



Brunel Portfolios Performance Report for Quarter Ending 30 June 2020

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We are delighted to confirm that Brunel Pension Partnership has been awarded **Environmental Finance's Pension Fund of the Year** award. This is in recognition of the successful efforts of the partnership to take strong and effective leadership on responsible investment. The award caps off a year of responsible investment milestones for the partnership, during which it has put into practice the policies and ambitions of more than 300 client stakeholders on a range of sustainability themes. Drawing on their guidance, Brunel has engaged with over 130 asset manager, and reviewed over 530 investment strategies, ensuring that the pension funds are allocated in accordance with partnership priorities.

The policies that were laid out in detail in the partnership's climate policy, published in January 2020, received widespread recognition for the level of ambition shown by you, our clients, in addressing climate risk. This policy is already delivering real-world impact, as Brunel uses it to challenge the asset management industry "to build a financial system which is fit for a carbon-zero future".

Implementing those ambitions is key. On this front, the Responsible Investment and Stewardship Outcomes report showed that all of Brunel's active portfolios now have a carbon intensity at least 7% lower than their respective benchmarks, and that we are meeting our portfolio targets for gender diversity.

Laura Chappell, CEO of Brunel, said: *"Our clients have high ambitions for strong returns by investing in a world worth living in, and the Brunel Pension Partnership is proving it can help deliver those goals. This outcomes report reflects on a critical year that has seen successful outcomes in a wide range of sustainability themes from climate change to cost transparency. Partnership remains key to our success, and many of the achievements disclosed in our first report came from working with our clients and asset managers on environmental, social and governance issues. As the COVID-19 crisis has shown, managing these risks is crucial to protect the future interests of our Clients and their beneficiaries."*

In other activities:

- The passing of Barclays' climate resolution commits it to align all of its financing activities with the Paris Agreement. Almost 100% voted in favour, demonstrating clear shareholder backing for its ambition to become a net zero bank by 2050. This resolution came about as a direct result of intensive shareholder engagement over the past year, including the first ever shareholder climate resolution at a major European bank, which Brunel Pension Partnership co-filed in December.
- We have partnered with StepStone to develop a discretionary infrastructure vehicle dedicated to our clients and to your strategies and values. We look forward to now launching the Cycle 2 Brunel Infrastructure Portfolio and to a long and productive relationship with StepStone.

Finally, the 18th to 24th May was Mental Health Awareness Week, which has never felt more important. As the world continues to grapple with the new challenges around COVID-19 and lockdown, we must also continue to invest in the people around us by promoting mental wellbeing. Advocating for mental health awareness is something we are proudly passionate about at Brunel. We firmly believe in the importance of investing in our staff, and that means taking care of their overall wellbeing – both professionally and personally.

Looking to the future, we will be faced with continuing challenges to adapt to a post-pandemic world, recognising that one size won't fit all and working flexibly to support our staff and our clients during this transition. Now, more than ever, mental health is something we all must work together to remain vigilant on.

Executive Summary

Performance of Pension Fund

The Fund delivered absolute performance of 11.28% over the quarter in GBP terms. This was marginally ahead of the benchmark return of 10.80%. Total fund return for the year to June was 0.91%, which was ahead of the benchmark return of 0.2%.

Key points from last quarter:

- 11.28% Absolute Net Performance Q2
- 0.48% Relative Net Performance vs Benchmark Q2
- 0.91% Absolute Net Performance 1Y
- 0.71% Relative Net Performance vs Benchmark 1Y

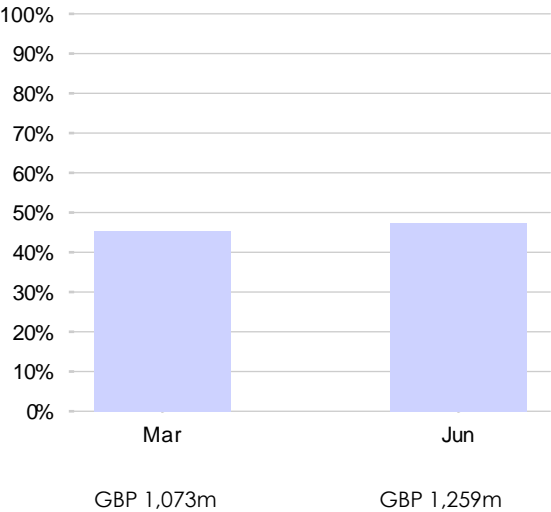
Fund Specific Events

- £120m transitioned to Low Carbon Equities, £24m from Passive UK and £96m from Passive World Developed Equities.

Total Fund Valuation

	Total (GBPm)
31 Mar 2020	2,367
30 Jun 2020	2,656
Net cash inflow (outflow)	21

Assets Transitioned to Brunel



Market Summary – Listed Markets

Equity markets recuperated following the most significant sell off witnessed since the global financial crisis of 2007/8. Equity markets across the globe posted double-digit returns, taking investors by surprise given the ongoing economic stagnation caused from COVID-19. Many market participants continue to remain sceptical of the decoupling between company earnings and prices, as evidenced by the S&P500 increasing in GBP terms by +2.9% YTD despite 12-month forward earnings collapsing by almost -20% over the same period.

Oil prices showed increased turbulence during April, with West Texas Intermediate (WTI) – a proxy for both US and international prices – falling to -\$40 a barrel for some near-expiry contracts in the futures market. The evaporation of demand caused by the coronavirus led to a global lack of availability in storage capacity. Prices recovered by the end of the quarter, with WTI pricing at +\$39 a barrel by quarter end, a return of over +90% since the end of Q1 2020.

