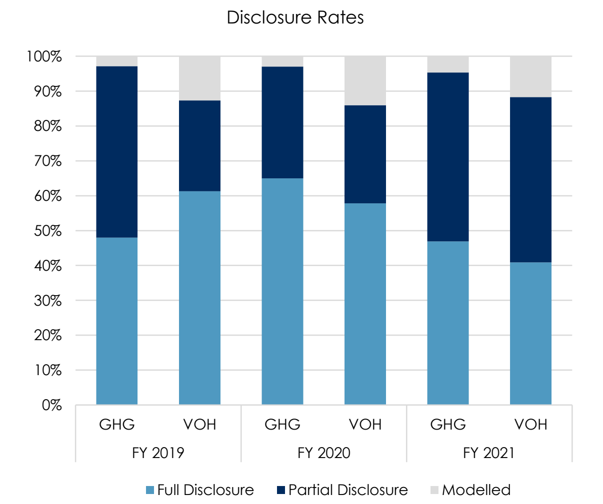
Name	Carbon-to-Revenue intensity ($tCO_2e/mGBP$)	Weight (%)	Contr. (%)
Rio Tinto Group	1,006	0.84%	-3.30%
Royal Dutch Shell PLC	911	0.86%	-2.97%
Republic Services, Inc.	2,855	0.21%	-2.67%
Mondi PLC	3,396	0.15%	-2.30%
Waste Management, Inc.	2,891	0.17%	-2.24%

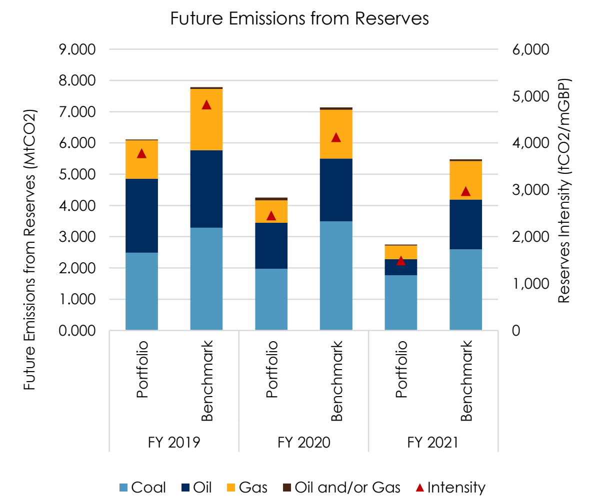
The **WACI** shows the portfolio exposure to carbon intensive companies. This metric takes the carbon intensity (total carbon emissions divided by total revenue) of each investee and multiplies it by its weight in the portfolio.

Top Contributors to Weighted Fossil Fuel Revenues

Name	Weight (%)	Weighted FF Revenue (%)
BHP Group	0.91%	0.22%
Royal Dutch Shell PLC	0.86%	0.20%
Duke Energy Corporation	0.09%	0.04%
EnQuest PLC	0.04%	0.04%
Suncor Energy Inc.	0.07%	0.03%

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





Scope 1 Portfolio Disclosure Rates by Method

Carbon disclosure category	GHG-weighted disclosure	Value-weighted disclosure
Full Disclosure	47%	41%
Partial Disclosure	48%	47%
Modelled	5%	12%

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

Future Emissions from Reserves by Type ($MtCO_2$)

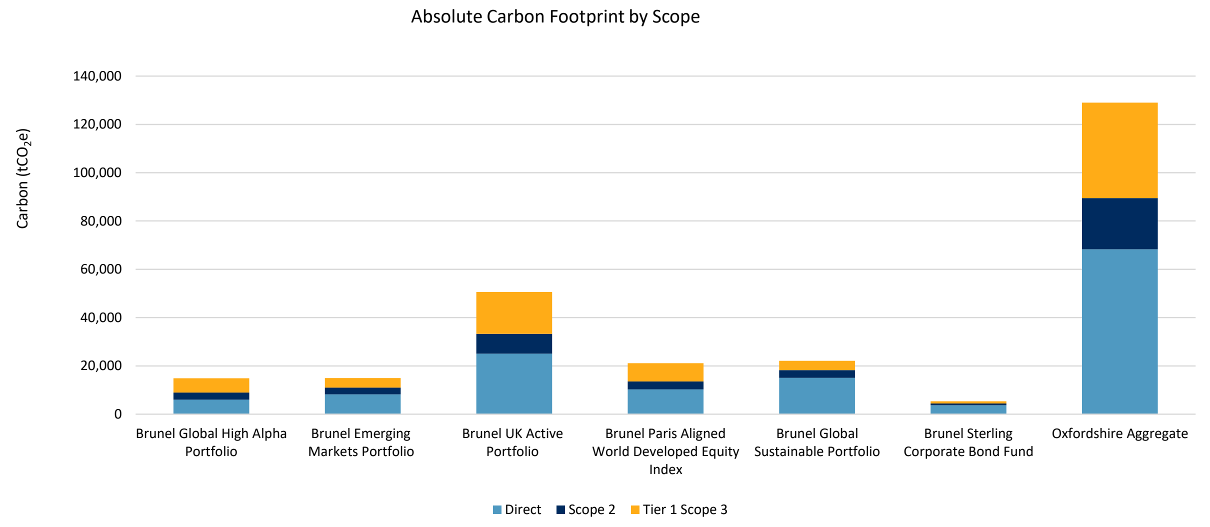
Source	FY 2020 Port.	FY 2020 Ben.	FY 2021 Port.	FY 2021 Ben.
Coal	1.98	3.49	1.76	2.60
Oil	1.47	2.01	0.52	1.60
Gas	0.72	1.56	0.44	1.23
Oil and/or Gas	0.08	0.08	0.03	0.06

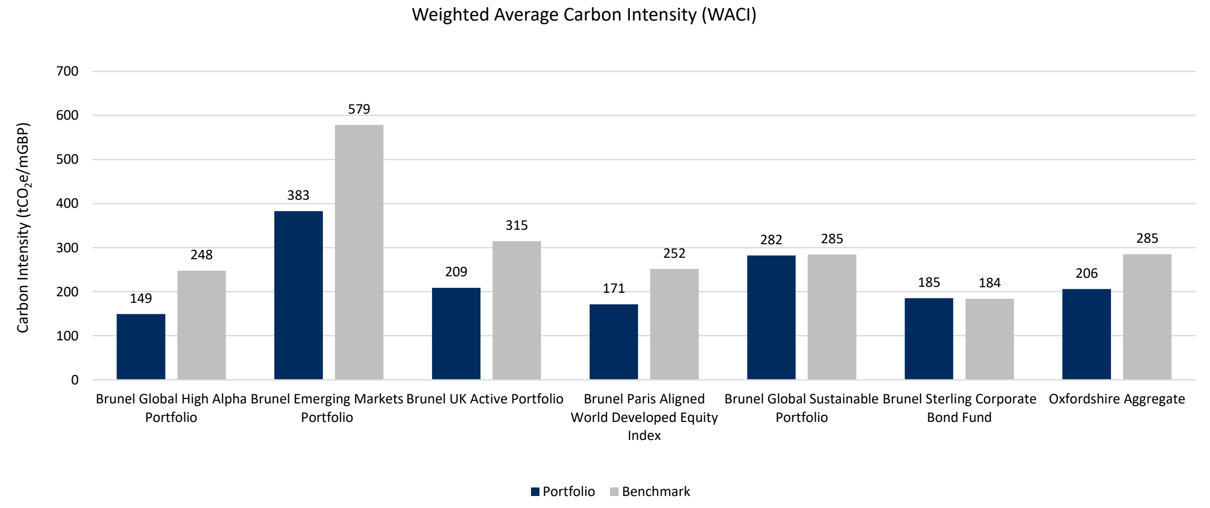
Companies may disclose both 1P and 2P reserves (1P refers to those held with 90% confidence, 2P are those held with 50% confidence). Both 1P and 2P are used when assigning embedded emissions to a company.

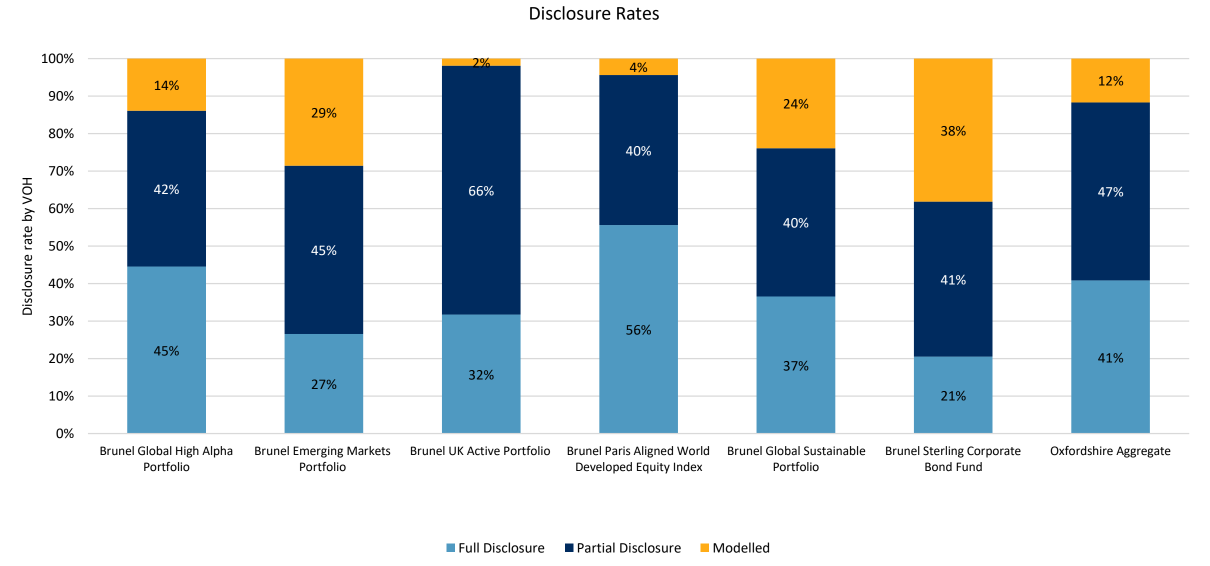
The chart above shows the total tonnes of apportioned CO2 from reserves, broken down by reserve type. It also shows the reserves 'intensity' by normalizing the apportioned embedded emissions by the VOH.

Oxfordshire
Carbon Metrics Report

Summary Sheet | **Data as of 31 December 2021**

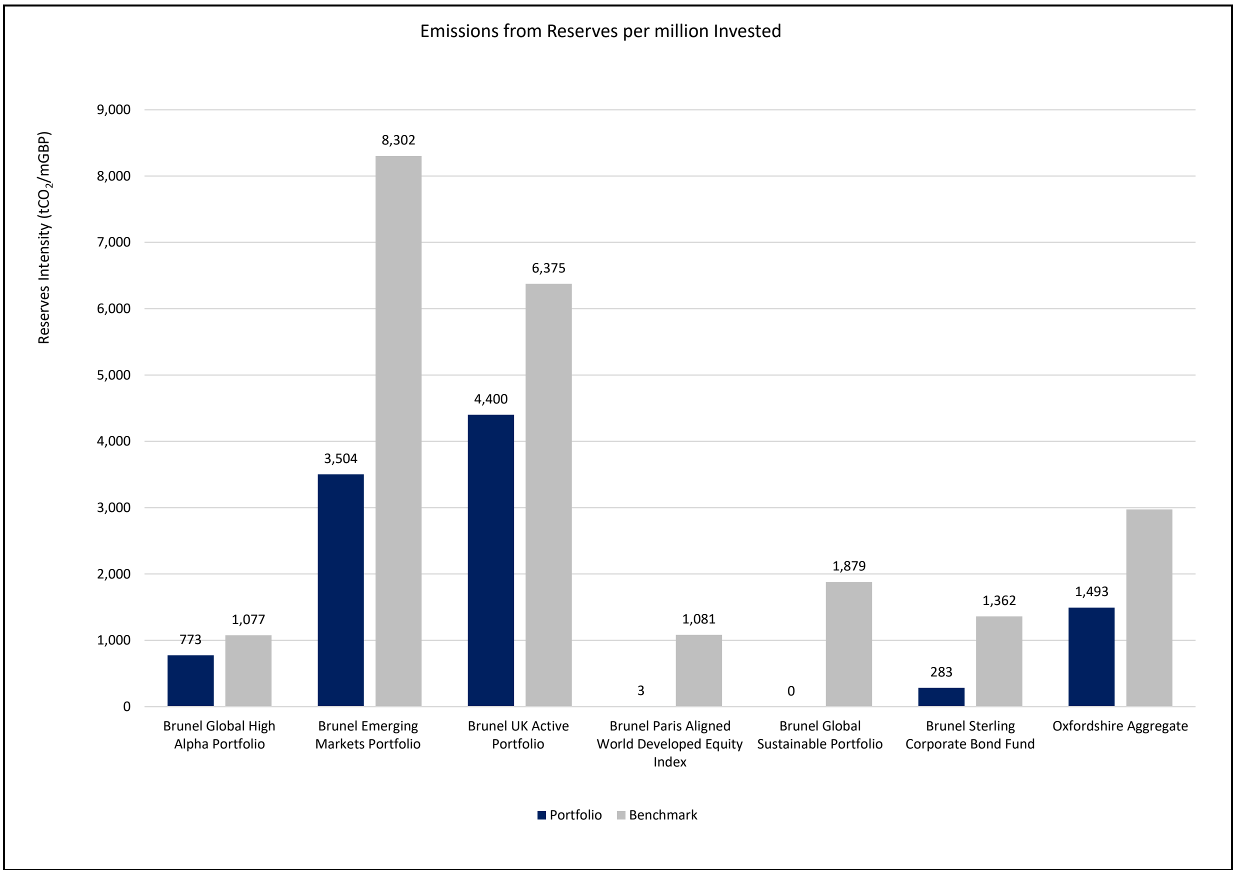


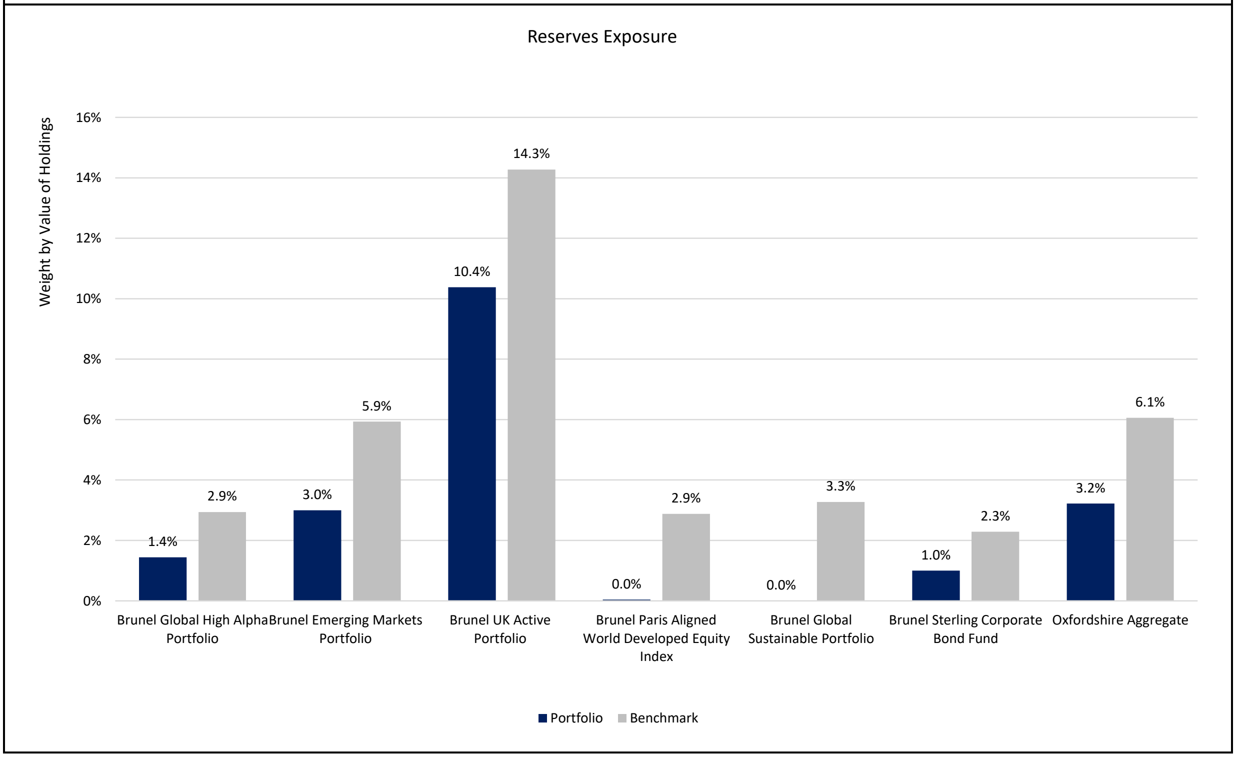




Oxfordshire Carbon Metrics Report

Summary Sheet **Data as of 31 December 2021**

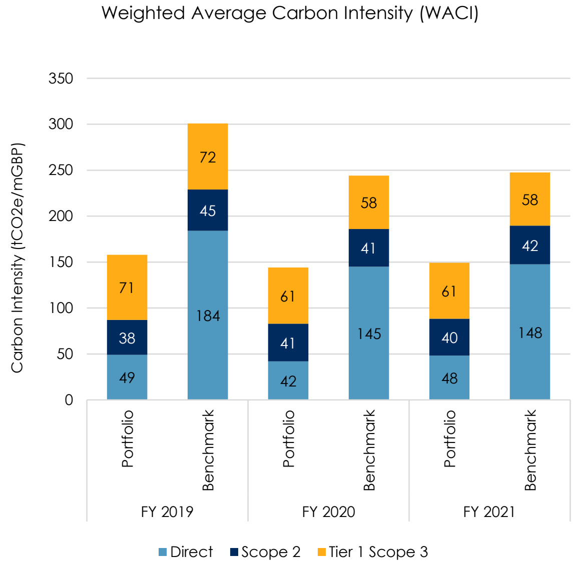


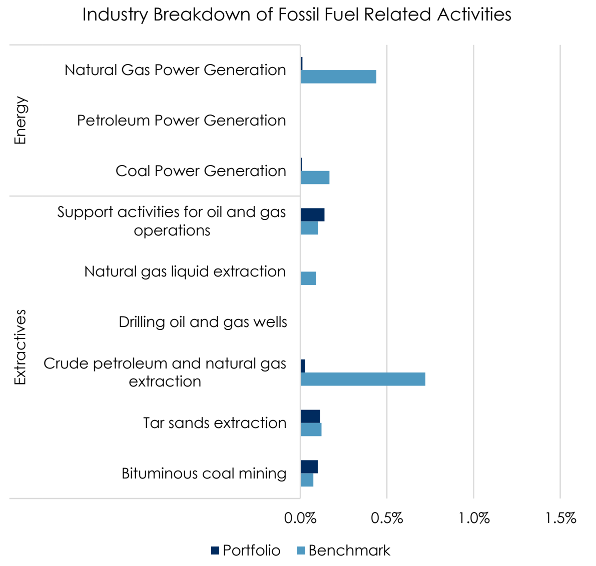


Oxfordshire Carbon Metrics Report

Brunel Global High Alpha Portfolio vs. MSCI World

Data as of 31 December 2021





Current Year Top Contributors to WACI

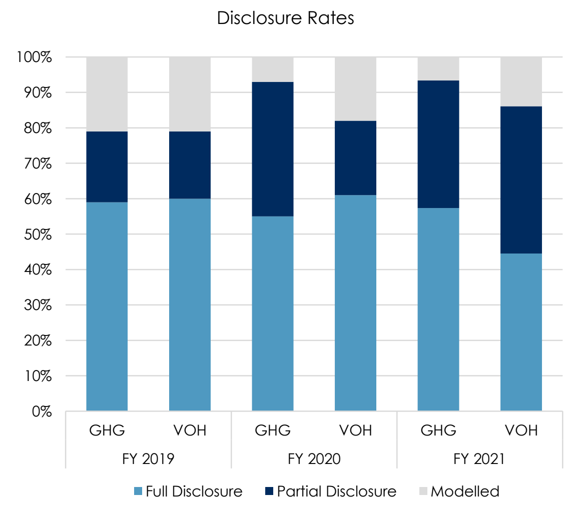
Name	Carbon-to-Revenue intensity ($tCO_2e/mGBP$)	Weight (%)	Contr. (%)
Holcim Ltd	7,263	0.22%	-10.28%
Nestle SA	590	1.91%	-5.75%
InterContinental Hotels Group Plc	1,472	0.55%	-4.94%
Steel Dynamics, Inc.	1,083	0.69%	-4.36%
Suncor Energy Inc.	1,846	0.37%	-4.19%

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

Top Contributors to Weighted Fossil Fuel Revenues

Name	Weight (%)	Weighted FF Revenue (%)
Suncor Energy Inc.	0.37%	0.15%
Halliburton Company	0.14%	0.14%
Anglo American Plc	0.74%	0.09%
Berkshire Hathaway Inc.	0.75%	0.02%
Glencore Plc	0.33%	0.01%

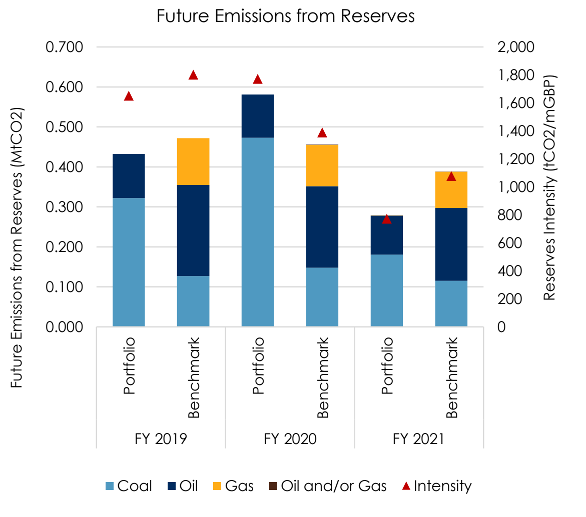
The **Industry Breakdown of Fossil Fuel Related Activities** chart above breaks down the 'extractives' and 'energy' revenue exposure into specific industry exposures.



Scope 1 Portfolio Disclosure Rates by Method

Carbon disclosure category	GHG-weighted disclosure	Value-weighted disclosure
Full Disclosure	57%	45%
Partial Disclosure	36%	42%
Modelled	7%	14%

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



Future Emissions from Reserves by Type ($MtCO_2$)

Source	FY 2020 Port.	FY 2020 Ben.	FY 2021 Port.	FY 2021 Ben.
Coal	0.47	0.15	0.18	0.12
Oil	0.11	0.20	0.10	0.18
Gas	0.00	0.10	0.00	0.09
Oil and/or Gas	0.00	0.00	0.00	0.00

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

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

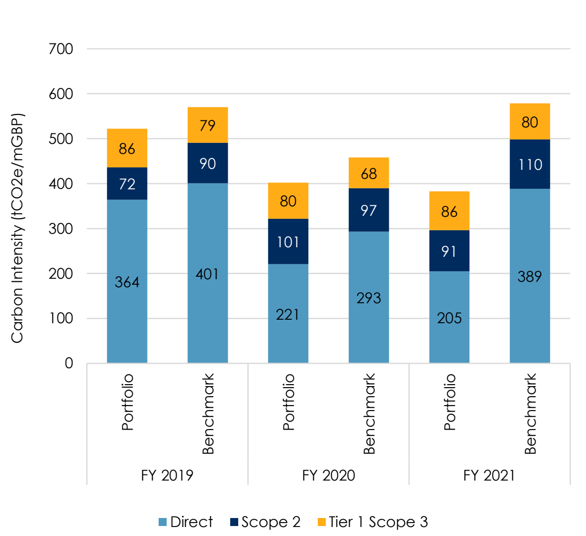
Oxfordshire
Carbon Metrics Report

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

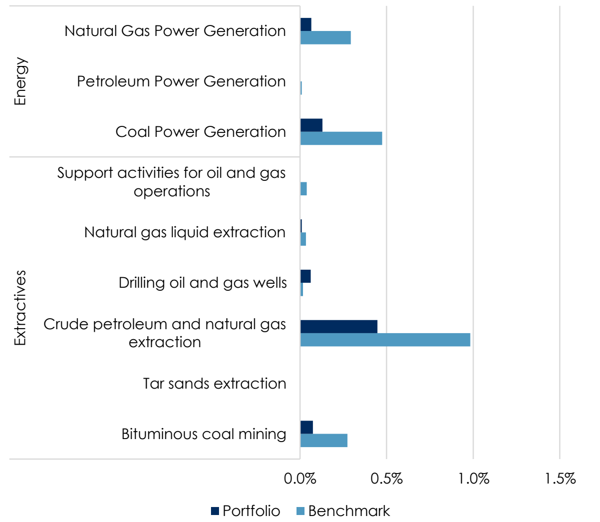
BRUNEL
Pension Partnership

Brunel Emerging Markets Portfolio vs. MSCI Emerging Markets **Data as of 31 December 2021**

Weighted Average Carbon Intensity (WACI)



Industry Breakdown of Fossil Fuel Related Activities



Current Year Top Contributors to WACI

Name	Carbon-to-Revenue intensity ($tCO_2e/mGBP$)	Weight (%)	Contr. (%)
PT Semen Indonesia (Persero) Tbk	14,749	0.23%	-8.50%
China Longyuan Power Group Corpora	3,147	0.93%	-6.75%
Airtac International Group	13,683	0.18%	-6.22%
China National Building Material Comp	15,076	0.12%	-4.65%
Public Joint Stock Company Gazprom	2,988	0.56%	-3.83%

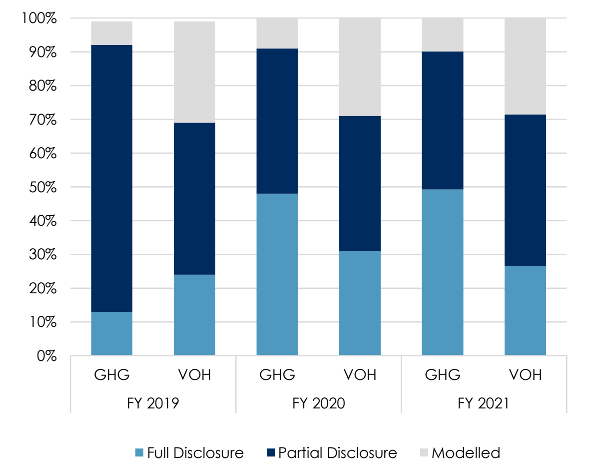
The **WACI** shows the portfolio exposure to carbon intensive companies. This metric takes the carbon intensity (total carbon emissions divided by total revenue) of each investee and multiplies it by its weight in the portfolio.

Top Contributors to Weighted Fossil Fuel Revenues

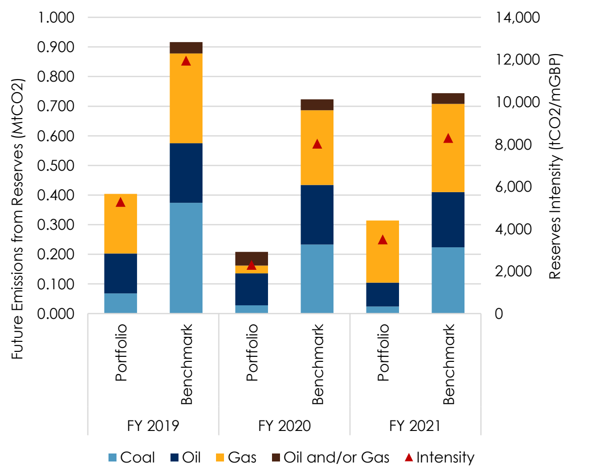
Name	Weight (%)	Weighted FF Revenue (%)
Parex Resources Inc.	0.14%	0.15%
PAO NOVATEK	0.13%	0.13%
PJSC LUKOIL	0.32%	0.11%
China Longyuan Power Grou|	0.93%	0.11%
Public Joint Stock Company (	0.56%	0.09%

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

Disclosure Rates



Future Emissions from Reserves



Scope 1 Portfolio Disclosure Rates by Method

Carbon disclosure category	GHG-weighted disclosure	Value-weighted disclosure
Full Disclosure	49%	27%
Partial Disclosure	41%	45%
Modelled	10%	29%

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

Future Emissions from Reserves by Type ($MtCO_2$)

Source	FY 2020 Port.	FY 2020 Ben.	FY 2021 Port.	FY 2021 Ben.
Coal	0.03	0.23	0.02	0.22
Oil	0.11	0.20	0.08	0.19
Gas	0.03	0.25	0.21	0.30
Oil and/or Gas	0.05	0.04	0.00	0.04

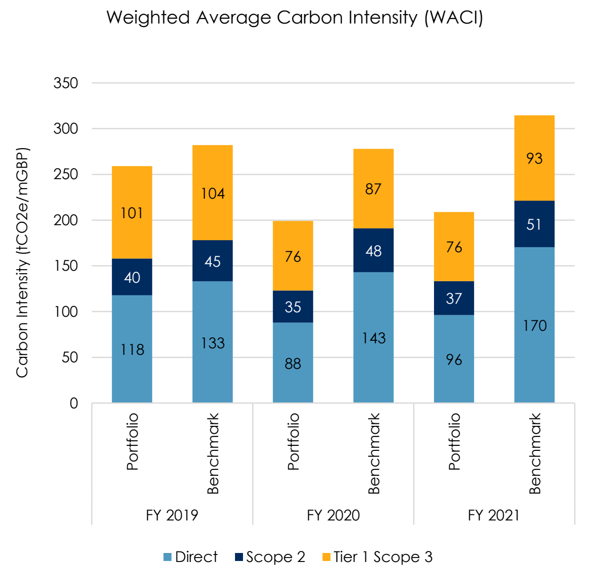
Companies may disclose both 1P and 2P reserves (1P refers to those held with 90% confidence, 2P are those held with 50% confidence). Both 1P and 2P are used when assigning embedded emissions to a company.

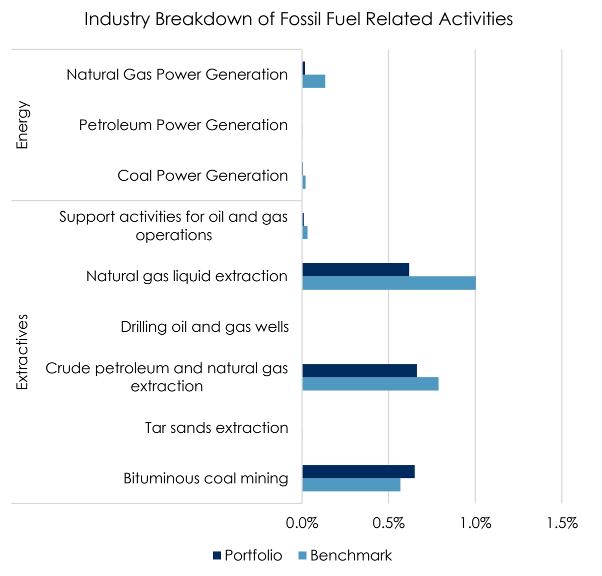
The chart above shows the total tonnes of apportioned CO2 from reserves, broken down by reserve type. It also shows the reserves 'intensity' by normalizing the apportioned embedded emissions by the VOH.

Oxfordshire Carbon Metrics Report

Brunel UK Active Portfolio vs. FTSE Allshare ex IT

Data as of 31 December 2021





Current Year Top Contributors to WACI

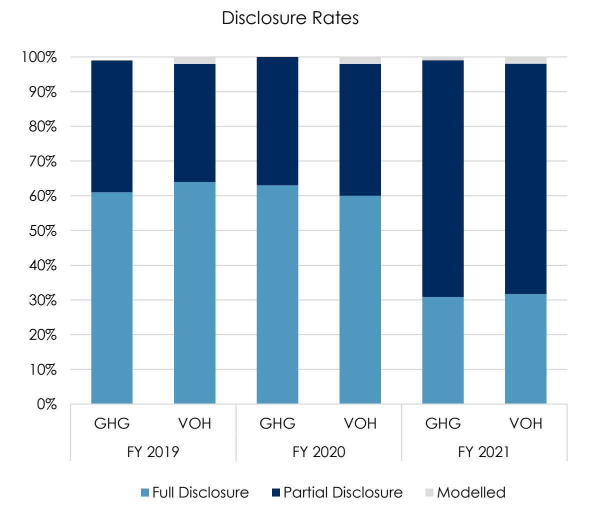
Name	Carbon-to-Revenue intensity ($tCO_2e/mGBP$)	Weight (%)	Contr. (%)
Rio Tinto Group	1,006	3.21%	-12.65%
Royal Dutch Shell PLC	911	3.27%	-11.36%
Mondi PLC	3,396	0.56%	-8.66%
Tate & Lyle plc	2,210	0.63%	-6.10%
BHP Group	544	3.46%	-5.75%

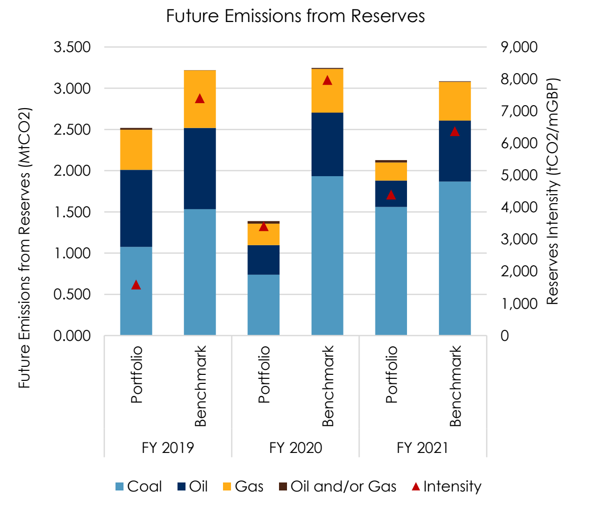
The **WACI** shows the portfolio exposure to carbon intensive companies. This metric takes the carbon intensity (total carbon emissions divided by total revenue) of each investee and multiplies it by its weight in the portfolio.

Top Contributors to Weighted Fossil Fuel Revenues

Name	Weight (%)	Weighted FF Revenue (%)
BHP Group	3.46%	0.82%
Royal Dutch Shell PLC	3.27%	0.73%
EnQuest PLC	0.15%	0.15%
Anglo American Plc	0.69%	0.08%
BP p.l.c.	0.84%	0.08%

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





Scope 1 Portfolio Disclosure Rates by Method

Carbon disclosure category	GHG-weighted disclosure	Value-weighted disclosure
Full Disclosure	31%	32%
Partial Disclosure	68%	66%
Modelled	1%	2%

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

Future Emissions from Reserves by Type ($MtCO_2$)

Source	FY 2020 Port.	FY 2020 Ben.	FY 2021 Port.	FY 2021 Ben.
Coal	0.74	1.93	1.56	1.87
Oil	0.36	0.77	0.32	0.74
Gas	0.26	0.53	0.22	0.47
Oil and/or Gas	0.03	0.01	0.03	0.01

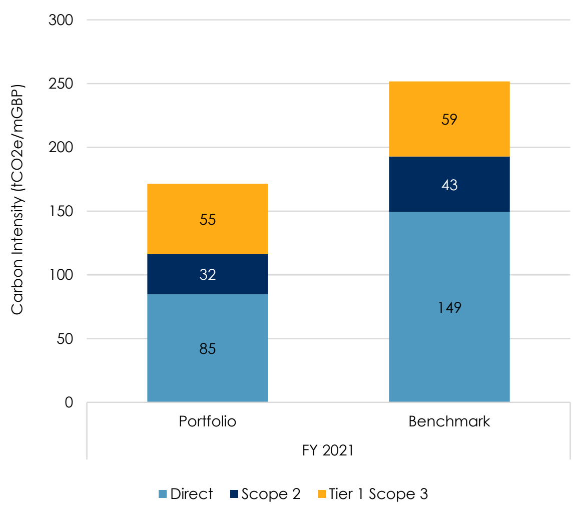
Companies may disclose both 1P and 2P reserves (1P refers to those held with 90% confidence, 2P are those held with 50% confidence). Both 1P and 2P are used when assigning embedded emissions to a company.

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

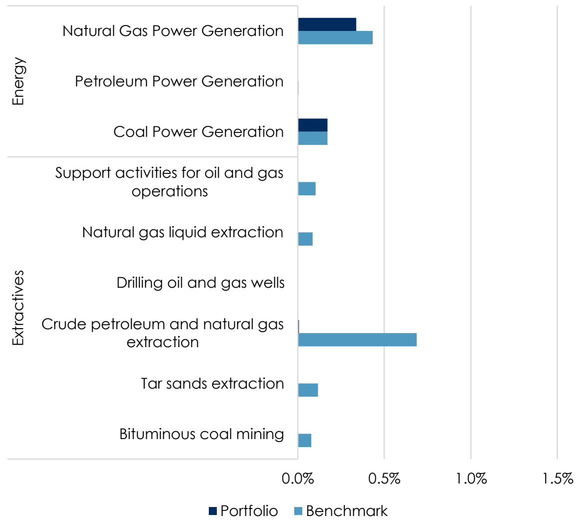
Oxfordshire Carbon Metrics Report

Brunel UK Active Portfolio vs. FTSE Allshare ex IT **Data as of 31 December 2021**

Weighted Average Carbon Intensity (WACI)



Industry Breakdown of Fossil Fuel Related Activities



Current Year Top Contributors to WACI

Name	Carbon-to-Revenue intensity ($tCO_2e/mGBP$)	Weight (%)	Contr. (%)
Duke Energy Corporation	4,653	0.31%	-8.09%
Xcel Energy Inc.	5,297	0.20%	-5.89%
American Electric Power Company, Inc	4,730	0.15%	-3.92%
Nestle SA	590	1.28%	-3.16%
Ameren Corporation	6,857	0.07%	-2.82%

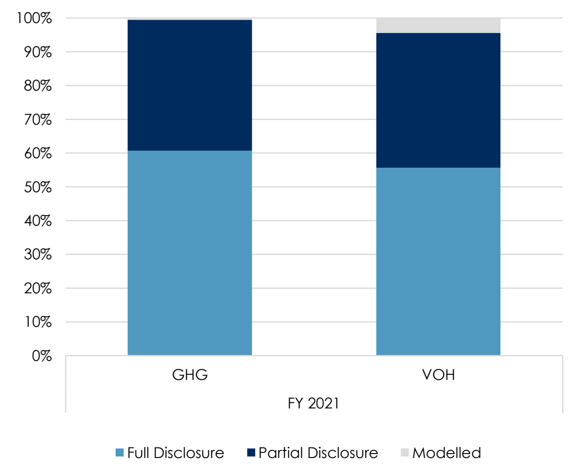
The **WACI** shows the portfolio exposure to carbon intensive companies. This metric takes the carbon intensity (total carbon emissions divided by total revenue) of each investee and multiplies it by its weight in the portfolio.

Top Contributors to Weighted Fossil Fuel Revenues

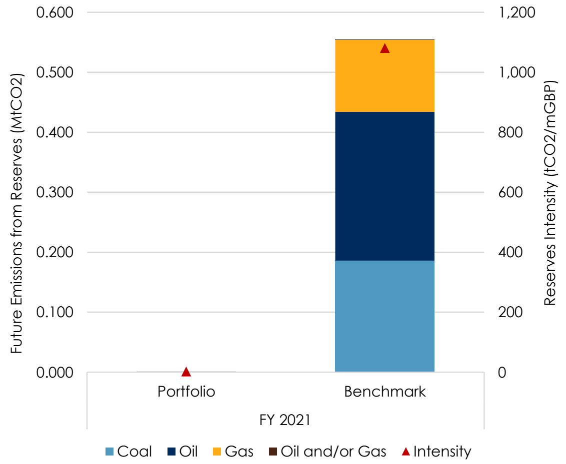
Name	Weight (%)	Weighted FF Revenue (%)
Duke Energy Corporation	0.31%	0.15%
Xcel Energy Inc.	0.20%	0.08%
Sempra	0.41%	0.05%
American Electric Power Con	0.15%	0.04%
ENGIE SA	0.42%	0.03%

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

Disclosure Rates



Future Emissions from Reserves



Scope 1 Portfolio Disclosure Rates by Method

Carbon disclosure category	GHG-weighted disclosure	Value-weighted disclosure
Full Disclosure	61%	56%
Partial Disclosure	39%	40%
Modelled	1%	4%

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

Future Emissions from Reserves by Type ($MtCO_2$)

Source	FY 2020 Port.	FY 2020 Ben.	FY 2021 Port.	FY 2021 Ben.
Coal	NA	NA	0.00	0.19
Oil	NA	NA	0.00	0.25
Gas	NA	NA	0.00	0.12
Oil and/or Gas	NA	NA	0.00	0.00

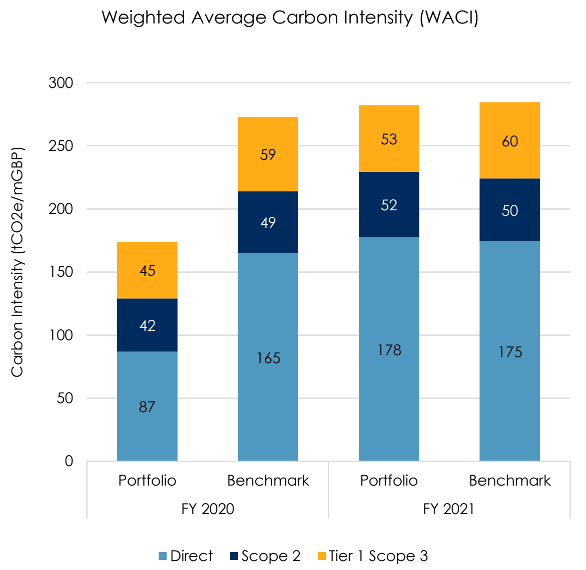
Companies may disclose both 1P and 2P reserves (1P refers to those held with 90% confidence, 2P are those held with 50% confidence). Both 1P and 2P are used when assigning embedded emissions to a company.