UK Equities

- UK Equities had a strong quarter. The FTSE All share – a proxy for the UK equity market - returned roughly 10% in GBP. This was the best quarter observed since 2013 yet it still significantly lagged its global peers, like the United States, by over 10%.
- Basic Materials was the stand-out performing sector over the quarter, appreciating by 27%. Large benchmark names such as Glencore rose by 38%, clearly benefitting from the strong recovery in commodity prices. Industrials also had a strong quarter, rising by 19%.
- Oil & Gas continued to struggle as a sector, falling by -7.7% over the quarter. Significant gains from smaller companies in this sector were offset by losses at oil giants like BP. The company slashed \$17.5bn off the value of its oil and gas assets after taking a pessimistic view on longer term oil prices in mid-June. BP's share price fell approximately 8% over the quarter.

S&P500 – Price and Earnings Decouple

Source: FactSet



Market Summary – Listed Markets

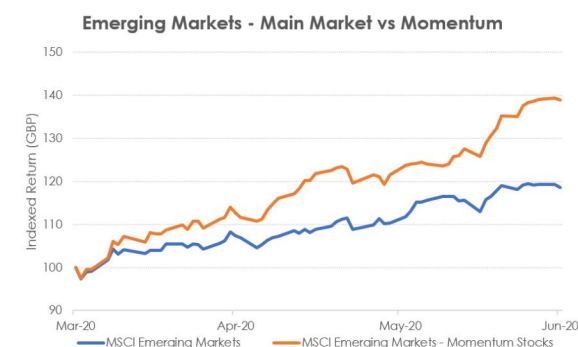
Global Developed Equities

- Global Developed equities, proxied by MSCI World, increased by 20% in GBP terms over the quarter, which is the strongest quarterly performance seen since the aftermath of the global financial crisis in 2009. The United States was one of the standout performers over this period, appreciating by 22%.
- Hong Kong equities continued to struggle following Beijing's sweeping new security law, which continues to threaten the autonomy of the territory. The quarterly return from Hong Kong equities within MSCI World was 9.6%, the second lowest out of all countries in the index.
- Technology stocks continued to impress on the quarter, with the sector appreciating by 32% in GBP terms. Large constituents such as Apple and Microsoft were up 44% & 30% respectively. Defensive sectors such as Utilities and Consumer Discretionary significantly lagged the broader benchmark return, increasing approximately by 7% and 9% respectively.

Emerging Markets

- Emerging markets enjoyed a strong rebound in Q2 2020, the MSCI Emerging markets index rose by almost 19% in GBP terms. Performance dispersion at country level lingered on from last quarter, with country returns ranging from +44% to +7%. Argentina was the strongest performer, rising +44%. South Africa also rebounded by approximately 28% following a 36% fall last quarter. China - the largest country constituent – managed to keep pace with most countries in the index, returning almost 16% over the quarter. China remains the standout performer on a year to date basis, ending the quarter around 11% up for the year.
- Health Care was the strongest sector over the last quarter, rising approximately 38% in GBP terms, making it by far the best performing sector year to date. Financials continued to struggle relative to other sectors following a 26% decline in Q1 2020; total return in Q2 2020 was approximately 8% in GBP terms, significantly behind the broader benchmark return of almost 19%.
- High momentum stocks in emerging markets were well rewarded in Q2 2020. The rebound in prices observed in Q2 2020 was most significant in the stocks that performed best in Q1 2020. The top 20% of performers in Q1 2020 outperformed the benchmark by over 8% in Q2 2020. The bottom 20% of performers also outperformed the benchmark, but by a much lower margin of approximately 4.5%.

Emerging Markets – Main Market vs Momentum Source: FactSet



Market Summary – Head of Private Markets

Overview

During the second quarter of 2020, the global recession deepened, countries were locked down, but also many parts of the world re-emerged from lockdown. Barring a potential second wave of Covid19, the worst economic impact has taken place, but property, infrastructure and private equity portfolios will continue to reflect the consequences of the first half of the year in their performance for Q3, year-end and even into 2021.

Infrastructure

Following a pandemic-driven hit to many infrastructure sectors, namely transport and energy, the true effect of Covid19 is now starting to be reflected in funds' performance across managers globally. Virtually no company globally anticipated the extent to which Covid19 would disrupt markets and societal behaviour, as many assets that proved resilient in previous troughs have behaved differently in the face of government-enforced social distancing measures. Managers who were thinking more strategically, with a long-term sustainable focus in their funds, will be the ones that survive.

Much can be learnt about the robustness of supply chains bearing in mind climate change risks and a potential future virus outbreak. Brunel's strategy of focusing on the sustainability of its selected funds has proven more valuable than ever. Considering ESG in a portfolio is not only about protecting clients from environmentally harmful assets or encouraging better social and governance practices, but it is the key to stable, robust and long-term strong performance. The Brunel portfolio is heavily invested in renewable energy funds with long-term contracted revenues. It has no exposure to fossil fuels and has a small exposure to transport assets. The Cycle 1 StepStone vehicle deployment has been carefully managed, to avoid exposure to pre-Covid19 pricing assets which are anticipated to underperform and we are monitoring the activity of managers closely across sectors, sharing the lessons learnt from this market turmoil and the mitigating actions they are putting in place to ensure the future resilience of their portfolios.

Photo by Dina Lydia on Unsplash



Market Summary – Head of Private Markets

Private Equity

The private equity market continued to be affected by Covid-19. The public market had a remarkable quick recovery but the economic was sluggish with different countries experiencing varying degrees of success in reopening the economy while keeping the virus under control.

The disparity caused mixed views among GPs. Some GPs were cautious while others were active, seeing this as a window of opportunity to acquire good assets. It was reported that top 10 GPs by deal activities had deployed \$40bn between March and June this year. The deal value from these GPs represented more than 1/3 of the total deal value made by all PE firms in the last quarter of 2019. Hence, the large GPs such as KKR, Bain, Hellman & Friedman, etc had been very active since Covid-19, compared to others. It pointed to a shift in sentiment from the large GPs, which focused on portfolio management during the early part of the pandemic but starting to invest in deals again.

Property

The lockdown measures in March led to a sharp decline in UK commercial property investment. 2Q 2020 was the weakest quarterly investment figure ever recorded, at around £3bn (1Q's transaction value: £15.4bn). Physical inspections have now resumed and £2.5bn worth of transactions are in the pipeline, though overseas investors represent a smaller proportion of investment activity (35%) in the UK market this year. Most UK balanced funds still carry a Material Uncertainty Clause for their 2Q valuation until there is more transactional evidence. With UK total returns over the next four years forecast to be around 3% - 3.8% (annualised) the sector retains its attractions (vs a 0.2% 10-year gilt yield). Investors, driven by minimal global bond yields, continue to search for low-risk, asset-backed long-income streams within commercial and residential property.

Photo by Mihály Köles on Unsplash



Responsible Investment & Stewardship Review

Walking the talk

We were delighted to publish our [2020 Responsible Investment and Stewardship Outcomes Report](#) at the beginning of June. The report, which evidences of policy commitments on ESG risk integration, engagement and stewardship activities, is one of the first reports to explicitly seek to meet the requirements of the new Financial Reporting Standards – Stewardship Code 2020 as well as the EU Shareholder Rights Directive. Policy makers globally are ramping up the expectations on disclosure but we are well placed to not only meet them but deliver best practice.

Climate Governance - Barclays Shareholder Resolution

In December Brunel co-filed a shareholder resolution at Barclays, the first climate change resolution to ever be filed at a European bank. Since filing Brunel, alongside ShareAction the lead filer, engaged with Barclays and other shareholders. The positive pressure of shareholders led to a significant step by the bank, who in April, put forward a proposed “ambition to become net zero by 2050”. While Barclays’ own resolution set out an overarching 2050-ambition encompassing all financing across all sectors, the shareholder resolution ensures a greater focus on short- and medium-term actions needed in order to achieve that long-term goal. Both proposals were put to vote at the May annual general meeting, Barclays proposal passed, but we were pleased to see that votes for the shareholder resolution (23.95%) exceeded the 20% threshold that requires the bank to consult with shareholders and explain the views received and actions taken publicly within six months. We will continue to engage constructively to ensure that Barclays delivers on its commitments and takes real action to align its financing with the needs of the low carbon transition.

#TALKABOUTBLACK

In May the world witnessed an outpouring of emotions in response to the death of George Floyd in America and the subsequent protests globally. This shone a spotlight on the racial inequality which persists today. #TALKABOUTBLACK, a workstream of the Diversity project looks to address the under-representation of black talent by developing a sustainable pipeline of black leaders in the asset management industry. The workstream launched the #IAM campaign to get the industry talking about this important topic. Stewardship Manager, Helen Price, shared her personal thoughts in a blog: [#IAM](#) [#TALKABOUTBLACK](#). Brunel will continue to engage on this throughout the year. Within the investment industry representation and engagement is woefully lacking and engagement has not been to the same ferocity as other aspects of diversity. Although Brunel includes ethnic diversity in its Stewardship policy, we will be reviewing what further steps we can take and continuing to engage on this issue.

Barclays UK HQ

source: https://commons.wikimedia.org/wiki/File:Barclays_CW.jpg



#TALKABOUTBLACK

Source: Diversity Project



Responsible Investment & Stewardship Review

Human Capital – tackling mental health and modern day slavery

We joined two engagement initiatives within our theme of Human Capital – workplace mental health and modern day slavery. Along with other investors, representing £2.2 trillion, we co-signed letters to the CEO's of all FTSE 100 companies asking that formal mental health workplans are established during the period of disruption brought about by the Covid crisis. Before the pandemic mental health was costing UK businesses between £33 billion and £42 billion every year^[1] as well as having devastating social consequences. The Covid crisis will undoubtedly escalate both the financial and social costs of poor mental health.

We joined a modern day slavery engagement programme called Find it, Fix it, Prevent it alongside investors representing £3.5 trillion. The programme, which is backed by the Principles for Responsible Investment and supported by NGO's and academics, undertakes engagement with an aim to:

1. Push for better public policy to facilitate effective corporate action of modern slavery;
2. Promote better policies and processes for addressing slavery across supply chains; and
3. Develop better data for investors to act on modern day slavery

[1] Stevenson/Farmer (2017), Thriving at Work, The Stevenson / Farmer review of mental health and employers

Climate transparency – Brunel's Carbon Metrics

Our [Carbon Metrics Report](#) details a number of key carbon metrics for each Brunel Portfolios as well as a Brunel Aggregate Portfolio. The Brunel Aggregate Portfolio consists of the underlying Brunel Portfolios weighted by assets under management as of 31 December 2019. The Partnership's work on climate change was a strong contributing element of our winning **Environmental Finance Sustainable Investment Awards – Pension Fund of the Year**.

Looking at the Weighted Average Carbon Intensity (WACI), the Brunel Aggregate Portfolio is less carbon intensive than its custom benchmark, with a relative efficiency of 15.4%. All of the Brunel Active Portfolios have a lower carbon intensity than their respective benchmarks, many substantially lower. All achieved at least 7% below their respective benchmarks. The report also shows that Companies within the Brunel Aggregate Portfolio that fully disclose their carbon data is 56% as a carbon weighted measure – and 64% on an investment weighted basis. Disclosure continues to be a key focus area of our engagement programme.

See the graphs below for more portfolio by portfolio details. We will continue to develop our Carbon Metrics reporting.