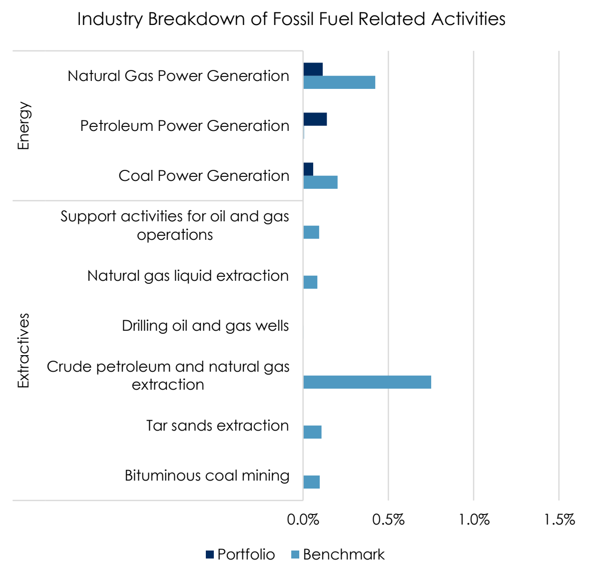
The chart above shows the total tonnes of apportioned CO2 from reserves, broken down by reserve type. It also shows the reserves 'intensity' by normalizing the apportioned embedded emissions by the VOH.

Oxfordshire
Carbon Metrics Report

Brunel Global Sustainable Portfolio vs. MSCI ACWI

Data as of 31 December 2021





Current Year Top Contributors to WACI

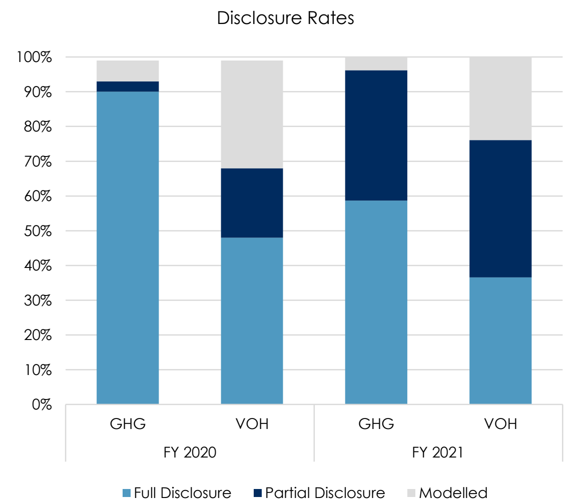
Name	Carbon-to-Revenue intensity ($tCO_2e/mGBP$)	Weight (%)	Contr. (%)
Republic Services, Inc.	2,855	1.27%	-11.73%
Waste Management, Inc.	2,891	1.06%	-9.85%
Linde plc	1,977	1.12%	-6.82%
Fortis Inc.	2,725	0.64%	-5.55%
L'Air Liquide S.A.	1,719	0.94%	-4.84%

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

Top Contributors to Weighted Fossil Fuel Revenues

Name	Weight (%)	Weighted FF Revenue (%)
Fortis Inc.	0.64%	0.14%
Hawaiian Electric Industries, Ir	0.32%	0.14%
Orsted	0.72%	0.03%
L'Air Liquide S.A.	0.94%	0.02%
National Grid PLC	0.70%	0.01%

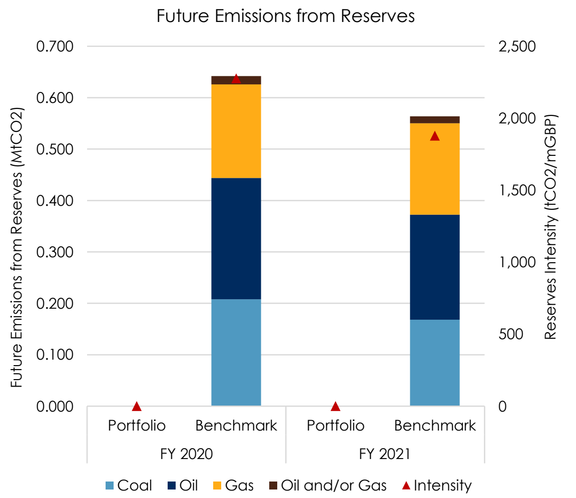
The **Industry Breakdown of Fossil Fuel Related Activities** chart above breaks down the 'extractives' and 'energy' revenue exposure into specific industry exposures.



Scope 1 Portfolio Disclosure Rates by Method

Carbon disclosure category	GHG-weighted disclosure	Value-weighted disclosure
Full Disclosure	59%	37%
Partial Disclosure	38%	40%
Modelled	4%	24%

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



Future Emissions from Reserves by Type ($MtCO_2$)

Source	FY 2020 Port.	FY 2020 Ben.	FY 2021 Port.	FY 2021 Ben.
Coal	0.00	0.21	0.00	0.17
Oil	0.00	0.24	0.00	0.20
Gas	0.00	0.18	0.00	0.18
Oil and/or Gas	0.00	0.02	0.00	0.01

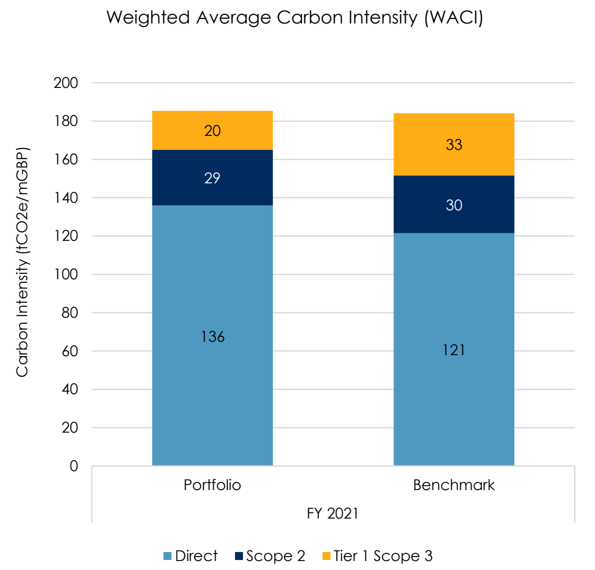
Companies may disclose both 1P and 2P reserves (1P refers to those held with 90% confidence, 2P are those held with 50% confidence). Both 1P and 2P are used when assigning embedded emissions to a company.

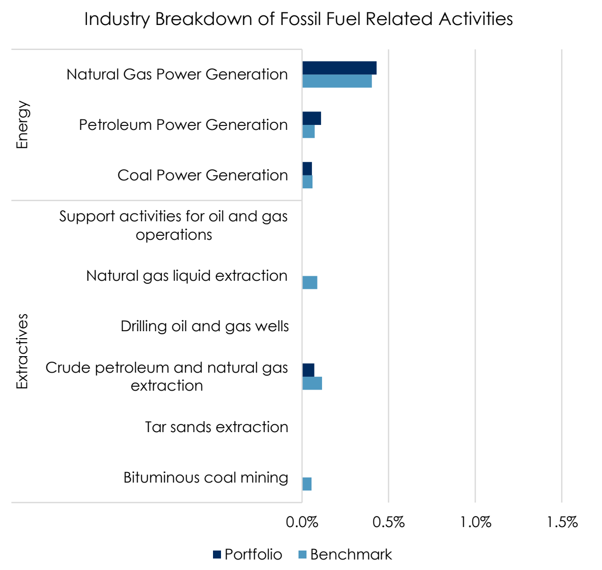
The chart above shows the total tonnes of apportioned CO2 from reserves, broken down by reserve type. It also shows the reserves 'intensity' by normalizing the apportioned embedded emissions by the VOH.

Oxfordshire Carbon Metrics Report

Brunel Sterling Corporate Bond Fund vs. iboxx £ Non-Gilts

Data as of 31 December 2021





Current Year Top Contributors to WACI

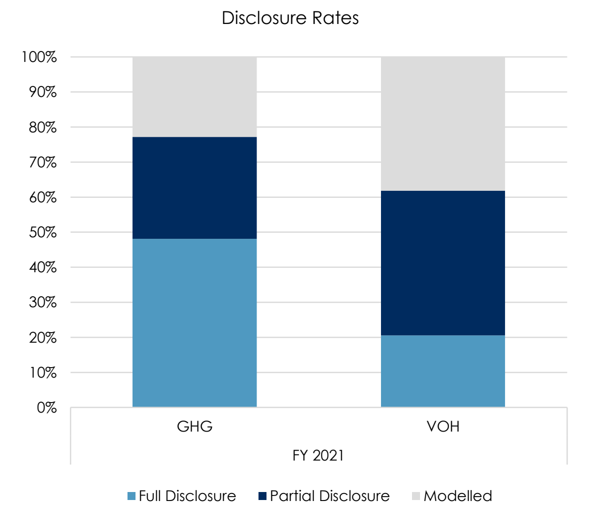
Name	Carbon-to-Revenue intensity ($tCO_2e/mGBP$)	Weight (%)	Contr. (%)
South Eastern Power Networks plc	7,625	0.59%	-23.80%
YTL Power International Berhad	5,868	0.32%	-9.84%
SSE plc	1,363	1.26%	-8.10%
Pennon Group Plc	6,407	0.15%	-4.94%
Electricite de France	614	2.06%	-4.87%

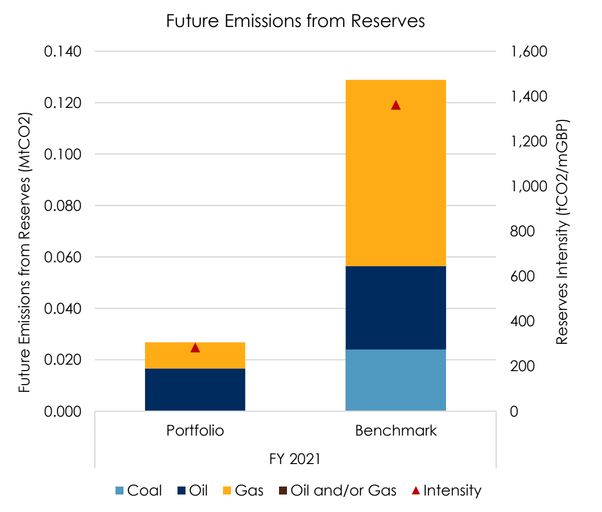
The **WACI** shows the portfolio exposure to carbon intensive companies. This metric takes the carbon intensity (total carbon emissions divided by total revenue) of each investee and multiplies it by its weight in the portfolio.

Top Contributors to Weighted Fossil Fuel Revenues

Name	Weight (%)	Weighted FF Revenue (%)
SSE plc	1.26%	0.24%
YTL Power International Berha	0.32%	0.22%
Electricite de France	2.06%	0.17%
Centrica plc	0.54%	0.05%
BP p.l.c.	0.46%	0.05%

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





Scope 1 Portfolio Disclosure Rates by Method

Carbon disclosure category	GHG-weighted disclosure	Value-weighted disclosure
Full Disclosure	48%	21%
Partial Disclosure	29%	41%
Modelled	23%	38%

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

Future Emissions from Reserves by Type ($MtCO_2$)

Source	FY 2020 Port.	FY 2020 Ben.	FY 2021 Port.	FY 2021 Ben.
Coal	NA	NA	0.00	0.02
Oil	NA	NA	0.02	0.03
Gas	NA	NA	0.01	0.07
Oil and/or Gas	NA	NA	0.00	0.00

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

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

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				Potential Exclusion Date (£m)		
Portfolio Name	**Portfolio Value (£m)**	**CA100+ Value (£m)**	**CA100+ Portfolio %**	**2024**	**2026**	**2027**
UK Equity	486,075	91,719	19%	14,956	5,465	0
Global High Alpha	334,815	26,629	8%	4,005	9,402	1,621
Global Sustainable	315,963	15,204	5%	7,555	6,523	-
Emerging Markets	85,803	4,469	5%	3,365	417	-
Sterling Corporate Bonds	106,727	2,994	3%	837	2,602	-
Multi-Asset Credit	139,285	2,495	2%	1,006	1,013	-
Sub-Total	**1,468,667**	**143,510**	**10%**	**31,723**	**25,422**	**1,621**
Passive Paris-Aligned	493,610	49,712	10%	Excluded from Engagement Policy Scope		
Total	**1,962,276**	**193,221**	**10%**			

<u>All Portfolios Excluding Passive PAB</u>

Stage	Target Date	No. Companies	Value (£m)	%
Not Aligned		24	55,856	39%
Committed to Aligning	2024	26	85,961	60%
Aligning	2026	1	1,692	1%
Aligned	2027	0	0	0%
		51	**143,510**	**100%**

<u>Passive PAB</u>

Stage	Target Date	No. Companies	Value (£m)	%
Not Aligned		14	11,022	22%
Committed to Aligning	2024	32	38,298	77%
Aligning	2026	1	392	1%
Aligned	2027	0	0	0%
		47	**49,712**	**100%**

A MORE PRESCRIPTIVE APPROACH TO ENGAGEMENT - ALIGNING INVESTMENTS TO A 1.5°C PATHWAY

Report by Director of Finance

Introduction

1. The Pension Fund's Climate Change Policy Implementation Plan included a goal to set targets and measures of success in relation to engagement activity. This document is intended to set out the Pension Fund's Engagement Policy, consistent with the Fund's Climate Change Policy objective of aligning investments with the Paris Agreement goal to limit global temperature increases to 1.5°C. The Policy has been developed based on the principles agreed at the Pension Fund Committee on 3rd December 2021.

2. Ultimately this will feed into the Brunel Climate Policy Stocktake process where the goal is to adopt a Brunel wide approach that has the agreement of all client funds. Where a unanimous position cannot be agreed the Pension Fund would seek to work with other Brunel funds to establish portfolios which align to the Fund's Policy.

Scope

3. The ambition is for the Policy to apply across all the Pension Fund's portfolios but initially the focus will be on listed equities and corporate bonds which make up a large proportion of the Fund's investments and have more established processes and data to enable the Policy to be applied. Passive equities are not in scope as the Fund has already invested all passive equities in a Paris Aligned portfolio with its own rules for company weightings and exclusions.

4. The way the Policy operates for other asset classes will need to be developed in future iterations of the Policy due to the different nature of the investments and climate data sets available. For example, the criteria currently set out in the Policy for equities and bonds would not be appropriate for property investments.

5. The Policy will focus on companies that have the most significant climate impacts by identifying high impact companies. High impact companies will be defined as those companies on the Climate Action 100+ focus list.

Principles

Goals

6. The Policy aims to establish a mechanism for ensuring the Pension Fund's investments are aligned to the Paris goal of limiting temperature rises to 1.5°C

within an appropriate timeframe. The Policy will operate in a way that does not conflict with the Pension Fund Committee's fiduciary responsibilities.

Science Based

7. The Policy will be grounded in scientific consensus on climate change, in particular by the work of the Intergovernmental Panel on Climate Change. In addition, the Policy will be informed by outputs from other reputable bodies that produce analysis derived from credible 1.5°C scenarios.

Transparency

8. The operation of the Policy will be transparent: the reasoning for decisions will be predictable, recorded and accessible as far as practicable. The Policy will take every opportunity to signal positive change to the wider market and society to maximize the impact of the Policy.

9. Transparency on the criteria to be assessed is also seen as a key driver in encouraging companies to disclose the information needed to undertake the required analysis and in promoting the development of products and services by providers that links to the Policy criteria.

Data

10. As far as possible the Policy should use objective measures or simple verifiable facts that signal a tangible effect on climate mitigation. Measures should be comparable within sectors and between sectors where possible.

11. Decisions made under the Policy will not be postponed or avoided in the absence of perfect data. Reasonable estimates should be used when actual data is unavailable. The absence of data in itself should be considered as a potential criterion fail where there is a reasonable expectation for a company to make the data available. It is primarily the responsibility of companies to generate verifiable data that can be used to guide policy execution.

12. In making company level assessments full scope 3 emissions should be considered. Unlike portfolio level assessments that include full scope 3 emissions, company level assessments do not suffer from double counting issues.

13. In assessing alignment with 1.5°C scenarios a prudent approach will be adopted where companies place reliance on emissions offsetting and/or carbon capture and storage technologies. Offsetting should not be used by companies operating in sectors where viable decarbonisation technologies exist. Plans should not rely on unproven technologies or adopt timeframes for action that are inconsistent with 1.5°C pathways.

Policy criteria

14. The Pension Fund will primarily seek to achieve portfolio alignment through the decarbonisation of assets, as this this is what is required in order for 1.5°C scenarios to be achieved. However, where decarbonisation at company level is not taking place at the required level the Pension Fund seeks to have a criteria-based approach to excluding such companies from its portfolios.

15. The Policy seeks to adopt a set of criteria against which companies will be assessed that have a clear link to alignment to 1.5°C temperature scenarios. Where possible the assessment of Paris alignment should be sector specific to take into account the different decarbonisation pathways that have been established for different sectors.

16. The following criteria have been derived from the criteria currently assessed by Climate Action 100+. Within each of the criteria there are several sub-criteria. Details can be found on the Climate Action 100+ Net-Zero Company Benchmark (Net-Zero Company Benchmark | Climate Action 100+).

    Assessment Criteria:

    1. **Ambition** - Long-term greenhouse gas (GHG) emissions goal consistent with limiting global temperature rises to 1.5°C above pre-industrial levels.
    2. **Targets** – Short, medium, and long-term GHG emissions targets (scope 1, 2 and material scope 3) consistent with limiting global temperature rises to 1.5°C.
    3. **Emissions Performance** – Currently meeting emissions reduction targets or disclosed emissions are consistent with 1.5°C pathways.
    4. **Disclosure** – Reporting of scope 1, 2 and material scope 3 emissions.
    5. **Decarbonisation Strategy** - A quantified plan setting out the measures that will be deployed to deliver long and medium term GHG emissions targets.
    6. **Capital Allocation** – The company has explicitly committed to aligning future capital expenditure with the Paris Agreement goal of limiting global temperature rises to 1.5°C. The company discloses the methodology it uses to align its future capital expenditures with its decarbonisation goals, including key assumptions and key performance indicators.
    7. **Lobbying** - The company has a Paris-Agreement-aligned climate lobbying position and demonstrates alignment of its direct and indirect lobbying activities.
    8. **Climate Governance** – The company demonstrates clear oversight of climate planning and climate linked executive remuneration targets.
    9. **TCFD Reporting** – Company produces reporting under the TCFD framework.
    10. **Just Transition** – The company considers the impacts of moving to a lower-carbon business model on its workers and communities.

17. The list of criteria will be kept under review for appropriateness.

18. Companies will be classified into stages of alignment as per the below depending on whether they are high-impact or not:

High-Impact Companies

Not aligned – companies that meet none of the criteria.
Committed to Aligning – companies meeting criteria 1 only.
Aligning - Achieving criteria 1, 2, 4, 5 (partial achievement), 7, 8, and 9
Aligned – Achieving all criteria

Other Companies

Not aligned – companies that meet none of the criteria.
Committed to Aligning – companies meeting criteria 1 only.
Aligning - Achieving criteria 1, 2 and 4
Aligned – Achieving criteria 1, 2, 3, 4, 9 and 10

High Impact Companies

Alignment Stage	Timeframe (31 March)
Not aligned	
Committed to Aligning	2024
Aligning	2026
Aligned	2027

Large-Cap Companies

Alignment Stage	Timeframe (31 March)
Not aligned	
Committed to Aligning	2025
Aligning	2028
Aligned	2030

All Other Companies

Alignment Stage	Timeframe (31 March)
Not aligned	
Committed to Aligning	2028
Aligning	2035
Aligned	2040

Policy Operation

19. Companies that have not reached an alignment stage within the required timeframe will be added to a list for potential exclusion. Prior to companies on the list being confirmed for exclusion there will be a qualitative analysis undertaken, including Brunel, client funds, and fund managers as appropriate. The purpose of this analysis is to ensure decisions are made in the best interests of client funds and to take into account the fact that any set of criteria cannot fully capture all elements relevant to an investment decision both in isolation and in terms of portfolio level impacts. The rationale for any decisions taken should be made publicly available as far as possible taking into account any confidentiality constraints.

20. As well as the alignment stage being used to identify companies for potential exclusion it will be used to report the proportion of investments within investment portfolios falling into each stage.

21. Where companies are not meeting all the required criteria but are within the timeframe for exclusion engagement will be utilised targeting those criteria not yet met, with the expectation that consistent progress towards the criteria will be demonstrated. Engagement will follow the existing escalation process where if insufficient progress is being made additional actions will be utilised including collaborative engagement with like-minded institutional investors, speaking at the company's AGM, voting against the chair and other board members, filing or co-filing a shareholder resolution, and raising concerns in the public domain.

22. Engagement will also aim to accelerate improvements in data quality and coverage by engaging with companies to disclose the required information for assessing alignment, as well as data providers to provide products and services that are aligned to the alignment criteria set out in the Framework.

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Division(s): n/a

ITEM

PENSION FUND COMMITTEE – 10 JUNE 2022

RISK REGISTER

Report by the Director of Finance

RECOMMENDATION

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

Introduction

2. 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 22 April 2022, the Pension Board considered the latest risk register and considered that no further amendments were required at this time.

Latest Position on Existing Risks/New Risks

6. There remain four Amber risks on the current risk register. Three of the Amber risks relate to the skills and knowledge of the key groups involved in the administration of the Pension Fund, namely the members of the Committee, members of the Local Pension Board and the Pension Fund Officers.

7. In respect of the Pension Fund Committee, there is a report elsewhere on the agenda which seeks to re-affirm the previously agreed proposal to recommend

Council to amend the Constitution to require a minimum level of training to be undertaken by all members of the Committee and any potential substitutes. If adopted, this change would be supported by the annual knowledge and skills assessment using the Hymans Robertson framework, with any issues of non-engagement with the training programme and low assessment scores referred to the appropriate appointing person/body. Over time this should drive up the skills and knowledge of the Committee and bring the risk score to target.

8. The mitigation for the risks of insufficient skills and knowledge on the Local Pension Board is similar, although the requirement for all Board Members to have the appropriate skills and knowledge is set out in the legislation which established the Board.

9. As noted in the March report, the risk of insufficient skills and knowledge amongst the Pension Fund Officers was raised due to the increased demands on Officers from statutory changes to the scheme, and as reflected in the Funds Annual Busines Plan for 2022/23. Whilst the Committee has agreed budget provision for additional resources, including the use of staff from 3rd party agencies, as set out in the administration report elsewhere on the agenda, it remains challenging to recruit to all positions.

10. The final amber risk relates to the implementation of the McCloud remedy and whether the Fund will have sufficient resources to undertake the necessary work, and whether all employers will be able to provide the necessary data where not already held by the Fund. Until we receive the amendments to the LGPS Regulations and any appropriate guidance to deliver the remedy it is difficult to assess the full extent of this risk or put in pace a full mitigation plan

11. The risk score for the related risk regarding the implementation of the remedying legislation for the fire-fighters pension schemes was moved to green last quarter following the decision to implement the Immediate Detriment Framework as far as we are able. It should be noted that subsequent to that decision a further communication was received from the National Fire Chiefs Council which stated they could not support the implementation of the Immediate Detriment Framework given the legal risks associated with doing so, whilst acknowledging there were also legal risks of not doing so, and it was for each Fire Authority to make their own decision. The letter was discussed with the Chairman and Vice-Chairman of the Committee and it was noted that no new risks had been identified in the correspondence and that based on the balance of risk, the previous decision to implement the Framework remained appropriate for Oxfordshire.

12. The level of risk associated with this decision is difficult to assess until we have the final remedying legislation and is currently not fully reflected in the Risk Register. It should be noted though that a number of Fire Authorities are in a similar position to Oxfordshire, and any failure by the Government to address the issues caused by their delays in bringing forward the remedying legislation is likely to be subject to further challenge.

Lorna Baxter
Director of Finance

Contact Officer: Sean Collins
Tel: 07554 103465

May 2022

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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	May 2022	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	May 2022	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	May 2022	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	May 2022	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	May 2022	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	1	4	↔			4	1	4	May 2022	At Target.

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	May 2022	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	May 2022	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	May 2022	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	May 2022	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	May 2022	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	May 2022	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 2022	4	1	4	May 2022	Initial Knowledge Assessment score of 37.92 indicates significant gap in current level of skills and knowledge. Subsequent loss of experienced member.

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		
14	Insufficient Skills and Knowledge amongst Board Members	Governance – Business Plan Objective	Turnover of Board membership	Insufficient Scrutiny of work of Pension Fund Committee leading to Breach of Regulations	Service Manager	Training Policy	4	2	8	↔	Training Programme in place and targeted to gaps in skills and knowledge of Board		4	1	4	May 2022	Initial Knowledge Assessment score for Board 60.42 indicating gap in current level of skills and knowledge.
15	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. Use of staff from 3rd party agencies	3	2	6	↔			3	1	3	May 2022	Proposed Business Plan for 2022/23 depends on appointment of a number of new posts.
16	Key System Failure – LGPS and FSPS	Administrative – Business as Usual	Technical failure	Inability to process pension payments	Pension Services Manager	Disaster Recovery Programme, and Cyber Security Policy	4	1	4	↔			4	1	4	May 2022	At Target
17	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 and Cyber Security Policy.	4	1	4	↔			4	1	4	May 2022	At Target
18	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	May 2022	At Target
19	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	↔		On-going	4	1	4	May 2022	At Target
20	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	May 2022	At Target
21	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	May 2022	Awaiting Government response to consultation exercise on new Regulations to assess full impact.

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	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	1	4	↔			4	1	4	May 2022	At Target.
23	Loss of strategic direction	Governance – Business Plan Objective	Loss of key person	Short term lack of direction on key strategic issues	Director of Finance		2	2	4	↔			2	2	4	May 2022	At Target.

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PENSION FUND COMMITTEE – 10 JUNE 2022

ADMINISTRATION REPORT

Report by the Director of Finance

RECOMMENDATION

1. **The Committee is RECOMMENDED to**

a) approve the temporary increase to establishment of 6 temporary FTE
b) agree that current standards are moving towards an acceptable level, and that the additional staffing sought should are reasonable to address the shortfall in performance.
c) agree the write off of £16.78

Executive Summary

2. 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.

Administration

Staffing

3. As reported last quarter the previous recruitment process to appoint 4 new administrators was not wholly successful and so further recruitment needs to be undertaken. In addition to these vacant post officers have reviewed requirements to deliver the work set out in the business plan against current staffing levels and determined that the establishment will need to be temporarily increased by a further 6 FTE as follows:

- 2 FTE to deal with McCloud
- 1 FTE for AVC review
- 1 FTE to work in employer team
- 2 FTE to work in benefit administration team

4. Work has started on recruitment using traditional recruitment methods but given the lack of response to the last two advertisements officers have also looked at using a recruitment agency. Unfortunately, this was no more successful in that only one candidate was identified and having agreed arrangements decided, on the morning that they were due to start, that the job was not right for them.

5. The other option which is being explored is using a third-party provider. At the time we approached the framework it was just coming to an end and so there

was insufficient time left to procure staff through this method. Another framework is due to be launched, in May, and we are waiting for details of this framework to be published.

6. The team is also carrying two vacancies for administration assistants and advertisement of the roles has generated one response. An interview is currently being arranged so, again a similar situation to above.

7. It should also be noted that there are some individual issues of under performance in the team which are being actively managed.

8. On the plus side one of our senior administrators has been appointed to job share the team leader role.

Performance Statistics

9. The number of outstanding returns to be vetted for 2021/2022 stands at 19.80% as these must be completed ahead of the submission of the valuation data they are being picked up and cleared as part of the end of year process. In addition, 0.59% of returns are for scheme employers still in the admission process.

10. The number of tasks to do in the employer team has risen in the last month by a further 701 cases to 1726. This increase is attributable to the pay award in March and back dated to April 2021. All outstanding tasks are being cleared as part of the end of year process.

11. There are 27 admission agreements to be finalised of these the majority have stalled towards end of process when new employer is required to provide contact details and details of their discretionary policies. The team leader is looking at ways to remove any issues causing these admissions to stall.

12. At the last meeting of this committee members agreed that the benefit team could continue working to a reduced SLA standard until March 2022. However, this committee did not want to continue with reduced SLA standards after March 2022. This was confirmed at the recent strategic planning meeting in February, with the committee acknowledging that additional resources may well be required to meet normal SLA. The current statistics below are showing progress towards meeting SLA, but unfortunately indicate that we have not yet met our target level of performance:

	SLA Overall %	Statutory Overall %	Total Cases Completed
April	57.14	54.22	1365
May	67.83	64.01	1085
June	69.37	65.12	1536
July	74.88	62.91	2047
August	91.47	73.73	1804
September	86.97	68.81	1682
October	82.87	69.49	2064

November	84.79	79.75	1789
December	85.01	82.03	1316
January	85.54	90.75	1363
February	87.01	78.83	1490
March	88.67	94.69	1892
April	82.67	93.50	1274

Annex 1 gives full breakdown of the statistics.

13. Looking at the individual subjects there is an overall drop around estimates, transfers and leavers. There are several contributing factors to not meeting SLA including.

- There were a number of Administrators on annual leave for half term, which coincided with payroll deadline so most available administrators and senior administrators focused on payments being made on time, leaving other subjects behind. Changes within the team will limit numbers of people off at any one time.
- Managers have realigned teams moving some subjects around based on training and ensuring enough cover, meaning there are a lot of administrator training and further support for queries needed. Error rates are higher, so recalculations are necessary all of which contribute to the files taking longer to process and falling out of SLA. This is being addressed with senior administrators making more time to support administrators, and with practice and good support this will decrease meaning statistics will improve as administrators become more competent in their subject field.
- Managers are looking at the Altair system and team processes particularly around pending cases where further information is required as this has also been a contributing factor to cases falling out of specification. Focus is on areas where cases can be closed down thereby reducing administrator time on chasing information which is not essentially required but has been requested. This will give team more time to focus on cases which are required and have a clear escalation process so that cases keep moving and are completed as opposed to sitting as an outstanding task waiting for information or decisions. This is an ongoing process which will take some time but will contribute to the improvement to our performance.

14. Additionally, the inability to recruit staff, even on a temporary basis and the ongoing training to ensure that all subjects can be covered are also factors. The training plan is detailed at Annex 2, And, as noted above work is continuing to address the recruitment issue.

<u>Complaints</u>

15. For the year 2021/2022 the team received 50 informal complaints of which 5 remain open. The reasons for these complaints can be summarised as:

- Having to give 3 months' notice of intention to take pension (regulatory requirement)
- Not being regularly updated of progress with case
- Use of egress in sending emails
- Additional contributions

16. In addition, there are the formal complaints received by the fund. There is one outstanding case where a member feels that the information provided on fund's website was misleading and inconsistent with how the regulations are being applied to payment of pension benefits.

17. Fire Service

Immediate Detriment calculations were done in April, and member queries increased, leading to some cases falling out of specification. It is anticipated that team will be back in specification by end of the month.

	SLA Overall %	Statutory Overall %	Total Cases Completed
April	77.68		49
May	83.93		41
June	89.12		56
July	91.25		52
August	92.19		36
September	93.33		70
October	88.89		42
November	98.15		45
December	100.00		52
January	98.61		29
February	100.00		39
March	99.31		56
April	97.78		47

18. As at the end of April there are 29 open cases – these will be completed by 31 May at the latest. Member enquiries have increased due to the ongoing changes to the schemes and a future backdating exercise for on-call firefighters.

Data Quality

Common Data

Scheme	Total records tested	Records without a fail	Pass Rate	TPR Pass Rate
001 + 101	92260	84599	91.7%	94.3%

19. This compares to 2021 figures of 99% (91.7%) and TPR 95.6% (94.3)

Scheme Specific Data

Scheme	Total records tested	Records without a fail	Pass Rate	TPR Pass Rate
001 + 101	116814	78497	93.14%	97.87%

20. This compares to 2021 figures of 98.5% (93.14%) and TPR 97.8% (97.87). This is the first time of running these reports using Insights which has raised some queries which we are discussing with the system provider.

Contribution monitoring

21. This process sits within the Investment team who monitor incoming payments by scheme employers to ensure that the correct contributions are received by 19th month following payroll. There have been some late payments of contributions, mainly by smaller scheme employers. No fines have been issued.

22. As reported during the last two quarters APCOA was reported for being consistently late in making payment. Payment has now been received for both 2020/2021 and 2021/2022. A reminder has been sent for the payment due in April for 2022/2023.

Projects

23. The work that has, so far been identified as project work is:

- Historical death cases where there is outstanding information which is needed to enable files to be finalised. This work is being scheduled as a project.
- AVC – review of data held by Fund vs data held by Prudential
- A2P – review of processes to incorporate these changes
- Review of pension software. Discussions have taken place with Hymans who are able to help with the initial planning of the project and gap analysis. Officers are also looking to identify any alternative providers for this process.
- The I-connect project is in the final stages. Oxfordshire County Council has now submitted the first live data file. The data is being monitored as this file is processed given that this is our largest scheme employer.
- Cyber security review – Hymans have reviewed both the funds and county documents. And initial training session for the whole team was held in early May and this was followed up by a workshop late in May for fund officers; ICT and OCC data management to explore the fund's business continuity plan in the event of a cyber incident and to explore the policies and procedures in place which are designed to reduce the likelihood or impact of a cyber event occurring.

Cyber Security

24. The findings from the workshop were:

- The Fund has a business continuity plan which contains basic details of the key fund contacts who would be decision-makers if the business continuity plan was invoked. However, consideration should be given to updating the plan to provide more explicitly for cyber-attack. The current plan is focussed on more traditional continuity events, such as fire of flood.

- Many basic cyber controls are contained within the Council policies reviewed by Hymans Robertson. These policies were known to the participants from the Fund, but they were not always acknowledged as part of the Fund's cyber response approach.

- Additional protections are provided to the Fund by the Council Technology and Information Management Teams, but these are not always documented clearly or acknowledged as part of the Fund's cyber response.

- Additional assurance or reporting may be available to the Fund from the Council Technology and Information Management Teams in relation to the steps by them to safeguard systems and monitor suppliers.

- Additional actions should be considered within the Fund to improve restricted access to information and reduce key man risk in relation to systems knowledge.

25. The next actions are

- Hymans Robertson are creating a document to consolidate the Fund's current approach to cyber risk which should assist with future training and assurance checking.

- Regular meetings will be arranged with the Council Technology and Information Management teams to confirm the full suite of controls operated to the benefit of the Fund. Improved assurance information should then be made available to the Fund.

- The Fund will review its own compliance with the relevant policies and take the self-identified steps in relation to information access management and systems training.

- Regular review of the Fund's Risk Register should include consideration of the impact of the completion of these actions.

26. The document and update on actions taken will be brought to the next meeting of this committee.

<u>Debt Management</u>

27. Since last quarter there has been little progress in finding person to monitor and chase outstanding payments. Since it has not been possible to directly recruit discussions have taken place with OCC debt management team to see if pension services could use a proportion of their staff time to carry out this role. This has been agreed in principle, but OCC debt management team have yet to recruit.

28. The total of outstanding invoices amounts to £52,940.85, which is a reduction of £947.72.

29. There have been four deaths in the quarter where payroll adjustments cannot be recovered amount to a write off £16.78

Data breaches

30. The fund's AVC provider sent the monthly schedule of changes and new contributions to another fund. Officers were made aware of this due to being copied in to email correspondence from the other fund to our (shared) AVC provider.

31. The breach was reported internally, and officers questioned our AVC provider as to how and why this happened. The initial response, which took some 10 days to receive was insufficient and further questions have been raised but, at the time of writing this report, no reply has been received.

Scheme Member Services

Website

32. Visits to the website have increased steadily over the last 10 months, with a slight dip in April.

	Feb 22	**Mar 22**	**April 22**
Home page unique views	652	706	629
Member pages views	2011	2396	2307
Employer pages views	338	386	404
Overall	3001	3488	3349

33. Other work undertaken includes

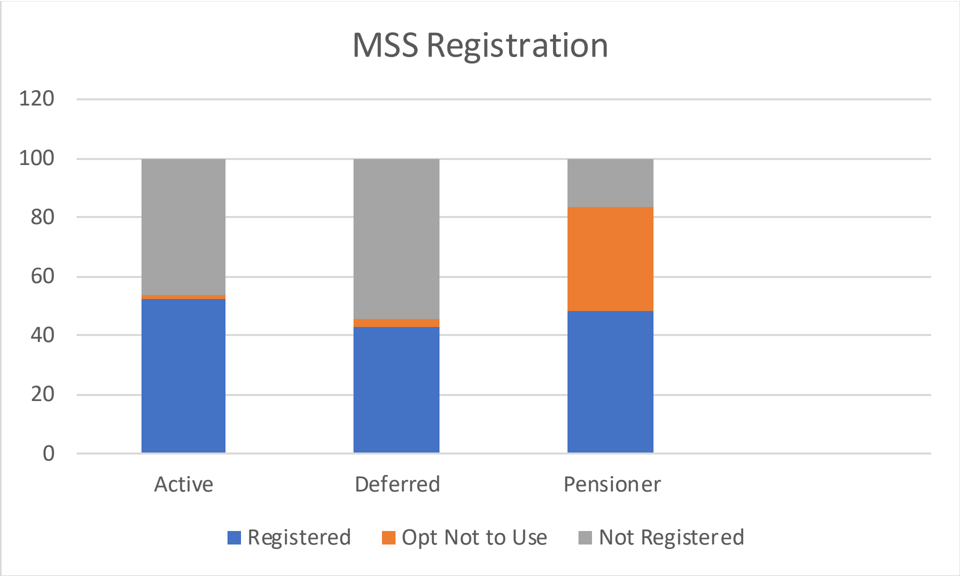
- Reporting Pensions_– the Spring edition of Reporting Pensions is due to be published and circulated in the first half of May

- Member talks – Two member talks in February and April, both of which took place in person: St Nicholas Primary school Marston (approx. 20 attendees), and Mill Academy Trust (approx. 25 attendees)

- Customer survey – the customer survey has been suspended while we investigate an approach which may elicit better response levels.

- Bulk emails – 17,586 emails sent out to members via bulk email facility

- Member self-services sign up



Scheme Employer Services

- Introduction to the LGPS – we have held two Introduction to the LGPS training in the last three months February 2022 (3 attendees) and March 2022 (5 attendees) – from a cross section of employers

- Employer Meeting – the March 2022 employers' meeting was cancelled due to lack of compelling agenda items

- Talking Pensions – the monthly employer newsletter was sent out on 28 February, 31 March and 29 April to approximately 220 employer contacts.

- In line with the administration strategy fines have been issued to Activate Learning for late returns. A newly appointed payroll manager is now working with pension services to ensure there is no future recurrence of this issue. Two fines have also been issued to Macintyre Academy for late information. As a result are now reviewing their outsourcing contact with their payroll supplier.

Contact Officer: Sally Fox - Pension Services Manager - Tel: 01865 323854
Email: sally.fox@oxfordshire.gov.uk May 2022

Benefit Adminisation Monthly SLA

Subject	Standard SLA Target	April 2022						
		Total Number Completed	Total Completed Within Target	Total Completed Over Target	% Achieved in SLA deadline	Up / Down / Same against previous month	% Achieved in Legal deadline	Number of Open Cases
Annual Allowance	**90%**	4	4	0	100.00	Up		5
APC	**90%**	13	12	1	92.31	Down		7
Assistants* **	**90%**	171	169	2	98.83	Up		138
Concurrents	**90%**	33	21	12	63.64	Down		120
Deaths	**95%**	61	59	2	96.72	Up		311
Divorce	**95%**	12	12	0	100.00	Same		9
Enquiries	**90%**	266	239	27	89.85	Down		84
HR Estimate	**90%**	7	5	2	71.43	Down		7
Interfund In	**90%**	43	37	6	86.05	Down		78
Interfund Out	**95%**	46	36	10	78.26	Down		46
Leavers*	**90%**	283	203	80	71.73	Down	71.73	442
Member Estimate	**90%**	32	25	7	78.13	Down	100.00	33
Re-employments**	**90%**	81	58	23	71.60	Up		96
Refunds	**95%**	36	36	0	100.00	Same		16
Retirements	**95%**	127	111	16	87.40	Up	98.00	333
Transfer In	**90%**	26	19	7	73.08	Down	100.00	51
Transfer Out	**95%**	33	21	12	63.64	Down	100.00	24
Totals / Average Overall		1,274	1,067	207	82.67		93.95	1,800
% Split			83.75	16.25	7.75			

* Frozen, Deferred, Dbrecalc
** Elect to Separate, Re-emp quote, Re-emp Actual,
*** Address, Name, Nomination, IFA Requests, Transfer pack

SLA not met
Temp SLA met
Standard SLA met

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Monthly SLA Statistics

Subject	SLA Target	Apr-22		
			% Achieved in SLA deadline	Open cases
Deaths	95%	1	100.00%	3
Retirement Quote	95%	0	100.00%	2
Retirement Actual	95%	1	100.00%	
Divorce	95%	0	100.00%	2
After retirement adjustments	90%	4	100.00%	2
Payroll Input	95%	10	100.00%	
Transfer In	90%	0	100.00%	
Transfer out	95%	0	100.00%	1
Member Estimate	95%	0	100.00%	2
Additional Conts	95%	1	100.00%	1
HR Estimate	90%	0	100.00%	
Refunds	90%	0	100.00%	
Re-employments	95%	0	100.00%	3
Leavers	95%	5	80.00%	6
Member Queries	90%	15	80.00%	8
Pension Saving Statement / AA	95%	0	100.00%	
Remedy		9	100.00%	3
Member changes	90%	1	100.00%	1
Totals / Average Overall		47	97.78%	29

* Frozen, Deferred, Concurrent

** Elect to Separate, Re-emp quote, Re-emp Actual,

*** Address, Name, Nomination, IFA Requests

SLA not met
Standard SLA met

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Team 3

Subject	Frank	Yaw	Ryan	Bradley
Transfer in	Week commencing 02/05/2022 Delivered 09/05/2022		Week commencing 02/05/2022 Delivered 09/05/2022	Week commencing 02/05/2022 Delivered 09/05/2022
Refund Payment				Week commencing 02/05/2022 Delivered 04/05/2022
Aggregation (B, C and D Scenarios)		Week commencing 09/05/2022 Delivered 29/04/2022		
Member Estimate	Week commencing 16/05/2022	Week commencing 13/06/2022	Week commencing 16/05/2022	Week commencing 13/06/2022
Deferred Calculation				Week commencing 16/05/2022
APC		Week commencing 23/05/2022	Week commencing 23/05/2022	Week commencing 23/05/2022
Interfund Out		Week commencing 30/05/2022	Week commencing 30/05/2022	Week commencing 30/05/2022
Interfund In		Week commencing 27/06/2022	Week commencing 27/06/2022	Week commencing 27/06/2022

Team 2

Subject	William	Memory	Cathy	Joe
Retirement from Active			29/04/2022	29/04/2022
Death Condolence **Death Chase**		Week Commencing 09/05/2022 Delivered 10/05/2022	Week Commencing 09/05/2022 Delivered 10/05/2022	Week Commencing 09/05/2022 Delivered 10/05/2022
HR Estimate			Week Commencing 16/05/2022	Week Commencing 16/05/2022
Trivial Commutation		Week Commencing 30/05/2022	Week Commencing 30/05/2022	Week Commencing 30/05/2022
Transfer Out			Awaiting approval	Awaiting approval
Divorce	Week Commencing 20/06/2022	Week Commencing 20/06/2022	Week Commencing 20/06/2022	Week Commencing 20/06/2022
Aggregation				
Refund				
Deferred				

Purple - is the training we delivered in the last couple of weeks
Green - has been trained and completed
Red - is no training planned during these 2 months
White – is date of planned training

Division(s):n/a

ITEM

PENSION FUND COMMITTEE – 10 JUNE 2022

CONSTITUTION OF THE PENSION FUND COMMITTEE

Report by the Director of Finance

RECOMMENDATION

1. **The Committee is RECOMMENDED to note the content of the report and:**
   a. **Agree to amend their Governance Policy to mandate all Members of the Committee to complete training in line with the Training Policy as set out in paragraph 18 below;**
   b. **Agree that only named substitutes allowed where they have completed training in line with the Training Policy; and**
   c. **Recommend Council via the Audit and Governance Committee to make the appropriate changes to the Terms of Reference and Constitution to formalise the new governance arrangements.**

Introduction

2. At their meeting in September 2019, the Committee agreed to recommend Council, through the Audit and Governance Committee to make changes to their constitution. These changes included mandatory training, and the decision not to allow substitute members at the Committee.