Human Capital

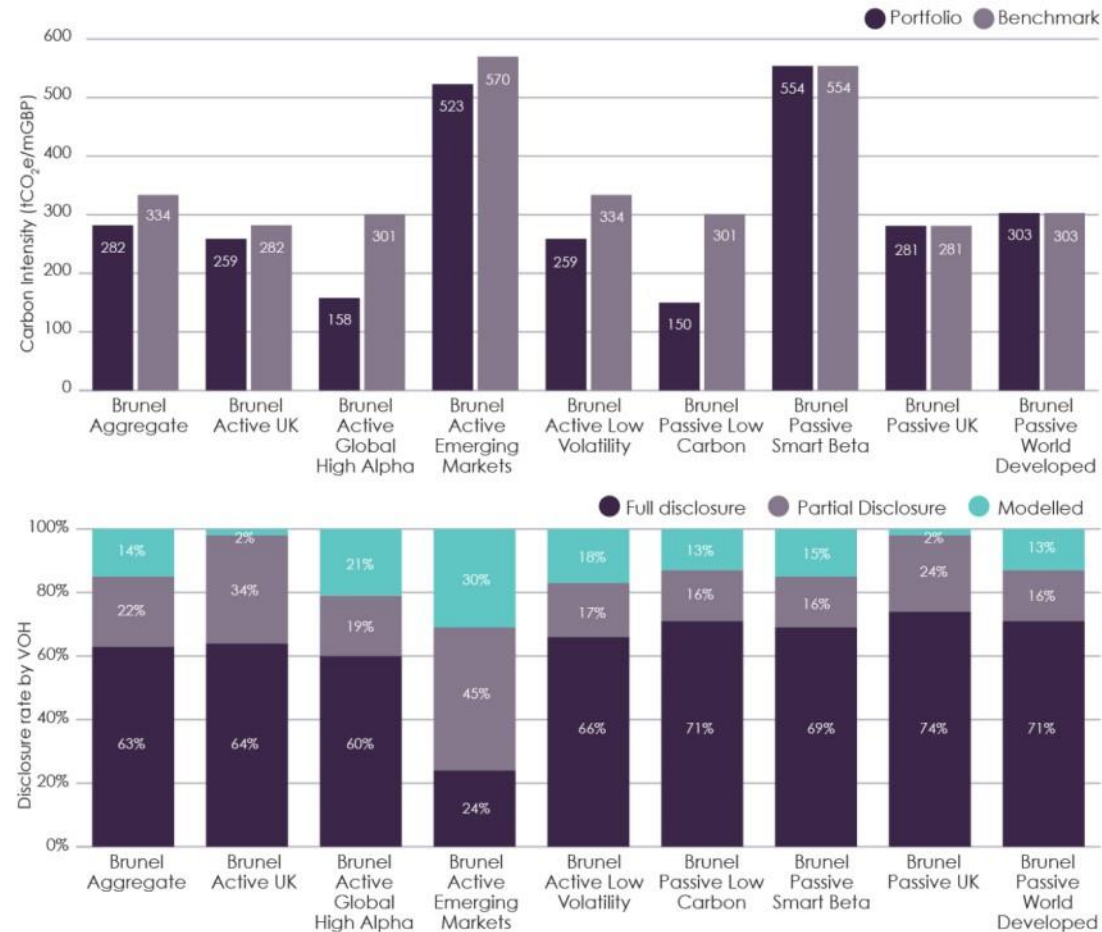


Environmental Finance Award Winner



Responsible Investment & Stewardship Review

WACI and Disclosure Rates for the Brunel Aggregate and Brunel Sub-Portfolios



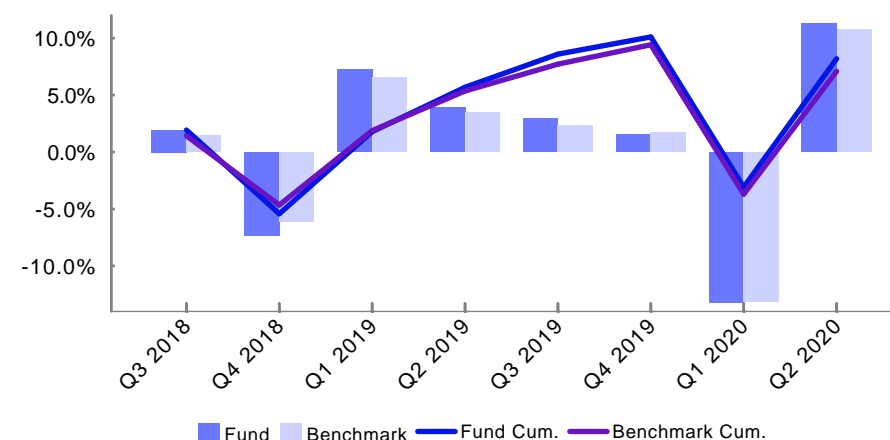
Bar totals may not sum to 100% due to rounding.

High Level Performance of Pension Fund

Performance of Fund Against Benchmark

Ann. Performance	Fund	Strategic BM	Excess
3 Month	11.28%	10.80%	0.48%
Fiscal YTD	11.28%	10.80%	0.48%
1 Year	0.91%	0.20%	0.71%
3 Years	4.81%	3.94%	0.87%
5 Years	7.74%	7.02%	0.72%
10 Years	9.08%	8.73%	0.35%
Since Inception	7.30%	7.51%	-0.21%

Rolling Quarters Total Fund Net of Mgr. Fees

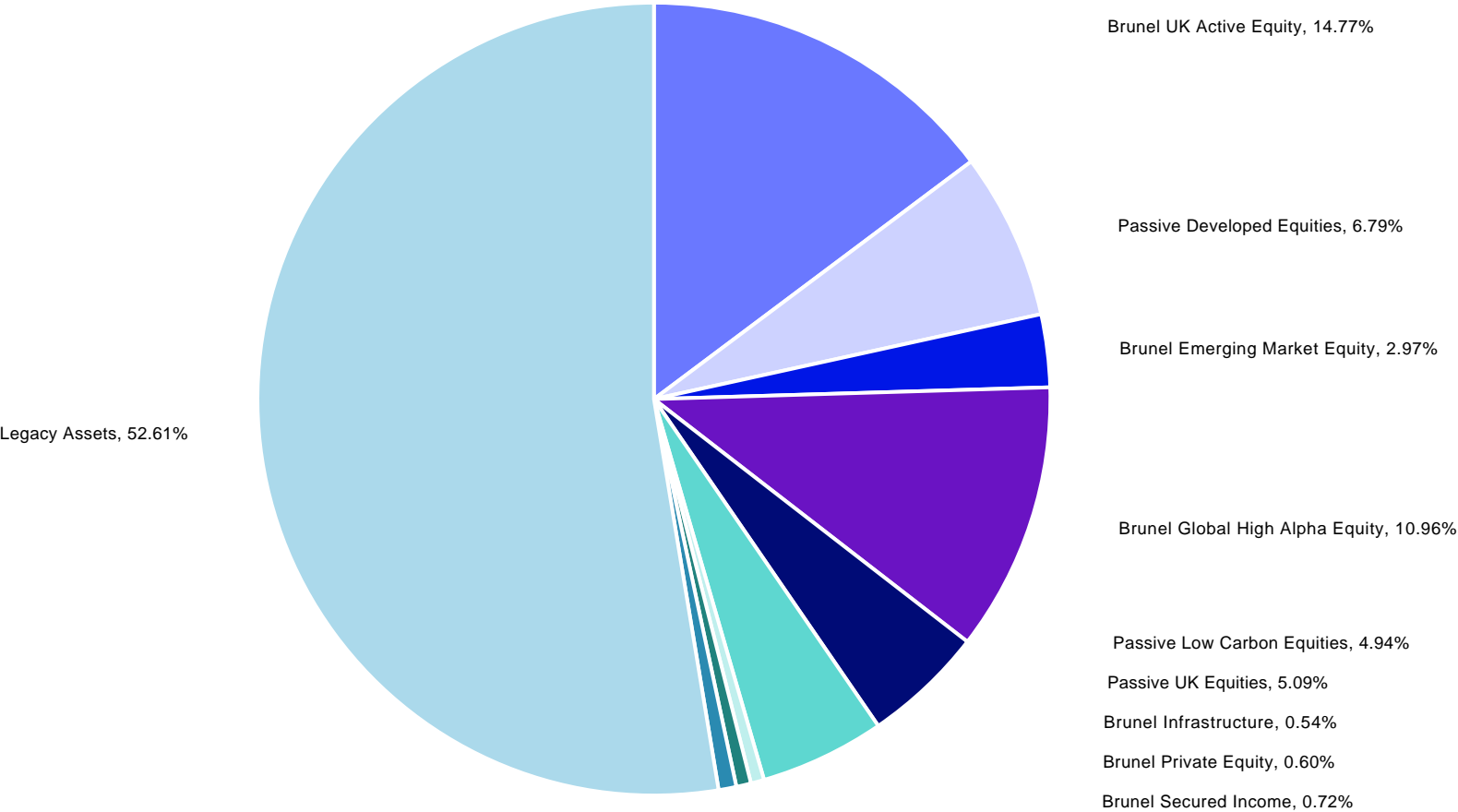


Key Drivers of Performance

Over the second quarter of 2020, the Fund delivered a positive absolute returns slightly ahead of its strategic benchmark. Highlights during the period were:

- All three actively managed Brunel equity portfolios exceeded their benchmarks in the quarter.
- All passive mandates were broadly in line with benchmark.
- The key Brunel portfolio driver of performance in the quarter was Global High Alpha which returned 24.04%, beating the benchmark by more than 4%.

Asset Allocation Split



High Level Performance of Pension Fund – Risk Summary

Manager Level Performance (Transitioned) – Since Initial Investment

	Ann. Return	Benchm. Return
Brunel Emerging Market Equity	-1.55%	-0.55%
Brunel Global High Alpha Equity	11.04%	2.63%
Brunel UK Active Equity	-3.34%	-3.01%
Passive Developed Equities	7.57%	7.60%
Passive Low Carbon Equities	8.88%	8.97%
Passive UK Equities	-6.90%	-6.86%

Manager Level Performance (Pre-Transition) – 3 Year

	Ann. Return	Standard Deviation	Benchm. Return	Benchm. Std. Dev.
Baillie Gifford UK Equity	2.85%	8.11%	-1.63%	14.44%
Cash	0.56%	0.09%	0.68%	0.06%
Insight Diversified Growth	0.97%	7.35%	4.48%	0.12%
LGIM Fixed Income	6.12%	6.39%	6.00%	6.21%
Pooled Property	6.76%	6.76%	3.38%	2.97%
Private Equity	6.56%	7.54%	-0.86%	16.95%
UBS Global Equity	7.86%	16.61%	8.49%	13.40%
UBS Property	3.68%	2.48%	3.38%	2.97%
Wellington Global Equity	12.26%	12.10%	8.42%	13.40%
Oxfordshire County Council	4.81%	9.36%	3.94%	8.76%