3. These recommendations were subsequently discussed and endorsed by the Audit and Governance Committee at their meeting in November 2019. Unfortunately, due to an administrative oversight, the recommendation from the Audit and Governance Committee was never presented to full Council and the amendments to the constitution therefore were never agreed.

4. The key reasons for bringing forward the proposal in 2019 still stand today, and indeed have in anything been strengthened with the Department for Levelling Up, Housing and Communities now also raising questions about the level of skills and knowledge on Pension Fund Committees.

5. Since the decision in 2019, a major change has been the reduction in the number of voting members of the Committee from 11 to 5. This has raised the risk of meetings not been quorate in the event that substitutes are not allowed. It is therefore proposed to change the original proposal to allow for named substitutes, subject to them maintaining their level of skills and knowledge consistent with the Training Policy.

Background

6. There is a legal requirement on Pension Trustees under the Pensions Act 2004 to have been trained and have knowledge of the law relating to pensions and the principles of scheme funding, investments and administration. However, members of the Pension Fund Committee do not fall under the definition of Trustees and therefore are not covered by these legal requirements. The requirements do though apply to members of the Local Pension Board.

7. There is though an expectation that Members of the Pension Fund Committee will seek to obtain the same level of knowledge and understanding as that required under the 2004 Act. The Governance Compliance Standards against which each Committee must assess itself includes as Principle C that all Members of the Committee are fully aware of the status, role and function they are required to perform. Currently, the Oxfordshire Pension Fund Committee have assessed themselves as partially compliant with this principle because the principle does not apply to any substitute member.

8. Two national reports were published during 2019 which have relevance to this issue. Hymans Robertson have produced their Good Governance in the LGPS report as commissioned by the Scheme Advisory Board SAB). This report includes the proposal that the Government in conjunction with SAB should issue statutory guidance bringing the training requirements of Pension Fund Committees in line with that required for Local Pension Boards. This proposal is still with Ministers for their consideration.

9. The Hymans Robertson report also identified areas of best practice. This included Funds developing a Training Policy which set out how the training needs to the Committee would be assessed on an annual basis, and how these needs would be met.

10. The second relevant report was the annul report from the Pension Regulator following their Governance Survey of the LGPS. This report highlighted the Regulators concern that not all Funds carry out an annual assessment of the training needs of their Committee.

Proposed Way Forward

11. There is a risk that simply maintaining the status quo could result in challenge from the Pension Regulator and others going forward. Mandating compliance with the current Training Policy would help ensure that the level of knowledge and understanding of Committee Members is as a minimum in line with that of the members of the Pension Board.

12. The training policy covers the minimum standard to which all Committee Members would need to reach within an agreed timescale, and then an approach to future training requirements above this minimum standard.

13. The Training Policy includes two potential approaches to be taken to the minimum standard. The first is to attend the 3 day LGA Fundamentals Training

Course. This course is run annually, and currently has both face to face and virtual options. As this is a once a year course, it is suggested that all new members would be required to attend this course (or be enrolled to attend the next available course) within 12 months of joining the Committee.

14. The alternative option is available through the Pension Regulators website, which offers a number of Training Toolkits. The basic Trustee Toolkit consists of 5 core modules which are expected to be completed in around 75 minutes each (except for the Investment module for which it is suggested that completion is normally achieved in 135 minutes), and 4 modules specific to managing a defined benefit scheme. These latter 4 modules are suggested to take between 90 and 120 minutes to complete. Each module includes an assessment tool and a certificate to confirm completion. There is a separate set of 7 modules specific to public sector schemes which take around 1 hour each to complete, but these are focussed on the administration element of the responsibilities only and not the investment and funding side. As the toolkits are on-line and can be completed at a time suitable for the individual member, these could be completed earlier than 1 year from joining the Committee.

15. Whichever minimum standard option is taken, there would also be an expectation of an internal induction event which all new members would be invited to attend which would cover the policy documents specific to the Oxfordshire Pension Fund. It is suggested that this could be a half-day event.

16. In respect of continuing training, it is suggested that rather than a mandatory course for which all Members must attend, the Policy covers a minimum level of specialist or refresher training that each Member should attend. This could be set at 2 days, alongside internal training provided before the quarterly Committee meetings. As at present, staff within the Pensions Investment Team would circulate suitable courses, including the PLSA Local Authority Conference and Seminar, and the Local Authority sessions run by the LGC. Members would also be free to select specific courses based on a specialist interest. We have also made available the On-line Learning Academy developed by Hymans Robertson which includes a range of pension subjects.

17. At their meeting in September 2021, the Committee to amend the Training Policy to include an annual assessment for all members of both the Pension Committee and Pension Board, based on the National Knowledge Assessment tool run by Hymans Robertson. As part of this report, the Committee also agreed that any failure to comply with the Training Policy including the annual assessment should result initially in a referral to the Chair of the relevant body and the Service Manager (Pensions). This initial review would consider amongst other issues the length of service of the member and the amount of training previously undertaken. The Committee agreed there should be the option to remove a member from the Committee or Board, as appropriate, where they were unable to demonstrate that they retained the capacity to undertake the necessary training or demonstrated a serious failure to acquire the skills and knowledge required to meet their responsibilities as a Committee/Board member.

18. In summary all Committee Members would be required to

a. attend:

- In their 1st year – an induction section on the Oxfordshire Pension Funds Policies, and either
    - The 3-day LGA Fundamentals Course or
    - The 5 Core and 4 DB on-line modules of the Pension Regulators Trustee Toolkit
- In each subsequent year – all pre-Committee training, and a minimum of 2 days additional training.

b. complete the annual Knowledge Assessment exercise run by Hymans Robertson; and

c. maintain a score on the Knowledge and Assessment exercise consistent with their responsibilities as a serving member of the Pension Fund Committee or Pension Board as appropriate.

Lorna Baxter
Director of Finance

Contact Officer: Sean Collins
Tel: 07554 103465

May 2022

REPORT PREPARED FOR

Oxfordshire Pension Fund Committee

10 June 2022

Philip Hebson
MJ Hudson

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Summary

The value of the Fund in the quarter fell to £3.26bn, a decrease of £117m compared to the end December value of £3.38bn. The Fund produced a return of -3.5% over the quarter, which was -2.3% behind the benchmark. Purely on a single quarter basis performance against benchmark has been pretty disastrous for the active equity portfolios, which have dragged down the 12 month positions with it. The saving grace has been private equity, so far. There are a few other glimmers of positive performance, but in general terms this was a difficult quarter. Over a 12-month period the Fund recorded a slightly negative relative return against the benchmark of -0.3% (10.4% v.10.7%). The Fund has performed ahead of benchmark over the three, five and ten year periods, details of which can be found in Brunel's report.

The highlights

1. It's a bit difficult to know where to start, given the turmoil we have seen during the first few months of this year. Clearly our thoughts are very much with the people of Ukraine, and the innocent citizens of Russia, but we still need to deal with the consequences of Putin's murderous folly. At Fund level, despite some immediate market weakness in the aftermath of the invasion, we actually finished the quarter in a reasonable position. That's important, as the financial year end values provide the basis for the Triennial Valuation process.
2. The main highlight, if that is an appropriate term, is the significant underperformance seen within the active equity portfolios and also within multi asset credit. This is probably best summed up as being in the wrong places at the wrong time from a sector allocation perspective and partly wrong countries in the Emerging Markets portfolio.
3. Realistically on a short term basis this underperformance is hardly surprising, given that despite the build up of Russian forces on the Ukrainian borders the actual invasion was still a shock. That left the Fund wrong footed in terms of being underweight in the sectors most immediately affected by the response to the invasion, namely energy and commodities.
4. The sad thing is that the consequences of recent events will be with us for some time to come as the countries aligned against Putin replace Russian sources of supply elsewhere. We should expect that some other countries will happily take up supplies from Russia, which in a sense will be part of the rebalancing process.
5. The good news; Private Equity had a really good quarter, but more importantly the one year and longer performance periods look excellent. For the in-house portfolio there is an outperformance of 23.8% to report over 12 months, with Brunel Cycle 1

showing 33.6% over the same period. As is to be expected the listed private equity portfolio had a difficult Q1, but longer-term performance is stellar.

6. During the quarter Brunel added Jupiter and Mirova to the managers of the Global Sustainable Equities Fund, making five in total, with £2.5bn under management. I consider five managers to be excessive diversification, with a danger of performance reverting to average, at best, over time.
7. Property continues to experience a patchy performance profile across the sub sectors. Most Covid related issues are now dealt with, so valuations now reflect economic conditions more accurately. Some recent conversations with property managers have been particularly positive in relation to well positioned portfolios, but sub standard assets are not in demand.

The lower points

1. We'll start off with Global Sustainable Equities, which with an underperformance of -7.2% (-9.8% v.-2.5%) is the worst performing portfolio. I have alluded to the background reasons for that above, but in more detail the high exposure to American growth stocks, which have been hit hard this year, will have had a large impact on performance. To compound that, the low exposure to "value" stocks, which includes energy and commodity stocks which have outperformed, will have added to the pain. Brunel claims that this poor performance is in line with the sustainable peer group. This is the short-term price for the long-term gains of investing sustainably, apparently.
2. Next up is Global High Alpha Equity, with an underperformance of -5.6% (-8.0% v. -2.3%). The background to this is similar to that above, but in stark terms energy was the largest underweight and the best performing sector. Consumer discretionary was the worst performing sector, with the largest overweight position. The two managers with a growth bias underperformed, the two with a value bias outperformed. Opposing high conviction strategies that have cancelled each other out, but the downside exacerbated by the ESG tilt.
3. The scale of the UK Active underperformance initially surprised me, being -4.8% (-3.6% v. 1.2%). The UK was the one developed market that had a positive return in Q1. Reading the explanation showed that Baillie Gifford underperformed by -10.8%, which is a reflection of their growth bias, combined with an overweight position in smaller companies. This clearly wasn't a good quarter for them, but their method is well known and has delivered over the longer-term.
4. We'll finish active equities with Emerging Markets, which was only behind relatively by -2.9% (-7.1% v. -4.3%). I say "only" because I have seen much worse performance elsewhere. Three managers here (why?), two well under target, one nicely ahead. We've got underweight exposures to commodities to contend with here, but also one laggard had an overweight exposure to Russia, the gainer had the lowest exposure to Russia. There was also an element of lack of exposure to Saudi Arabia and the UAE, which while damaging in itself is also rather understandable.

5. I'm still bemused by the Multi Asset Credit Fund having effectively two benchmarks, and still early days for this sub fund. Against the primary benchmark the portfolio underperformed by -3.8% (-2.7% v. 1.1%). It was in line with the secondary benchmark, which probably does reflect the actual portfolio better. Clearly there was a lot of volatility in the component markets that make up the Multi aspect, three of the managers struggled with that, one faired much better due to their different "mix".
6. Infrastructure investments continue to be made, with the final commitment being made in the quarter to the main Cycle 2 portfolio with a drawdown of 37%, the renewables now also fully committed but only 16% drawn down. Both Cycles are still relatively immature, with an expectation that relative performance will improve over time.
7. While Private Equity continues to perform well, drawdown from Brunel continues to be slow. Cycle one is 46% drawn, while Cycle 2 is only 21% drawn down.

Points for consideration

1. The consequences of the war in Ukraine and the way in which Putin has made Russia a pariah state will sadly be with us for a long time to come, even if there is an immediate cessation of hostilities and a total withdrawal of Russian forces from all of Ukraine, including Crimea. There will be a realignment of which countries buy what from whom and during the transitionary phase energy and commodity prices will remain high as supply will be disrupted. We were already in an increasingly inflationary environment before the invasion, as we have seen recently higher energy and food prices are rapidly driving CPI even higher.
2. Higher CPI will feed through to higher pension payments next year, possibly c.10%? This will be based on the CPI level this September. This needs to be considered in cash flow management going forwards.
3. Given my concerns about Brunel's lack of transparency concerning the management of their sub-funds, particularly concerning the detailed performance attribution form the multiple managers involved, I am pleased to report that access will be provided to more information. Hopefully this will flow through to members having better detail about Brunel's performance for this Fund.
4. It is to be hoped that this will include clear information concerning performance against targets for the active managers, so that we can monitor payment of active management fees more effectively.
5. It is disappointing that Brunel will not be represented at this Committee meeting, particularly given their very poor recent performance. Brunel now manage 80% of Fund assets, so I recommend that Brunel be asked to have a senior representative available for future meetings, if only to be able to answer questions arising from their reports.

Overview and Outlook thoughts

Global overview

Investors faced a challenging Q1: rising inflation pressures were exacerbated by Russia's invasion of Ukraine, while central banks' increasingly tough rhetoric led to increased fears that the tighter monetary policy may lead to recession. In addition, China faced a new wave of COVID infections, and implemented severe lockdowns in major cities, impacting growth in March. As a result, global equities fell -5.0% over the quarter, with only UK equities bucking the trend (up +2.9%); European and Emerging markets equities suffered most (down -8.9% and -7.0% respectively). Value-oriented stocks experienced more muted declines than growth stocks (-1.2% for the MSCI World Value Index vs -9.8% for the MSCI World Growth Index). Corporate and government bond indices also declined (for the UK indices, by -6.5% and -7.2% respectively), while the hard currency emerging market bond index fell -10.0%, posing a significant challenge to "traditionally diversified" portfolios. Real assets (commodities, real estate) fared better, and the USD strengthened against most currencies.

GDP growth: While growth generally remained positive in Q1 for developed markets, the growth rates are already well below Q4 comparatives, and face further headwinds from Russia's invasion of Ukraine. The US posted a -0.4% quarterly decline[1], the Eurozone +0.3% and the UK saw growth of 0.8%. In China, the Chinese Communist Party is continuing to stick to a zero-Covid policy, which has led to widescale lockdowns, including in the financial hub of Shanghai; this has cast doubt on the viability of the +5.5% official target growth over 2022. The World Bank has revised its expected global GDP growth for 2022 from +4.1 to +3.2%. Over the last year, strong corporate earnings have provided significant momentum to global equity markets, however, there are now increased fears that Q1 earnings could disappoint investors as firms face challenges on two fronts with pricing pressures affecting both margins and curtailing consumer demand.

GDP Growth Rate and Monthly CPI

%	GDP		CPI		
	Q1 2022	Q4 2021	Jan	Feb	March
UK	0.0*	1.3	5.5	6.2	7.0
US	0.3*	1.7	7.5	7.9	8.5
Eurozone	0.3*	0.3	5.1	5.9	7.5
Japan	n/a	1.1	0.5	0.9	1.1*

Source: Bloomberg; Trading Economics. *Forecasts based on leading indicators.
GDP Notes: UK Real GDP (Ticker: UKGRABIQ Index); US Real GDP (Ticker: EHGDUS Index); Eurozone Real GDP (Ticker: EUGNEMUQ Index); Japan Real GDP (Ticker: EHGDJP Index)

Outlook thoughts

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

[1] Note: US GDP has been de-annualised to be consistent with the other regions.

Inflation: Inflationary expectations are now reasonably well discounted by markets (US inflation is expected to average some 4% in 2022, falling to between 2.5 and 3% in 2023), and it is possible that year-on-year inflation is close to reaching its peak, but there are clearly risks to this. The inflationary aspect of Russia's invasion of Ukraine has so far been most acutely felt through the pricing in energy markets, with consumers facing rising fuel and heating costs. This could be further exacerbated by calls for European nations to boycott Russian energy imports, which provide the Kremlin with approximately $400 million per day. Furthermore, the increasing focus on energy security is likely to cause sustained upward pressure on consumers' energy bills. Food costs, particularly wheat, have also increased due to the war given that Russia and Ukraine are among the world's largest exporters. Nonetheless, wage growth has so far lagged behind inflation, despite a tight labour market. If this were to change it is likely to keep inflation above the policy target rate for longer.

Monetary policy is tightening, and interest rates are increasing, but rates remain negative in real terms: The Federal Reserve increased interest rates by 25bps on 16th March, their first increase since 2018, with the expectation that US rates may peak around 3% in 2023. In addition, the Fed is expected to start briskly reducing its holdings of high-quality bonds ("quantitative tightening"), which could put more upward pressure on long term rates and tighten credit conditions. The Bank of England also increased the base rate by 25bps in both February and March (to 0.75%) while more hawkish members of the ECB have called for the next rate hike as early as the summer.

Increasing risk of recession: With many of the inflationary pressures being "supply-side", the ability of the central banks to rein in price rises without causing a recession is coming under increased scrutiny. The recent inversion of the US yield curve (with 10-year yields falling below 2-year yields, implying expectations of weakening growth) added to concerns. Market expectations still do not have a recession as the "base case" - employment remains high, consumers well financed and post-COVID recovery momentum continues – but it is no longer a "tail risk". Europe looks more exposed that the US, due to its greater exposure to Russian energy and emerging market exports.

Equities

Global equities had a challenging Q1. All tracked indexes, except for UK equities, suffered significant declines but followed differing paths. In March, most of the developed markets had regained some lost ground as the stalling Russian invasion eased fears of the conflict extending beyond Ukraine's borders. Unsurprisingly, the VIX increased by 19.4% in Q1, from 17.2 to 20.6.

US equities, measured by the S&P 500, , posted large losses over Q1 with the S&P 500 falling -5.2% and the tech-heavy NASDAQ falling by -8.9%. The communication services, technology, and consumer discretionary sectors all declined while energy and utility companies were positive, and defence stocks enjoyed double-digit growth over the quarter.

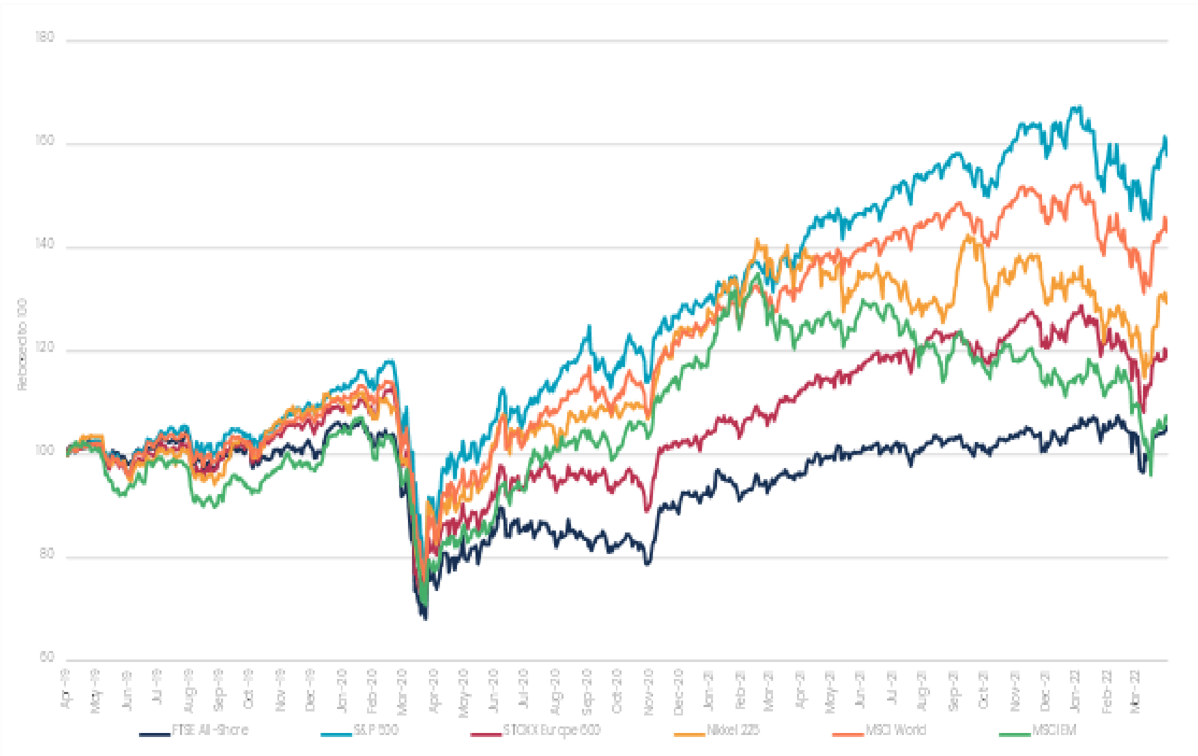
UK equities UK equities performed well over Q1, with both the FTSE 100 (+2.9%) and FTSE All-Share (+0.5%) indices delivering positive returns. Defence stocks along with the oil, mining, healthcare, and banking sectors all provided tailwinds for UK large caps. The consumer-focused constituents of the small and mid-cap sectors contributed to their underperformance.

The Euro Stoxx 50 declined by -8.9% over Q1. Having started the quarter suffering more muted losses than other markets, the geopolitical impact of Russia's invasion caused significant pain across European markets. While sanctions have an obvious adverse effect on trade and capital flows, Russia's position as one of Europe's foremost energy suppliers reflects both further inflationary pressure and concerns around energy security. As such the energy sector was the only source of positive returns while consumer discretionary and information technology were hit hardest.

Japanese equities continued to decline over Q1 registering a decline of -4.3%. Losses were most severe in January while the market enjoyed a modest recovery in March. Banking and insurance stocks were some of the top performers.

Emerging market equities fell over the quarter (-7.0%). The Moscow based MOEX Index declined around -30%, suffering widespread disruption and suspension of normal trading. This was followed by the removal of Russia from the MSCI Emerging Markets Index on 9th March. Chinese stocks also declined as China's zero-Covid policy faltered with surging cases and tens of millions of citizens placed under lockdown. The continued disruption was caused by the de-listing of some Chinese stocks from foreign exchanges. Brazilian markets continued to perform strongly with other net commodity exporters in the Gulf states and South Africa enjoying quarterly gains.

Global Equity Markets Performance



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

Fixed Income

Global bonds were unusually volatile given the geopolitical situation and the macro-economic backdrop of accelerating inflation and interest rate hikes which underpinned the rise in bond yields. Investors rotated toward safe-haven assets as the war began in February but soon appeared to change stance. Government bond yields rose sharply (prices fell) in Europe, the UK, and the US due to monetary normalisation. Corporate bonds also saw significant negative returns and performed broadly in line with government bonds over the quarter.

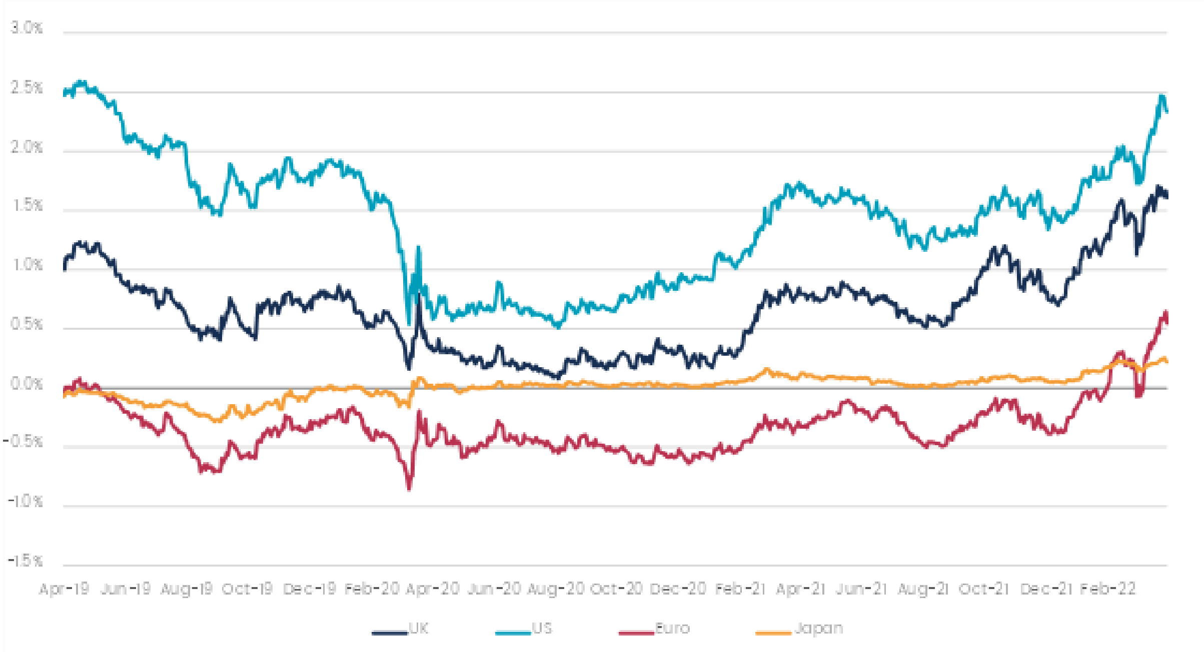
The 10-year US Treasury Bond yield ended the quarter 83 basis points higher at 2.34%, with Treasuries as a whole providing a total return of -5.6%, with the 2-year yield rising from 0.73% to 2.34%. The 2-year and 10-year portion of the US Treasury yield curve flattened, briefly inverting in March for the first time since 2019 which sent a potential warning sign of a coming recession within a one-to-two-year window. To combat the 40-year high US inflation, which reached 8.5% in March, the US Federal Reserve raised interest rates to a target range of 0.25% to 0.5%, which was the first increase since 2018. The unemployment rate edged down to 3.6% and stood at its lowest level since before the pandemic, bolstering the case for the Fed to speed up the tightening of monetary policy in the fight against inflation.

The 10-year Gilt yield increased from 0.97% to 1.61%, with Gilts delivering a total return of -7.2%. Given the UK CPI jumped to a 30-year high of 7.0% in March 2022, the Bank of England raised rates twice in Q1, reaching 0.75% from 0.25% in December 2021. This was done despite concerns around the UK economic outlook and particularly the cost-of-living pressures on households, causing a significant purchasing power squeeze due to higher energy bills. Index-linked Gilts had returned -5.5% as the positive effect of higher inflation expectations were more than offset by the impact of increased interest rates.

European government bonds provided a total return of -5.3%. The ECB pivoted towards a more hawkish stance in February and outlined the plan to end bond purchases. The ECB further indicated that a first interest rate rise could potentially come in 2022. The annual Eurozone inflation rate surged to a record high of 7.5% in March, the highest since the introduction of the euro in 1992. The euro area unemployment rate dropped to 6.8% in February, the lowest level on record.

US high-yield bonds aligned with the global bonds market, returning -4.8%, with -4.1% performance for European high-yield bonds. Investment-grade bonds returned -6.5% in the UK, -5.3% in Europe and -7.7% in the US.

Government Bond Yields



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

Currencies

In the first quarter of 2022, Sterling weakened against the Dollar (-0.3%) and the Euro (-2.9%), with rising living costs, weakening consumer sentiment, and greater uncertainty over inflation all undermining confidence in the UK's economic outlook. The Dollar had a strong quarter (Dollar Index +2.8%). The Euro weakened notably against the Dollar (-2.5%) as investors favoured the US over Europe amid heightened uncertainty. The Russian rouble experienced a sharp devaluation, with the decision to invade Ukraine being met by powerful economic retaliation from the West, severely threatening financial stability in Russia.

Commodities

Energy prices soared in the first quarter of 2022 with the Russian-Ukraine conflict putting further pressure on already rising prices. The situation exacerbated the effect of rising energy demand and ongoing supply constraints, which had already put upward pressure on energy prices in January. Precious metals also surged, with investors moving into traditional safe-haven assets following the Russian invasion.

Natural gas prices spiked to $5.64/MMBtu (+51.3%) in the US and to $39.22/MMBtu (+70.0%) in Europe. Russian gas is still flowing through to Europe in large quantities, but investors fear that these supplies could be disrupted by Western sanctions, or even cut off completely as fighting in Ukraine intensifies. Europe currently receives around 40% of its gas supplies from Russia, so is more reluctant to impose sanctions than the US, which has already banned Russian gas imports, and the UK, which will phase out imports by the end of the year. Nonetheless, Germany suspended certification of the Russian Nord Stream 2 pipeline.

Brent crude oil also experienced soaring prices in Q1 (+38.7%) and reached an intra quarter high of $128 a barrel, reflecting uncertainties about disruptions to supply and further sanctions related to Russia's invasion. The US was able to ban imports of oil from Russia due to its relatively low dependence on Russian supply.

Wheat recorded sharp price gains (CBOT Wheat +30.5%) on supply fears, with Russia and Ukraine together accounting for around 30% of global wheat exports. Wheat is a staple food upon which the most vulnerable depend on, so this disruption could have far-reaching consequences for global food security, with Egypt imposing price caps on bread.

Gold and Silver prices rose +6.6% and +7.6% respectively in Q1 as investors sought haven assets.

Nickel prices rose 54.7% over the month to $32,107/t. Trading of the metal on the London Metal Exchange was suspended in mid-March following a short squeeze, with prices doubling to a new record high during a single morning. The LME scrapped $3.9bn of trades prior to closing the market, stating that prices no longer reflected the underlying physical market.

Property

Global listed property had a weak quarter, with the FTSE EPRA Nareit Global Index declining -0.6% in Q1.

Green Street Advisor's US Commercial Property Price Index remained broadly flat (+0.2%) over the quarter. Nevertheless, this follows a year of strong performance, with an increase of 21.5% over the past 12 months and a 14.6% increase from pre-Covid levels.

The Nationwide UK house price index rose once again across Q1 (+4.1%). Annual house price growth increased to +14.3% in March, up from +10.4% in December.

Key Indicators at a Glance

Market Indicators

	Index (Local Currency)	Q1 2022	Quarter-on-Quarter	2021
Equities		**Index Value**	**Total Return**	
UK Large-Cap Equities	FTSE 100	7,516	2.9%	18.4%
UK All-Cap Equities	FTSE All-Share	4,188	0.5%	18.3%
US Equities	S&P 500	4,530	-4.6%	28.7%
European Equities	EURO STOXX 50 Price EUR	3,903	-8.9%	24.1%
Japanese Equities	Nikkei 225	27,821	-4.3%	7.4%
EM Equities	MSCI Emerging Markets	1,142	-7.0%	-2.3%
Global Equities	MSCI World	3,053	-5.0%	22.4%
Government Bonds				
UK Gilts	FTSE Actuaries UK Gilts TR All Socks	3,678	-7.2%	-5.2%
UK Govt Bonds Over 15 Years	FTSE Actuaries UK Gilts Over 15 Yr	5,402	-12.3%	-7.3%
UK Index-Linked Gilts	FTSE Actuaries UK Index-Linked Gilts TR All Stocks	5,693	-5.5%	4.2%
UK Index-Linked Gilts Over 15 Years	FTSE Actuaries UK Index-Linked Gilts TR Over 15 Yr	7,859	-8.6%	4.0%
Euro Gov Bonds	Bloomberg EU Govt All Bonds TR	242	-5.3%	-3.5%
US Gov Bonds	Bloomberg US Treasuries TR Unhedged	2,361	-5.6%	-2.3%
EM Gov Bonds (Local)	J.P. Morgan Government Bond Index EM Core Index	131	-5.1%	-9.2%
EM Gov Bonds (Hard/USD)	J.P. Morgan EM Global Diversified Index	879	-10.0%	-1.8%
Bond Indices				
UK Corporate Investment Grade	S&P UK Investment Grade Corporate Bond Index TR	378	-6.5%	-2.9%
European Corporate Investment Grade	Bloomberg Pan-European Aggregate Corporate TR Unhedge	238	-5.3%	-0.2%
European Corporate High Yield	Bloomberg Pan-European HY TR Unhedged	420	-4.1%	4.2%
US Corporate Investment Grade	Bloomberg US Corporate Investment Grade TR Unhedged	201	-7.7%	-1.0%
US Corporate High Yield	Bloomberg US Corporate HY TR Unhedged	2,342	-4.8%	5.3%
Commodities				
Brent Crude Oil	Generic 1st Crude Oil, Brent, USD/bbl	108	38.7%	50.2%
Natural Gas (US)	Generic 1st Natural Gas, USD/MMBtu	5.64	51.3%	46.9%
Gold	Generic 1st Gold, USD/toz	1,949	6.6%	-3.5%
Copper	Generic 1st Copper, USD/lb	475	6.4%	26.8%
Currencies				
GBP/EUR	GBPEUR Exchange Rate	1.19	-0.3%	6.5%
GBP/USD	GBPUSD Exchange Rate	1.31	-2.9%	-0.9%
EUR/USD	EURUSD Exchange Rate	1.11	-2.5%	-7.0%
USD/JPY	USDJPY Exchange Rate	121.56	5.6%	11.4%
Dollar Index	Dollar Index Spot	98.31	2.8%	6.4%
USD/CNY	USDCNY Exchange Rate	6.34	-0.3%	-2.6%
Alternatives				
Infrastructure	S&P Global Infrastructure Index	2,944	7.5%	11.8%
Private Equity	S&P Listed Private Equity Index	208	-9.5%	43.2%
Hedge Funds	Hedge Fund Research HFRI Fund-Weighted Composite Index	18,083	-0.8%	10.2%
Global Real Estate	FTSE EPRA Nareit Global Index TR GBP	4,148	-0.6%	24.2%
Volatility				
VIX	Chicago Board Options Exchange SPX Volatility Index	21	19.4%	-24.3%

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

Market thoughts

Commodities

In the light of the then recent invasion of Ukraine an interesting question was raised at the last Committee meeting about the Fund being able to increase exposure to commodites, given the uncertainties surrounding equity markets at the time. Now there is a certain element about the horse having already bolted at that stage, but I do vaguely remember agreeing to giving the question some further thought.

Let me start off by saying that I am by no means an expert on commodities. It is a very diverse asset class, ranging from high value materials (gold) right the way through to basics (potatoes). I also learnt quite early in my career that commodities are in one important aspect very similar to currencies, namely whatever I think I am likely to get it wrong and that frankly my guess is as good (or bad) as yours. So against the background that whatever I write here is likely to be garbage, here goes….

The Fund already has some exposure to commodities. About 8% of the investment in Insight's Diversified Growth Fund is in commodities. There will be some exposure within Brunel's equity portfolios, but that is likely to have reduced somewhat with the recent switch to the Passive Developed Equities Paris Aligned Fund, as that will have a low exposure to certain types of commodity. Which leads us to quite an important question, where do you draw the line as to which commodities you would be prepared to invest in, or put another way, which do you exclude? Given the Fund's stance on environmental issues, it would be fair to assume that carbon related commodities would be excluded. But what about the broader issue of mining? That tends to be disruptive and generally environmentally unfriendly. Include lithium as well, needed for batteries in electric vehicles and power generation transition. Not exactly as friendly as it appears at first sight. Agricultural commodities bring their own challenges beyond simple supply and demand, as supply is often subject to the vagaries of the weather and other factors. Sadly other factors within the specifics of the war in Ukraine include the fact that Ukraine and Russia have a big agricultural presence, particularly for wheat and sunflower production.

The question was sparked by Putin ordering Russian forces to attach Ukraine. He turned himself into a pariah right there and then, and quite rightly a large part of the world doesn't want to do business with Russia anymore. The headline grabbing stuff has been gas and oil, but there is a lot more than that with other commodities. So let's try to put that into perspective. For that I was drawn to a useful article published by Vontobel, that with their permission I reproduce here.

With Vladimir Putin's designs on Ukraine now becoming apparent, western importers of Russian energy, grains, and metals are wondering what's in store for them. To nobody's surprise, commodity prices have risen to new record highs, contrasting the downturn on equity markets. Europe must prepare for another inflationary shock – and more human suffering.

Already in the run-up to the crisis, commodities were pricing in elevated geopolitical risks, and that has increased with Russia's invasion as well as every daily escalation. The broad-based Bloomberg Commodity Index is up 26.5% year-to-date, while crude oil is up 50%, aluminium 30%, and wheat almost 45%.1 All commodity sectors are facing severe potential supply disruptions and are likely to create inflationary shocks in Europe the longer the war drags on. This isn't the type of price increase people are prepared for. The combination of supply disruptions, rising prices, and low commodity inventories will ultimately have to lower demand. Central banks can't do much because raising key rates would endanger the economic recovery, which makes inflation less transitory than thought at the start of the year.

Nord Stream 2, the much-criticized gas pipeline between Germany and Russia allowing Europe's largest supplier to increase its already commanding market share, is now off the table. Germany, finally responding to calls from western allies, has stopped the approval process. This isn't a problem in the short term as Europe has enough natural gas for the remaining weeks of winter weather. However, it's now becoming clear there won't be enough capacity to fill up Europe's gas tanks later in the year. These are already 15% below their five-year average levels and may run almost dry before the next winter starts. Thus, natural gas prices are likely to remain high and volatile for the foreseeable future, causing electricity prices to stay elevated in Europe. The gravity of the problem was driven home by news that the German government may keep the remaining three nuclear power plants running, and even discuss extending the life of domestic coal mines. Similar policy changes are discussed in Eastern Europe and Italy but let's not forget that some of these economies depend on Russian coal.

Russian oil deliveries are also in focus. The country, second only to Saudi Arabia in terms of global market share, sends two thirds of its oil exports westward, about 3.5 million barrels per day. So far, it has never cut Europe off, except one time during World War II, and wants to be seen as a reliable energy supplier even during crises. It's also worth noting that the European Union's sanctions so far don't extend to energy flows. But trouble is brewing for Russia as a producer (and Europe as a consumer) in a different area. A growing number of European, US, and even Chinese lenders are restricting financing for purchases of Russian *commodities to reduce legal and reputational risk, and to mitigate the consequences of a Russian counterparty default. And of course, excluding Russian banks from the international payment system SWIFT makes money transfers cumbersome, stalling trade in physical commodities. Despite the current 20 USD discount Russia is offering on the barrel, no western consumer is willing, or indeed able, to trade. This means that inventories in Europe are in a rapid decline, falling daily by 2 to 3 million barrels.*

Russia is loosely tied to the Organization of Petroleum Exporting Countries (OPEC), which rarely lets geopolitical considerations guide its steps. As expected, the organization said in early March it would aim to raise production by 400,000 barrels a day in April, sticking to a pre-agreed path of modest monthly production increases. At the same time, western powers are trying to reach a deal with Iran to bring that country's nuclear energy program under control. If these negotiations succeed, Iran would be allowed to sell its oil globally again, and markets are increasingly expecting such an agreement. But even a come-back of Iran as an exporter would only result in a daily addition of 1 million barrels per day at the most within three to six months, too little to make up for a possible loss of Russian oil deliveries. To put this into perspective: the announcement of the US government to release another 60 million barrels of strategic oil reserves failed to calm energy markets. With oil inventories in a continued decline, so-called roll returns have spiked to record highs for crude oil, meaning that buyers are paying a significant premium to secure instant delivery of the commodity. Rolling futures contracts – selling contracts that are about to expire, buying longer-running ones instead – is a commodity futures trader's daily bread, and the gain on such transactions is called the risk premium. Given that oil inventories can only go down, futures contracts with short maturities could easily spike to USD 150 per barrel, we reckon, increasing the risk premium further.

Less conspicuous, but of eminent importance nevertheless, is the effect of the war on metals. Russia, a metals heavyweight globally accounting for 40% of palladium, 6% of aluminium, 7% of nickel, and 10% of platinum production, supplies much of Germany's auto industry. Carmakers would love to finally ramp up production after pandemic-linked disruptions, but metal deliveries from Russia seem highly uncertain now amid logistical and financing problems. Even shipping companies have started to refuse to transport metals coming from Russia. At the same time, European producers are hit by spiking natural gas prices and electricity costs because the smelting process is highly energy-intensive. Many European aluminium and zinc smelters have recently stopped working because they struggled to cover their costs. Given the currently high and volatile European natural gas prices (Dutch TTF natural gas +160% since the start of the year), the situation may not improve. All of this comes on top of already almost depleted metal inventories in Europe.

Ukraine and parts of Russia are blessed with black earth, which makes them the world's breadbasket. Between them, they account for almost a third of all global wheat exports. Ukraine alone contributes 15% to all global corn and rapeseed shipments. Global agricultural *inventories are already very low due to previous crop issues in drought-hit Latin America. In Ukraine, the corn and wheat planting season will start in four to six weeks, an unlikely prospect given rising diesel prices and the damage done to roads, ports, and bridges. While European countries will be able to deal with accelerated food inflation, wheat-importing economies like Egypt or many African countries are in a much weaker position. Let's also not forget that grain production may fall in other parts of the world as well because fertilizer prices tripled last year. And here, we have another problem: Ukraine and Russia are among the biggest fertilizer exporters.*

From a strictly rational perspective aimed at mitigating inflationary and geopolitical risks in a portfolio, it seems reasonable to hold a position in commodities, an asset class that has rallied by 26.5% so far this year. Putting away our investing hat, we stand aghast at the human tragedy unfolding on our doorstep.

I certainly agree with the sentiment expressed in the last sentence. Ultimately it is a human tragedy for not only Ukrainians, but also for the people of Russia. They will suffer as a result of Putin's murderous and misguided folly.

Investing in commodities tends to be high on the risk spectrum. Big gains can clearly be made, but generally the successful investor needs to be nimble and ahead of the crowd. Historically I have gained exposure to commodities via equities, rather than via commodity funds, which tend to charge high fees and in general terms have erratic performance over the longer term. There would be no harm in asking Brunel for their views!

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BRUNEL

Pension Partnership

Oxfordshire Pension Fund

www.oxfordshire.gov.uk/pensions

Performance Report for Quarter Ending 31 March 2022

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BRUNEL
Pension Partnership

Brunel News

The first quarter was marked by Russia's invasion of Ukraine, which sparked a succession of major sanctions. We took the view, in light of these developments, that the investment outlook for Russia had changed materially. We decided to prohibit further investments in Russia and to unwind the small exposure we already held. As David Vickers, our Chief Investment Officer, explained at the time: "We believe that this position firmly sits within our fiduciary duty to our clients and has been reached based on investment considerations."