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 Emerging Market Equity	MSCI EM TR Gross	79	18.77%	0.17%							-1.55%	-1.00%	13 Nov 2019
Brunel Global High Alpha Equity	MSCI World TR Gross	291	24.04%	4.08%							11.04%	8.41%	15 Nov 2019
Brunel UK Active Equity	FTSE All Share	392	11.67%	1.50%	-13.35%	-0.36%					-3.34%	-0.33%	21 Nov 2018
Passive Developed Equities	FTSE World Developed	180	19.83%	-0.02%	6.45%	-0.02%					7.57%	-0.03%	11 Jul 2018
Passive Low Carbon Equities	MSCI World Low Carbon	131									8.88%	-0.09%	15 May 2020
Passive UK Equities	FTSE All Share	135	10.22%	0.04%	-13.04%	-0.05%					-6.90%	-0.04%	11 Jul 2018

*Since Initial Investment

Performance based on tradeable NAV

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

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

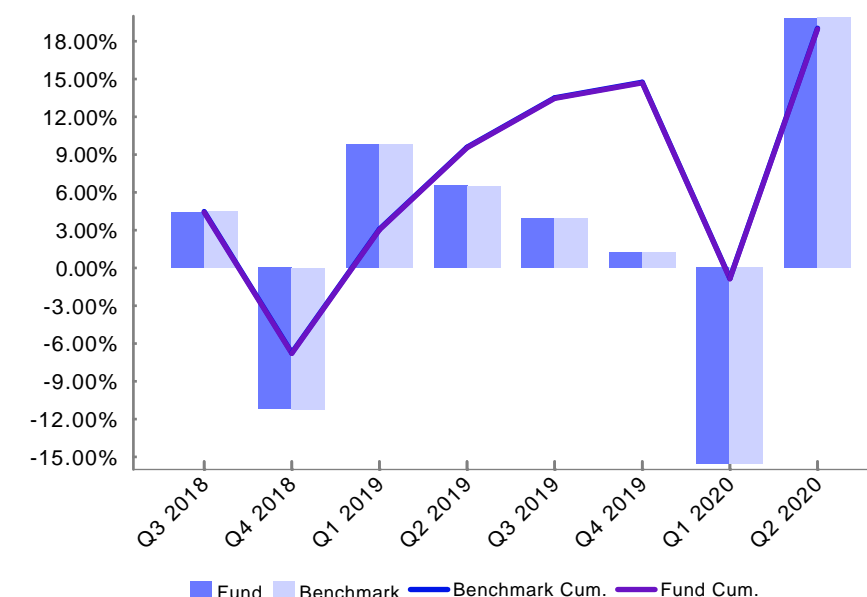
Passive Developed Equities

Overview

	Description	Ann. Performance	Fund	BM	Excess
Portfolio Objective:	Provide exposure to FTSE Developed World using a low cost highly liquid approach.	3 Month	19.83%	19.85%	-0.02%
Investment Strategy & Key Drivers:	Geographically diversified range of equities.	Fiscal YTD	19.83%	19.85%	-0.02%
Liquidity:	High	1 Year	6.45%	6.47%	-0.02%
Risk/Volatility:	High absolute risk with very low tracking error.	3 Years			
		5 Years			
		10 Years			
Total Fund Value:	£2,067,718,183	Since Inception	7.57%	7.60%	-0.03%

Performance to Quarter End

Rolling Performance*



* Partial returns shown in first quarter

Global equity markets rebounded strongly from Coronavirus in Q2 2020. Over the quarter the benchmark FTSE Developed World index returned 19.85%, and also exhibited positive performance for the 12 month period ending 30th of June 2020, up 6.47%. The Passive Developed Equities product closely replicated the performance of the benchmark.

- GBP depreciated in value against a variety of developed market currencies over the quarter, down 0.35% against the Dollar, down 2.65% against the Euro, and down 0.42% against the Japanese Yen. As a consequence, the GBP hedged product underperformed the unhedged product.

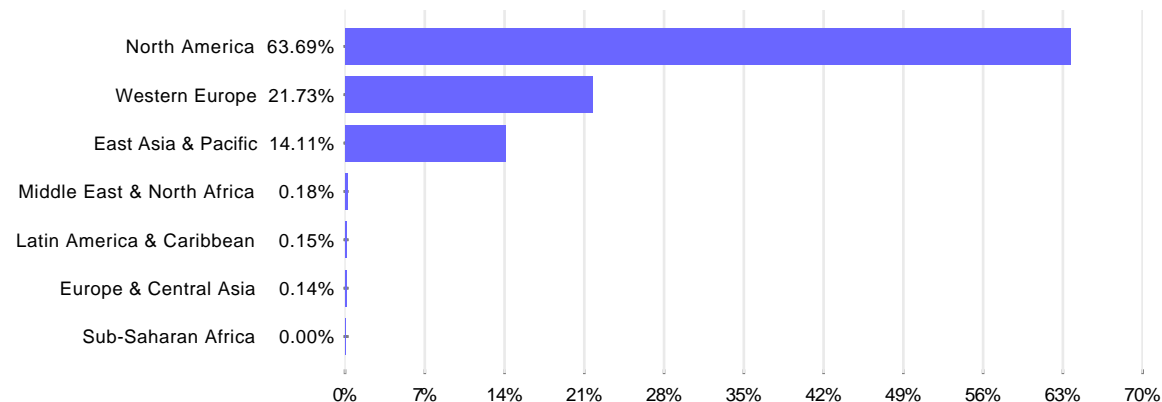
- All sectors delivered positive absolute performance over the quarter, driven mostly by Technology, which was both resilient in the Covid19 downturn and strong in the market rebound. Basic Materials and Oil and Gas were also strong over the quarter. Utilities was the weakest performing sector over this period.