Brunel staff were back in the office in force, with all desks pre-booked on several days.

The busy period around COP 26 also saw us transfer our passive funds to the new Paris-aligned benchmarks (co-developed with FTSE Russell). In the first quarter, the total funds transferred to these benchmarks rose from £3 billion to £4 billion. We also added a new theme to our RI reporting: biodiversity.

Brunel appointed two new managers (Jupiter and Mirova) to the Sustainable Equities portfolio. This launched in 2020 with £1.2 billion in AUM; it has since grown to £2.5 billion. The portfolio continues to place ESG considerations at the forefront of the investment process, such that managers *positively pursue* companies that will provide a benefit to society.

Over the period, Brunel also appointed Opus Nebula to take over our extensive client reporting responsibilities, one of our core services. Opus will enable Brunel to report separately to each client on a quarterly basis, across listed and private markets.

Several Brunel figures made their presence felt in the market over the period. In February, David Cox, Head of Listed Markets, published a blog for FTSE Russell on making Paris goals a reality – the blog was republished by Portfolio Institutional. Following some public attacks on stakeholder capitalism, the FT published a letter signed by fifty senior investment professionals in its defence – Faith Ward was the lead signatory on the letter.

Brunel continued its RI work in both advocacy and in reviewing our own processes, too. On the former, Brunel co-filed a resolution calling for the introduction of the Living Wage at Sainsbury's, which directly employs 189,000 people. The coalition comprised ten institutional investors, representing £2.2 trillion and 108 individual shareholders.

"This was already an urgent issue – and current global events mean that urgency is increasing by the week," said Laura Chappell, CEO. "Food prices and energy bills are increasingly unsustainable for many of the lowest-paid employees, but companies like Sainsbury's have the wherewithal to appropriately compensate a large number of key workers –providing an example for others to follow. "

In reviewing our own processes, our Climate Stocktake gained momentum, and interviews were initiated with a range of key stakeholders – these are ongoing at time of writing, but those we have contacted have generally shown a strong desire to participate.

In March, we published our Annual Report & Financial Statements, which demonstrated major cost savings across our portfolio offering. We would encourage you to read further about an exceptional year.

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Executive Summary

High-Level Performance of Pension Fund

• The fund delivered absolute performance of -3.5% over the quarter in GBP terms. This was 2.3% behind the benchmark return of -1.2%.
• Total fund return for the 12 months to end-March 2022 was +10.3%, which was 0.4% behind the return of the benchmark of +10.7%.

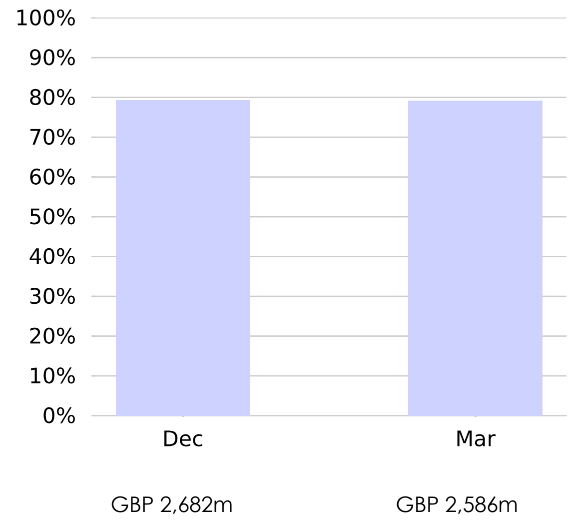
Key points from the quarter

• A number of equity funds had a difficult quarter due to exposure to sectors which performed poorly.

Total Fund Valuation

	Total (GBPm)
31 Dec 2021	3,382
31 Mar 2022	3,264
Net cash inflow (outflow)	1

Assets Transitioned to Brunel



Market Summary – Listed Markets

It goes without saying the Russian invasion of Ukraine had a big impact on markets in the first quarter of 2022. However, it's important to remember the economic backdrop that preceded this tragedy, which is, sadly, ongoing at the time of writing.

As noted in previous updates, the belief that rising inflation, in part caused by increasing commodity prices, would be transitory had started to give way to the belief it would become persistent. The removal of Omicron restrictions early in the year gave central bankers the confidence to be more hawkish in their rhetoric, leading to negative returns in January for both equities and fixed income.

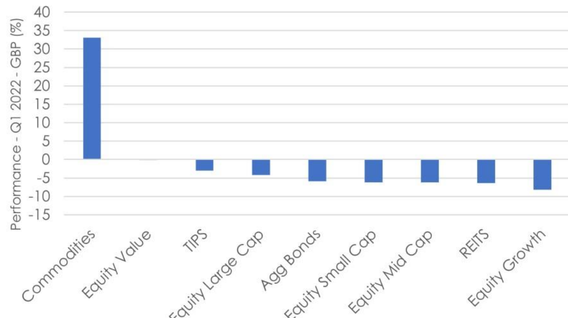
From an economic standpoint, the Russian invasion of Ukraine in February has only accentuated the pre-existing condition of rising commodity prices contributing to inflation.

Russia and Ukraine are large producers of energy, metals and food. Combined, they produce 29% of the world's wheat and 12% of global calories in 2021, with Ukraine among the top four global suppliers of corn. Russia is the third largest producer of oil, and second largest producer of natural gas, accounting for around 40% of Europe's supply. Russia is also among the top five global producers of steel, nickel and aluminium.

Given the proportion of global commodities produced across the two countries, it is no surprise that tough sanctions applied to Russian exports, combined with a significant reduction in Ukraine's output, has seen commodity prices rise further. To give a flavour of the extent of price increases over the quarter, the Bloomberg Commodity Index returned 29%, Brent crude oil prices rose 35%, wheat was up 31% and nickel prices increased by 64%. Brunel funds with commodity exposure have benefitted from this positive performance; the Diversifying Returns portfolio generated positive returns over the period. However, rising commodity prices impacted other asset classes negatively.

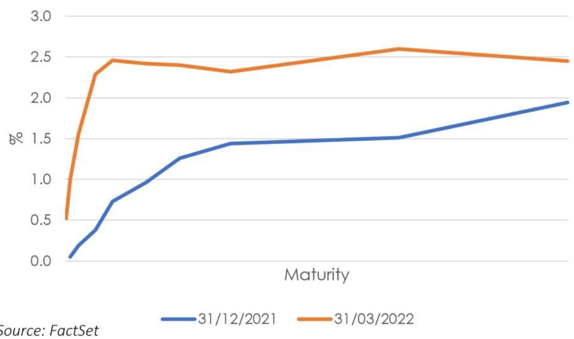
There was a brief compression in sovereign bond yields in the days following the invasion. However, if markets thought central banks would identify war as a reason to hold off monetary tightening, they were to be disappointed. For the most part, the world's central bankers emphatically confirmed their intention to tame inflation, with a number increasing policy rates. The Federal Reserve approved the first increase in the Federal Funds rate in three years on 16 March, whilst the Bank of England raised the base rate in both February and March. Yields increased significantly over the quarter and there was a large compression in the 2-year & 10-year Treasury spreads.

US Asset Class Returns - Q1



Source: FactSet

US Yield Curve



Source: FactSet

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Market Summary – Listed Markets

Over the period, Treasuries, as measured by the Bloomberg US Treasury (3-10Y) Index, returned -3.0%. The Bloomberg Barclays Global Aggregate returned -5.0% on a GBP hedged basis and the iBoxx Sterling Gilts (1-10Y) index returned -2.7%.

The US dollar Index was up 5.4% over the quarter, benefitting from both risk aversion and from investors revising their expectations of the magnitude and speed of rate rises.

Against the backdrop of war and rising interest rates, it could be argued the MSCI ACWI held up reasonably well, falling 2.4% over the period. But the headline figure masks high dispersion in the performance of the underlying securities. It is not surprising Energy was the best-performing sector, returning 26.7%. The Materials, Utilities and Financial sectors returned 6.3%, 4.3% and 2.7% respectively, while all other sectors posted negative returns.

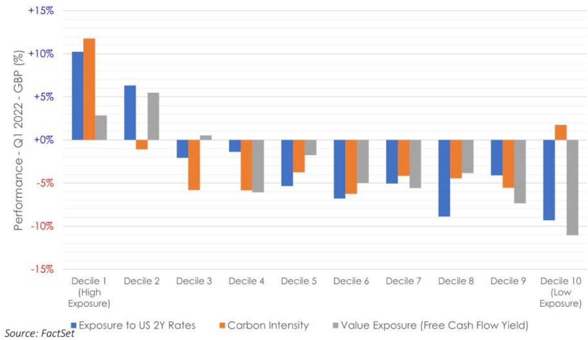
Our analysis – as highlighted in the table right – demonstrates that the best performing companies had high carbon intensity, positive sensitivity to higher interest rates, or were in traditional "value" areas (defined as high free cash flow yield).

Positive exposure to the Value factor helped the Brunel Low Volatility portfolio to markedly outperform its benchmark. However, below-benchmark exposure to carbon-intensive companies (which we associate with higher levels of long-term risk), does generally result in stylistic tilts, and thus acted as a headwind for other Brunel active equity portfolios over the period.

Looking ahead, policymakers are likely to find the economic landscape challenging. The US economy is at risk of overheating. Consumer-price inflation is 7.9% and wages are 5.6% higher (both YoY). There are nearly twice as many job openings as there are unemployed workers. Short-term rates are expected to rise to 2.5% by the end of 2022 and to more than 3% in 2023. Whether the Federal Reserve can control high inflation without tipping the economy into recession remains to be seen. It doesn't have a great track record of doing so, and markets are pricing a reduction in rates after 2023, reflecting an expectation the economy may then be flagging and need support.

Europe subject to cost push inflation resulting from rising energy prices, also has an inflation problem. Economists expect Europe's economy to grow in 2022 but this assertion would be challenged should Europe decide to stop importing Russian gas, or if Russia stops selling it.

Global Equity Markets Performance - Rates, Carbon & Value



Source: FactSet

Market Summary – Listed Markets

The most immediate threat to global growth comes from the outbreak of Omicron in China. Several major cities, including Shanghai, are under lockdown. Lower output and further disruption to global trade associated with lockdowns is likely to add to the inflationary pressures the world is grappling with.

Market Summary – Head of Private Markets

BRUNEL
Pension Partnership

Overview
Q1 was undoubtedly marred by the situation in Ukraine. Following prolific fund activity and a sustained recovery in Q4 2021, economic activity largely remained positive in Q1, but slowed from the peak of last year, while the Ukraine crisis impacted growth expectations further. Commodity prices soared, since Russia is a key producer of oil, gas and wheat. This contributed further to the surge in inflation, alongside continued supply chain disruption. Central bank rhetoric turned more hawkish, with the Fed and the Bank of England implementing hikes, and the ECB indicating a rise this year was no longer ruled out.

Preqin's Q1 2022 report showed infrastructure funds raised $70bn in the quarter, 42% higher than the previous peak (in Q4 2019). North America was the main focus, possibly driven by anticipated deployment opportunities created by the recently signed *Infrastructure Investment and Jobs Act* in the US.

In the same report, Preqin calculated an IRR return of 8.5% over the 10-year period to Q3 2021. Preqin predicts investors will continue to be attracted to the asset class, with the prospect of defensive inflation protection in many assets.

The war in Ukraine reinforced the market interest in renewables, now with the additional impetus of energy security adding to the demand for sustainability. Nuclear energy benefited from the same interest.

Energy transition funds designed to decarbonize industry, heating, transport and agriculture continued to proliferate, and the first materially significant hydrogen infrastructure investments were made in the quarter.

Private Equity
2021 was a record year for private equity in terms of investment activity and exits. Both investment activity and portfolio company performance showed signs of recovery from the pandemic. Following this record-breaking year, private equity activity slowed down in the first quarter of 2022. Both the number and value of deals dropped, compared with Q1 2021. In addition, exits and PE-backed IPOs recorded their lowest value in recent quarters. The Russian invasion of Ukraine caused a global shock in commodity prices, which contributed to a further increase in inflation fears and supply chain disruptions – even as inflation and supply chain issues caused by Covid are yet to subside. Higher interest rates and recession worries are the key issues that the market is monitoring – and private equity firms are assessing the effects on deal activity and portfolio performance. It is expected that the Federal Reserve will continue to raise rates through 2022 and there are calls for more aggressive hikes.

The fundraising market is strong, with major mega-funds expected to come back to market in 2022. Asset valuations are likely to be affected by rate hikes and investors are being cautious with Tech companies. PE firms have further increased their focus on ESG and ways to embed it in their processes to drive value within their portfolio investments. In addition, General Partners (GPs) are raising Impact-focused funds; this will be a key theme in the new investment cycle.

VC fundraising continues to show strength and has persisted despite market uncertainty. VC-backed companies are still attracting capital, with larger funding rounds. Due to the uncertainty facing public markets, investors are increasingly allocating to private markets to find attractive returns.

The fundraising market is still expected to have a strong year. Mega-funds continue to dominate the market with Buyout, Growth, and Venture the main strategies of interest. However, the fundraising period is expected to be longer to accommodate Limited Partners. In addition, GPs are indicating a shorter investment period to deploy capital.

Private Debt
Credit spreads in the public market have fully recovered from the spike caused by Russia's initial military advance into Ukraine. High yield bond spreads finished the quarter at ~350bps and ~400bps in the US and Europe, respectively. Primary market activity has been muted, with new issue volume significantly lower compared with the same period last year. This plays into the hands of the private debt market, with an increasing number of managers able to take advantage of a stuttering, broadly syndicated market by offering opportune financing solutions to upper-middle market and large-cap borrowers. This has been one of the key trends over the last 12-18 months.

Short-term rates increased over the quarter. The Secured Overnight Financing Rate (SOFR), which is the US replacement for LIBOR, increased from 0.05 to 0.3. The Sterling Overnight Index Average (SONIA), which is the UK replacement for LIBOR, increased from 0.19 to 0.69.

Q1 is typically a seasonal soft point for deal making activity as participants pause for breath after a hectic year-end. The Russian invasion of Ukraine caused volatility to spike across capital markets. Private equity sponsors put new deals on hold in the face of difficult valuation and price discovery. Deal-making activity is expected to pick up again through Q2.

US and European private debt managers have been carefully monitoring the Russia/Ukraine situation. Whilst direct exposure tends to be close to zero, managers have been conducting broader portfolio reviews of the implications of increased energy prices, capital markets volatility, supply chain shocks and the increasing risk of cyber-attacks. Given the focus on sectors such as healthcare, services and technology, direct exposure to raw material costs and energy prices tends to be limited. The main concerns cited by managers are the second and third order impacts and their influences on labour costs and wage inflation.

Property
UK monthly investment volumes rebounded in February in the industrial sector, after a slow start to 2022, with that sector accounting for three of the four largest deals. Hotels, Residential and Student Accommodation also attracted investor interest this quarter. Concerns over the economic outlook are yet to affect annual performance returns, with end-March figures still well above trend. Retail warehousing yields compressed further in Q1 and even shopping centres delivered a small positive return at the start of 2022. However, enthusiasm for UK property may

falter over the summer months, as consumer confidence wanes and rising UK interest rates influence investors' asset selection decisions. UK commercial property does provide some defence against rising inflation, so the positive element of holding real assets, often with index-linked income returns, may outweigh legitimate concerns around narrowing yield differentials.

Real estate markets globally moved away from the pandemic and back to themes of affordability, regulation, ESG and digitalisation. Geopolitical tensions are high, with military conflict between Russia and Ukraine. The polarisation between the primary and secondary/peripheral sectors, regions and locations strengthened again. The most popular sectors continued to include residential, healthcare and logistics.

The two largest economies whilst tracking back well, face significant challenges. China is being impacted by a strict zero-Covid strategy and was also shaken by a liquidity crunch in its domestic real estate market. The US is facing the risks of rising interest rates, continued supply side shortages and price increases in the near term. Globally, real estate yields continued to trend lower for longer, despite concerns over tightening monetary policy.

CEO Perspective - RI at the heart of Brunel

Over the reporting period, we saw the extreme shake-up in social and working practices – caused by lockdowns – as an opportunity for staff to review our values statement and ensure it truly describes Brunel – we were very pleased with the result and will keep our people strategy under review as the market evolves in 2022.

Reviewing our approach also meant a more decisive focus on mental health. Internally, we reviewed our own support mechanisms and ensured we were talking about mental health. We tried to normalise the subject externally, too – in an Op-Ed in Professional Pensions, I argued that a focus on mental health doesn't just make ethical sense for companies, but makes business sense too.

Other challenges were less specific to the year, reflecting systemic realities. One such focus was cost savings – our **Annual Report** demonstrated our achievements in that area. On diversity and inclusion, we know we still have some way to go, but we were particularly proud when Helen Price, in her role as co-Chair of the Asset Owner Diversity Working Group, launched the Diversity Charter, with signatories representing more than £1 trillion in AUM – signatories make a number of commitments to improving, monitoring and reporting on diversity in their companies.

Our work on climate change, most specifically the new Paris Aligned Benchmarks, as well as our approach to manager selection were recognised in Brunel winning three Europe-wide categories at the IPE Awards in Innovation, Climate Related Risk Management, and Portfolio Construction & Diversification. These awards reflect our RI and investment acumen and commitment.

Our approach must continue to evolve if we are to continue to set an industry leading example. Our updated infographic (below) outlines our RI priorities. We have taken the opportunity to update the headings of the themes to better reflect the breadth and depth and to make it clearer we are reflecting client priorities.

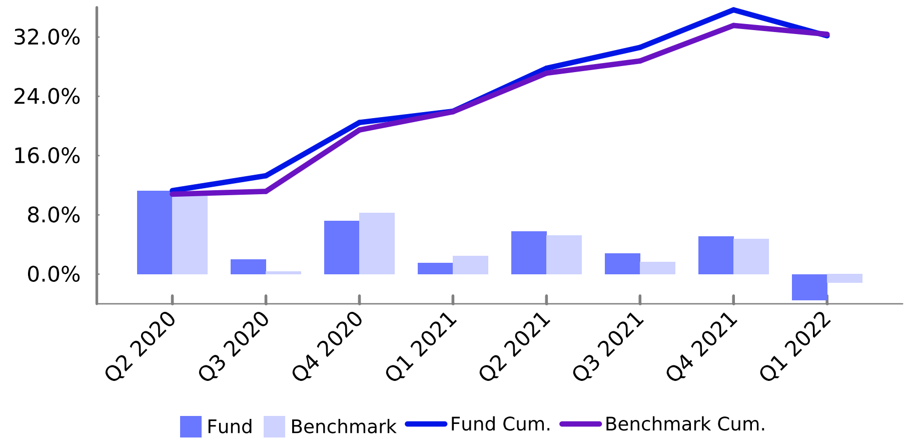
The most important change is that we have moved biodiversity from behind our Supply Chain theme and it is now a priority; it now has a set of specific objectives. Biodiversity is a theme close to my own heart and one which has major implications across both climate change and investing.

Summary of Pension Fund Performance

Performance of Fund Against Benchmark (Annualised Performance)

Period	Fund	Strategic BM	Excess
3 Month	-3.5%	-1.2%	-2.3%
Fiscal YTD	10.3%	10.7%	-0.4%
1 Year	10.3%	10.7%	-0.4%
3 Years	8.7%	8.5%	0.1%
5 Years	7.4%	6.9%	0.5%
10 Years	9.1%	8.9%	0.2%
Since Inception	7.6%	7.8%	-0.2%

Rolling Quarter Total Fund (Net of Manager Fees)



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Key drivers of performance

Portfolio performance during the quarter:

- UK Active Equities generated a negative return of -3.6% which was 4.8% behind the return of the benchmark.
- Global High Alpha Equity portfolio generated a negative return of -8.0%, underperforming the benchmark by 5.6%.
- Global Sustainable Equity portfolio generated a negative return of -9.8%, underperforming the benchmark by 7.2%.
- Multi Asset Credit lost 2.7%, which was 3.8% behind the benchmark.

Asset Allocation of Pension Fund

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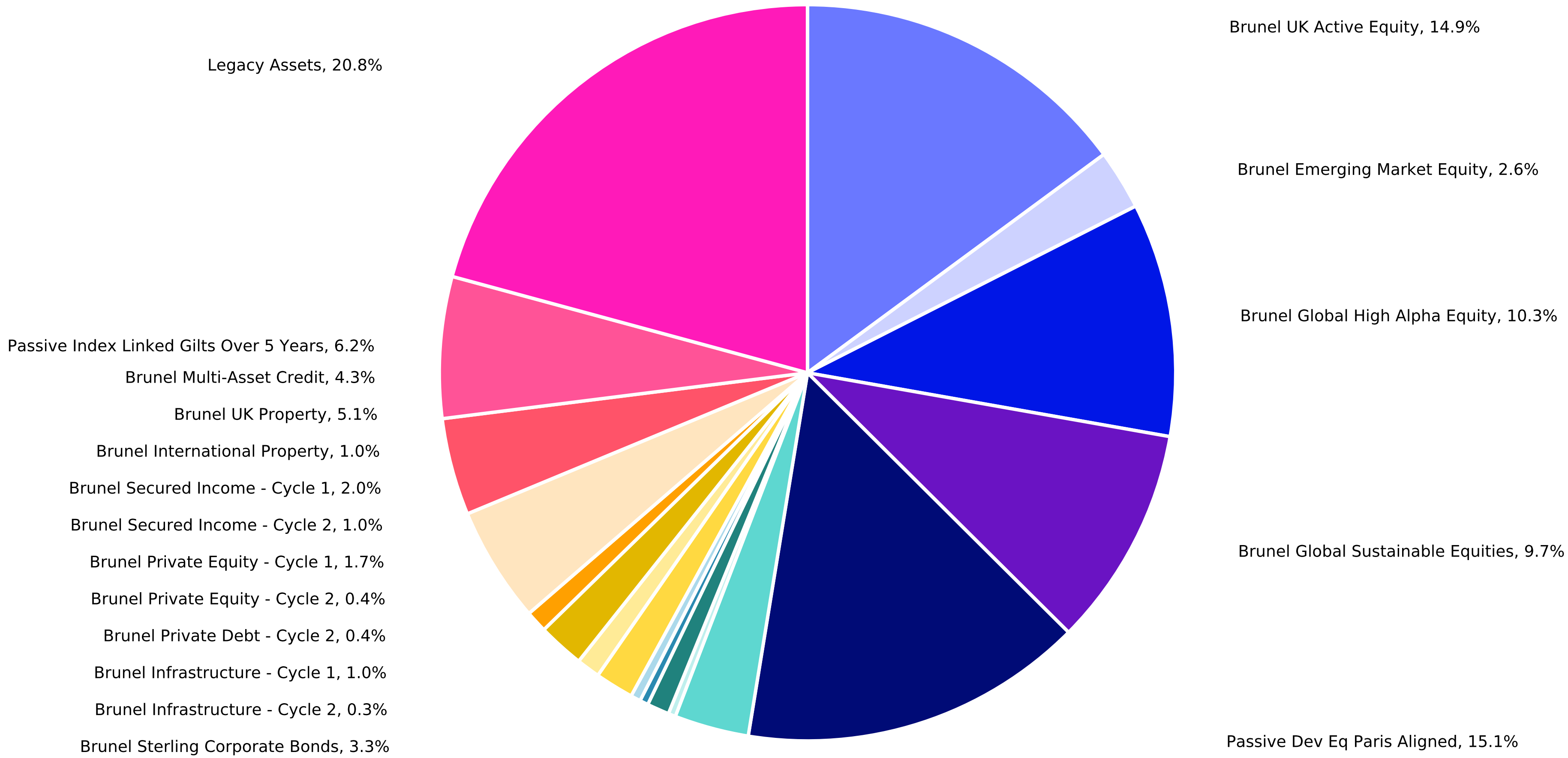
Asset Allocation Split



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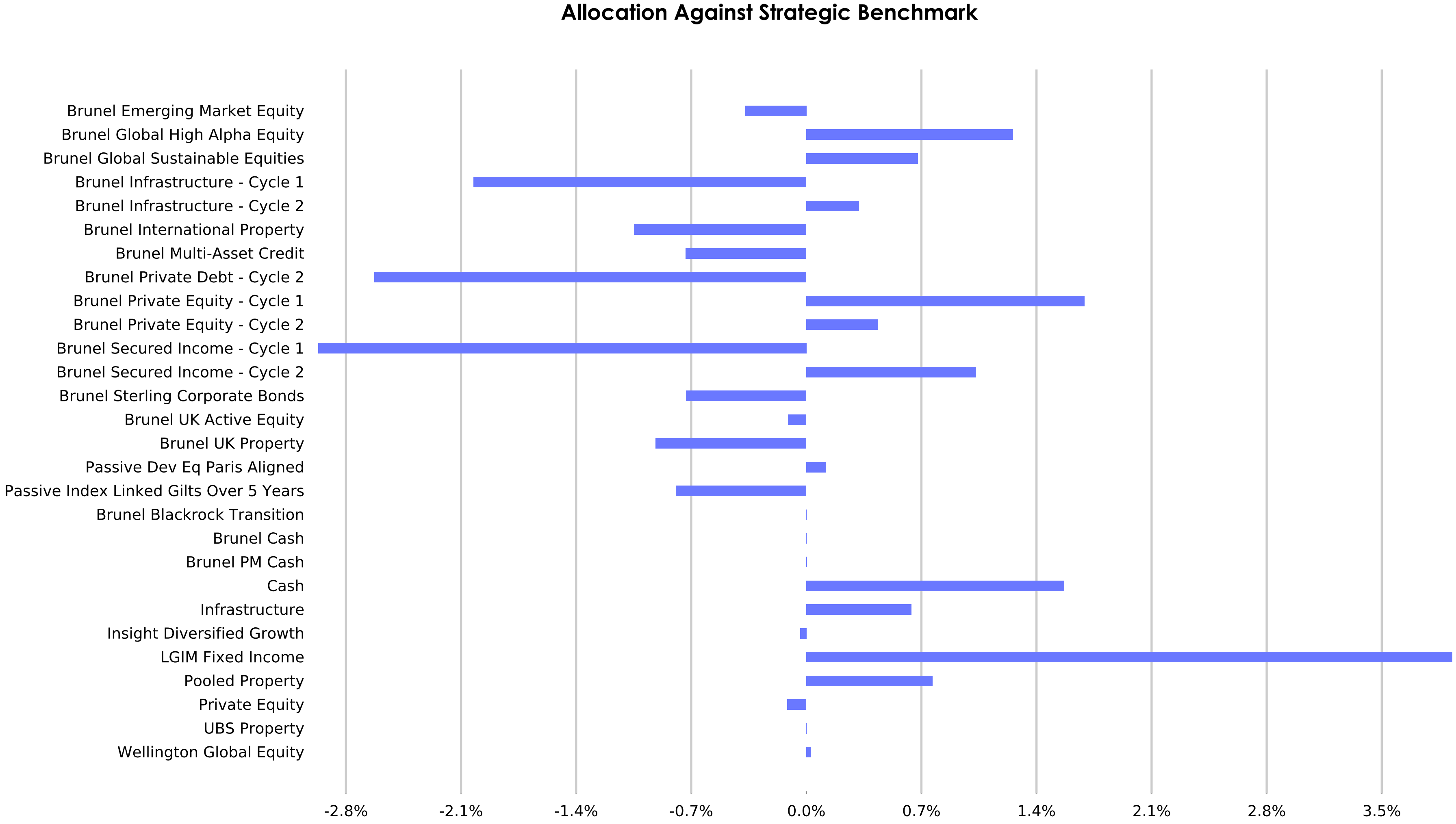

Allocation Against Strategic Benchmark
Brunel Emerging Market Equity
Brunel Global High Alpha Equity
Brunel Global Sustainable Equities
Brunel Infrastructure - Cycle 1
Brunel Infrastructure - Cycle 2
Brunel International Property
Brunel Multi-Asset Credit
Brunel Private Debt - Cycle 2
Brunel Private Equity - Cycle 1
Brunel Private Equity - Cycle 2
Brunel Secured Income - Cycle 1
Brunel Secured Income - Cycle 2
Brunel Sterling Corporate Bonds
Brunel UK Active Equity
Brunel UK Property
Passive Dev Eq Paris Aligned
Passive Index Linked Gilts Over 5 Years
Brunel Blackrock Transition
Brunel Cash
Brunel PM Cash
Cash
Infrastructure
Insight Diversified Growth
LGIM Fixed Income
Pooled Property
Private Equity
UBS Property
Wellington Global Equity
-2.8%
-2.1%
-1.4%
-0.7%
0.0%
0.7%
1.4%
2.1%
2.8%
3.5%

Legacy Manager Performance

Legacy Manager Performance – 3 Year

	Annualised Return	Risk (Standard Deviation)	Benchmark Return	Benchmark Standard Deviation
Brunel - PM Cash	51.2%	74.4%	0.0%	0.0%
Cash	1.4%	1.9%	0.4%	0.1%
Infrastructure	13.8%	13.5%	5.7%	1.1%
Insight Diversified Growth	3.9%	7.6%	4.3%	0.1%
LGIM Fixed Income	2.3%	7.8%	1.4%	7.8%
Pooled Property	5.5%	10.8%	8.1%	6.5%
Private Equity	24.3%	10.6%	14.9%	19.3%
Oxfordshire County Council	8.7%	9.9%	8.5%	9.4%

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Brunel Portfolios Overview

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 Global High Alpha Equity	MSCI World TR Gross	335	-8.0%	-5.6%	8.7%	-7.2%					17.3%	2.8%	15 Nov 2019
Brunel Global Sustainable Equities	MSCI AC World GBP Index	316	-9.8%	-7.2%	8.2%	-4.6%					12.0%	-5.3%	30 Sep 2020
Brunel UK Active Equity	FTSE All Share ex Investment Trusts	486	-3.6%	-4.8%	8.5%	-5.3%	3.5%	-1.5%			4.9%	-1.4%	21 Nov 2018
Brunel Emerging Market Equity	MSCI EM TR Gross	86	-7.1%	-2.9%	-11.5%	-4.6%					3.0%	-1.7%	13 Nov 2019
Brunel Multi-Asset Credit	SONIA + 4%	139	-2.7%	-3.8%							-1.5%	-5.1%	01 Jun 2021
Brunel Sterling Corporate Bonds	iBoxx Sterling Non-Gilts Overall Total Return Index	107	-6.0%	0.2%							-6.3%	0.6%	02 Jul 2021
Passive Dev Eq Paris Aligned	FTSE Developed Paris-Aligned (PAB) Net Index	494	-3.7%	0.0%							-0.1%	-0.1%	29 Oct 2021
Passive Index Linked Gilts Over 5 Years	FTSE Actuaries UK Index Linked Gilts Over 5 Years Index	203	-6.3%	0.1%							-0.6%	0.0%	10 Jun 2021

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*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

Brunel Global High Alpha Equity

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:	£3,307,742,119

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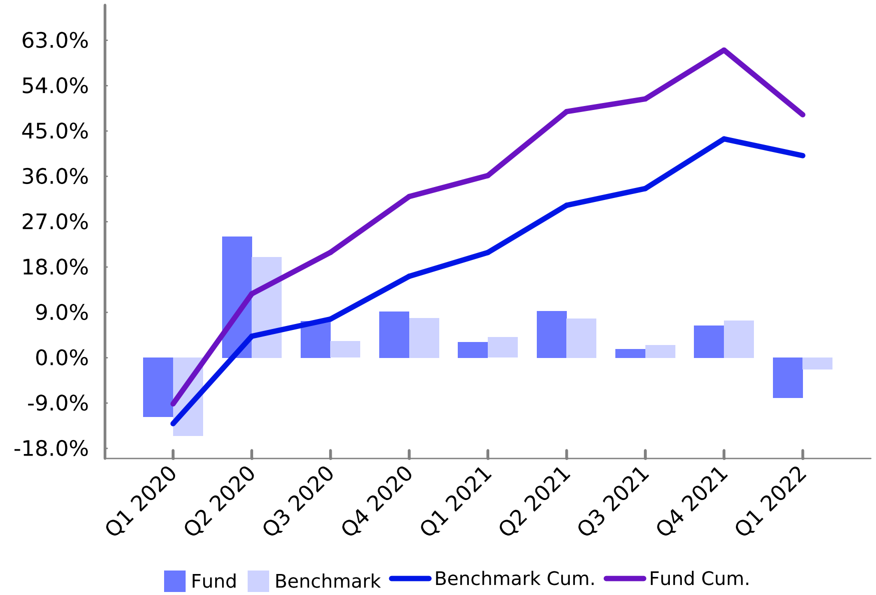
Performance to Quarter End

Ann. Performance	Fund	BM	Excess
3 Month	-8.0%	-2.3%	-5.7%
Fiscal YTD	8.9%	15.9%	-7.0%
1 Year	8.9%	15.9%	-7.0%
3 Years			
5 Years			
10 Years			
Since Inception	18.5%	15.7%	2.8%

Rolling Performance*



* Partial returns shown in first quarter

Global developed equities (as proxied by the MSCI World index) returned -2.3% over the quarter. This was the first negative quarterly performance since the onset of the covid pandemic in Q1 2020 and was characterised by a particularly high dispersion in the performance of underlying securities.

The portfolio returned -8.0% over the quarter, underperforming the benchmark by 5.7%. The portfolio's consistent style tilts to Growth and Quality and away from Value, alongside a lower exposure to carbon-intensive companies than the benchmark, were all headwinds to relative performance. Brunel analysis (highlighted in the listed markets commentary) showed that, unless you were invested in companies with the highest levels of carbon exposure, positive sensitivity to short-term interest rates, or Value exposure, it was very difficult to outperform equity markets in the quarter.

Attribution analysis shows negative stock selection as the main driver of quarterly relative performance. A number of the largest contributors support the narrative around the impact of the market environment and external factors impacting individual stock performance.

• Two of the largest detractors were Aptiv and Nidec (both suppliers of components to the auto industry), which are overweight in the portfolio and fell 25%

and 30%, respectively. Both companies suffered from concerns that supply-chain disruptions would curtail current sales and increase costs, and that rising interest rates may curb future demand.

• The four largest contributors to relative return included three materials companies – Steel Dynamics, Anglo American and Reliance Steel – and Suncor Energy, which returned 39%, 36%, 17% and 36% respectively, as commodities and energy prices soared.

Sector allocation also detracted due to the portfolio's largest active sector positions both working against the portfolio. Energy was the largest underweight in the portfolio and was the best-performing sector, whilst Consumer Discretionary was the worst-performing sector and the largest sector overweight. Both relative sector positions have been consistent since the launch of the portfolio and largely an outcome of the ESG integration and Growth / Quality style tilt of the portfolio.

The extreme style environment is also reflected in the divergent performance of the underlying managers. Those with a Growth style (Baillie Gifford and AB) both underperformed significantly whilst Harris and RLAM, two managers with a strong Value focus, outperformed.

Looking back further, the quarter completed a challenging 12 months for the portfolio, a period over which the prior trend in favour of Growth stocks reversed, as economies reopened and as the likelihood of rising rates increased. The portfolio returned 8.9%, underperforming the benchmark by 7.0%. From inception to quarter-end, the portfolio outperformed the benchmark by 2.8% p.a., in line with the performance target.

During the quarter, £54m was redeemed from the portfolio by two clients to meet drawdowns for private market investments. The outflows were used to rebalance the underlying manager allocations back towards target.

Brunel Global High Alpha Equity – Region & Sector Exposure

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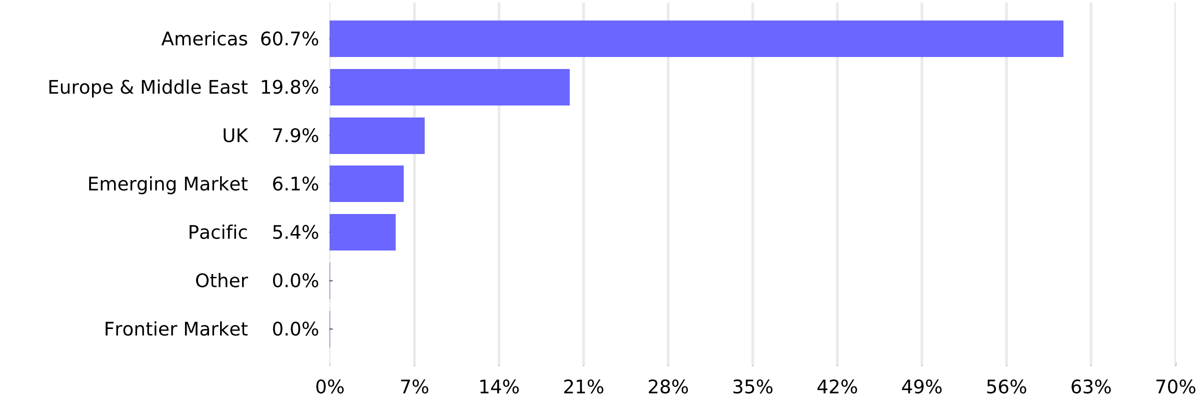
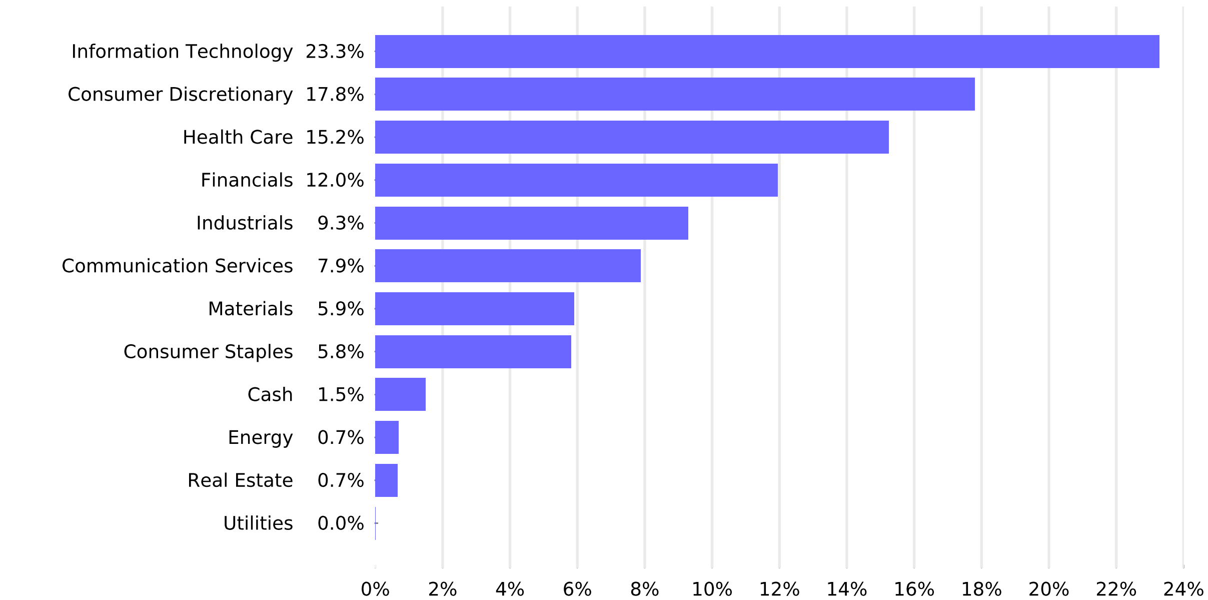
Top 20 Holdings

	Mkt. Val.(GBP)
MICROSOFT CORP	168,099,682
ALPHABET INC-CL A	122,571,772
AMAZON.COM INC	104,656,842
MASTERCARD INC - A	95,325,943
NESTLE SA-REG	65,453,561
MOODY'S CORP	64,339,626
TAIWAN SEMICONDUCTOR-SP ADR	58,780,021
UNITEDHEALTH GROUP INC	58,022,082
NIKE INC -CL B	53,280,283
ASML HOLDING NV	53,081,374
SCHWAB (CHARLES) CORP	52,691,126
TJX COMPANIES INC	52,562,356
AUTOZONE INC	42,833,101
JOHNSON & JOHNSON	40,880,383
META PLATFORMS INC-CLASS A	39,144,725
AUTOMATIC DATA PROCESSING	38,387,282
CAPGEMINI SE	38,020,924
NVIDIA CORP	36,476,138
IQVIA HOLDINGS INC	33,909,694
ROCHE HOLDING AG-GENUSSCHEIN	33,132,607

Regional Exposure



Sector Exposure



Brunel Global High Alpha Equity – Responsible Investment

BRUNEL Pension Partnership

Top 10 ESG Contributors to Overall Score

	Insight	Momentum
1. RECRUIT HOLDINGS CO LTD	72.7	76.0
2. ASML HOLDING NV	61.6	29.3
3. NESTLE SA	59.8	60.9
4. CAPGEMINI SE	63.7	50.0
5. TAIWAN SEMICONDUCTOR MANUFACTURIN	59.6	31.6
6. DIAGEO PLC	63.2	73.2
7. MSCI INC	63.0	78.3
8. CARRIER GLOBAL CORP	66.3	59.9
9. SAP SE	63.5	45.3
10. ADMIRAL GROUP PLC	76.1	77.7

Weighted Average ESG Score	2021 Q4	2022 Q1
Portfolio	54.7	54.2
MSCI World	54.6	54.5

TruValue Labs & SASB

Bottom 10 ESG Detractors to Overall Score

	Insight	Momentum
1. BECTON DICKINSON AND CO	43.3	41.6
2. PROGRESSIVE CORP/THE	40.7	18.3
3. AUTOZONE INC	45.6	81.5
4. AMAZON.COM INC	50.4	59.8
5. NIKE INC	46.5	44.1
6. META PLATFORMS INC	42.4	52.1
7. JOHNSON & JOHNSON	36.3	21.6
8. ALPHABET INC	45.7	59.5
9. TJX COS INC/THE	32.8	19.6
10. MICROSOFT CORP	46.1	31.6

* Position 1 is the top contributor/detractor.