Passive Developed Equities – Region & Sector Exposure

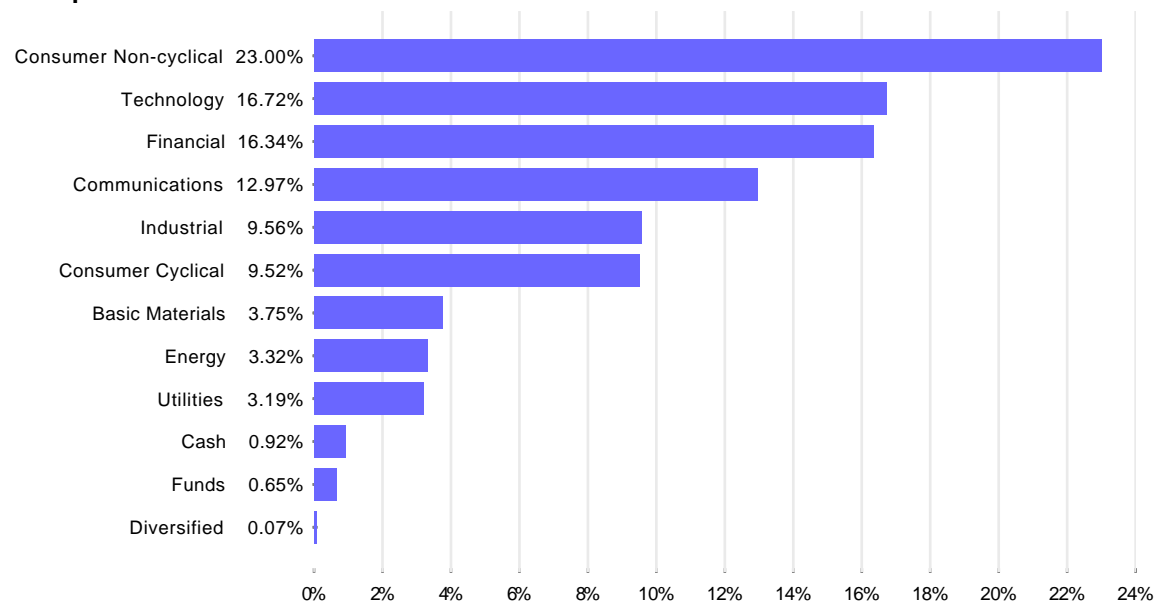
Top 20 Holdings

	Mkt. Val.(GBP)
MICROSOFT CORP	102,174,653
APPLE INC	100,012,644
AMAZON.COM INC	78,199,933
FACEBOOK INC-CLASS A	36,396,798
ALPHABET INC-CL A	28,387,337
ALPHABET INC-CL C	27,935,807
JOHNSON & JOHNSON	24,667,498
VISA INC-CLASS A SHARES	21,892,684
NESTLE SA-REG	20,851,049
PROCTER & GAMBLE CO/THE	19,505,489
JPMORGAN CHASE & CO	19,106,800
UNITEDHEALTH GROUP INC	18,596,092
HOME DEPOT INC	18,034,667
MASTERCARD INC - A	17,437,518
INTEL CORP	16,978,635
ROCHE HOLDING AG-GENUSSCHEIN	15,803,035
VERIZON COMMUNICATIONS INC	15,291,223
NVIDIA CORP	15,054,853
BERKSHIRE HATHAWAY INC-CL B	14,556,638
AT&T INC	14,426,468

Regional Exposure



Sector Exposure



Passive Developed Equities – Responsible Investment

Top 10 ESG Contributors to Overall Score

	Insight	Momentum
1. MICROSOFT CORP	59.9	34.9
2. SAP SE	72.9	64.4
3. NVIDIA CORP	66.7	68.9
4. NEXTERA ENERGY INC	73.4	29.9
5. ACCENTURE PLC	69.3	62.1
6. PROCTER & GAMBLE CO/THE	63.4	66.1
7. NESTLE SA	62.9	67.8
8. TOYOTA MOTOR CORP	66.4	50.1
9. SALESFORCE.COM INC	65.6	59.8
10. SCHNEIDER ELECTRIC SE	78.2	50.0

Bottom 10 ESG Detractors to Overall Score

	Insight	Momentum
1. APPLE INC	51.3	40.0
2. AMAZON.COM INC	49.9	26.7
3. FACEBOOK INC	43.9	30.9
4. ALPHABET INC	49.1	46.0
5. JOHNSON & JOHNSON	48.0	32.6
6. NETFLIX INC	43.1	42.9
7. JPMORGAN CHASE & CO	49.2	31.2
8. EXXON MOBIL CORP	48.5	60.0
9. AT&T INC	50.1	42.4
10. WALT DISNEY CO/THE	50.5	39.4

Weighted Average ESG Score	2020 Q1	2020 Q2
Portfolio	58.86	58.38
Passive Dev Equities	58.86	58.38

* Position 1 is the top contributor/detractor.



TruValue Labs & SASB

Brunel Assessment:

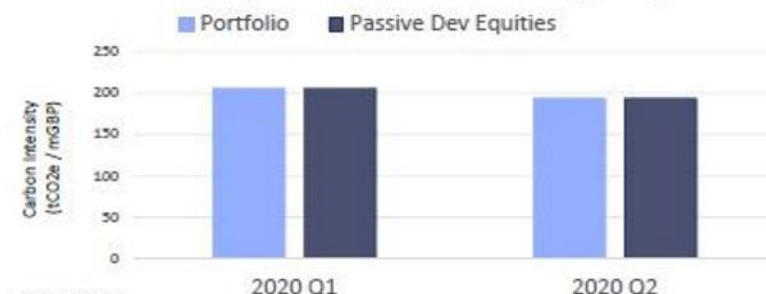
- Netflix (media and services) is facing lawsuits for deformation of character, there are also claims of employee poaching and trademark infringement. Disputes continue in South Korea over 'network usage fees' currently not paid by online content providers. Netflix shifted cash to banks supporting black lives and has taken a public stance against racism.
- JP Morgan Chase (Bank) saw a 40% fall in credit card expenditure due to COVID-19. The bank also came under fire due to its fossil fuel lending. 46.9% of shareholders voted 'FOR' a resolution requiring a plan to align its business with the goals of the Paris agreement. 41.7% also voted to split the role of chair and CEO.
- Amazon, along with Facebook, Alphabet and Apple will see their CEO's testify before a congressional panel investigating competition issues in the tech industry. The leaders will be questioned about business practices as the subcommittee builds a case for tougher antitrust enforcement of tech companies.