0 50 100

Weighted Average Carbon Intensity (WACI)

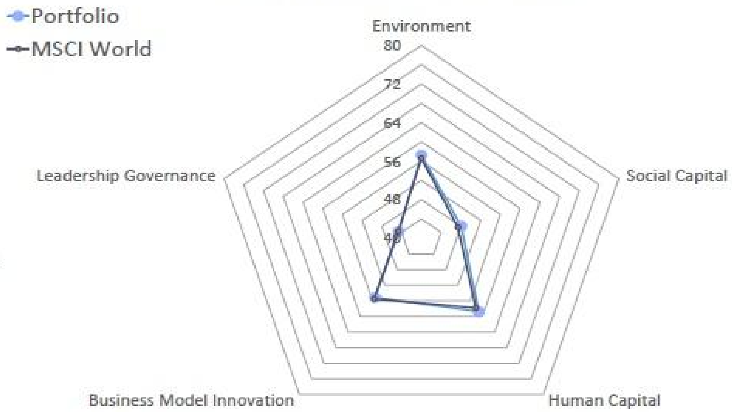
Source: Trucost

Extractive Exposure

	Total Extractive Exposure[1]		Extractive Industries (VOH)[2]	
	Q4	Q1	Q4	Q1
Portfolio	0.9	0.6	1.8	2.0
MSCI World	2.6	2.6	5.1	6.5

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:

- **Amazon** (Consumer goods) has increased its renewable capacity in Spain to 1.4GW with five new projects. The E-commerce giant has also launched its first ever electric heavy goods vehicle fleet in the UK as it continues to work towards Amazon Fresh being the first Net-Zero carbon grocery store.
- **Johnson and Johnson** (Pharmaceuticals) has settled a litigation by West Virginia for $99 million to settle claims that it helped fuel an opiod addiction crisis in the state.
- **Nestle's** (Food and beverage) health science division is buying a majority stake in Orgain, a maker of protein powders, shakes and bars, for an undisclosed amount. nestle has undergone a transformation in recent years to increase growth in healthier food and products.
- **Diageo** (Food and beverage) ramps up investment into production of packaging plants. An additional £40 million investment to expand two of its existing plants is to commence immediately in order to meet demand for canned Guinness in both the domestic and export markets.

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 and the extractives value of holdings are less than half that of its benchmark.

Brunel Global Sustainable Equities

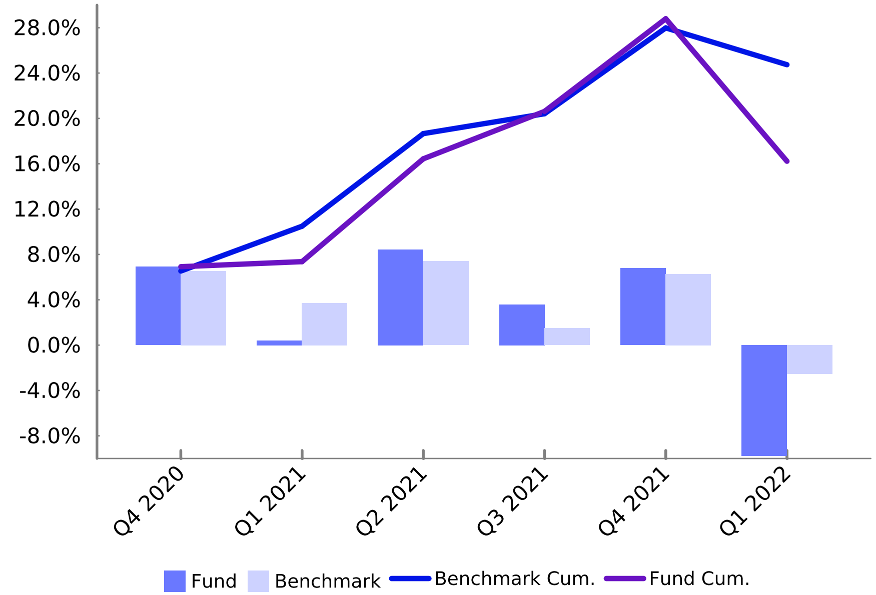
Overview

	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:	£3,132,478,438

Performance to Quarter End

Ann. Performance	Fund	BM	Excess
3 Month	-9.8%	-2.5%	-7.2%
Fiscal YTD	8.2%	12.9%	-4.6%
1 Year	8.2%	12.9%	-4.6%
3 Years			
5 Years			
10 Years			
Since Inception	11.0%	16.5%	-5.6%

Rolling Performance*



* Partial returns shown in first quarter

As per the listed markets commentary, this quarter was defined by the expectation of increased rate rises and by the Russian invasion of Ukraine, leading to consequential sanctions and a decreasing supply of oil and commodities. This market environment favours a Value style of strategy, as the decreasing supply of commodities increases the value of the 'old economy' Energy companies. Moreover, Value companies have a smaller proportion of their cash flows discounted from the future. The increase in interest rates has meant the future growth in cash flows for a growth company are now being valued as less in the present. The Sustainable Fund naturally has a bias towards the Growth/Quality parts of the market, as the Value style is heavily influenced by unsustainable companies.

Global equities (as proxied by the MSCI All Countries World Index) returned -2.5% this quarter. The Sustainable Equity fund returned -9.7%, underperforming the benchmark by 7.2% (MSCI All Countries World Index).

• Much of this quarter's underperformance (-6.2%) can be attributed to the month of January. We saw the first signs of a rate rise to combat inflation, and saw a huge disparity between sectoral returns, favouring Value Sectors, notably Energy.

Brunel Global Sustainable Equities

BRUNEL
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• From a country perspective, the underperformance was almost exclusively driven by stock selection in the US. The underlying US Style attribution shows underperformance being driven by the allocation and the selection to the US Growth parts of the market. Being underweight the top decile of Value had a negative effect on performance, as it returned 15% over the quarter.

• Four of the five managers underperformed the index over the quarter. Jupiter, the only manager to outperform, was brought into the fund on 17 February 2022 and has therefore only been measured on a part of the period. Whilst it is disappointing that the managers have underperformed the benchmark, it is in line with the sustainable peer group. 90% that applied for the EOI stage of the process and have data available in Morningstar underperformed the benchmark. Those that did outperform had a high exposure to the Value style (as defined by Morningstar) and contained holdings that would not align to what we believe to be a sustainable company.

• From inception to end-March, the portfolio underperformed the benchmark by -5.6% on an annualised basis. All of which can be attributed to this most recent quarter.

• The Sustainalytics and TruValue Labs ESG scores for the Sub-Fund remain superior to that of the MSCI ACWI benchmark, and we continue to see a carbon intensity reduction in comparison to the benchmark.

• There were a number of client trades over the quarter and a net inflow of £710m. The inflows allowed the portfolio to meet the target allocation specified in our 2021 portfolio construction update.

Brunel Global Sustainable Equities – Region & Sector Exposure

Top 20 Holdings

	Mkt. Val.(GBP)
MASTERCARD INC - A	82,162,302
MICROSOFT CORP	78,532,998
ADYEN NV	60,409,723
ANSYS INC	55,999,131
DANAHER CORP	55,660,147
WORKDAY INC-CLASS A	52,869,995
MARKETAXESS HOLDINGS INC	52,866,356
ALPHABET INC-CL A	50,894,827
EDWARDS LIFESCIENCES CORP	49,850,871
INTUIT INC	48,921,358
TRADEWEB MARKETS INC-CLASS A	48,915,888
UNITEDHEALTH GROUP INC	47,124,418
TAIWAN SEMICONDUCTOR-SP ADR	45,514,040
ROCHE HOLDING AG-GENUSSCHEIN	43,968,641
ASML HOLDING NV	43,871,772
AIA GROUP LTD	43,026,435
TYLER TECHNOLOGIES INC	41,475,883
NVIDIA CORP	40,585,826
SYNOPSYS INC	39,824,425
ILLUMINA INC	38,227,529

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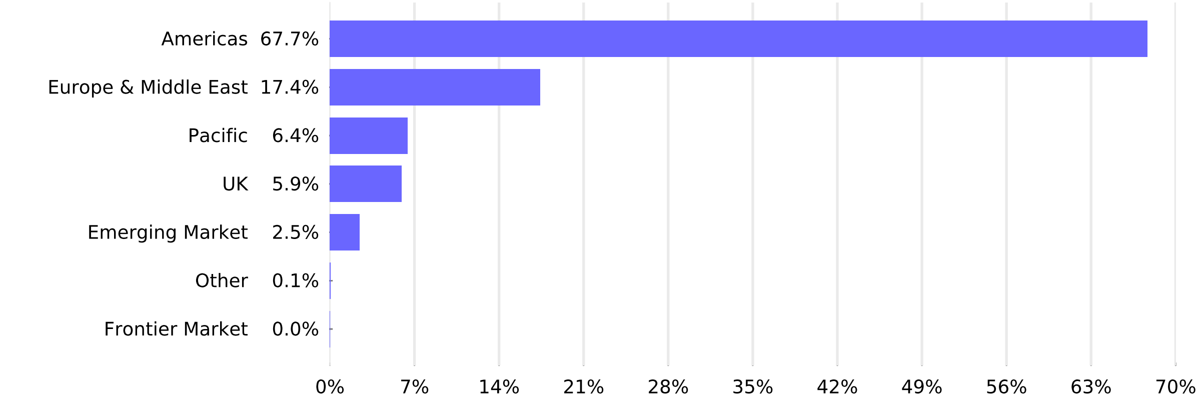
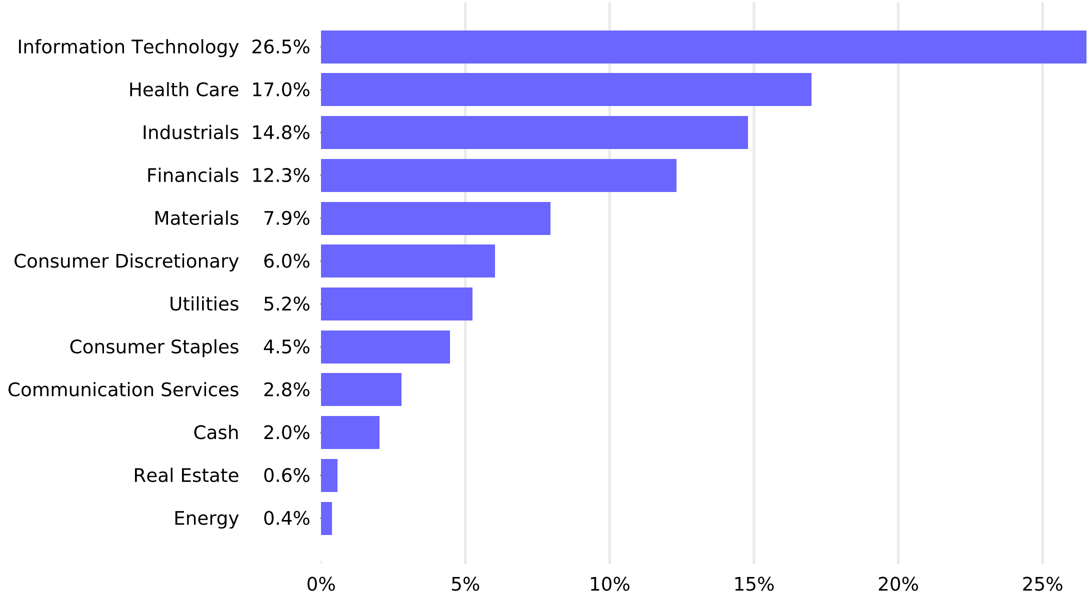
Regional Exposure



Sector Exposure



Brunel Global Sustainable Equities – Responsible Investment

BRUNEL Pension Partnership

Top 10 ESG Contributors to Overall Score

	Insight	Momentum
1. ABIOMED INC	80.3	86.4
2. ANSYS INC	67.6	79.4
3. ORSTED AS	73.7	65.5
4. WORKDAY INC	66.3	25.2
5. ECOLAB INC	69.2	32.9
6. FORTIVE CORP	70.8	76.3
7. KERRY GROUP PLC	68.6	35.6
8. ZEBRA TECHNOLOGIES CORP	76.1	75.0
9. ASPEN TECHNOLOGY INC	70.5	40.0
10. LINDE PLC	66.8	72.7

Bottom 10 ESG Detractors to Overall Score

	Insight	Momentum
1. MUENCHENER RUECKVERSICHERUNGS-GESEI	42.8	68.6
2. CIA DE SANEAMENTO BASICO DO ESTADO DE	37.7	17.0
3. CENTRAL JAPAN RAILWAY CO	34.4	17.8
4. ADOBE INC	41.9	17.5
5. T-MOBILE US INC	45.2	32.9
6. ROCHE HOLDING AG	50.4	50.0
7. ILLUMINA INC	46.4	20.8
8. ALPHABET INC	45.7	59.5
9. MARKETAXESS HOLDINGS INC	42.1	8.9
10. MICROSOFT CORP	46.1	31.6

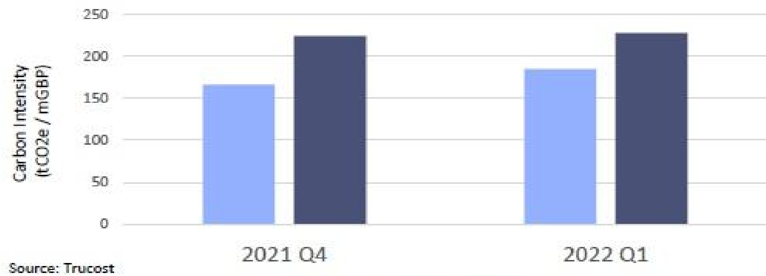
Weighted Average ESG Score	2021 Q4	2022 Q1
Portfolio	59.7	58.9
MSCI ACWI	54.9	54.8

TruValue Labs & SASB

* Position 1 is the top contributor/detractor.

0 50 100

Weighted Average Carbon Intensity (WACI)



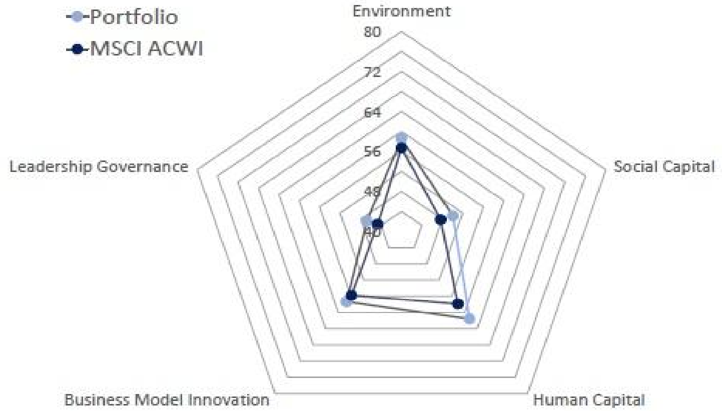
Source: Trucost

Extractive Exposure

	Total Extractive Exposure[1]		Extractive Industries (VOH)[2]	
	Q4	Q1	Q4	Q1
Portfolio	2.9	2.5	3.3	3.1
MSCI ACWI	2.6	2.6	5.4	6.6

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



uValue Labs & SASB

Brunel Assessment:

- **Microsoft** (Technology) agreed to buy video game company, Activation Blizzard, in an all-cash deal valued at $68.7 billion. The acquisition will make it the world's third largest gaming company by revenue (behind Tencent and Sony Group).
- **Orsted** (Energy) has started construction on a 50-50 venture with Eversource on New York's first offshore wind farm. The site is set to be fully operational by 2023 and will comprise of 12 Siemans Games turbines, each with a 11 MW capacity.
- **Ecolab** (Chemicals) has agreed to acquire Purolite, a leading and fast-growing global provider of high-end ion exchange resins for the separation and purification of solutions. The resins are critical to safe, high quality drug production and biopharma product purification.
- **Alphabet** (IT) says it will replenish 120 percent of the water it consumes by 2030. In its efforts to replenish more water than it consumes, the company says it will also invest in community projects working to address local water and watershed challenges in places where the company has data centers and offices.

90% 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

BRUNEL Pension Partnership

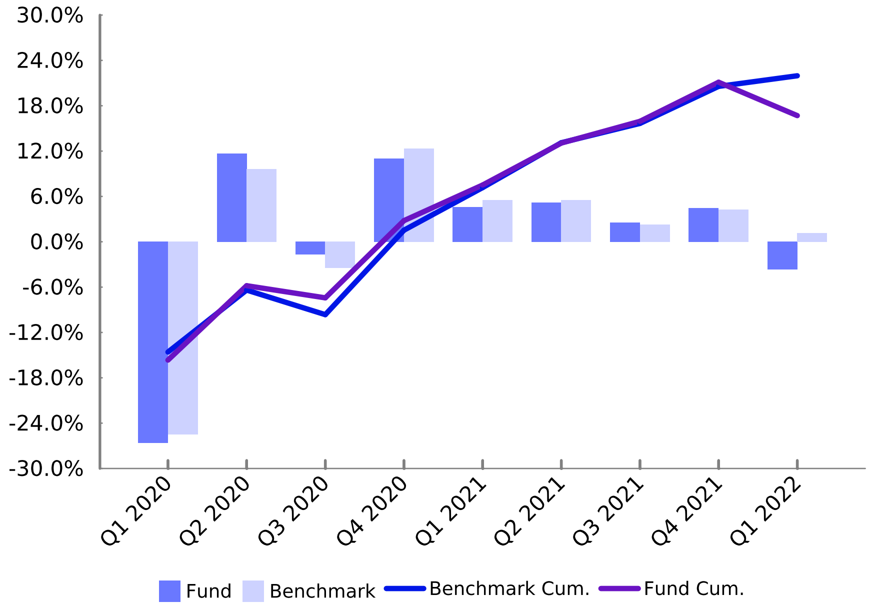
Overview

	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:	£1,560,892,257

Performance to Quarter End

Ann. Performance	Fund	BM	Excess
3 Month	-3.6%	1.2%	-4.8%
Fiscal YTD	8.5%	13.8%	-5.3%
1 Year	8.5%	13.8%	-5.3%
3 Years	3.5%	5.0%	-1.5%
5 Years			
10 Years			
Since Inception	4.7%	6.1%	-1.4%

Rolling Performance*



* Partial returns shown in first quarter

The FTSE All-Share Index excluding Investment Trusts returned 1.2% over the quarter. UK equities outperformed developed global equities, which, measured by the MSCI World Index, returned -2.3%. This was in part due to the sector make-up of each market. The Technology, Consumer Discretionary and Communication Services sectors were the weakest performing from a global perspective and each accounts for a larger preportion of the global market. However, the Energy sector, which was a strong performer in the first quarter, accounts for a larger portion of the UK index.

Over the quarter, the portfolio returned -3.7%, underperforming the index by 4.8%. Attribution analysis shows both stock selection and allocation effects made negative contributions to relative returns.
• The Materials and Energy sectors were the strongest-performing in Q1. The portfolio's underweight allocation to these sectors contributed to the negative relative return from sector allocation. The portfolio is overweight in the Industrials sector, which further detracted from relative performance, as the sector underperformed over the quarter.

• Stock selection in the Financials sector made the largest negative contribution to relative performance. An underweight to HSBC, one of the largest positions in the index, was the most significant negative stock contribution.

• The portfolio’s tilt towards smaller companies made a negative contribution to relative performance.

At the manager level, Invesco moderately underperformed the index by 0.7%, whilst Baillie Gifford underperformed by 10.8%.
• The Value factor was the dominating driver for performance for Invesco, although the factor revised some of its earlier gains in late March. In contrast, the Momentum factor recovered in March to end the quarter flat. Contribution from Quality was slightly negative.

• Over the quarter, Baillie Gifford suffered significantly from its underweight to the Value factor and its overweight to smaller companies. A large overweight to the Industrials sector further detracted. Stock selection effects were negative in every sector other than Energy.

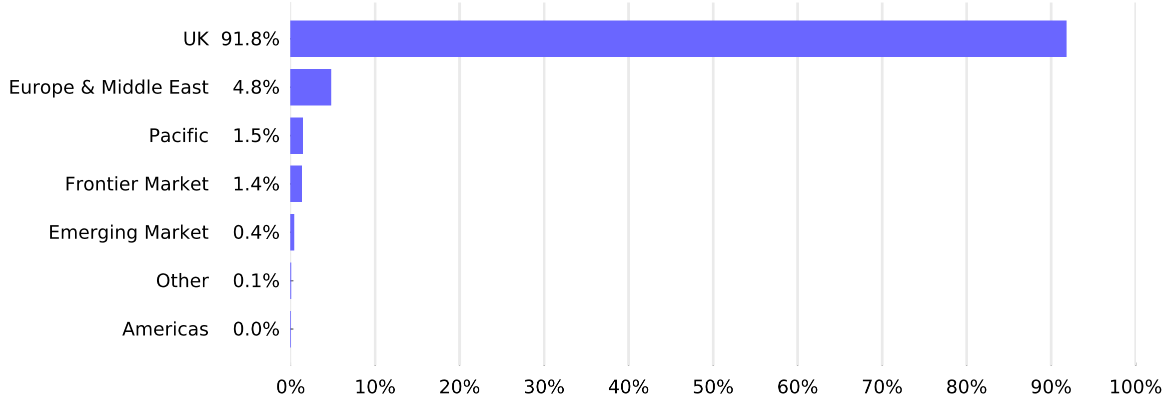
Over the 12 months to 31 March 2022, the portfolio delivered an absolute return of 8.5%, underperforming the FTSE All-Share excluding Investment Trusts Index by 5.3%. Since inception, the portfolio has returned 4.7% on an annualised basis, behind the benchmark, which returned 6.1% over the same period.

Brunel UK Active Equity – Region & Sector Exposure

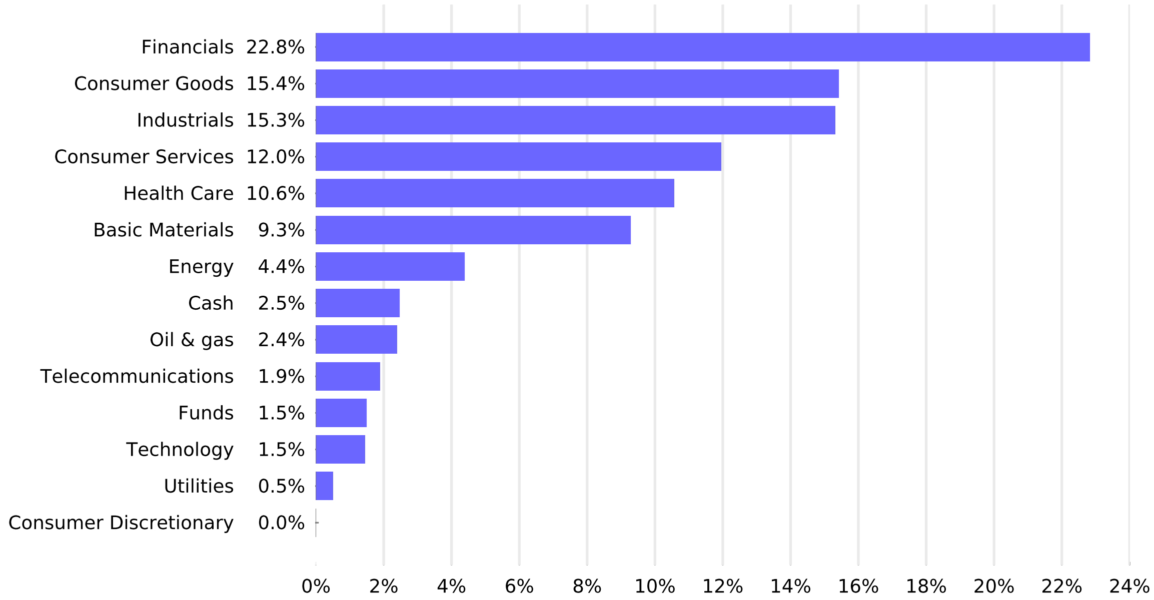
Top 20 Holdings

	Mkt. Val.(GBP)
ASTRAZENECA PLC	82,277,161
SHELL PLC	68,475,454
RIO TINTO PLC	55,740,787
DIAGEO PLC	55,351,644
UNILEVER PLC	52,877,661
HSBC HOLDINGS PLC	51,406,596
GLAXOSMITHKLINE PLC	50,154,648
BRITISH AMERICAN TOBACCO PLC	41,316,183
LEGAL & GENERAL GROUP PLC	39,281,867
GLENCORE PLC	38,093,403
BUNZL PLC	37,507,894
RELX PLC	34,045,612
BP PLC	33,056,203
ST JAMES'S PLACE PLC	27,738,858
RECKITT BENCKISER GROUP PLC	27,579,318
BAILLIE GIFFORD BR SM-C-ACC	23,465,332
FERGUSON PLC	23,272,210
VODAFONE GROUP PLC	23,133,813
BHP GROUP LTD-DI	22,708,907
ASHTEAD GROUP PLC	22,612,440

Regional Exposure



Sector Exposure



Brunel UK Active Equity – Responsible Investment

BRUNEL Pension Partnership

Top 10 ESG Contributors to Overall Score

	Insight	Momentum
1. DIAGEO PLC	63.2	73.2
2. LEGAL & GENERAL GROUP PLC	65.6	69.2
3. ST JAMES'S PLACE PLC	67.4	77.1
4. AUTO TRADER GROUP PLC	67.3	27.8
5. BP PLC	62.1	68.9
6. MOLTEN VENTURES PLC	74.9	50.0
7. UNILEVER PLC	59.7	62.2
8. 3I GROUP PLC	63.7	29.3
9. ADMIRAL GROUP PLC	76.1	77.7
10. ASHTEAD GROUP PLC	62.0	67.5

Bottom 10 ESG Detractors to Overall Score

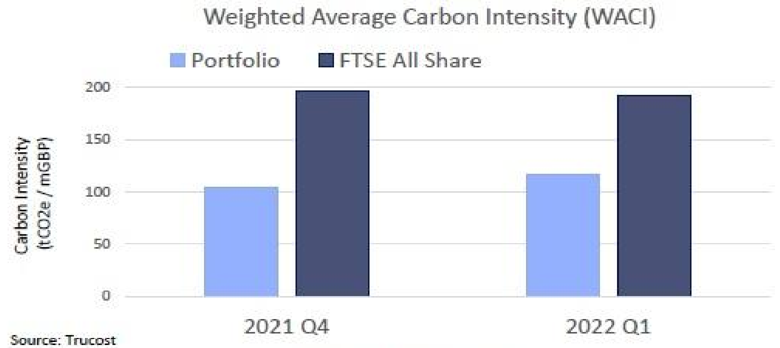
	Insight	Momentum
1. GLENCORE PLC	52.5	70.8
2. IMPERIAL BRANDS PLC	47.4	37.0
3. RIO TINTO PLC	53.5	50.0
4. HISCOX LTD	27.4	27.1
5. HSBC HOLDINGS PLC	51.1	77.7
6. EXPERIAN PLC	42.8	72.7
7. GLAXOSMITHKLINE PLC	50.6	74.3
8. HIKMA PHARMACEUTICALS PLC	40.7	13.3
9. LANCASHIRE HOLDINGS LTD	15.3	29.6
10. ASTRAZENECA PLC	49.7	50.0

Weighted Average ESG Score	2021 Q4	2022 Q1
Portfolio	57.3	57.0
FTSE All Share (ex. Inv.)	56.9	57.1

TruValue Labs & SASB

* Position 1 is the top contributor/detractor.

0 50 100

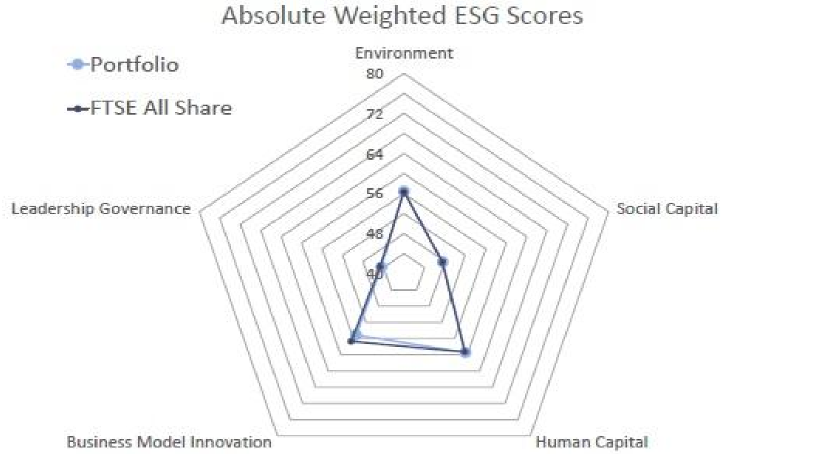


Source: Trucost

Extractive Exposure

	Total Extractive Exposure[1]		Extractive Industries (VOH)[2]	
	Q4	Q1	Q4	Q1
Portfolio	2.9	3.1	10.7	16.7
FTSE All Sh. (ex. Inv)	4.0	4.0	16.1	19.8

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:

- **Diageo** (Food and beverage) ramps up investment into production of packaging plants. An additional £40 million investment to expand two of its existing plants is to commence immediately in order to meet demand for canned Guinness in both the domestic and export markets.
- **BP** (Energy) to exit 19.8% stake in Russia's Rosneft amid Ukraine invasion. The British oil and gas giant did not say how it planned to exit its stake, which it said would result in charges of up to $25 billion at the end of the first quarter.
- **Rio Tinto** (Mining) has reported its best-ever annual profit and a record full-year dividend of $16.8 billion, boosted by higher iron ore prices and strong demand from top consumer China.
- **Glencore** (Mining) joined fellow miner BHP in reporting improved earnings, although it said it has set aside $1.5 billion worth of provisions for regulatory probes in the US, UK and Brazil.

70% of the bottom 10 ESG detractors are covered by engagement or specific voting activities.
Brunel has engaged extensively to improve the carbon intensity and extractives exposure of this Portfolio which is now significantly below its benchmark.

Brunel Emerging Market Equity

BRUNEL Pension Partnership

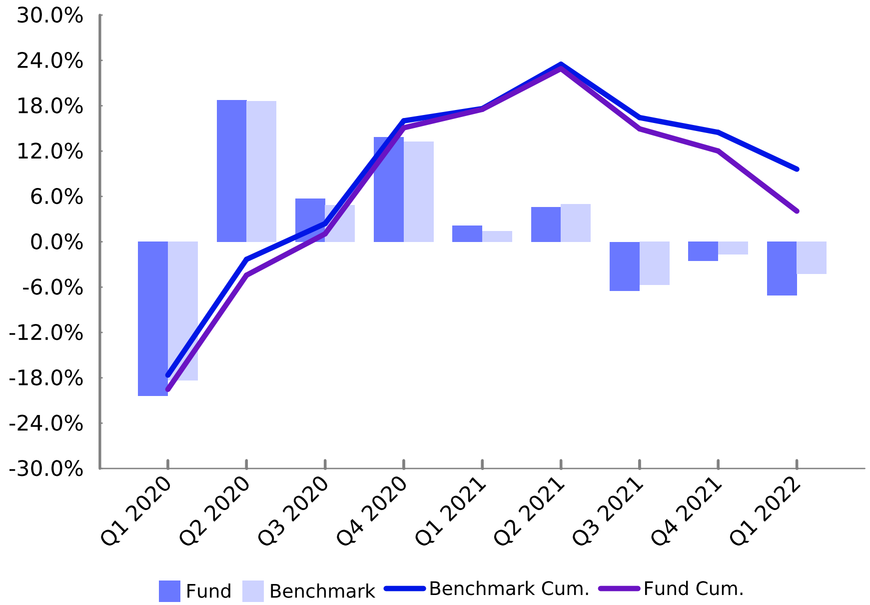
Overview

	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:	£1,127,076,799

Performance to Quarter End

Ann. Performance	Fund	BM	Excess
3 Month	-7.1%	-4.3%	-2.9%
Fiscal YTD	-11.5%	-6.8%	-4.6%
1 Year	-11.5%	-6.8%	-4.6%
3 Years			
5 Years			
10 Years			
Since Inception	1.7%	3.9%	-2.2%

Rolling Performance*



* Partial returns shown in first quarter

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The start of 2022 was characterised by high levels of risk aversion across most major asset classes, as markets were caught off guard by the invasion of Ukraine. Emerging markets felt these pressures somewhat more than their developed peers, given that China – the largest emerging market constituent - refused to distance itself from Russia after the invasion. The invasion has caused major ramifications across global commodity markets, given Russia's status as a commodity superpower. Prices have risen significantly across the spectrum of commodity markets, from base metals to global agriculture; this has also drastically increased global inflation expectations and significantly lowered the growth outlook.

Outside of this issue, China's equity and bond markets have remained under significant pressure due to a multitude of other factors. Weakness in the property markets; the zero-COVID strategy; continuation of the common prosperity regulation campaign; and concerns over the potential delisting of Chinese ADRs from US exchanges proved major headwinds.

Emerging market equities – proxied by MSCI Emerging Markets - fell by 4.3% in GBP terms over the quarter. Whilst the overall fall was fairly modest, this masked a huge amount of dispersion at a sector and country level. The vast majority of sectors and countries lacking exposure to commodities fell significantly, whereas commodity driven sectors appreciated in value.

The fund returned -7.1% on a net-of-fees basis, 284 basis points (bps) behind benchmark. The primary driver for this was the large underexposure to direct commodities and commodity-driven economies. Managers had very different experiences over the quarter. Genesis and Wellington underperformed by 549bps and 364bps, respectively. In contrast, Ninety One had a positive quarter vs benchmark, outperforming by 153bps.

• At a manager level, Genesis had by far the toughest quarter. The primary drivers were the significant underweight position in materials, underexposure to commodity-driven economies, and the overweight to Russian financial names going into the quarter. Ninety One had the lowest exposure in Russia – Russia exposures were marked down by 100% – as well as the highest exposure to materials vs other managers; this balance drove almost all of their outperformance. Wellington's underperformance was mostly driven by an overweight position in Russia, along with underexposure in commodity-driven economies such as Saudi Arabia and the United Arab Emirates.
• The most significant stock-level drivers were Russian names, after they were marked down 100% by index vendors such as MSCI. The portfolio had overweight positions of 70bps and 100bps in Yandex and Sberbank respectively. This detracted almost 100bps alone from relative performance. Other significant detractors included commodity-driven names such as Vale and Petrobras, which appreciated by +53% and +39% respectively; the fund is underweight both of these positions. On the positive side, an underweight position in Meituan – a Chinese shopping platform – added +27bps to relative performance after the stock fell by 29%.
• Sectors showed a large amount of dispersion last quarter. Materials and Financials were the standout performers, returning +6% and +9% respectively. Rising commodity prices helped materials, most notably crude oil, nickel and palladium, where Russia is a big supplier. These commodities increased by +37%, +64% and +22% respectively in GBP terms last quarter. The fund is 3% underweight materials vs benchmark, which detracted from relative performance. The fund is also overweight in the consumer staples and consumer discretionary sectors, which fell by 5% and 14%, respectively. These sectors faced enormous headwinds from rising costs and a slowdown in China.
• Country-level returns were almost entirely driven by their exposure to commodities. Commodity exporters in Latin America and the Middle East were by far the strongest performers. For example, MSCI Latin America – a proxy for the Latin American subset in emerging markets – returned a staggering 31% over the quarter. Middle Eastern economies pretty much all returned in excess of 20%. In contrast, areas like emerging Europe and emerging Asia fared far worse, depreciating by 70% and 6% respectively. The fund is significantly underweight regions such as Latin America and the Middle East, which arguably drove the majority of the portfolio's underperformance. Regarding Russia, the fund had a similar weighting to benchmark prior to the escalation; the total impact from Russia on relative performance was -25bps.
• Styles were bifurcated last quarter. Value and Low Volatility were the only significant performers, outperforming the broader index by over 3% each, whereas Growth stocks underperformed the broader market by 3.5%. The fund is generally style-neutral, with a modest tilt towards Quality; however, the lack of exposure to Value did cost the portfolio 60bps of relative performance
• Since-inception performance remains negative. At quarter-end, the portfolio had returned +1.7% on an annualised basis net of fees; this remained behind the equivalent benchmark return of +3.9%.

Brunel Emerging Market Equity – Region & Sector Exposure

Top 20 Holdings

	Mkt. Val.(GBP)
TAIWAN SEMICONDUCTOR MANUFAC	93,509,453
TENCENT HOLDINGS LTD	51,107,650
SAMSUNG ELECTRONICS CO LTD	39,624,509
AIA GROUP LTD	25,137,109
INFOSYS LTD-SP ADR	17,183,575
ALIBABA GROUP HOLDING LTD	15,376,383
MEDIATEK INC	14,064,527
BID CORP LTD	13,043,141
BANK CENTRAL ASIA TBK PT	11,835,108
CONTEMPORARY AMPEREX TECHN-A	11,636,035
CHINA CONSTRUCTION BANK-H	11,556,439
SAMSUNG ELECTRONICS-PREF	11,399,088
RELIANCE INDUSTRIES LTD	11,048,833
ALIBABA GROUP HOLDING-SP ADR	10,696,984
WALMART DE MEXICO SAB DE CV	10,671,636
FIRSTRAND LTD	10,105,176
CHINA LONGYUAN POWER GROUP-H	10,041,802
ANGLO AMERICAN PLC	9,960,832
HDFC BANK LTD-ADR	9,539,507
JD.COM INC-ADR	9,186,770

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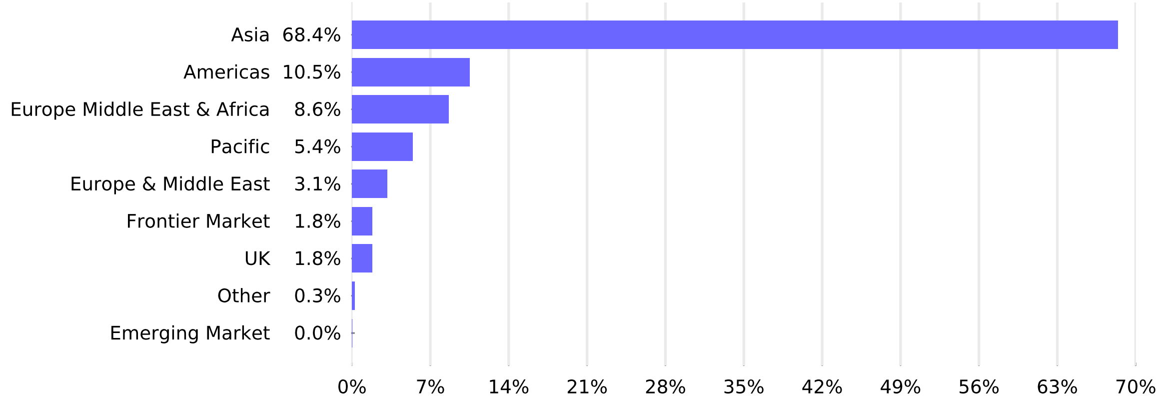
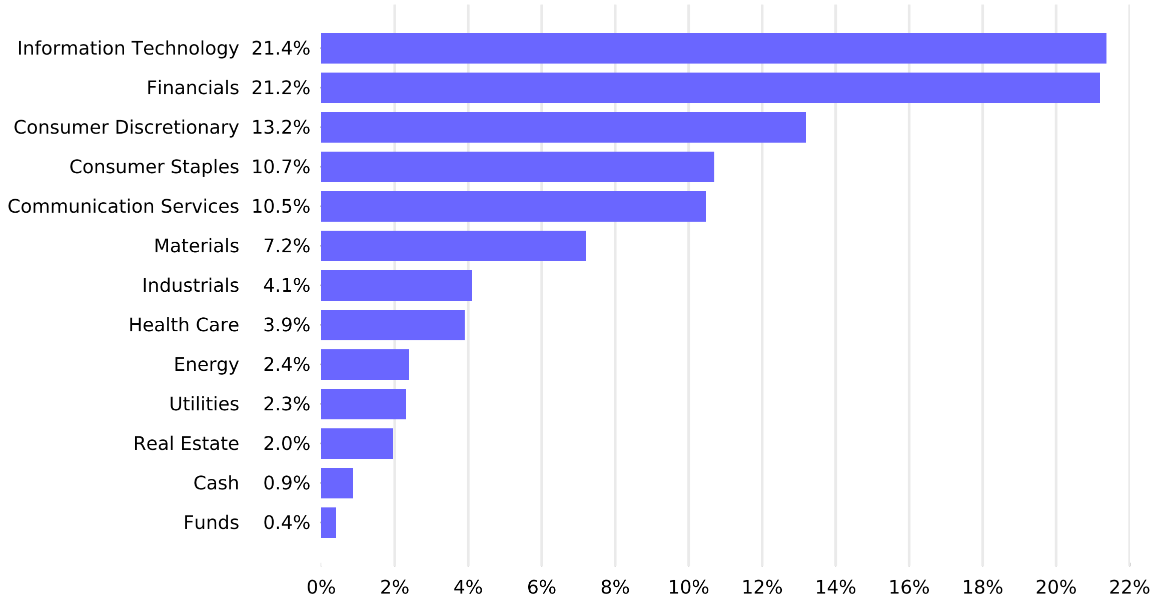
Regional Exposure



Sector Exposure



Brunel Emerging Market Equity – Responsible Investment

BRUNEL Pension Partnership

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Top 10 ESG Contributors to Overall Score

	Insight	Momentum
1. TAIWAN SEMICONDUCTOR MANUFACTURIN	59.6	31.6
2. MEDIATEK INC	70.8	79.5
3. INNER MONGOLIA YILI INDUSTRIAL GROUP C	75.0	58.0
4. RELIANCE INDUSTRIES LTD	66.7	85.3
5. AIA GROUP LTD	63.4	79.9
6. CHINA LONGYUAN POWER GROUP CORP LTD	71.2	68.2
7. CONTEMPORARY AMPEREX TECHNOLOGY CC	68.0	69.1
8. CROMPTON GREAVES CONSUMER ELECTRICA	78.7	24.4
9. HOUSING DEVELOPMENT FINANCE CORP LTD	67.7	85.2
10. SANLAM LTD	67.7	72.2

Bottom 10 ESG Detractors to Overall Score

	Insight	Momentum
1. VALE SA	44.4	77.0
2. GRUPO MEXICO SAB DE CV	45.1	68.7
3. NETEASE INC	52.1	81.2
4. HIKMA PHARMACEUTICALS PLC	40.7	13.3
5. ICICI BANK LTD	40.5	30.3
6. ANTA SPORTS PRODUCTS LTD	41.0	72.9
7. ALIBABA GROUP HOLDING LTD	49.3	56.4
8. KIMBERLY-CLARK DE MEXICO SAB DE CV	22.4	13.7
9. SAMSUNG ELECTRONICS CO LTD	53.0	76.3
10. TENCENT HOLDINGS LTD	50.1	74.5

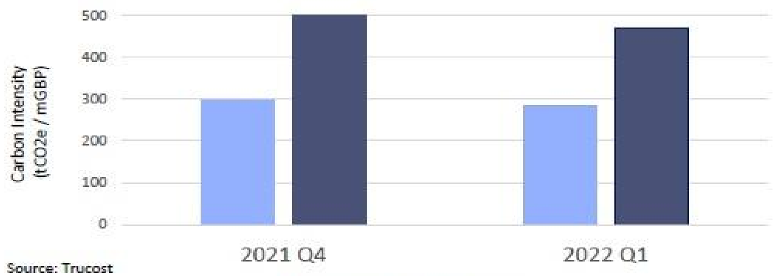
Weighted Average ESG Score	2021 Q4	2022 Q1
Portfolio	56.4	57.5
MSCI EM	56.9	57.8

TruValue Labs & SASB

* Position 1 is the top contributor/detractor.

0 50 100

Weighted Average Carbon Intensity (WACI)



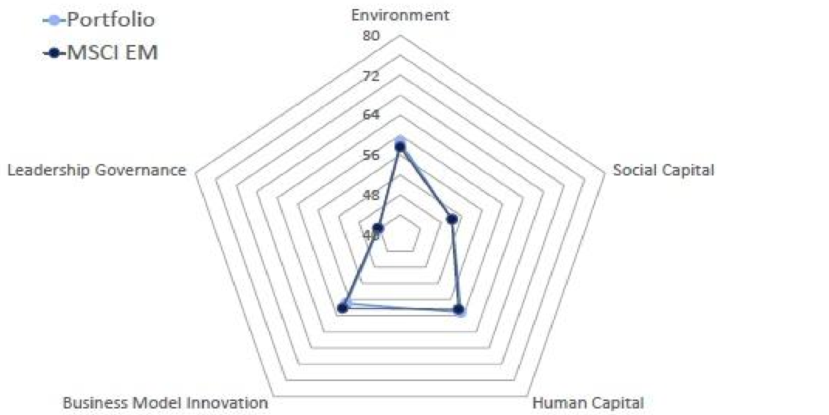
Source: Trucost

Extractive Exposure

	Total Extractive Exposure[1]		Extractive Industries (VOH)[2]	
	Q4	Q1	Q4	Q1
Portfolio	1.3	0.7	3.9	5.1
MSCI EM	3.3	2.5	7.8	7.3

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:

- **Vale** (Mining) will sign an agreement with local authorities requiring the Brazilian miner to pay $46 million for failing to meet a legal deadline to decommission its tailings dams in the state of Minas Gerais, a month after the Brumadinho disaster that killed 270 people.
- **AIA Group** (Insurance) says it will boost exposure to Asian infrastructure 'as much as possible'. The insurer has divested its directly managed listed equities and fixed income exposure to coal mining and generation businesses seven years ahead of schedule.
- **Reliance Industries** (Energy) has won a bid to receive incentives under India's $2.4 billion battery programme in order to incentive companies to make battery cells locally.
- **China Longyuan Power** (Electric Utilities) reports a 21.7% rise in net profits in 2021 and has listed A shares in China after the acquisition of Inner Mongolia Pingzhuang.

100% of the bottom 10 ESG detractors are covered by engagement or specific voting activities.
The weighted average carbon intensity of the portfolio and benchmark saw a slight decline over the quarter. The portfolio remains significantly below its benchmark, the MSCI Emerging Markets, for both extractives revenue exposures and extractive industries value of holdings.

Brunel Multi-Asset Credit

BRUNEL Pension Partnership

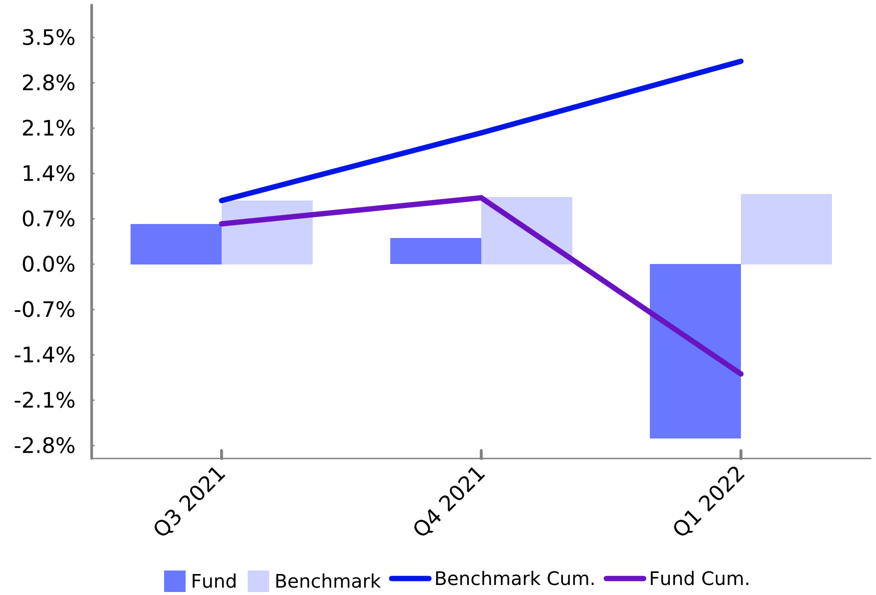
Overview

	Description
Portfolio Objective:	To gain exposure to a diversified portfolio of enhanced credit opportunities with modest exposure to interest rate risk.
Investment Strategy & Key Drivers:	Exposure to specialised, higher yielding bond sectors which provide diversified credit driven returns.
Liquidity:	Managed liquidity
Risk/Volatility:	Moderate absolute and relative risk with high relative risk vs cash.
Total Fund Value:	£2,318,327,115

Performance to Quarter End

Ann. Performance	Fund	BM	Excess
3 Month	-2.7%	1.1%	-3.8%
Fiscal YTD			
1 Year			
3 Years			
5 Years			
10 Years			
Since Inception	-1.7%	3.1%	-4.8%

Rolling Performance*



* Partial returns shown in first quarter

The beginning of 2022 proved torrid for most risk assets. Equities and corporate credit sold off simultaneously, whilst sovereign bonds – normally a safe haven – followed suit and depreciated in value. The driver of this risk-off environment was twofold. Firstly, the market reacted to the impact of Russia's invasion of Ukraine, which placed economic and inflationary uncertainties on corporates; secondly, increasingly hawkish monetary policy actions were announced by the US to combat persistently high levels of inflation observed, which impacted sovereign yields. Inflation levels rose to alarmingly high levels across developed markets during Q1 2022; the United States and United Kingdom had year-on-year CPI prints of +7.9% and +6.1%, respectively.

The invasion of Ukraine increased volatility in corporate and sovereign credit. Spreads widened across most sub-investment grade corporate credit in the immediate aftermath of the invasion. Most notably, emerging market corporates – proxied by Bloomberg Emerging Markets USD Aggregate Corporates – saw option-adjusted spreads widen by over 100bps to a peak of around 480bps by early March.

Monetary policy fuelled large increases in yields during the last quarter, particularly in the United States. With inflation rising, the Federal Reserve became increasingly hawkish despite the mounting geopolitical risk. In March, the central bank not only hiked the federal funds rate by +25bps, the first time since

2018. It also indicated that it would consider increasing interest rates by a greater magnitude at future meetings and soon begin to reduce its $9 trillion balance sheet, which has ballooned since the onset of the pandemic. In all, these moves resulted in the US 2-year treasury yield – a policy-sensitive rate – moving from 0.73% to 2.29% in a single quarter. An upward move of this magnitude has rarely occurred in the last 20 years. Market participants were also alarmed by the change in shape of the US yield curve, as the 10-year minus 2-year yield spread collapsed to zero; this fuelled speculation of an imminent recession. It was a similar story in the United Kingdom, albeit in lower magnitude, where the 2-year gilt yield moved from 0.67% to 1.37% during Q1 2022, after the Bank of England hiked the base rate by 50 basis points to 0.75%. The portfolio has large exposure to the shorter end of the yield curve; hence, the movement in short rates detracted from fund performance, despite the modest duration of 2.7 years heading into the quarter.

All major asset classes within the sub-investment grade space fell during Q1 2022. There was a clear distinction between fixed and floating rate assets, with the latter performing significantly better, given the rising rate environment. Global High Yield - proxied by Bloomberg Global High Yield Corporates - fell roughly 5% in local terms over the quarter. Shorter durations in this space accompanied by slightly wider spreads – an increase of roughly 40bps - proved highly detrimental. Loans, a floating rate asset with near-zero duration, were relatively flat on the quarter; the S&P/LSTA US Leveraged Loan Index – a loan proxy - ended the quarter down 0.2% in GBP-hedged terms. Some of the more niche areas in sub-investment grade credit also struggled; notable examples included emerging market debt, subordinated bank capital and convertible bonds, which fell by over 5%.

The portfolio was fairly well-positioned heading into this environment, given the significant exposure to floating rate assets and underexposure to some of the worst-performing areas in credit like emerging market debt and convertible bonds. The fund held roughly a third of its assets in floating rate securities in the form of loans and collateralised loan obligations. Emerging market debt and convertibles were held in modest amounts, totalling approximately 7% and 1%, respectively. However, the portfolio was not immune from the impacts of rising rates; this was most notable in the high yield bond portion of the portfolio, which accounted for approximately 40% of the portfolio, going into Q1 2022.

The fund returned -270bps during Q1 2022 in GBP terms, which was behind the SONIA+4% benchmark, which returned +108bps. This is not surprising, given that all credit assets fell simultaneously during the last quarter. The secondary benchmark – a 50:50 split of loans and high yield – fell by 272 basis points (bps) over the same period, which was almost exactly in line with the portfolio. All three managers produced negative returns in this environment, but there were significant differences between them. Neuberger, CQS and Oaktree fell by 318bps, 170bps and 222bps respectively. CQS's stronger performance was driven by its larger floating rate allocation, which totalled over 60% going into Q1 2022. In contrast, Neuberger Berman holds far more fixed rate assets, which sold off as a result of rate rises; Neuberger has the largest allocation to high yield – a fixed rate asset – as it made up approximately 50% of their portfolio heading into the quarter.

Since-inception performance is now -170bps, behind the SONIA+4% benchmark, which returned +313bps. The portfolio remained comfortably ahead of the secondary benchmark at quarter-end; the latter had returned -246bps since inception.

Brunel Sterling Corporate Bonds

BRUNEL
Pension Partnership

Overview

	Description
Portfolio Objective:	Provides exposure to sterling corporate bonds, with additional returns from manager skill.
Investment Strategy & Key Drivers:	Active approach to provide additional returns over the benchmark. Credit selection should drive returns.
Liquidity:	Managed liquidity
Risk/Volatility:	Moderate absolute risk with low to moderate relative risk.
Total Fund Value:	£2,100,329,370

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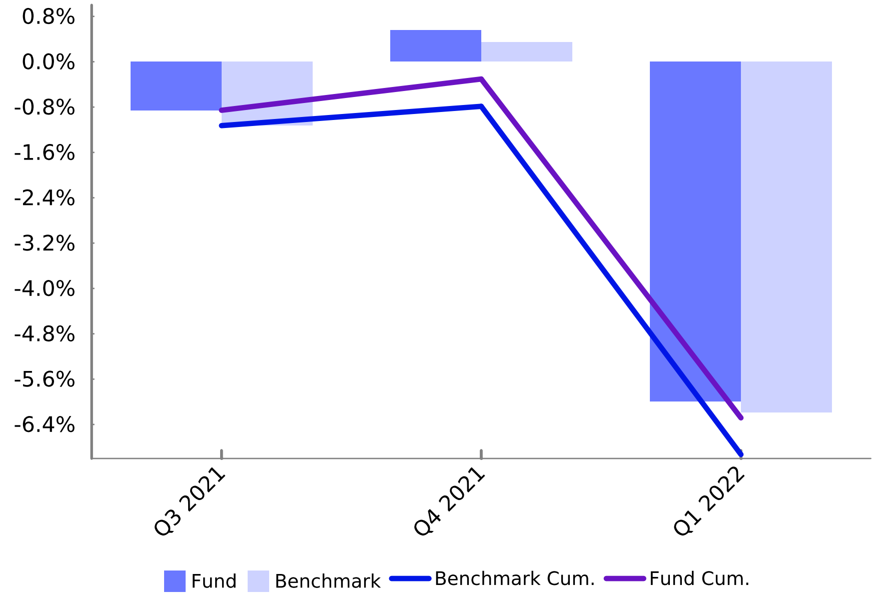
Performance to Quarter End

Ann. Performance	Fund	BM	Excess
3 Month	-6.0%	-6.2%	0.2%
Fiscal YTD			
1 Year			
3 Years			
5 Years			
10 Years			
Since Inception	-6.3%	-6.9%	0.6%

Rolling Performance*



* Partial returns shown in first quarter

As covered in the listed markets commentary, central banks turned more hawkish at the start of 2022, in line with rising inflation - and Russia's invasion of Ukraine only added to the inflationary pressures. Government bonds were significantly impacted - UK government bonds returned -7.2% over the period (on an all-maturities basis).

Over the quarter, the iBoxx Sterling Non-Gilt All Maturities benchmark returned -6.2%. Whilst broad sterling credit indices outperformed UK government debt over the period, reflecting the lower duration of sterling credit indices, it was the worst quarter for sterling credit markets since the Global Financial Crisis. The negative return was driven mainly by the significant rise in gilt yields, although spreads also widened by 22 basis points (iBoxx Sterling Non-Gilt index) over the period.

Over the period, the Sterling Corporate Bonds portfolio returned -6.0% (net of fees), outperforming the benchmark by 19 basis points.

• The outperformance was mainly driven by duration positioning, as duration was marginally below that of the benchmark throughout the quarter. Whilst duration added 29 basis points to relative performance over the quarter, duration is not expected to be a significant driver of relative return over the long term as RLAM is primarily focused on security selection and sector allocation, which are seen as more consistent and repeatable sources of value.

• Security selection was not a material factor in relative performance over the period. Over the quarter, the benchmark was impacted by the significant fall in value of two Russian bonds, which was positive for relative performance as the portfolio had no exposure to these issuers. However, the positive impact was offset elsewhere, resulting in a marginally negative impact from security selection.

Sector allocation detracted from relative performance, reflecting the significant underweight to supranational bonds, which outperformed over the quarter. The underweight position in supranational bonds has been consistent since inception, as RLAM expects corporate debt to outperform over the long term.

• The sharp rise in interest rate expectations, at the short end of the market, meant that the portfolio's underweight position in shorter-dated bonds added to relative performance.

• From a credit rating perspective, the AAA positions were beneficial as the portfolio is biased towards covered bank debt and residential mortgage-backed securities, both of which outperformed.

Over the quarter, there were no client subscriptions or redemptions. The total portfolio AUM was £2.1bn at the end of the quarter.

Passive Dev Eq Paris Aligned

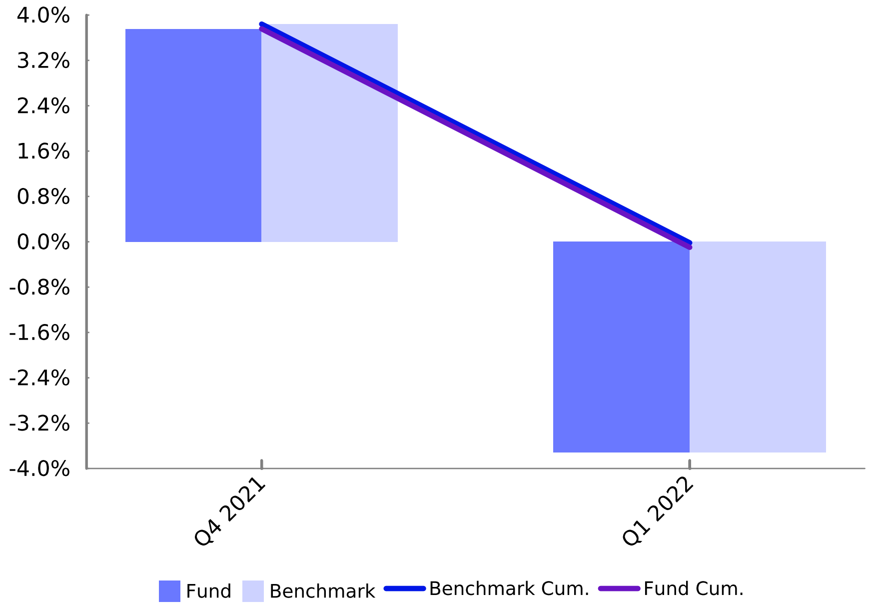
Overview

	Description
Portfolio Objective:	Provide global equity market exposure, reduce carbon exposure and align to the Paris Agreement.
Investment Strategy & Key Drivers:	Portfolio is invested in global equities in accordance with FTSE Global Developed PAB Index.
Liquidity:	High
Risk/Volatility:	Volatility: high. Relative/active risk: very low.
Total Fund Value:	£2,180,859,826

Performance to Quarter End

Ann. Performance	Fund	BM	Excess
3 Month	-3.7%	-3.7%	0.0%
Fiscal YTD			
1 Year			
3 Years			
5 Years			
10 Years			
Since Inception	-0.1%	0.0%	-0.1%

Rolling Performance*



* Partial returns shown in first quarter

• Confronted by the significant and varying macroeconomic risks posed in Q1 2022, the FTSE Developed Paris Aligned (PAB) benchmark, like many global indices, performed negatively in absolute terms over the period, returning -3.7%. From its November 1 inception to end-March, the benchmark performance was -0.1%. The Passive Paris Aligned Developed Equities fund closely replicated the benchmark over both these periods.

• Sterling depreciated in value relative to several other global currencies over the period, falling by 2.5% against the US dollar and by 1.5% against the euro. The hedged portfolio consequently underperformed the unhedged portfolio over the quarter, returning -5.7%.

• Utilities and Financials were the only positive contributors to performance, although performance in these sectors over the quarter was volatile. Materials was the most significant performance drag, but there was significant dispersion of performance between the materials' industries. Metals and Mining performed particularly well, but this contribution was outweighed by negative performance in the more significantly weighted materials industries of the index, like Chemicals and Construction Materials.

Passive Dev Eq Paris Aligned – Region & Sector Exposure

BRUNEL
Pension Partnership

Top 20 Holdings

	Mkt. Val.(GBP)
APPLE INC	156,715,372
MICROSOFT CORP	139,578,326
AMAZON.COM INC	125,056,738
ALPHABET INC-CL A	68,844,734
ALPHABET INC-CL C	64,496,897
HONEYWELL INTERNATIONAL INC	51,985,866
TESLA INC	47,101,315
SCHNEIDER ELECTRIC SE	39,517,345
UNILEVER PLC	36,235,119
NESTLE SA-REG	34,325,230
THERMO FISHER SCIENTIFIC INC	29,726,027
UNITEDHEALTH GROUP INC	29,709,347
VERIZON COMMUNICATIONS INC	24,542,620
NVIDIA CORP	23,531,128
LVMH MOET HENNESSY LOUIS VUI	21,216,747
MASTERCARD INC - A	19,857,515
SAP SE	18,988,432
INTL BUSINESS MACHINES CORP	18,415,642
SAMSUNG ELECTRONICS CO LTD	18,340,358
JPMORGAN CHASE & CO	18,129,899

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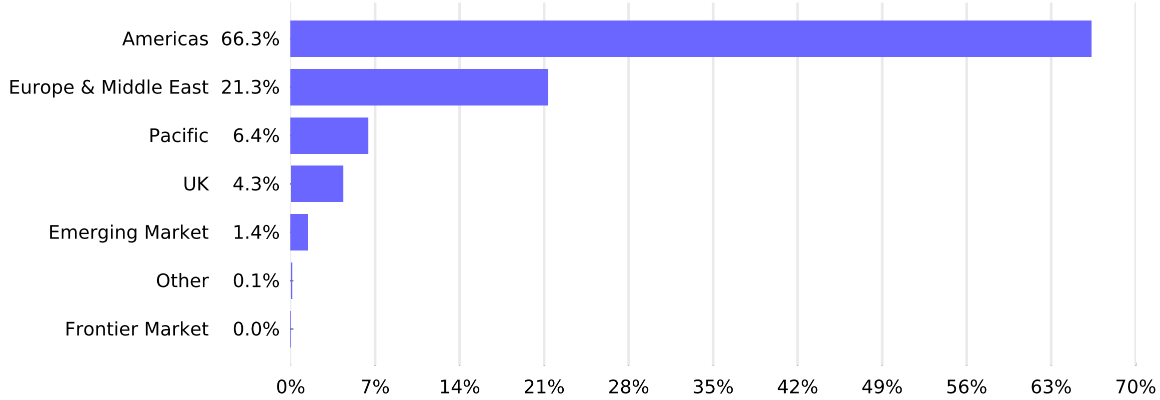
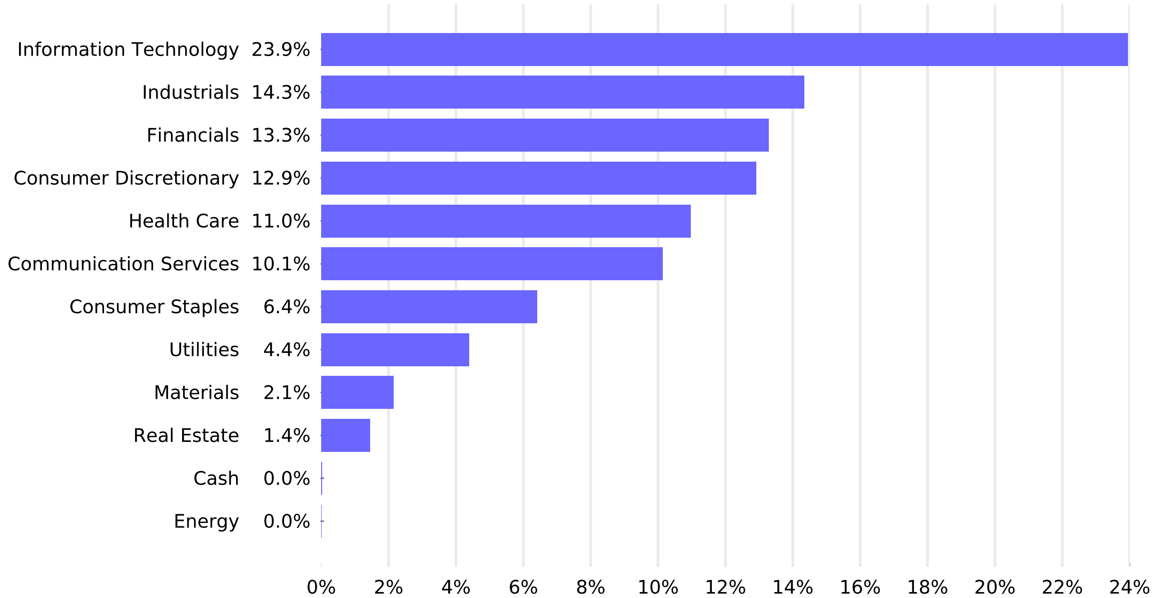
Regional Exposure



Sector Exposure



Passive Dev Eq Paris Aligned – Responsible Investment

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Top 10 ESG Contributors to Overall Score

	Insight	Momentum
1. HONEYWELL INTERNATIONAL INC	71.3	78.6
2. SCHNEIDER ELECTRIC SE	71.5	50.0
3. SIEMENS AG	67.0	71.5
4. TEXAS INSTRUMENTS INC	65.4	68.6
5. UNILEVER PLC	59.7	62.2
6. ORSTED AS	73.7	65.5
7. SAP SE	63.5	45.3
8. NESTLE SA	59.8	60.9
9. ENGIE SA	69.2	65.4
10. GENERAL ELECTRIC CO	66.3	72.9

Bottom 10 ESG Detractors to Overall Score

	Insight	Momentum
1. PFIZER INC	46.7	42.4
2. ADOBE INC	41.9	17.5
3. AT&T INC	46.8	71.8
4. TESLA INC	52.0	26.5
5. ABBVIE INC	38.3	18.6
6. CHUBB LTD	35.5	56.9
7. AMAZON.COM INC	50.4	59.8
8. APPLE INC	47.7	61.5
9. ALPHABET INC	45.7	59.5
10. MICROSOFT CORP	46.1	31.6

Weighted Average ESG Score	2021 Q4	2022 Q1
Portfolio	55.6	55.4
FTSE Dev. World	54.7	54.5

TruValue Labs & SASB

* Position 1 is the top contributor/detractor.

0 50 100

Weighted Average Carbon Intensity (WACI)

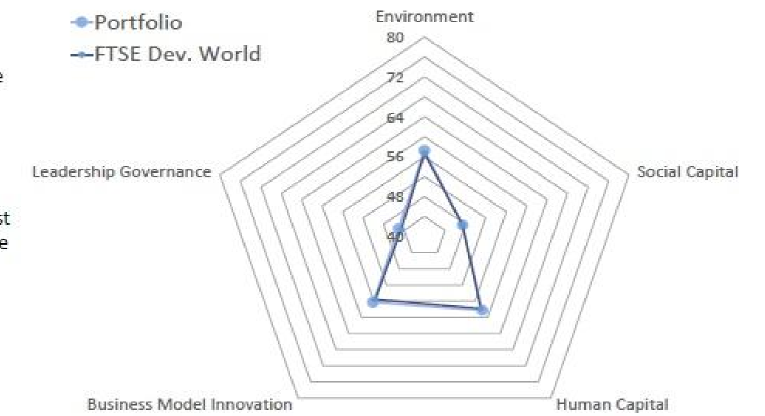
Source: Trucost

Extractive Exposure

	Total Extractive Exposure[1]		Extractive Industries (VOH)[2]	
	Q4	Q1	Q4	Q1
Portfolio	1.0	1.0	1.7	1.6
FTSE Dev. World	2.6	2.6	5.1	6.4

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:

- **Amazon** (Consumer goods) has increased its renewable capacity in Spain to 1.4GW with five new projects. The E-commerce giant has also launched its first ever electric heavy goods vehicle fleet in the UK as it continues to work towards Amazon Fresh being the first Net-Zero carbon grocery store.
- **Nestle's** (Food and beverage) health science division is buying a majority stake in Orgain, a maker of protein powders, shakes and bars, for an undisclosed amount. nestle has undergone a transformation in recent years to increase growth in healthier food and products.
- **Apple** (Technology) announced the use of low-carbon aluminion for its latest iPhone SE to further its goal of being carbon neutral by 2030 across its entire business including manufacturing supply chain and product life cycle. The company will also directly invest into renewable projects around the world and announced more than 213 of its suppliers have committed to using clean renewable energy.
- **Microsoft** (Technology) agreed to buy video game company, Activation Blizzard, in an all-cash deal valued at $68.7 billion. The acquisition will make it the world's third largest gaming company by revenue (behind Tencent and Sony Group).

100% of the bottom 10 ESG detractors are covered by engagement or specific voting activities.
The Passive Developed Paris Aligned Portfolio has a carbon intensity and extractive exposure significantly below that of its reference index, the FTSE World Developed Index.

Passive Index Linked Gilts Over 5 Years

BRUNEL Pension Partnership

Overview

	Description
Portfolio Objective:	To provide exposure to Index linked Gilts in a low cost and highly liquid approach.
Investment Strategy & Key Drivers:	Invest passively in the securities underlying the FTSE-A UK index linked gilts over 5 years.
Liquidity:	High
Risk/Volatility:	Absolute risk low to medium with very low relative risk.
Total Fund Value:	£1,132,315,450

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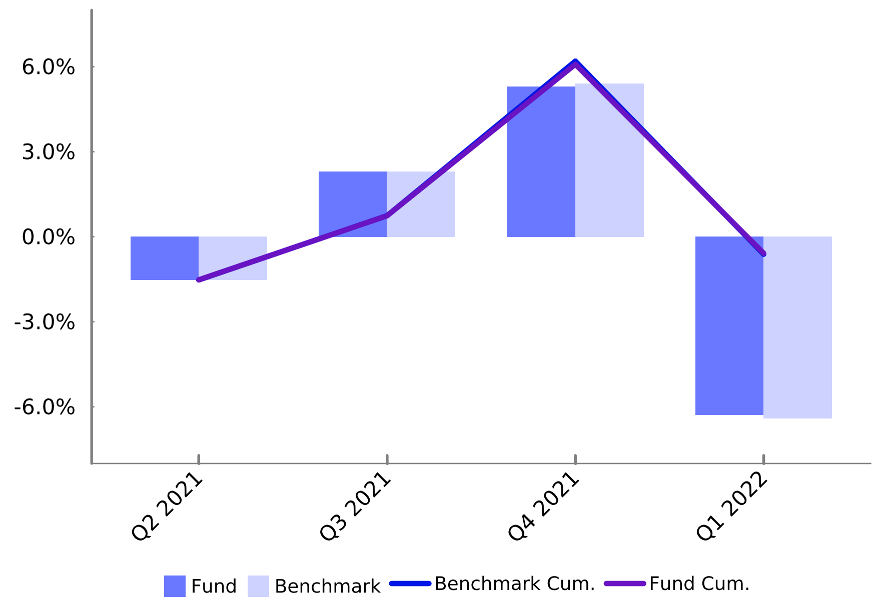
Performance to Quarter End

Ann. Performance	Fund	BM	Excess
3 Month	-6.3%	-6.4%	0.1%
Fiscal YTD			
1 Year			
3 Years			
5 Years			
10 Years			
Since Inception	-0.6%	-0.6%	0.0%

Rolling Performance*



* Partial returns shown in first quarter

Over the quarter, the benchmark 10-year gilt yield rose significantly from 0.97% to 1.61%, an increase of 64 basis points. There was a minor respite in the upward trend following the Russian invasion of Ukraine, but concern about inflation and more hawkish central bank rhetoric meant that the fall in yields proved to be temporary. This led gilts to return -7.17% on an all-maturities basis.

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Quarterly Report Overview

Oxfordshire Pension Fund

Brunel - Infrastructure (Cycle 1)	March 31 2022
Overview	**All figures unless otherwise stated are in GBP**
Total Commitments to Brunel Portfolio	50,000,000
Total Commitments to Portfolio Investments	49,787,200
As a percentage of Total Commitments to Brunel Portfolio	99.57%
Amount Called	30,926,186
As a percentage of Total Committed to Portfolio Investments	62.12%
Number of Fund Investments	5

Performance	All figures unless otherwise stated are in GBP
Amount Called	30.93 million
Amount Distributed	1.61 million
Unrealised Value	31.83 million
Total Value	33.44 million
DPI	0.05x
TVPI	1.08x
IRR	5.96%

Strategy Level

Commitment to Portfolio

General	57.1 %
Renewables	42.9 %

Quarterly Report Overview

Oxfordshire Pension Fund

Brunel - Infrastructure (Cycle 1) Commentary

The portfolio remains the same in terms of primary funds and it is continuing its deployment into tactical opportunities. No new fund commitments were made during the Quarter as Cycle 1 is now fully committed to primary funds. Underlying managers remained active and acquisitive, with funds such as Vauban Core Infra II and Capital Dynamics CEI VII-A already fully committed, and others like NTR, Arcus or Basalt already approaching the full commitment of their funds.

Macquarie MGREF II is now 55% committed after two new transactions in French and UK renewables platforms with development capabilities beyond their home markets. Brunel co-invested alongside Macquarie in the French renewables platform transaction which is now a co-investment tactical in the Cycle II Renewables portfolio.

Arcus made a new acquisition, a Swedish mandatory vehicle testing business. Basalt also closed a new acquisition in January, the take private of a leading Nordic bus business offering an interesting decarbonization opportunity. Brunel co-invested alongside Basalt in this transaction, which is now a co-investment tactical in Cycle II Generalist portfolio. In a similar manner, DWS announced (but has not yet closed) a takeover bid of Stagecoach, the UK bus operator.

Regarding Tactical investments, only one more tactical deal, likely to be in the renewable space, is required to complete the tactical investment period of Cycle 1.

Brunel is very pleased with how the tactical portfolio of Cycle 1 has developed, providing Clients with access to some of the most highly sought-after transactions in multiple sectors on advantageous terms. This is due to a combination of Brunel being seen as a desirable coinvest partner, the GPs selected for the primary portfolio and StepStone’s capabilities to access, analyse and execute transactions to very demanding time deadlines.

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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
General Funds											
StepStone B Infrastructure Fund *Global, Core,*	2020	GBP	31,385,000	17,201,452	54.81%	17,187,736	208,816	17,396,552	0.01x	1.01x	1.62%
Vauban Core Infrastructure Fund 02 *Western Europe, Core,*	2017	EUR	6,752,488	6,518,709	96.54%	7,152,228	680,388	7,832,615	0.10x	1.20x	8.03%
Subtotal:			38,137,488	23,720,161	62.20%	24,339,964	889,204	25,229,167	0.04x	1.06x	5.38%
Renewables Funds											
Capital Dynamics Clean Energy and Infrastructure VIII SCSp *United Kingdom, Brownfield,*	2019	GBP	5,700,000	2,593,715	45.50%	2,611,625	248,796	2,860,421	0.10x	1.10x	4.65%
Capital Dynamics Clean Energy Infrastructure VII-A, L.P. *United States, Greenfield,*	2019	USD	3,454,424	2,843,861	82.33%	3,471,777	52,802	3,524,579	0.02x	1.24x	16.94%
NTR Renewable Energy Infrastructure II *Western Europe, Greenfield,*	2018	EUR	2,495,289	1,768,449	70.87%	1,407,507	420,728	1,828,235	0.24x	1.03x	1.43%
Subtotal:			11,649,712	7,206,025	61.86%	7,490,909	722,326	8,213,235	0.10x	1.14x	7.11%
Total Portfolio			**49,787,200**	**30,926,186**	**62.12%**	**31,830,873**	**1,611,530**	**33,442,402**	**0.05x**	**1.08x**	**5.96%**

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	17,201,452	54.81%	17,187,736	208,816	17,396,552	0.01x	1.01x	1.62%
Vauban Core Infrastructure Fund 02 *Western Europe, Core,*	2017	EUR	7,600,000	7,320,829	96.33%	8,493,985	778,734	9,272,719	0.11x	1.27x	10.45%
Renewables Funds											
Capital Dynamics Clean Energy and Infrastructure VIII SCSp *United Kingdom, Brownfield,*	2019	GBP	5,700,000	2,593,715	45.50%	2,611,625	248,796	2,860,421	0.10x	1.10x	4.65%
Capital Dynamics Clean Energy Infrastructure VII-A, L.P. *United States, Greenfield,*	2019	USD	4,500,000	3,697,843	82.17%	4,561,220	71,731	4,632,951	0.02x	1.25x	18.39%
NTR Renewable Energy Infrastructure II *Western Europe, Greenfield,*	2018	EUR	2,833,243	1,966,354	69.40%	1,671,555	491,120	2,162,674	0.25x	1.10x	4.20%

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

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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	IRR
StepStone B Infrastructure Fund Underlying Funds											
Arcus European Infrastructure II	2018	EUR	3,575,393	2,487,355	69.57%	2,655,569	115,793	2,771,362	0.05x	1.11x	10.71%
Western Europe, Value Added											
Basalt Infrastructure Partners III	2020	USD	2,725,287	961,325	35.27%	991,790	-	991,790	-	1.03x	5.62%
Global, Value Add											
DWS PEIF III	2020	EUR	3,251,025	1,289,366	39.66%	1,269,257	77,688	1,346,945	0.06x	1.04x	6.27%
Western Europe, Generalist											
Macquarie GIG Renewable Energy Fund 2	2020	EUR	3,938,686	875,043	22.22%	823,705	13,640	837,345	0.02x	0.96x	(4.53%)
Western Europe, Core plus											
New Suez	2021	EUR	2,168,627	1,490,379	68.72%	1,499,415	-	1,499,415	-	1.01x	3.45%
France, Direct											
Project Alcazar (Adapteo)	2021	EUR	2,217,814	2,217,814	100.00%	2,176,499	-	2,176,499	-	0.98x	(2.63%)
Western Europe, Direct											
Project Ernest (Ermewa)	2021	EUR	2,181,337	2,181,442	100.00%	2,186,696	-	2,186,696	-	1.00x	0.54%
Western Europe, Direct											
Project Legatus (Meridiam I)	2021	EUR	2,220,098	2,220,098	100.00%	2,416,930	20,202	2,437,133	0.01x	1.10x	17.57%
Western Europe, Direct											
Project Peggy	2020	USD	1,820,979	1,559,709	85.65%	2,027,648	-	2,027,648	-	1.30x	17.64%
United States, Direct											
Project Spring (MapleCo)	2021	GBP	2,275,850	2,234,470	98.18%	2,234,154	17,465	2,251,619	0.01x	1.01x	2.21%
United Kingdom, Co-investment											
Subtotal:			26,375,096	17,517,002	66.41%	18,281,664	244,789	18,526,452	0.01x	1.06x	
Total Portfolio			**26,375,096**	**17,517,002**	**66.41%**	**18,281,664**	**244,789**	**18,526,452**	**0.01x**	**1.06x**	

Portfolio Summary (Fund Currency)

	Vintage	Ccy	Amount Committed	Amount Called	Percent Called	Unrealised Value	Realised Value	Total Value	DPI	TVPI	IRR Fund
StepStone B Infrastructure Fund Underlying Funds											
Arcus European Infrastructure II	2018	EUR	4,137,908	2,840,638	68.65%	3,153,754	133,062	3,286,816	0.05x	1.16x	14.99%
Western Europe, Value Added											
Basalt Infrastructure Partners III	2020	USD	3,620,670	1,303,176	35.99%	1,303,013	-	1,303,013	-	1.00x	(0.02%)
Global, Value Add											
DWS PEIF III	2020	EUR	3,827,565	1,497,759	39.13%	1,507,370	91,250	1,598,620	0.06x	1.07x	9.59%
Western Europe, Generalist											
Macquarie GIG Renewable Energy Fund 2	2020	EUR	4,655,147	1,016,765	21.84%	978,232	15,843	994,075	0.02x	0.98x	(2.37%)
Western Europe, Core plus											
New Suez	2021	EUR	2,586,193	1,780,705	68.85%	1,780,705	-	1,780,705	-	1.00x	-%
France, Direct											
Project Alcazar (Adapteo)	2021	EUR	2,586,193	2,586,193	100.00%	2,584,811	-	2,584,811	-	1.00x	(0.08%)
Western Europe, Direct											

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Oxfordshire Pension Fund

Project Ernest (Ermewa) *Western Europe, Direct*	2021	EUR	2,586,193	2,586,318	100.00%	2,596,920	-	2,596,920	-	1.00x	0.92%
Project Legatus (Meridiam I) *Western Europe, Direct*	2021	EUR	2,586,193	2,586,193	100.00%	2,870,346	23,534	2,893,880	0.01x	1.12x	21.54%
Project Peggy *United States, Direct*	2020	USD	2,294,376	1,951,254	85.05%	2,663,924	-	2,663,924	-	1.37x	21.38%
Project Spring (MapleCo) *United Kingdom, Co-investment*	2021	GBP	2,275,850	2,234,470	98.18%	2,234,154	17,465	2,251,619	0.01x	1.01x	2.21%

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 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 up to 120 days post Quarter end.

Quarterly Report Overview

Oxfordshire Pension Fund

Brunel - Infrastructure (Cycle 2)	March 31 2022
StepStone B II - Generalist - Overview	**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	7,472,102
As a percentage of Total Committed to Portfolio Investments	37.36%
Number of Fund Investments	1

StepStone B II - Generalist - Performance	All figures unless otherwise stated are in GBP
Amount Called	7.47 million
Amount Distributed	0.00 million
Unrealised Value	7.37 million
Total Value	7.37 million
DPI	0.00x
TVPI	0.99x
IRR	(4.78%)

Strategy Level

Commitment to Portfolio

Quarterly Report Overview

Oxfordshire Pension Fund

Brunel - Infrastructure (Cycle 2a) Commentary

The final primary commitment, €60m to the new ICG Infrastructure team based in UK and France was signed, so concluding Cycle II Generalist primary deployment.

On the tacticals side, the approved £26m co-investment on Sidewalk Infrastructure Partners was closed. Sidewalk is a Joint Venture between Google's Alphabet, Ontario Teachers Pension Plan and StepStone to develop and invest in infrastructure projects where technology provides unique opportunities.

Additionally, a $45m co-investment with Vauban III was approved. Cartier is a platform of eight District Energy systems in the Northeast and Midwest of the USA. District Heating is a key solution for the decarbonization of heating and industry (35% fewer GHG emissions) and Vauban has relevant European experience on the further decarbonization of these solutions, which are very often, particularly in the USA, based on natural gas.

Including ICG, Sidewalk and Cartier, the Cycle 2 Generalist infra portfolio will only require one additional tactical investment for full commitment.

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

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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	7,472,102	37.36%	7,374,009	59	7,374,068	-	0.99x	(4.78%)
Total Portfolio			**20,000,000**	**7,472,102**	**37.36%**	**7,374,009**	**59**	**7,374,068**	**-**	**0.99x**	**(4.78%)**

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	7,472,102	37.36%	7,374,009	59	7,374,068	-	0.99x	(4.78%)

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

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Quarterly Report Overview

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	IRR
StepStone B II - Generalist Underlying Funds											
Core Infrastructure Fund III *Western Europe, Core*	2020	EUR	2,003,532	1,545,232	77.13%	1,463,881	63,748	1,527,629	0.04x	0.99x	(1.97%)
ICG Infrastructure Equity 01 *Western Europe, Core plus*	2019	EUR	2,381,778	487,517	20.47%	454,992	10,354	465,346	0.02x	0.95x	(100.00%)
Infra BIG *Western Europe, Co-Investment*	2021	GBP	224,233	138,762	61.88%	149,150	-	149,150	-	1.07x	34.02%
InfraCapital Greenfield 01 *Western Europe, Core plus*	2021	GBP	1,268,215	928,057	73.18%	967,527	-	967,527	-	1.04x	6.03%
InfraCapital Greenfield 02 *Western Europe, Core plus*	2020	GBP	1,176,471	105,697	8.98%	95,071	-	95,071	-	0.90x	(30.57%)
InfraVia European Fund V *Western Europe, Core plus*	2021	EUR	989,732	99,499	10.05%	98,072	-	98,072	-	0.99x	(6.01%)
Melody Communications Infra 02 *United States, Core Plus*	2019	USD	1,065,996	459,568	43.11%	364,157	31,859	396,016	0.07x	0.86x	(58.84%)
Meridiam 02 *Western Europe, Value Added*	2009	EUR	815,890	809,562	99.22%	804,491	11,820	816,311	0.01x	1.01x	3.17%
Meridiam Sustainable Infrastructure Europe IV *Western Europe, Core Plus*	2021	EUR	1,386,448	144,641	10.43%	118,506	61	118,567	-	0.82x	(55.76%)
Project EaaSy (Bernhard) *United States, Co-Investment*	2022	USD	1,388,936	1,403,799	101.07%	1,431,020	-	1,431,020	-	1.02x	10.69%
Project Ride *Sweden, Direct*	2022	SEK	1,683,560	1,683,532	100.00%	1,711,243	-	1,711,243	-	1.02x	9.92%
Project Sidewalk *United States, Direct*	2022	USD	1,252,029	83,702	6.69%	85,333	-	85,333	-	1.02x	14.20%
Total Portfolio			**15,636,820**	**7,889,568**	**50.46%**	**7,743,442**	**117,842**	**7,861,284**	**0.01x**	**1.00x**	

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 Fund
StepStone B II - Generalist Underlying Funds											
Core Infrastructure Fund III *Western Europe, Core*	2020	EUR	2,352,941	1,808,330	76.85%	1,738,505	75,152	1,813,657	0.04x	1.00x	0.52%
ICG Infrastructure Equity 01 *Western Europe, Core plus*	2019	EUR	2,823,529	573,904	20.33%	540,348	12,189	552,537	0.02x	0.96x	(100.00%)
Infra BIG *Western Europe, Co-Investment*	2021	GBP	769,858	138,762	18.02%	149,150	-	149,150	-	1.07x	34.02%
InfraCapital Greenfield 01 *Western Europe, Core plus*	2021	GBP	1,174,513	928,057	79.02%	967,527	-	967,527	-	1.04x	6.03%
InfraCapital Greenfield 02	2020	GBP	1,176,471	105,697	8.98%	95,071	-	95,071	-	0.90x	(30.57%)

Quarterly Report Overview

Oxfordshire Pension Fund

Western Europe, Core plus												
InfraVia European Fund V	2021	EUR	1,176,471	119,230	10.13%	116,471	-	116,471	-	0.98x	(9.56%)
Western Europe, Core plus												
Melody Communications Infra 02	2019	USD	1,411,765	615,040	43.57%	478,429	41,742	520,171	0.07x	0.85x	(63.18%)
United States, Core Plus												
Meridiam 02	2009	EUR	627,567	958,441	152.72%	955,413	14,158	969,571	0.01x	1.01x	4.44%
Western Europe, Value Added												
Meridiam Sustainable Infrastructure Europe IV	2021	EUR	1,647,059	172,288	10.46%	140,737	72	140,809	-	0.82x	(56.51%)
Western Europe, Core Plus												
Project EaaSy (Bernhard)	2022	USD	1,882,353	1,902,569	101.07%	1,880,074	-	1,880,074	-	0.99x	(6.10%)
United States, Co-Investment												
Project Ride	2022	SEK	21,159,473	21,159,473	100.00%	21,139,155	-	21,139,155	-	1.00x	(0.56%)
Sweden, Direct												
Project Sidewalk	2022	USD	1,647,059	112,110	6.81%	112,110	-	112,110	-	1.00x	-%
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 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 up to 120 days post Quarter end.

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Pension Partnership

Quarterly Report Overview

Oxfordshire Pension Fund

Brunel - Infrastructure (Cycle 2)	March 31 2022
StepStone B II - Renewables - Overview	**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	3,203,420
As a percentage of Total Committed to Portfolio Investments	16.02%
Number of Fund Investments	1

StepStone B II - Renewables - Performance	All figures unless otherwise stated are in GBP
Amount Called	3.20 million
Amount Distributed	0.28 million
Unrealised Value	3.11 million
Total Value	3.38 million
DPI	0.09x
TVPI	1.06x
IRR	4.65%

Strategy Level

Commitment to Portfolio

Quarterly Report Overview

Oxfordshire Pension Fund

Brunel - Infrastructure (Cycle 2b) Commentary

Cycle 2 Renewables deployment has picked up pace with two additional tacticals and a primary that will add to the three primary funds and one co-investment that had been committed to date. Performance is not meaningful at this time, given the immaturity of the Portfolio.

While the current funds in the portfolio continue to deploy adequately by converting and developing their pipelines, Brunel approved a commitment to Mirova Energy Transition 5. Mirova invests in traditional renewables but has also a good track record investing in other decarbonization and renewable enabling technologies such as storage and hydrogen based transportation infrastructure.

On the tactical side, co-investments were approved to two renewable platforms: €35m co-investment alongside ICG into Akuo and €25m co-investment alongside Macquarie MGREF II into Reden.

Stepstone and the Brunel team have addressed the difficulties to invest the Cycle II Renewables mandate and we are now confident on the pipeline of primaries and tacticals to finish committing this mandate.

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Pension Partnership

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	3,203,420	16.02%	3,105,314	275,942	3,381,256	0.09x	1.06x	4.65%
Total Portfolio			**20,000,000**	**3,203,420**	**16.02%**	**3,105,314**	**275,942**	**3,381,256**	**0.09x**	**1.06x**	**4.65%**

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	3,203,420	16.02%	3,105,314	275,942	3,381,256	0.09x	1.06x	4.65%

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

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	IRR
StepStone B II - Renewables Underlying Funds											
Brookfield IV Renewable Sidecar *Global, Core Plus*	2020	USD	1,148,389	589,074	51.30%	556,748	81,812	638,560	0.14x	1.08x	10.10%
Capital Dynamics Clean Energy Infrastructure Investors X, SCSp *United States, Value Added*	2020	USD	1,459,023	1,422,152	97.47%	1,497,303	124,607	1,621,910	0.09x	1.14x	10.90%
Centinela Funding *United States, Co-Investment*	2020	USD	762,393	762,393	100.00%	728,992	146,473	875,465	0.19x	1.15x	12.14%
Copenhagen Infrastructure IV *Global, Core*	2020	EUR	2,023,918	460,556	22.76%	438,525	5,334	443,859	0.01x	0.96x	(6.56%)
Proj. Phoenix *France, Direct*	2022	EUR	1,014,553	798,270	78.68%	791,280	-	791,280	-	0.99x	(95.97%)
Total Portfolio			**6,408,276**	**4,032,445**	**62.93%**	**4,012,848**	**358,225**	**4,371,073**	**0.09x**	**1.08x**	

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 Fund
StepStone B II - Renewables Underlying Funds											
Brookfield IV Renewable Sidecar *Global, Core Plus*	2020	USD	1,538,462	804,154	52.27%	731,455	110,590	842,045	0.14x	1.05x	5.65%
Capital Dynamics Clean Energy Infrastructure Investors X, SCSp *United States, Value Added*	2020	USD	1,890,598	1,842,158	97.44%	1,967,157	168,008	2,135,166	0.09x	1.16x	12.44%
Centinela Funding *United States, Co-Investment*	2020	USD	1,019,461	1,019,461	100.00%	957,750	199,343	1,157,093	0.20x	1.14x	11.12%
Copenhagen Infrastructure IV *Global, Core*	2020	EUR	2,393,162	536,513	22.42%	520,792	6,323	527,116	0.01x	0.98x	(3.21%)
Proj. Phoenix *France, Direct*	2022	EUR	1,196,581	939,724	78.53%	939,724	-	939,724	-	1.00x	-%

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 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 up to 120 days post Quarter end.

BRUNEL
Pension Partnership

Quarterly Report Overview

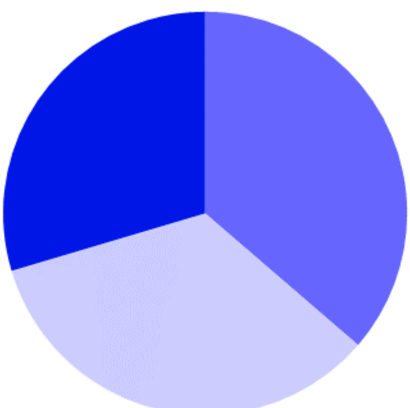
Oxfordshire Pension Fund

Brunel - Private Equity (Cycle 1)	March 31 2022
Overview	**All figures unless otherwise stated are in GBP**
Total Commitments to Brunel Portfolio	100,000,000
Total Commitments to Portfolio Investments	98,898,475
As a percentage of Total Commitments to Brunel Portfolio	98.90%
Amount Called	45,239,515
As a percentage of Total Committed to Portfolio Investments	45.74%
Number of Fund Investments	7

Performance	All figures unless otherwise stated are in GBP
Amount Called	45.24 million
Amount Distributed	4.98 million
Unrealised Value	57.75 million
Total Value	62.74 million
DPI	0.11x
TVPI	1.39x
IRR	26.89%

Strategy Level

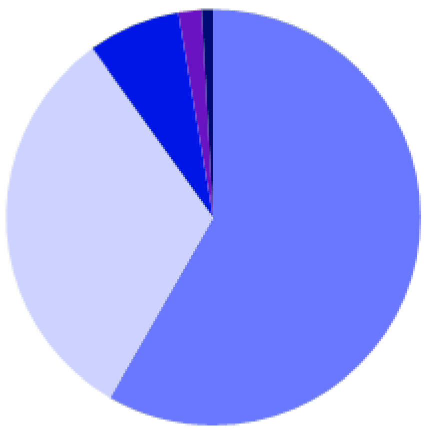
Commitment to Portfolio



Co-investment	36.3 %
Primary	34.1 %
Secondaries	29.6 %

Region

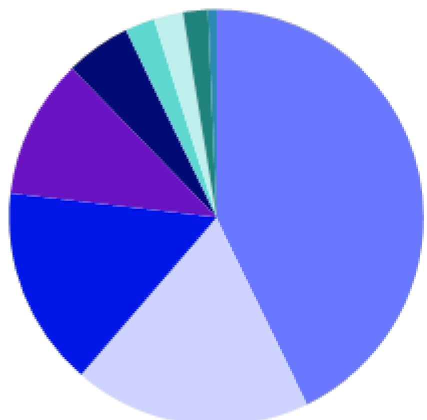
Invested in Underlying Investments



North America	58.3 %
Western Europe	31.8 %
Asia/Pacific	7.2 %
Global	1.8 %
Eastern Europe	0.9 %

GICS Level 1

Invested in Underlying Investments



Financials	42.8 %
Information Technology	18.5 %
Health Care	15.5 %
Consumer Discretionary	10.9 %
Consumer Staples	5.1 %
Energy	2.3 %
Industrials	2.3 %
Materials	1.9 %
Telecommunication Services	0.7 %

Quarterly Report Overview

Oxfordshire Pension Fund

Brunel - Private Equity (Cycle 1) Commentary

As of March 2022, the drawdown of Cycle 1 increased slightly from the previous quarter, approximately 46% of the committed capital has been drawn. Cycle 1 is still in the investment phase, but the portfolio has performed well in terms of multiple and net IRR.

Some of the earlier funds in Cycle 1 are starting to develop and have shown exits even at this early stage, which is encouraging. This is in addition to the secondaries funds, which by their nature are expected to provide early liquidity. For example, Neuberger Berman ("NB") PE Impact Fund had 1 full exit and 1 partial exit, realizing 3.1x and 3.3x MOIC respectively. In addition, NB Strategic Co-Investment Fund IV is expecting 5 near term distributions from the ~20 co-investments it has made.

Generally, Cycle 1 PE experienced less impact from Covid-19 with only some underlying portfolio companies affected in the short term. This is largely due to Cycle 1 only beginning to put capital to work when the pandemic started.

The GPs in Cycle 1 are actively investing and currently funding their investments through short term fund credit facilities. Most are expected to make capital calls throughout 2022. Overall, all the private equity funds in Cycle 1 are now successfully closed and in full deployment mode.

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
Primary Funds											
Ardian LBO Fund 07 A *Global, Buyout,*	2019	EUR	10,888,150	5,186,903	47.64%	5,946,135	524,598	6,470,733	0.10x	1.25x	15.58%
Summit Europe Growth 03 *Western Europe, Growth,*	2020	EUR	4,577,216	1,481,928	32.38%	1,424,005	-	1,424,005	-	0.96x	(5.49%)
Vespa Capital 03 *United Kingdom, Buyout,*	2020	GBP	9,000,000	3,711,944	41.24%	3,715,721	-	3,715,721	-	1.00x	0.29%
Subtotal:			24,465,367	10,380,775	42.43%	11,085,861	524,598	11,610,459	0.05x	1.12x	11.76%
Secondaries Funds											
AlpInvest Secondaries 07 *Global, Secondaries,*	2020	USD	10,667,521	2,200,789	20.63%	2,307,809	367,419	2,675,228	0.17x	1.22x	50.14%
Capital Dynamics Global Secondaries V (Feeder) *Global, Secondaries,*	2018	USD	18,566,002	12,077,340	65.05%	19,536,634	1,548,970	21,085,604	0.13x	1.75x	35.83%
Subtotal:			29,233,524	14,278,129	48.84%	21,844,443	1,916,389	23,760,833	0.13x	1.66x	36.24%
Co-Investment Funds											
NB PE Impact Fund *Global, Co-Investment,*	2018	USD	23,371,887	11,960,261	51.17%	13,356,196	1,964,839	15,321,035	0.16x	1.28x	16.38%
NB SCIOP IV *Global, Co-Investment,*	2019	USD	21,827,698	8,620,350	39.49%	11,463,810	578,979	12,042,788	0.07x	1.40x	42.77%
Subtotal:			45,199,584	20,580,611	45.53%	24,820,006	2,543,818	27,363,823	0.12x	1.33x	23.42%
Total Portfolio			**98,898,475**	**45,239,515**	**45.74%**	**57,750,310**	**4,984,805**	**62,735,115**	**0.11x**	**1.39x**	**26.89%**

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 *Global, Buyout,*	2019	EUR	12,700,000	5,923,126	46.64%	7,061,630	614,783	7,676,413	0.10x	1.30x	18.61%
Summit Europe Growth 03 *Western Europe, Growth,*	2020	EUR	5,400,000	1,724,036	31.93%	1,691,148	-	1,691,148	-	0.98x	(2.71%)
Vespa Capital 03 *United Kingdom, Buyout,*	2020	GBP	9,000,000	3,711,944	41.24%	3,715,721	-	3,715,721	-	1.00x	0.29%
Secondaries Funds											
AlpInvest Secondaries 07 *Global, Secondaries,*	2020	USD	14,100,000	2,979,208	21.13%	3,032,000	491,839	3,523,839	0.17x	1.18x	41.59%
Capital Dynamics Global Secondaries V (Feeder) *Global, Secondaries,*	2018	USD	24,400,000	15,874,695	65.06%	25,667,230	2,108,114	27,775,344	0.13x	1.75x	36.53%
Co-Investment Funds											
NB PE Impact Fund *Global, Co-Investment,*	2018	USD	30,300,000	15,453,000	51.00%	17,547,370	2,727,000	20,274,370	0.18x	1.31x	18.31%
NB SCIOP IV *Global, Co-Investment,*	2019	USD	29,000,000	11,648,187	40.17%	15,061,153	761,299	15,822,452	0.07x	1.36x	39.28%

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

BRUNEL
Pension Partnership

Quarterly Report Overview

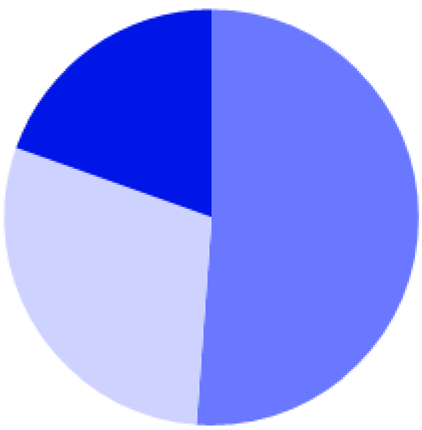
Oxfordshire Pension Fund

Brunel - Private Equity (Cycle 2)	March 31 2022
Overview	**All figures unless otherwise stated are in GBP**
Total Commitments to Brunel Portfolio	70,000,000
Total Commitments to Portfolio Investments	59,408,319
As a percentage of Total Commitments to Brunel Portfolio	84.87%
Amount Called	12,280,377
As a percentage of Total Committed to Portfolio Investments	20.67%
Number of Fund Investments	12

Performance	All figures unless otherwise stated are in GBP
Amount Called	12.28 million
Amount Distributed	0.01 million
Unrealised Value	14.28 million
Total Value	14.29 million
DPI	0.00x
TVPI	1.16x
IRR	37.82%

Strategy Level

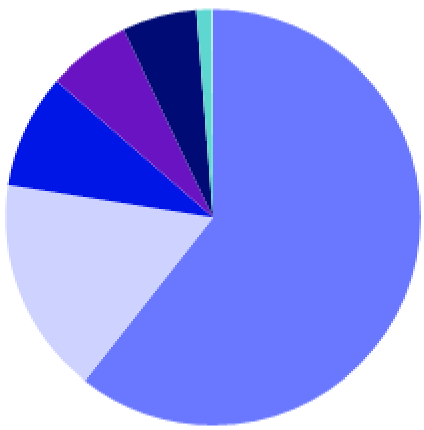
Commitment to Portfolio



Primary	51.1 %
Secondaries	29.3 %
Co-investment	19.6 %

Region

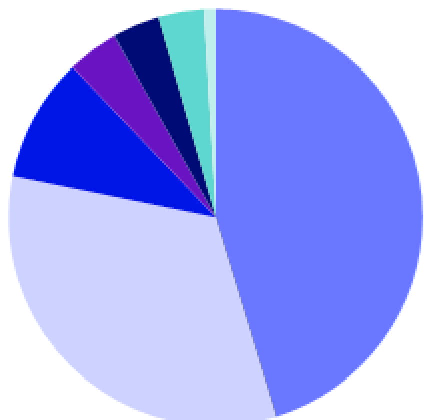
Invested in Underlying Investments



North America	60.6 %
Western Europe	16.9 %
Global	8.9 %
Middle-East/North Africa	6.5 %
Asia/Pacific	5.8 %
South America	1.2 %
Eastern Europe	0.1 %

GICS Level 1

Invested in Underlying Investments



Information Technology	45.4 %
Financials	32.9 %
Industrials	9.6 %
Health Care	4.0 %
Consumer Discretionary	3.7 %
Materials	3.5 %
Consumer Staples	0.9 %

Quarterly Report Overview

Oxfordshire Pension Fund

Brunel - Private Equity (Cycle 2) Commentary

As of March 2022, Cycle 2 had committed to 13 funds, with a 14th fund approved and in closing. Hence, Cycle 2 is now fully committed on schedule. Out of the 13 funds committed, 10 funds have started investing. The other 3 funds are recent commitments to new funds that have not yet been activated. Nonetheless, the total drawn down for Cycle 2 stood at 20%. It is worth noting that the total capital deployed was higher due to funds using credit facilities to fund investments.

Cycle 2 has made great progress in terms of fund commitments made and the quality of the GPs that have accepted Brunel Clients into their funds. While still early, the performance is encouraging. The portfolio is well above cost at this early stage, with no J-curve since inception. This is largely due to the 2 secondaries funds (LGT and Montana) that we committed to at the start the PE program. Both have early successes to show and are performing well.

In terms of new investments, Cycle 2 committed to J-Star No.5, Atomico Venture VI and PAI Partners VIII. J-Star is a Japan-focused buyout fund, Atomico is a European VC fund and PAI is a pan-European private equity fund.

Going forward, we expect more funds to start calling capital as they pay down the credit facilities that they used to fund the investments, which were made 6-12 months ago.

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											
Genstar X (EU) *United States, Buyout,*	2021	USD	3,001,208	364,554	12.15%	387,704	-	387,704	-	1.06x	24.84%
Inflexion Buyout VI *Western Europe, Buyout,*	2021	GBP	4,380,000	-	0.00%	-	-	-	-	-	-%
Insight Partners XII *Global, Growth,*	2021	USD	4,092,773	1,800,837	44.00%	1,883,498	4,513	1,888,010	-	1.05x	11.18%
J-STAR No.5 *Japan, Buyout,*	2022	JPY	3,764,241	-	0.00%	-	-	-	-	-	-%
New Mountain 06 *United States, Buyout,*	2020	USD	4,247,333	1,387,350	32.66%	1,477,954	950	1,478,904	-	1.07x	14.67%
PAI Partners 08 *Western Europe, Buyout,*	2022	EUR	6,458,404	-	0.00%	-	-	-	-	-	-%
Summa Equity 03 *Western Europe, Buyout,*	2021	EUR	4,614,348	-	0.00%	(18,626)	-	(18,626)	-	-	-%
Subtotal:			30,558,307	3,552,741	11.63%	3,730,530	5,463	3,735,993	-	1.05x	12.21%
Secondaries Funds											
Insight Partners X Follow-On *Global, Secondaries,*	2021	USD	4,041,640	3,000,748	74.25%	3,732,138	5,300	3,737,438	-	1.25x	45.57%
LGT Crown Global Secondaries V *Global, Secondaries,*	2020	USD	8,528,416	1,928,690	22.61%	2,878,257	-	2,878,257	-	1.49x	83.13%
Montana Capital Partners OSP V *Global, Secondaries,*	2020	EUR	4,762,102	296,389	6.22%	581,839	-	581,839	-	1.96x	422.96%
Subtotal:			17,332,158	5,225,827	30.15%	7,192,234	5,300	7,197,534	-	1.38x	69.96%
Co-Investment Funds											
AlpInvest Co-Investment 08 *Global, Co-Investment,*	2021	USD	10,664,087	3,346,731	31.38%	3,183,942	707	3,184,648	-	0.95x	(15.28%)
Genstar X Opportunities Fund *North America, Co-Investment,*	2021	USD	853,767	155,078	18.16%	175,952	-	175,952	-	1.13x	25.54%
Subtotal:			11,517,853	3,501,809	30.40%	3,359,894	707	3,360,601	-	0.96x	(12.40%)
Total Portfolio			**59,408,319**	**12,280,377**	**20.67%**	**14,282,658**	**11,469**	**14,294,127**	**-**	**1.16x**	**37.82%**

BRUNEL
Pension Partnership

Quarterly Report Overview

Oxfordshire Pension Fund

Portfolio Summary (Fund Currency)	Vintage	Ccy	Amount Committed	Amount Called	Percent Called	Unrealised Value	Realised Value	Total Value	DPI	TVPI	IRR
Primary Funds											
Genstar X (EU) *United States, Buyout,*	2021	USD	3,950,000	485,964	12.30%	509,366	-	509,366	-	1.05x	18.49%
Inflexion Buyout VI *Western Europe, Buyout,*	2021	GBP	4,380,000	-	0.00%	-	-	-	-	-	-%
Insight Partners XII *Global, Growth,*	2021	USD	5,480,000	2,469,013	45.05%	2,474,539	6,056	2,480,595	-	1.00x	1.05%
J-STAR No.5 *Japan, Buyout,*	2022	JPY	602,000,000	-	0.00%	-	-	-	-	-	-%
New Mountain 06 *United States, Buyout,*	2020	USD	5,650,000	1,892,555	33.50%	1,941,736	1,301	1,943,037	-	1.03x	5.76%
PAI Partners 08 *Western Europe, Buyout,*	2022	EUR	7,670,000	-	0.00%	-	-	-	-	-	-%
Summa Equity 03 *Western Europe, Buyout,*	2021	EUR	5,480,000	-	0.00%	(22,120)	-	(22,120)	-	-	-%
Secondaries Funds											
Insight Partners X Follow-On *Global, Secondaries,*	2021	USD	5,480,000	4,112,977	75.05%	4,903,284	7,112	4,910,396	-	1.19x	35.28%
LGT Crown Global Secondaries V *Global, Secondaries,*	2020	USD	11,290,000	2,619,280	23.20%	3,781,454	-	3,781,454	-	1.44x	74.75%
Montana Capital Partners OSP V *Global, Secondaries,*	2020	EUR	5,650,000	346,519	6.13%	690,992	-	690,992	-	1.99x	442.28%
Co-Investment Funds											
AlpInvest Co-Investment 08 *Global, Co-Investment,*	2021	USD	14,110,000	4,496,480	31.87%	4,183,062	951	4,184,013	-	0.93x	(21.44%)
Genstar X Opportunities Fund *North America, Co-Investment,*	2021	USD	1,130,000	212,063	18.77%	231,166	-	231,166	-	1.09x	16.80%

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

Quarterly Report Overview

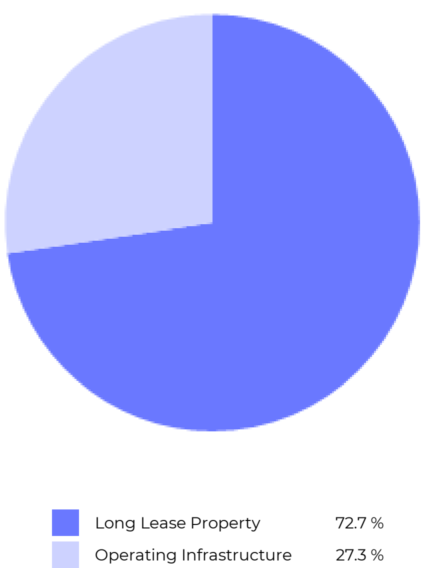
Oxfordshire Pension Fund

Brunel - Secured Income (Cycle 1)	March 31 2022
Overview	**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	59,984,540
As a percentage of Total Committed to Portfolio Investments	99.97%
Number of Fund Investments	3

Performance	All figures unless otherwise stated are in GBP
Amount Called	59.98 million
Amount Distributed	1.40 million
Unrealised Value	66.49 million
Total Value	67.89 million
DPI	0.02x
TVPI	1.13x
IRR	9.57%

Strategy Level

Commitment to Portfolio



Region

Invested in Underlying Investments

BRUNEL
Pension Partnership

Quarterly Report Overview

Oxfordshire Pension Fund

Brunel - Secured Income (Cycle 1) Commentary

The M&G Secured Income Property Fund's total returns over the quarter were strong, driven primarily by capital growth (yield compression and inflation-linked rent reviews) - across a range of holdings, most notably: student accommodation, the Syngenta R&D facility and the BCA portfolio.

The Fund remains under offer on a hotel in Edinburgh (c. £36 million) and is agreeing terms on a student accommodation forward funding, pre-let to a university (c. £120 million). Deferred rents continue to be repaid in line with agreed terms, Bannatyne is on track to have repaid by end of Q2 and David Lloyd by end of Q3.

The abrdn Long Lease Property Fund performed strongly over the quarter, the polarisation of returns across the sectors continued and again it was the Fund's London and South East Industrial and Student Accommodation assets which were accretive to performance, both sectors benefitting from strong capital growth as a result of further yield compression driven by continued strong investor demand.

Rental collection statistics continue to improve quarter on quarter and abdrn have now collected 100% of rents for 2020 and 99.8% for 2021. Collection levels for 2022 are close to returning to pre-pandemic levels with 96% of rents collected for Q1.

The acquisition of a 75% shareholding in Greencoat by Schroders was finalised in April 2022 with all necessary regulatory approvals having been received. Greencoat will become part of the Schroders Capital umbrella but will maintain a high level of operating autonomy. The remaining 25% stake is to be acquired over time, based on the value of the business, ensuring maximum alignment.

GRI purchased the Margam Green Energy Plant, a 41.8 Mwe waste wood-fired biomass power plant in Port Talbot, South Wales.

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%	25,479,749	-	25,479,749	-	1.16x	11.41%
M&G Secured Property Income Fund *United Kingdom, Long Lease Property,*	2007	GBP	21,600,000	21,600,000	100.00%	23,346,406	13,915	23,360,321	-	1.08x	10.87%
Subtotal:			43,600,000	43,600,000	100.00%	48,826,155	13,915	48,840,071	-	1.12x	11.23%
Operating Infrastructure Funds											
Greencoat Renewable Income *United Kingdom, Operating Infrastructure Eq,*	2019	GBP	16,400,000	16,384,540	99.91%	17,658,914	1,388,939	19,047,853	0.08x	1.16x	7.47%
Subtotal:			16,400,000	16,384,540	99.91%	17,658,914	1,388,939	19,047,853	0.08x	1.16x	7.47%
Total Portfolio			**60,000,000**	**59,984,540**	**99.97%**	**66,485,069**	**1,402,854**	**67,887,923**	**0.02x**	**1.13x**	**9.57%**

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

BRUNEL
Pension Partnership

Quarterly Report Overview

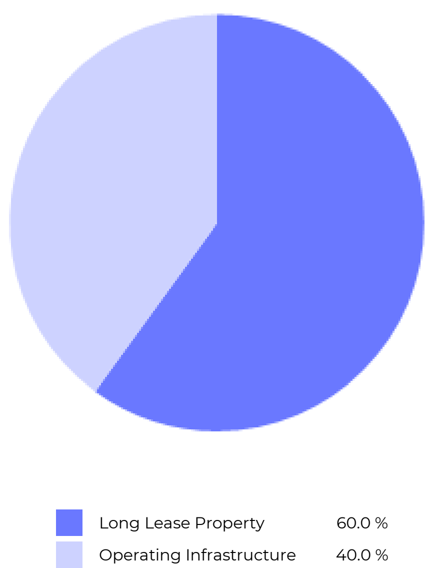
Oxfordshire Pension Fund

Brunel - Secured Income (Cycle 2)	March 31 2022
Overview	**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	31,597,844
As a percentage of Total Committed to Portfolio Investments	78.99%
Number of Fund Investments	3

Performance	All figures unless otherwise stated are in GBP
Amount Called	31.60 million
Amount Distributed	0.26 million
Unrealised Value	33.68 million
Total Value	33.93 million
DPI	0.01x
TVPI	1.07x
IRR	10.77%

Strategy Level

Commitment to Portfolio



Region

Invested in Underlying Investments

Quarterly Report Overview

Oxfordshire Pension Fund

Brunel - Secured Income (Cycle 2) Commentary

The M&G Secured Income Property Fund's total returns over the quarter were strong, driven primarily by capital growth (yield compression and inflation-linked rent reviews) - across a range of holdings, most notably: student accommodation, the Syngenta R&D facility and the BCA portfolio.

The Fund remains under offer on a hotel in Edinburgh (c. £36 million) and is agreeing terms on a student accommodation forward funding, pre-let to a university (c. £120 million). Deferred rents continue to be repaid in line with agreed terms, Bannatyne is on track to have repaid by end of Q2 and David Lloyd by end of Q3.

The abrdn Long Lease Property Fund performed strongly over the quarter, the polarisation of returns across the sectors continued and again it was the Fund's London and South East Industrial and Student Accommodation assets which were accretive to performance, both sectors benefitting from strong capital growth as a result of further yield compression driven by continued strong investor demand.

Rental collection statistics continue to improve quarter on quarter and abdrn have now collected 100% of rents for 2020 and 99.8% for 2021. Collection levels for 2022 are close to returning to pre-pandemic levels with 96% of rents collected for Q1.

The acquisition of a 75% shareholding in Greencoat by Schroders was finalised in April 2022 with all necessary regulatory approvals having been received. Greencoat will become part of the Schroders Capital umbrella but will maintain a high level of operating autonomy. The remaining 25% stake is to be acquired over time, based on the value of the business, ensuring maximum alignment.

GRI purchased the Margam Green Energy Plant, a 41.8 Mwe waste wood-fired biomass power plant in Port Talbot, South Wales.

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	15,997,844	99.99%	16,345,045	255,959	16,601,004	0.02x	1.04x	6.60%
Subtotal:			16,000,000	15,997,844	99.99%	16,345,045	255,959	16,601,004	0.02x	1.04x	6.60%
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%	13,686,812	-	13,686,812	-	1.14x	14.06%
M&G Secured Property Income Fund *United Kingdom, Long Lease Property,*	2007	GBP	12,000,000	3,600,000	30.00%	3,643,361	-	3,643,361	-	1.01x	7.69%
Subtotal:			24,000,000	15,600,000	65.00%	17,330,173	-	17,330,173	-	1.11x	13.79%
Total Portfolio			**40,000,000**	**31,597,844**	**78.99%**	**33,675,218**	**255,959**	**33,931,177**	**0.01x**	**1.07x**	**10.77%**

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

BRUNEL
Pension Partnership

Quarterly Report Overview

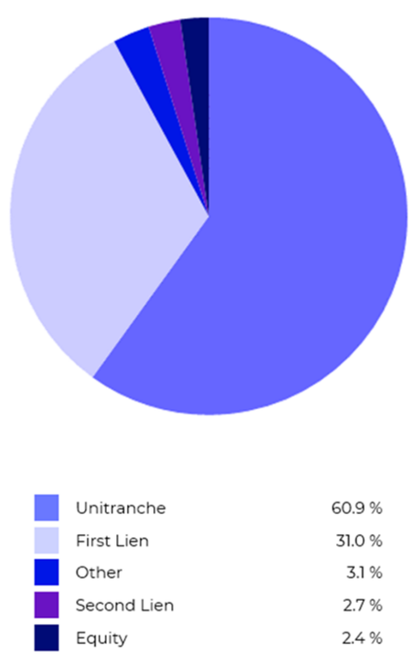
Oxfordshire Pension Fund

Brunel - Private Debt (Cycle 2)	**March 31 2022**
Overview	**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	12,189,313
As a percentage of Total Committed to Portfolio Investments	17.41%
Number of Fund Investments	1

Performance	**All figures unless otherwise stated are in GBP**
Amount Called	12.19 million
Amount Distributed	0.10 million
Unrealised Value	12.33 million
Total Value	12.43 million
DPI	0.01x
TVPI	1.02x
IRR	5.23%

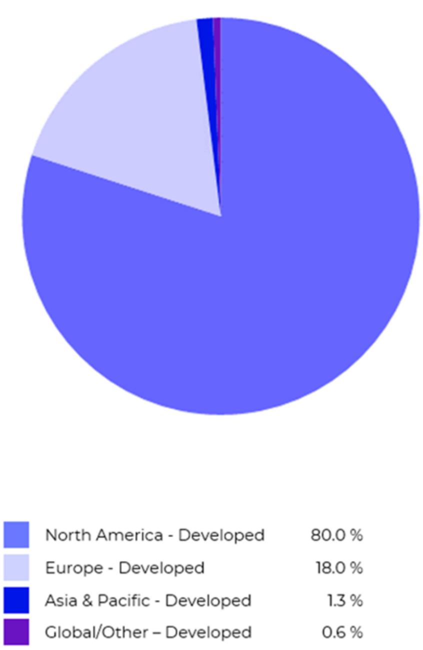
Strategy Level

Lien Priority



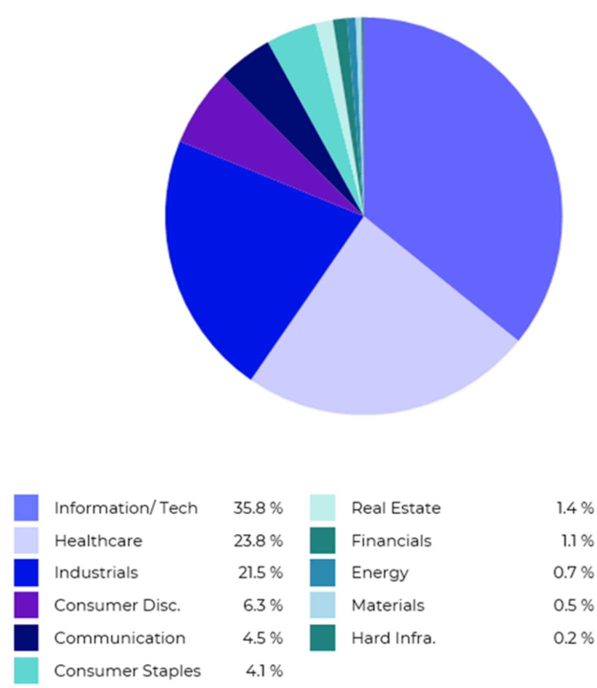
Country

Invested in Underlying Investments



GICS Level 1

Invested in Underlying Investments



Please note:
Source: Aksia and underlying investment managers. Please note, charts reflect the value of unrealized positions within the portfolio (and exclude the value of any realized (and subsequently exited) positions). Owing to the availability of relevant data the above charts are drawn from data on underlying holdings as at 31 December 2021.

Quarterly Report Overview

Oxfordshire Pension Fund

Brunel - Private Debt (Cycle 2) Commentary

The portfolio comprises of seven funds: (i) ICG Senior Debt Partners IV; (ii) Neuberger Berman Private Debt IV; (iii) Crescent Direct Lending Fund III; (iv) Bridgepoint Direct Lending III: (v) Barings Global Private Loan Fund IV; (vi) Ardian Private Debt V; and (vii) HPS Core Senior Lending Fund II. As at the date of this report, all funds in Cycle II are in their respective 'ramp-up' phases whereby committed capital is expected to be called by the managers over the next 12-36 months.

Capital deployment was muted over the quarter. Such can be explained by two main factors, firstly a seasonal fall (in which levels of deployment activity at the start of the calendar year are typically lower) and secondly an elevated level of uncertainty following the onset of the Ukraine conflict. Over the period the following capital calls were made by the underlying managers: (i) Bridgepoint (calling on c.17% of commitments); (ii) Neuberger Berman (calling on c.20% of commitments); and (iii) Barings (calling on c.20% of commitments). Calls made by Bridgepoint and Barings over the period represented the first calls by each manager. With respect to capital deployment, c.20% of commitments had been called by Quarter end.

The overall pace of capital deployment to date has been strong (with the portfolio containing c.150 loans as at the date of this report) and it is encouraging to see all managers (with the exception of Ardian) having now begun to deploy capital.

Owing to the onset of the Ukraine conflict over the period, Cycle II managers undertook reviews of their underlying portfolios. To date, managers have reported little material exposure to either Russia or Ukraine. Downstream impacts to energy sector holdings have been lessened by a general aversion by managers to the energy sector (such a rationale predated the onset of the crisis and reflected a pre-existing sector bias by the managers). Managers have stressed an emphasis on monitoring their portfolios closely over the near term to ensure that the minimal negative impacts associated with the Ukraine crisis remain such.

In aggregate, managers retain a broad allocation to high-quality, non-cyclical sectors such as healthcare and software/technology (whilst generally maintaining underweight (or indeed no) exposure to more cyclical sectors such as energy, retail and leisure. Regarding regional exposures, the portfolio retains its largest exposure to the US (comprising approximately two-thirds of deployed assets to date) with the majority of remaining exposure coming (in descending order) from the UK, Belgium, the Netherlands, Denmark and France.

At the level of individual credits, managers have added new positions to underlying portfolios. HPS has undertaken investments in Project Barksdale (a provider of addiction treatment services), Project Leah (an insurance brokerage) and Project Two (an education technology company). ICG has undertaken investments in Scalian (an engineering and consulting firm), Retina Group (an eye care treatment specialist) and Stelliant (a French insurance services provider). Bridgepoint has undertaken investments in FE FundInfo (a financial services reporting company), Texthelp (a technology services company) and 3Shape (a provider of dental and laboratory software services). Investment activity by HPS, ICG and Bridgepoint is discussed as illustrative of Cycle II's investment activity and does not account for investment activity undertaken by the other managers.

It should be noted that Max Mitchell, Head of ICG's European Direct Lending platform, has announced his intention to retire in August 2022. He will stay on with the firm in an advisory capacity for a further period of 12 months into August 2023. Peter Lockhead and Mathieu Vigier will take up co-leadership of the strategy (having joined ICG from similar European direct lending leadership roles in 2017 and 2012 respectively). ICG have communicated their view of minimal immediate material impact following Max Mitchell's retirement however Brunel (and Aksia) will continue to monitor the situation closely.

With respect to portfolio performance, Cycle II performance has been positive over the period (driven by positive returns across underlying managers). It is still early days and performance information at the date of this report is not yet meaningful as the portfolio remains in its 'ramp-up' phase.

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
Corporate Direct Lending Funds											
Private Debt Portfolio Cycle II *Global, Private Debt,*	2021	GBP	70,000,000	12,189,313	17.41%	12,330,591	101,184	12,431,775	0.01x	1.02x	5.23%
Subtotal:			70,000,000	12,189,313	17.41%	12,330,591	101,184	12,431,775	0.01x	1.02x	5.23%
Total Portfolio			**70,000,000**	**12,189,313**	**17.41%**	**12,330,591**	**101,184**	**12,431,775**	**0.01x**	**1.02x**	**5.23%**

Portfolio Summary (Fund Currency)

	Vintage	Ccy	Amount Committed	Amount Called	Percent Called	Unrealised Value	Realised Value	Total Value	DPI	TVPI	IRR
Corporate Direct Lending Funds											
Private Debt Portfolio Cycle II *Global, Private Debt,*	2021	GBP	70,000,000	12,189,313	17.41%	12,330,591	101,184	12,431,775	0.01x	1.02x	5.23%

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

Portfolio Summary (GBP)

Fund Name	Vintage	Ccy	Amount Committed	Amount Called	Percent Called	Unrealised Value	Realised Value	Total Value	DPI	TVPI	IRR
Private Debt Portfolio Cycle II Underlying Funds											
Ardian Private Debt V	2021	GBP	9,259,259	-	0.00%	-	-	-	-	-	-%
Western Europe, Private Debt											
Barings Global Private Loan Fund IV	2021	GBP	9,259,259	1,851,852	20.00%	1,851,852	-	1,851,852	-	1.00x	-%
Global, Private Debt											
Bridgepoint Direct Lending III	2021	EUR	9,342,130	1,623,482	17.38%	1,659,416	-	1,659,416	-	1.02x	10.79%
Western Europe, Private Debt											
Crescent Direct Lending Fund 03	2021	USD	6,998,535	1,413,631	20.20%	1,462,320	2,160	1,464,480	-	1.04x	9.01%
North America, Private Debt											
HPS Core Senior Lending Fund 02	2021	USD	11,261,375	726,695	6.45%	730,647	-	730,647	-	1.01x	2.04%
Global, Private Debt											
ICG Senior Debt Partners IV	2020	GBP	12,222,222	4,041,050	33.06%	4,203,903	101,191	4,305,094	0.03x	1.07x	10.66%
Western Europe, Private Debt											
NB Private Debt IV	2021	USD	12,277,251	4,214,471	34.33%	4,457,875	109,973	4,567,848	0.03x	1.08x	16.01%
North America, Private Debt											
Subtotal:			70,620,032	13,871,182	19.64%	14,366,014	213,324	14,579,338	0.02x	1.05x	
Total Portfolio			**70,620,032**	**13,871,182**	**19.64%**	**14,366,014**	**213,324**	**14,579,338**	**0.02x**	**1.05x**	

Portfolio Summary (Fund Currency)

	Vintage	Ccy	Amount Committed	Amount Called	Percent Called	Unrealised Value	Realised Value	Total Value	DPI	TVPI	IRR Fund
Private Debt Portfolio Cycle II Underlying Funds											
Ardian Private Debt V	2021	GBP	9,259,259	-	0.00%	-	-	-	-	-	-%
Western Europe, Private Debt											
Barings Global Private Loan Fund IV	2021	GBP	9,259,259	1,851,852	20.00%	1,851,852	-	1,851,852	-	1.00x	-%
Global, Private Debt											
Bridgepoint Direct Lending III	2021	EUR	11,111,111	1,944,444	17.50%	1,970,722	-	1,970,722	-	1.01x	6.48%
Western Europe, Private Debt											
Crescent Direct Lending Fund 03	2021	USD	9,259,259	1,921,812	20.76%	1,921,196	2,830	1,924,026	-	1.00x	0.28%
North America, Private Debt											
HPS Core Senior Lending Fund 02	2021	USD	14,814,815	974,353	6.58%	959,925	-	959,925	-	0.99x	(5.40%)
Global, Private Debt											
ICG Senior Debt Partners IV	2020	GBP	12,222,222	4,041,050	33.06%	4,203,903	101,191	4,305,094	0.03x	1.07x	10.66%
Western Europe, Private Debt											
NB Private Debt IV	2021	USD	16,296,296	5,703,704	35.00%	5,856,757	148,498	6,005,255	0.03x	1.05x	9.89%
North America, Private Debt											

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

Quarterly Report Overview

Oxfordshire Pension Fund

Please note:
The above figures were included at Clients' request to breakdown the performance of the 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 up to 120 days post Quarter end.

BRUNEL
Pension Partnership

Quarterly Report Overview

Oxfordshire Pension Fund

Client Name: Oxfordshire Pension Fund
Fund Name: Brunel - UK Property
End Date: 31 March 2022

Brunel - UK Property	March 31 2022
Overview	**All figures unless otherwise stated are in GBP**
Total Commitments to Brunel Portfolio	150,000,000
Current Value	159,790,691
Drawdowns Outstanding	11,241,000
Number of Fund Investments	17

Brunel Pension Partnership

Quarterly Report Overview

Oxfordshire Pension Fund

Brunel - UK Property Commentary

The one, three and five year performance returns from Oxfordshire's UK portfolio to March 2022 exceeded the Brunel's performance objectives, with an exceptional total return of just over 30% since March 2021. Oxfordshire's overweight positioning to LGIM's Industrial Property Investment Fund (IPIF) contributed to the relative outperformance.

Brunel's preferred UK diversified funds performed strongly this quarter, providing more than 20% returns over the last twelve months. Overweight positioning to both the industrial and retail warehousing sectors contributed and this strategic weighting was boosted by managers' refurbishment (and, in some cases, development) initiatives, which secured rental uplifts. CBRE UK Property PAIF and UBS Triton Property Unit Trust achieved relative outperformance this quarter, providing 25%+ total returns over the last year.
Though a small proportion of the overall portfolio, the holding of Nuveen UK Retail Warehousing Fund staged a dramatic recovery over the last year to end-March, with a total return of over 70%.

During 1Q 2022, funds were raised to cover the forthcoming launch of Orchard Street Social and Environmental Impact Partnership, which has now been delayed until 2Q 2022.
Part of Oxfordshire's holding in USAF (£5.5m) was sold in February. Oxfordshire retains a further £4.1m in USAF which, if there is sufficient liquidity at acceptable pricing, Brunel will look to sell before the end of 2022. As mentioned previously, USAF's performance outlook does not give Brunel confidence in terms of the fund continuing to generate historic returns and its governance structure, dominated by Unite, remains opaque.

To coordinate with increasing Oxfordshire's exposure to Threadneedle Property Unit Trust (TPUT) in line with the Brunel model portfolio weighting over the quarter, the holding of £6.5m Threadneedle Property Pensions Trust (TPEN) was sold in January.

In addition, a buyer was found in the secondary market for Oxfordshire's holding of Patrizia Hanover Property Unit Trust (£10.7m). The fund has provided strong returns to date, principally from its overweight exposure to the industrial sector, but the fund size (£500m) and liquidity are constrained, excluding Patrizia from Brunel's model portfolio.

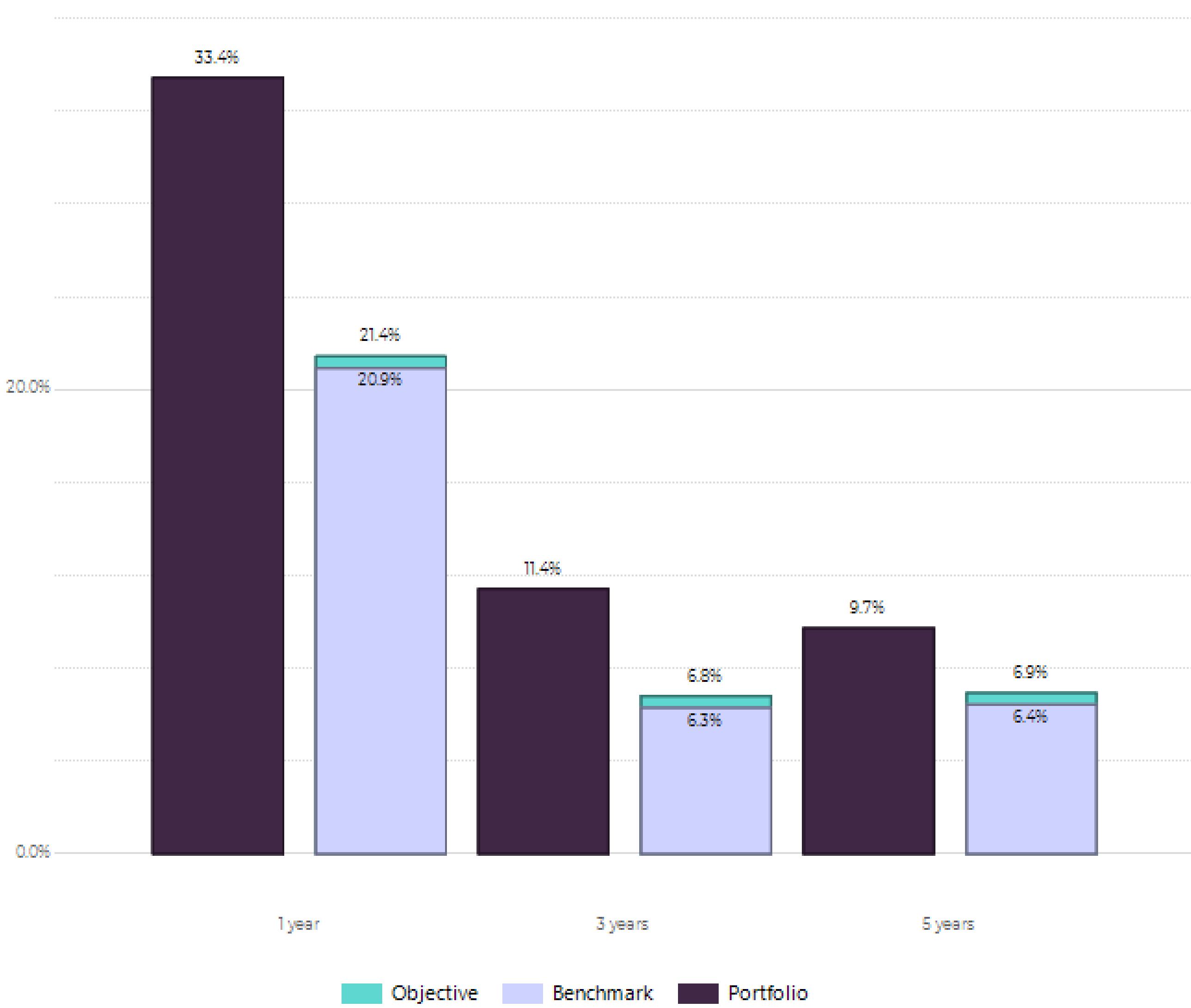
A small sale of Lothbury (£0.8m) was also carried out, taking advantage of a secondary market opportunity to begin to reduce clients' holdings in that fund. Fund performance has been lacklustre for over five years, reflecting Lothbury's over-exposure to the UK retail sector.

Quarterly Report Overview

Oxfordshire Pension Fund

Portfolio Performance

Client Name: Oxfordshire Pension Fund
Fund Name: Brunel - UK Property
End Date: 31 March 2022



Quarterly Report Overview

Oxfordshire Pension Fund

Client Name:	**Oxfordshire Pension Fund**
Fund Name:	**Brunel - International Property**
End Date:	**31 March 2022**

Brunel - International Property Overview	March 31 2022 All figures unless otherwise stated are in GBP
Total Commitments to Brunel Portfolio	61,000,000
Current Value	31,050,792
Drawdowns Outstanding	3,745,744
Number of Fund Investments	6

BRUNEL
Pension Partnership

Quarterly Report Overview

Oxfordshire Pension Fund

Brunel - International Property Commentary

Growth was curtailed by repercussions arising from the war in Ukraine, which damaged global sentiment and financial markets, already disrupted by the pandemic-induced supply chain issues.

The drive toward net zero carbon economies is having a major impact on how real assets' investors view the types of real estate that they create and own and is therefore influencing not only how they underwrite capital expenditure, but how they insure against environmental risk.

Brunel finalised commitments to the Barings European Core fund, the second target European diversified fund and PRISA, the second target core US diversified fund, which will sit alongside the Lion Properties Fund. Commitments to the Invesco Real Estate Asia fund should take place shortly and due diligence is underway on a selected European Residential fund.

More money is being deployed across the portfolio, with the Blackstone Property Partners Europe Fund now fully drawn, following the fund's €1.25 billion of equity investment in recapitalising Mileway, a uniquely positioned last-mile, pan-European logistics company. With the Mileway portfolio now substantially stabilised, Blackstone believe this acquisition represents a highly attractive core+ investment opportunity, providing concentrated exposure to last-mile logistics.

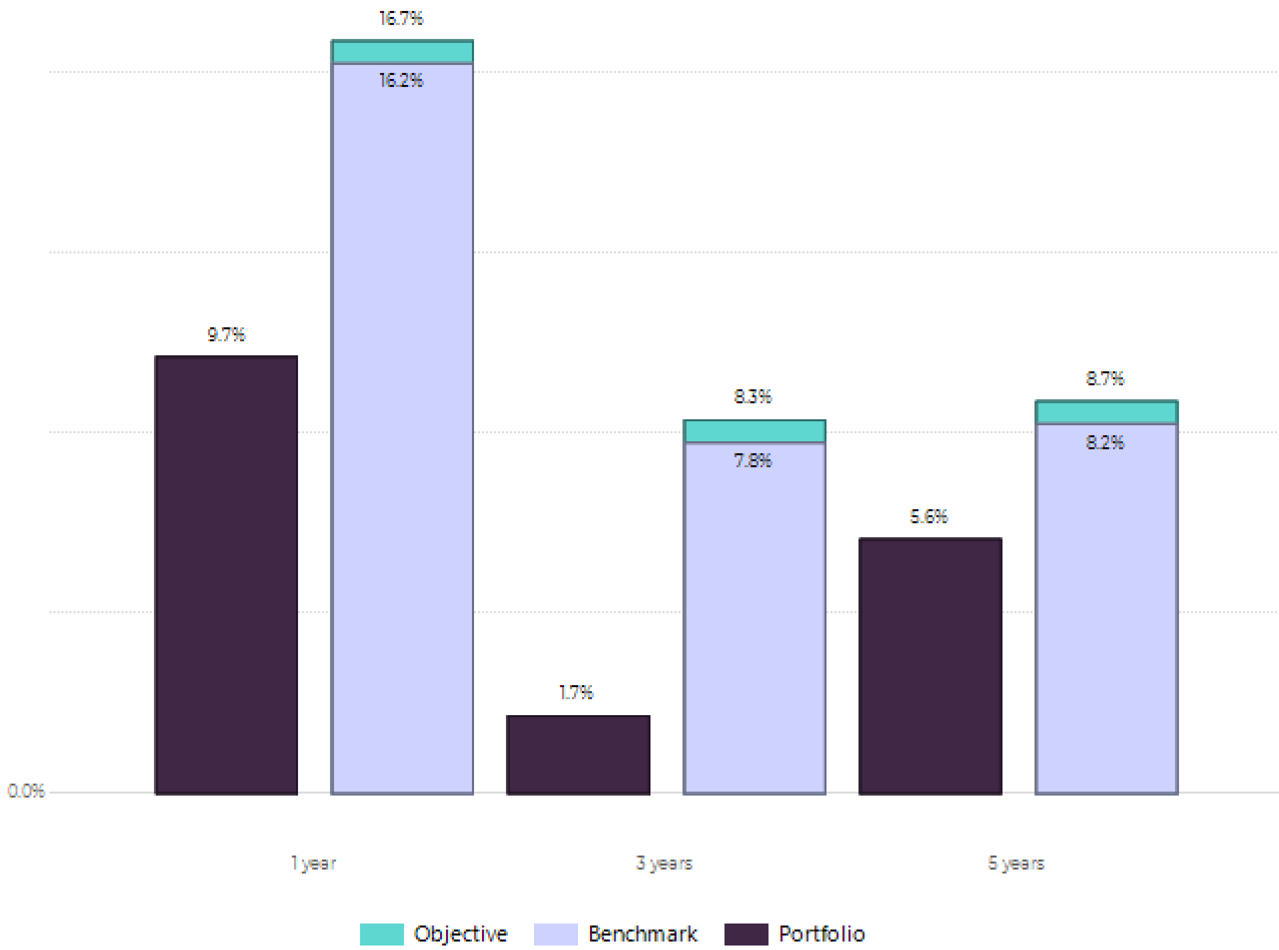
BRUNEL
Pension Partnership

Quarterly Report Overview

Oxfordshire Pension Fund

Portfolio Performance

Client Name: Oxfordshire Pension Fund
Fund Name: Brunel - International Property
End Date: 31 March 2022



Please note that the Global Real Estate Fund Index is published later in the quarter. As such, the international property performance data is provided to the previous quarter.

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 2022

Holding	Country of Jurisdiction	Cost (GBP)	Market Value (GBP)	LTM Income (GBP)
Aviva Investors Pensions Ltd Property Fund B	United Kingdom	(756,172)	4,248,715	-
BlackRock UK Property Fund	Jersey	11,676,950	16,693,922	423,014
Cash and liquidity (GBP)		-	12,962,497	-
CBRE UK Property PAIF	United Kingdom	14,292,998	16,939,172	250,099
Threadneedle Property Unit Trust	Jersey	16,171,727	18,202,967	79,118
Hermes Property Unit Trust	United Kingdom	9,156,697	13,676,573	423,137
Industrial Property Investment Fund	United Kingdom	9,981,039	16,928,462	132,168
Lothbury Property Trust	Ireland	3,709,841	5,917,966	80,517
M&G UK Property Fund	United Kingdom	(1,290,083)	2,509,964	1,113,654
M&G UK Residential Property Fund	Luxembourg	5,000,000	4,963,376	-
Nuveen UK Property Fund	Jersey	3,002,108	3,894,409	77,899
Nuveen UK Retail Warehouse Fund	United Kingdom	5,394,887	2,519,554	228,583
Octopus Healthcare Fund	United Kingdom	-	-	-
PGIM UK Affordable Housing	Luxembourg	3,749,729	3,872,215	-
Schroder UK Real Estate Fund	United Kingdom	10,817,104	15,413,508	128,987
UBS Triton Property Unit Trust	United Kingdom	13,447,033	16,966,055	115,173
Unite UK Student Accommodation Fund	United Kingdom	2,062,841	4,081,336	630,461
		106,416,699	**159,790,691**	**3,682,809**

BRUNEL
Pension Partnership

Quarterly Report Overview

Oxfordshire Pension Fund

Individual Fund Performance

Client Name: Oxfordshire Pension Fund

Fund Name: Brunel - UK Property

End Date: 31 March 2022

Fund Name	Status	1 year	3 year	5 year
Aviva Investors Pensions Ltd Property Fund B	Current Investment	36.56%	10.68%	9.50%
BlackRock UK Property Fund	Current Investment	21.34%	7.10%	7.02%
Cash and liquidity (GBP)	Current Investment	N/A	N/A	N/A
CBRE UK Property PAIF	Current Investment	23.34%	N/A	N/A
Hermes Property Unit Trust	Current Investment	20.74%	9.50%	9.46%
Industrial Property Investment Fund	Current Investment	45.33%	22.23%	N/A
Lothbury Property Trust	Current Investment	18.40%	6.15%	6.39%
M&G UK Property Fund	Current Investment	13.03%	0.43%	3.60%
M&G UK Residential Property Fund	Current Investment	-2.94%	N/A	N/A
Nuveen UK Property Fund	Current Investment	21.57%	6.03%	7.72%
Nuveen UK Retail Warehouse Fund	Current Investment	81.59%	-8.81%	-6.62%
Octopus Healthcare Fund	Current Investment	N/A	N/A	N/A
PGIM UK Affordable Housing	Current Investment	4.42%	N/A	N/A
Schroder UK Real Estate Fund	Current Investment	16.50%	5.70%	6.43%
Threadneedle Property Unit Trust	Current Investment	21.43%	8.72%	8.35%
UBS Triton Property Unit Trust	Current Investment	26.77%	12.44%	11.09%
Unite UK Student Accommodation Fund	Current Investment	10.88%	3.22%	5.23%

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 2022
End Date: 31 March 2022

Acquisitions

Date	Investment	Currency	Acquisition Amount GBP
20 January 2022	Threadneedle Property Unit Trust	GBP	79,118
28 January 2022	PGIM UK Affordable Housing	GBP	264,000
31 March 2022	Threadneedle Property Unit Trust	GBP	6,082,841
TOTAL:			**6,425,958**

Investment Activity

Client Name: Oxfordshire Pension Fund
Fund Name: Brunel - UK Property
Start Date: 01 January 2022
End Date: 31 March 2022

Disposals

Date	Investment	Currency	Disposal Amount GBP
25 January 2022	Columbia Threadneedle Pension Property Fund	GBP	6,504,136
26 January 2022	Aviva Investors Pensions Ltd Property Fund B	GBP	3,996,172
31 January 2022	Unite UK Student Accommodation Fund	GBP	2,179,468
31 January 2022	Unite UK Student Accommodation Fund	GBP	3,341,850
01 March 2022	PGIM UK Affordable Housing	GBP	9,271
03 March 2022	Lothbury Property Trust	GBP	794,840
17 March 2022	Rockspring Hanover PUT	GBP	10,727,256
21 March 2022	BlackRock UK Property Fund	GBP	53,302
TOTAL:			**27,606,294**

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 2022
End Date: 31 March 2022

Date	Holding	Curr	Payments (GBP)
Cash Drawdown			
20 January 2022	Threadneedle Property Unit Trust	GBP	79,118
28 January 2022	PGIM UK Affordable Housing	GBP	264,000
15 February 2022	Hermes Property Unit Trust	GBP	6,481
21 February 2022	BlackRock UK Property Fund	GBP	16,443
25 February 2022	Rockspring Hanover PUT	GBP	12,637
21 March 2022	BlackRock UK Property Fund	GBP	16,403
31 March 2022	Threadneedle Property Unit Trust	GBP	6,082,841
			6,477,923
Cash Refund			
27 January 2022	Schroder UK Real Estate Fund	GBP	(2,229)
28 January 2022	UBS Triton Property Unit Trust	GBP	(6,249)
			(8,478)
TOTAL:			**6,469,445**

Date	Holding	Curr	Income (GBP)	Gains (GBP)
Cash Distribution				
20 January 2022	BlackRock UK Property Fund	GBP	40,963	
20 January 2022	Threadneedle Property Unit Trust	GBP	79,118	
24 January 2022	Industrial Property Investment Fund	GBP	77,489	
24 January 2022	Nuveen UK Property Fund	GBP	26,208	
25 January 2022	Columbia Threadneedle Pension Property Fund	GBP		6,504,136
26 January 2022	Aviva Investors Pensions Ltd Property Fund B	GBP		3,996,172
31 January 2022	CBRE UK Property PAIF	GBP	36,162	
31 January 2022	Lothbury Property Trust	GBP	40,443	
31 January 2022	Schroder UK Real Estate Fund	GBP	39,242	
31 January 2022	Unite UK Student Accommodation Fund	GBP	107,251	5,521,317
01 February 2022	Schroder UK Real Estate Fund	GBP	5,156	
04 February 2022	M&G UK Property Fund	GBP	26,134	
10 February 2022	Nuveen UK Retail Warehouse Fund	GBP	46,497	
15 February 2022	Hermes Property Unit Trust	GBP	106,987	
21 February 2022	BlackRock UK Property Fund	GBP	52,862	
25 February 2022	Rockspring Hanover PUT	GBP	119,393	
28 February 2022	CBRE UK Property PAIF	GBP	25,906	
28 February 2022	Schroder UK Real Estate Fund	GBP	40,314	
28 February 2022	UBS Triton Property Unit Trust	GBP	115,173	
01 March 2022	PGIM UK Affordable Housing	GBP		9,271

Quarterly Report Overview

Oxfordshire Pension Fund

03 March 2022	Lothbury Property Trust	GBP		794,840
17 March 2022	Rockspring Hanover PUT	GBP		10,727,256
21 March 2022	BlackRock UK Property Fund	GBP	82	53,302
31 March 2022	CBRE UK Property PAIF	GBP	42,648	
			1,028,026	**27,606,294**
TOTAL:			**1,028,026**	**27,606,294**

BRUNEL
Pension Partnership

Quarterly Report Overview

Oxfordshire Pension Fund

Portfolio Detail

Client Name: Oxfordshire Pension Fund

Fund Name: Brunel - International Property

End Date: 31 March 2022

Holding	Country of Jurisdiction	Cost (GBP)	Market Value (GBP)	LTM Income (GBP)
CBRE Global Invest Pan European	Luxembourg	4,722,849	6,670,962	34,202
Cortland Growth and Income	United States	2,890,970	3,382,668	-
Kayne Anderson Core Real Estate	United States	3,037,016	3,112,162	11,386
LaSalle Encore Fund A Euro	Luxembourg	6,804,944	8,251,755	149,371
Lion Industrial Trust	United States	-	-	-
Nuveen European Outlet Mall Fund	Luxembourg	4,594,430	9,633,244	157,267
		22,050,210	**31,050,792**	**352,227**

BRUNEL
Pension Partnership

Quarterly Report Overview

Oxfordshire Pension Fund

Individual Fund Performance

Client Name: Oxfordshire Pension Fund

Fund Name: Brunel - International Property

End Date: 31 March 2022

Fund Name	Status	1 year	3 year	5 year
CBRE Global Invest Pan European	Current Investment	12.65%	6.16%	6.17%
Cortland Growth and Income	Current Investment	36.18%	N/A	N/A
Kayne Anderson Core Real Estate	Current Investment	5.97%	N/A	N/A
LaSalle Encore Fund A Euro	Current Investment	10.49%	5.50%	6.41%
Lion Industrial Trust	Current Investment	N/A	N/A	N/A
Nuveen European Outlet Mall Fund	Current Investment	9.39%	-3.85%	3.50%

BRUNEL
Pension Partnership

Quarterly Report Overview

Oxfordshire Pension Fund

Investment Activity

Client Name: Oxfordshire Pension Fund
Fund Name: Brunel - International Property
Start Date: 01 January 2022
End Date: 31 March 2022

Acquisitions

Date	Investment	Currency	Acquisition Amount GBP
03 January 2022	Kayne Anderson Core Real Estate	USD	823,745
TOTAL:			823,745

Investment Activity

Client Name: Oxfordshire Pension Fund
Fund Name: Brunel - International Property
Start Date: 01 January 2022
End Date: 31 March 2022

Disposals

Date	Investment	Currency	Disposal Amount GBP
07 March 2022	Nuveen European Outlet Mall Fund	EUR	12,731
25 March 2022	CBRE Global Invest Pan European	EUR	33,880
31 March 2022	Cortland Growth and Income	USD	34,147
TOTAL:			80,757

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 2022
End Date: 31 March 2022

Date	Holding	Curr	Payments (GBP)
Cash Drawdown			
03 January 2022	Kayne Anderson Core Real Estate	USD	823,745
14 January 2022	Kayne Anderson Core Real Estate	USD	29,102
			852,847
Cash Refund			
25 March 2022	LaSalle Encore Fund A Euro	EUR	(3,992)
			(3,992)
TOTAL:			**848,854**

Date	Holding	Curr	Income (GBP)	Gains (GBP)
Cash Distribution				
14 January 2022	Kayne Anderson Core Real Estate	USD	6,557	
07 March 2022	Nuveen European Outlet Mall Fund	EUR	81,571	12,731
25 March 2022	CBRE Global Invest Pan European	EUR		33,880
25 March 2022	LaSalle Encore Fund A Euro	EUR	3,992	
31 March 2022	Cortland Growth and Income	USD		34,147
			92,121	**80,757**
TOTAL:			**92,121**	**80,757**

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TABLE 1

OXFORDSHIRE COUNTY COUNCIL PENSION FUND

Overall Valuation of the Fund as at 31 March 2022

Investment	COMBINED PORTFOLIO 31/12/2021	Brunel Pension Partnership Active Equities		Brunel Pension Partnership Passive Equities		Legal & General Fixed Interest		Brunel Pension Partnership Fixed Interest		Brunel Pension Partnership Property		Brunel Pension Partnership Other Investments		In House Other Investments		COMBINED PORTFOLIO 31/03/2022		
	Value £' 000	Value £' 000	% of Total Value	Value £' 000	% of Total Value	Value £' 000	% of Total Value	Value £' 000	% of Total Value	Value £' 000	% of Total Value	Value £' 000	% of Total Value	Value £' 000	% of Total Value	Value £' 000	% of Total Value	Target %
EQUITIES																		
UK Equities*	**527,072**	**486,075**	**39.7%**	**21,176**	**4.3%**	**0**	**0.0%**	**0**	**0.0%**	**0**	**0.0%**	**0**	**0.0%**	**0**	**0.0%**	**507,251**	**15.5%**	**15.0%**
Emerging Market Equities		85,802																
Global Equities		650,777																
Overseas Equities																		
TotalOverseas Equities	**1,296,273**	**736,579**	**60.2%**	**472,434**	**95.7%**	**0**	**0.0%**	**0**	**0.0%**	**0**	**0.0%**	**0**	**0.0%**	**0**	**0.0%**	**1,209,013**	**37.0%**	**36.0%**
BONDS																		
UK Gilts	32,411	0	0.0%	0	**0.0%**	28,051	21.9%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	28,051	0.9%	
Corporate Bonds	154,641	0	0.0%	0	**0.0%**	39,001	30.4%	106,727	23.8%	0	0.0%	0	0.0%	0	0.0%	145,728	4.5%	
Overseas Bonds	16,491	0	0.0%	0	**0.0%**	18,114	14.1%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	18,114	0.6%	
Index-Linked	257,789	0	0.0%	0	**0.0%**	40,281	31.4%	202,619	45.2%	0	0.0%	0	0.0%	0	0.0%	242,900	7.4%	
Multi Asset - Credit	143,140	0	0.0%	0	**0.0%**	0	0.0%	139,285	31.1%	0	0.0%	0	0.0%	0	0.0%	139,285	4.3%	
Total Bonds	**604,472**	**0**	**0%**	**0**	**0.0%**	**125,447**	**97.8%**	**448,631**	**100.0%**	**0**	**0.0%**	**0**	**0.0%**	**0**	**0.0%**	**574,078**	**17.6%**	**16.0%**
ALTERNATIVE INVESTMENTS																		
Property	217,578	0	0.0%	0	**0.0%**	0	0.0%	0	0.0%	177,457	90.0%	0	0.0%	25,017	4.5%	202,474	6.2%	8.0%
Private Equity	345,678	0	0.0%	0	**0.0%**	0	0.0%	0	0.0%	0	0.0%	69,473	31.0%	289,120	52.5%	358,593	11.0%	10.0%
Multi Asset - DGF	166,394	0	0.0%	0	**0.0%**	0	0.0%	0	0.0%	0	0.0%	0	0.0%	162,007	29.4%	162,007	5.0%	0.0%
Infrastructure	48,699	0	0.0%	0	**0.0%**	0	0.0%	0	0.0%	0	0.0%	42,333	18.9%	21,957	4.0%	64,290	2.0%	5.0%
Secured Income	93,579	0	0.0%	0	**0.0%**	0	0.0%	0	0.0%		0.0%	99,947	44.6%	0	0.0%	99,947	3.1%	5.0%
Private Debt	12,119	0	0.0%	0	**0.0%**	0	0.0%	0	0.0%	0	0.0%	12,204	0.0%	0	0.0%	12,204	0.4%	5.0%
Total Alternative Investments	**884,047**	**0**	**0.0%**	**0**	**0.0%**	**0**	**0.0%**	**0**	**0.0%**	**177,457**	**90.0%**	**223,957**	**100.0%**	**498,101**	**90.5%**	**899,515**	**27.6%**	**33.0%**
CASH	**72,106**	**995**	**0.1%**	**0**	**0.0%**	**2,790**	**2.2%**	**0**	**0.0%**	**19,686**	**10.0%**	**104**	**0.1%**	**52,482**	**9.5%**	**76,057**	**2.3%**	**0.0%**
TOTAL ASSETS	**3,383,970**	**1,223,649**	**100.0%**	**493,610**	**100.0%**	**128,237**	**100.0%**	**448,631**	**100.0%**	**197,143**	**100.0%**	**224,061**	**100.0%**	**550,583**	**100.0%**	**3,265,914**	**100.0%**	**100.0%**
% of total Fund		37.47%		15.11%		3.93%		13.74%		6.04%		6.86%		16.86%		100.00%		

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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 PP Fixed Interest**	**Brunel Pension Partnership Property**	**Brunel Pension Partnership Other Investments**	**In House Other Investments**
	£000	£000	£000	£000	£000	£000	£000
EQUITIES							
UK Equities	(18,391)	(1,430)	0	0	0	0	0
			0		0	0	0
Overseas Equities	(69,696)	(17,564)	0	0	0	0	0
	0	0	0	0	0	0	0
BONDS	0	0	0	0	0	0	0
	0	0	0	0	0	0	0
UK Gilts	0	0	(2,370)	0	0	0	0
Corporate Bonds	0	0	(3,632)	(6,808)	0	0	0
Overseas Bonds	0	0	(391)	0	0	0	0
Index-Linked Bonds	0	0	(2,803)	(13,592)	0	0	0
Multi Asset - Credit	0	0	0	(3,855)	0	0	0
	0	0	0	0	0	0	0
ALTERNATIVE INVESTMENTS	0	0	0	0	0	0	0
	0	0	0	0	0	0	0
Property	0	0	0	0	8,239	0	28
Private Equity	0	0	0	0	0	3,183	5,033
Multi Asset - DGF	0	0	0	0	0	0	(4,387)
Infrastructure	0	0	0	0	0	288	2,860
Secured Income	0	0	0	0	0	2,577	0
Private Debt	0	0	0	0	0	85	0
SUB TOTAL	(88,087)	(18,994)	(9,196)	(24,255)	8,239	6,133	3,534
CASH *	0	0	0	0	0	0	0
GRAND TOTAL	**(88,087)**	**(18,994)**	**(9,196)**	**(24,255)**	**8,239**	**6,133**	**3,534**

* 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 found in the Manag

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TABLE 3

OXFORDSHIRE COUNTY COUNCIL PENSION FUND

PERFORMANCE TO 31st MARCH 2022

COMBINED PORTFOLIO (BY FUND MANAGER)

FUND MANAGER	QUARTER ENDED 31st MARCH 2022 RETURN %	12 MONTHS ENDED 31st March 2022 RETURN %	THREE YEARS ENDED 31st March 2022 RETURN %	FIVE YEARS ENDED 31st March 2022 RETURN %	TEN YEARS ENDED 31st March 2022 RETURN %
BRUNEL - UK EQUITIES	-3.6	8.5	3.5		
BENCHMARK	1.2	13.8	5.0		
VARIATION	**-4.8**	**-5.3**	**-1.5**		
BRUNEL - GLOBAL HIGH ALPHA EQUITIES	-8.0	8.7			
BENCHMARK	-2.3	15.9			
VARIATION	**-5.7**	**-7.2**			
BRUNEL - EMERGING MARKET EQUITIES	-7.1	-11.5			
BENCHMARK	-4.3	-6.8			
VARIATION	**-2.8**	**-4.7**			
BRUNEL - GLOBAL SUSTAINABLE EQUITIES	-9.8	8.2			
BENCHMARK	-2.5	12.9			
VARIATION	**-7.3**	**-4.7**			
BRUNEL - PASSIVE DEV. EQUITIES PARIS ALIGNED	-3.7				
BENCHMARK	-3.7				
VARIATION	**0.0**				
L&G FIXED INCOME	-6.5	-1.6	2.3	2.5	4.8
BENCHMARK	-6.0	-1.6	1.4	1.9	4.5
VARIATION	**-0.5**	**0.0**	**0.9**	**0.6**	**0.3**
BRUNEL - STERLING CORPORATE BONDS	-6.0				
BENCHMARK	-6.2				
VARIATION	**0.2**				
BRUNEL - MULTI-ASSET CREDIT	-2.7				
BENCHMARK	1.1				
VARIATION	**-3.8**				
BRUNEL - PASSIVE INDEX-LINKED GILTS	-6.3				
BENCHMARK	-6.4				
VARIATION	**0.1**				
IN-HOUSE PROPERTY	-0.3	17.8	5.5	6.9	7.6
BENCHMARK	5.6	23.1	8.1	7.8	8.2
VARIATION	**-5.9**	**-5.3**	**-2.6**	**-0.9**	**-0.6**
BRUNEL - UK PROPERTY	4.8	21.2			
BENCHMARK	5.6	23.1			
VARIATION	**-0.8**	**-1.9**			
BRUNEL - INTERNATIONAL PROPERTY	6.3	10.3			
BENCHMARK	5.4	17.9			
VARIATION	**0.9**	**-7.6**			
IN-HOUSE PRIVATE EQUITY	2.9	39.3	24.3	19.3	18.2
BENCHMARK	-2.5	15.5	14.9	9.8	11.6
VARIATION	**5.4**	**23.8**	**9.4**	**9.5**	**6.6**
BRUNEL - PRIVATE EQUITY CYCLE 1	4.6	46.5	19.1		
BENCHMARK	-2.5	12.9	13.9		
VARIATION	**7.1**	**33.6**	**5.2**		
BRUNEL - PRIVATE EQUITY CYCLE 2	6.9	24.0			
BENCHMARK	-2.5	12.9			
VARIATION	**9.4**	**11.1**			
IN-HOUSE INFRASTRUCTURE	9.2	26.5	13.8		
BENCHMARK	2.7	8.4	5.7		
VARIATION	**6.5**	**18.1**	**8.1**		
BRUNEL - INFRASTRUCTURE CYCLE 1	1.0	6.6	8.3		
BENCHMARK	1.7	7.0	3.1		
VARIATION	**-0.7**	**-0.4**	**5.2**		
BRUNEL - INFRASTRUCTURE CYCLE 2	-0.2	1.1			
BENCHMARK	1.7	7.0			
VARIATION	**-1.9**	**-5.9**			
INSIGHT DIVERSIFIED GROWTH FUND	-2.6	3.7	3.9	3.4	
BENCHMARK	1.2	4.3	4.3	4.3	
VARIATION	**-3.8**	**-0.6**	**-0.4**	**-0.9**	

TABLE 3

OXFORDSHIRE COUNTY COUNCIL PENSION FUND

PERFORMANCE TO 31st MARCH 2022

COMBINED PORTFOLIO (BY FUND MANAGER)

FUND MANAGER	QUARTER ENDED 31st MARCH 2022 RETURN %	12 MONTHS ENDED 31st March 2022 RETURN %	THREE YEARS ENDED 31st March 2022 RETURN %	FIVE YEARS ENDED 31st March 2022 RETURN %	TEN YEARS ENDED 31st March 2022 RETURN %
BRUNEL - SECURED INCOME CYCLE 1	3.0	11.9	5.2		
BENCHMARK	1.7	7.0	3.1		
VARIATION	**1.3**	**4.9**	**2.1**		
BRUNEL - SECURED INCOME CYCLE 2	4.2	14.1			
BENCHMARK	1.7	7.0			
VARIATION	**2.5**	**7.1**			
BRUNEL - PRIVATE DEBT CYCLE 2	0.7				
BENCHMARK	1.1				
VARIATION	**-0.4**				
IN-HOUSE CASH	0.1	0.2	0.4	0.5	0.4
BENCHMARK	0.1	0.2	0.4	0.5	0.4
VARIATION	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
TOTAL FUND	**-3.5**	**10.3**	**8.7**	**7.4**	**9.1**
BENCHMARK	**-1.2**	**10.7**	**8.5**	**6.9**	**8.9**
VARIATION	**-2.3**	**-0.4**	**0.2**	**0.5**	**0.2**

TABLE 4

OXFORDSHIRE COUNTY COUNCIL PENSION FUND

Top 20 Holdings as at 31 March 2022

	ASSET DESCRIPTION	MARKET VALUE £	TOTAL FUND %
	DIRECT HOLDINGS		
1	HG CAPITAL TRUST PLC	84,225,700	2.58
2	ABRDN PRIVATE EQUITY OPPORTUNITIES TRUST PLC	24,798,656	0.76
3	BMO PRIVATE EQUITY TRUST PLC	19,052,800	0.58
4	3I GROUP PLC COMMON STOCK GBP.738636	15,894,807	0.49
5	KKR + CO INC COMMON STOCK USD.01	9,768,120	0.30
6	ICG ENTERPRISE TRUST PLC	9,650,436	0.30
7	UNITED KINGDOM GILT BONDS REGS 01/26 0.125	3,947,945	0.12
8	UNITED KINGDOM I/L GILT BONDS REGS 03/62 0.375	2,563,036	0.08
9	US TREASURY N/B 05/31 1.625	2,402,591	0.07
10	UNITED KINGDOM I/L GILT BONDS REGS 11/55 1.25	2,340,267	0.07
11	UNITED KINGDOM I/L GILT BONDS REGS 03/68 0.125	2,292,534	0.07
12	UNITED KINGDOM I/L GILT BONDS REGS 11/47 0.75	2,097,358	0.06
13	UNITED KINGDOM I/L GILT BONDS REGS 11/37 1.125	2,001,903	0.06
14	UNITED KINGDOM I/L GILT BONDS REGS 11/36 0.125	1,983,847	0.06
15	UNITED KINGDOM I/L GILT BONDS REGS 11/42 0.625	1,980,964	0.06
16	UNITED KINGDOM I/L GILT BONDS REGS 03/40 0.625	1,969,025	0.06
17	UNITED KINGDOM I/L GILT BONDS REGS 03/44 0.125	1,944,309	0.06
18	UNITED KINGDOM GILT BONDS REGS 10/30 0.375	1,879,457	0.06
19	UNITED KINGDOM I/L GILT BONDS REGS 03/34 0.75	1,815,730	0.06
20	UNITED KINGDOM I/L GILT BONDS REGS 03/52 0.25	1,793,662	0.05
	TOP 20 HOLDINGS MARKET VALUE *	**194,403,146**	5.95
	* Excludes investments held within Pooled Funds		
	POOLED FUNDS AS AT 31 MARCH 2022		
1	GPFP FTSE PA DEV EQ IDX FD	493,609,686	15.11
2	FP BRUNEL UK EQUITY FUND A ACC MUTUAL FUND	486,074,869	14.88
3	FP BRUNEL HG ALP GLB EQUITY FD MUTUAL FUND	334,814,543	10.25
4	FP BRUNEL GBL SUSTAINABLE MUTUAL FUND	315,962,938	9.67
5	BLACKROCK LIFE LTD AQUILA LIFE OVER 5 YEARS UK IL GILT INDEX FUND	202,619,027	6.20
	TOTAL POOLED FUNDS MARKET VALUE	**1,833,081,063**	56.11
	TOTAL FUND MARKET VALUE	**3,265,914,000**	

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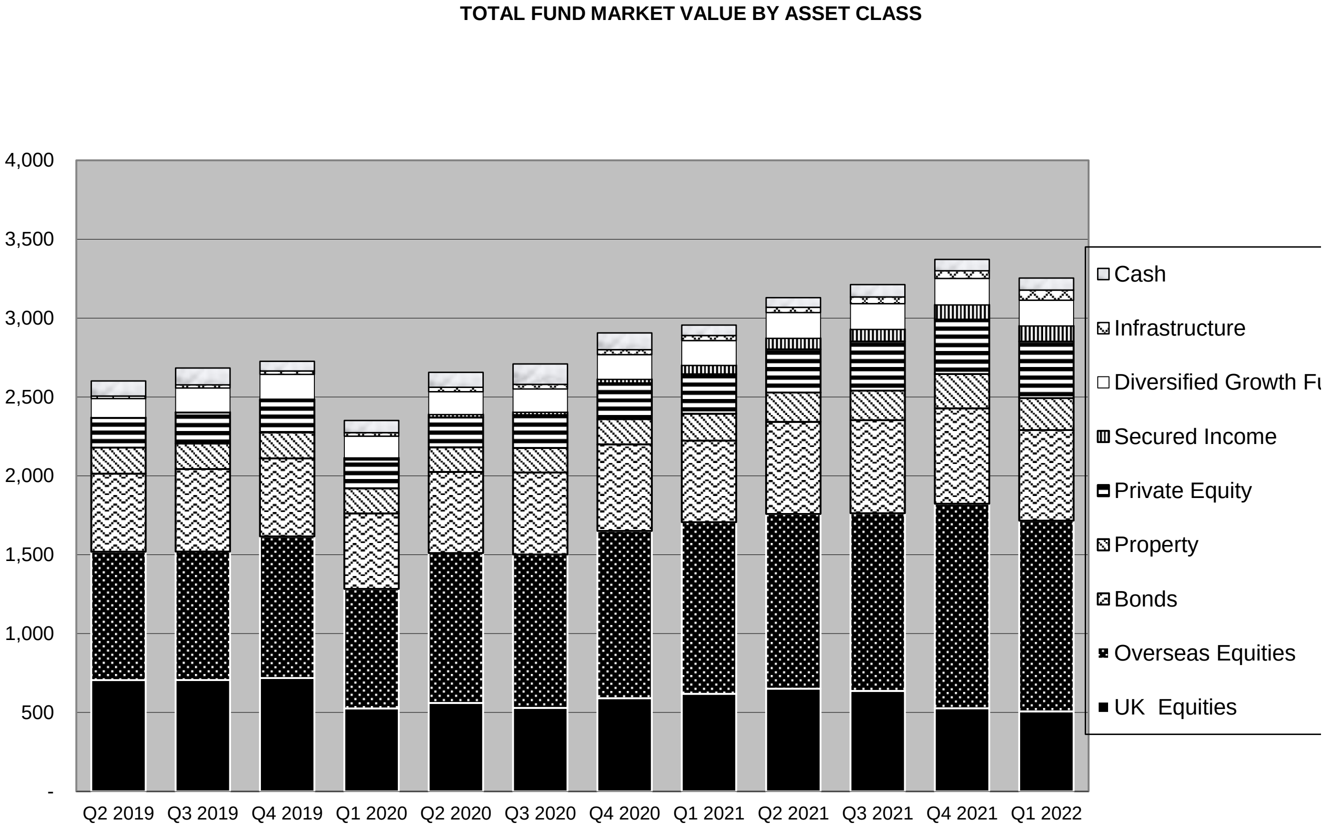
GRAPH 1

OXFORDSHIRE COUNTY COUNCIL PENSION FUND

MARKET VALUE OF TOTAL FUND



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By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Agenda Item 15

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By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Agenda Item 16

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