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

Some negative momentum a result of market volatility due to COVID-19.

The benchmark (and index tracking portfolio) saw a continued decrease in carbon intensity over the last quarter.

Weighted Average Carbon Intensity (WACI)



Source: Trucost

Extractive Exposure

	Total Extractive Exposure ¹		Extractive Industries (VOH) ²	
	Q1	Q2	Q1	Q2
Portfolio	2.92	3.28	8.68	8.19
Passive Dev EQ	2.92	3.28	8.68	8.19

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



Passive Low Carbon Equities

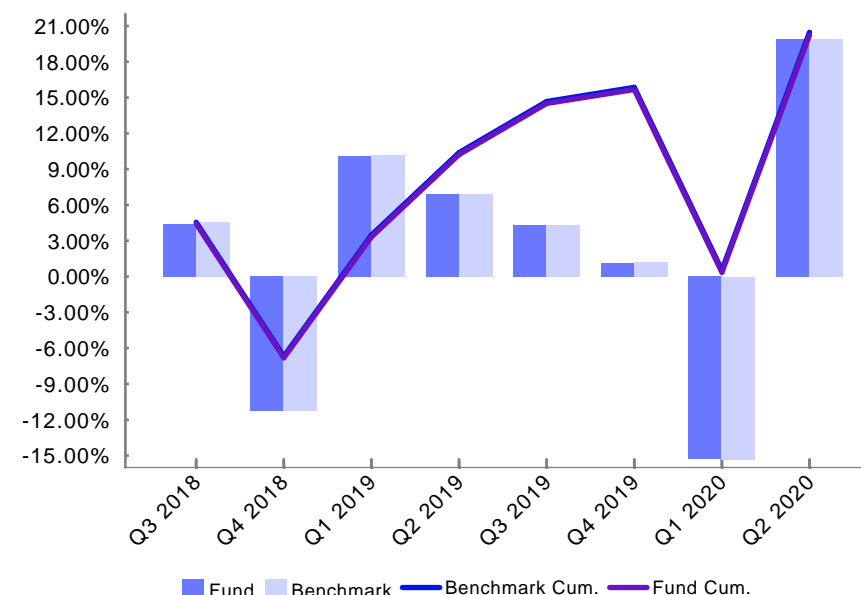
Overview

	Description
Portfolio Objective:	Provide exposure to equity returns and global economy with low exposure to carbon emissions and fossil fuels.
Investment Strategy & Key Drivers:	Portfolio is invested in global equities in accordance with Low Carbon index.
Liquidity:	High
Risk/Volatility:	High absolute risk with very low tracking error.
Total Fund Value:	£1,032,515,591

Performance to Quarter End

Ann. Performance	Fund	BM	Excess
3 Month	19.88%	19.94%	-0.06%
Fiscal YTD	19.88%	19.94%	-0.06%
1 Year	7.10%	7.17%	-0.07%
3 Years			
5 Years			
10 Years			
Since Inception	8.24%	8.36%	-0.12%

Rolling Performance*



* Partial returns shown in first quarter

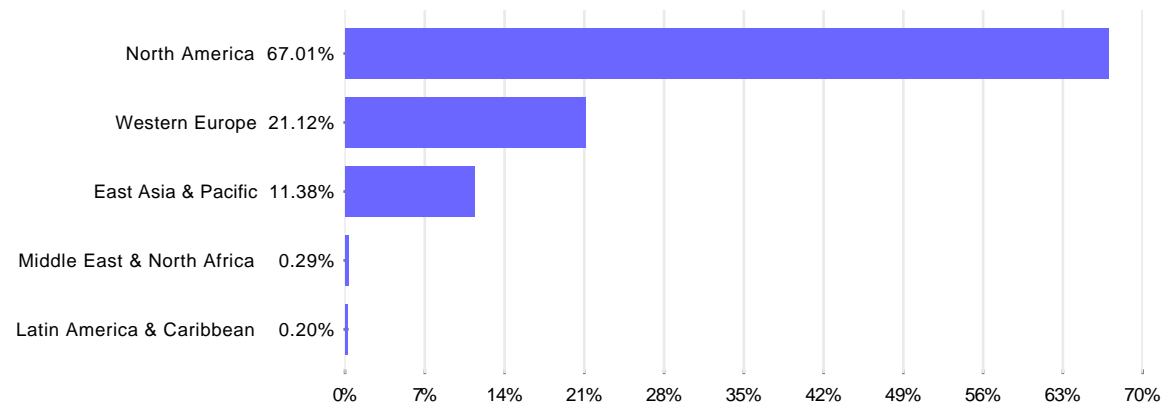
- The fund and index have both performed positively following negative performance in the first quarter of 2020 due to the impacts of the coronavirus.
- The Passive Low Carbon Equities fund has performed in line with the MSCI World Low Carbon Target Benchmark (19.88% vs 19.94%).
- All sectors have performed positively, with Information Technology, Consumer Discretionary and Healthcare the three main contributors to return. On a geographic basis, no countries have detracted significantly from performance over the period with almost all countries and regions performing strongly. The US is the largest contributor to performance, being both the largest constituent of the benchmark and returning 21.9% over the period.
- Fund performance since the start of 2020 is positive overall, and in line with benchmark (1.53% vs 1.56%).

Passive Low Carbon Equities – Region & Sector Exposure

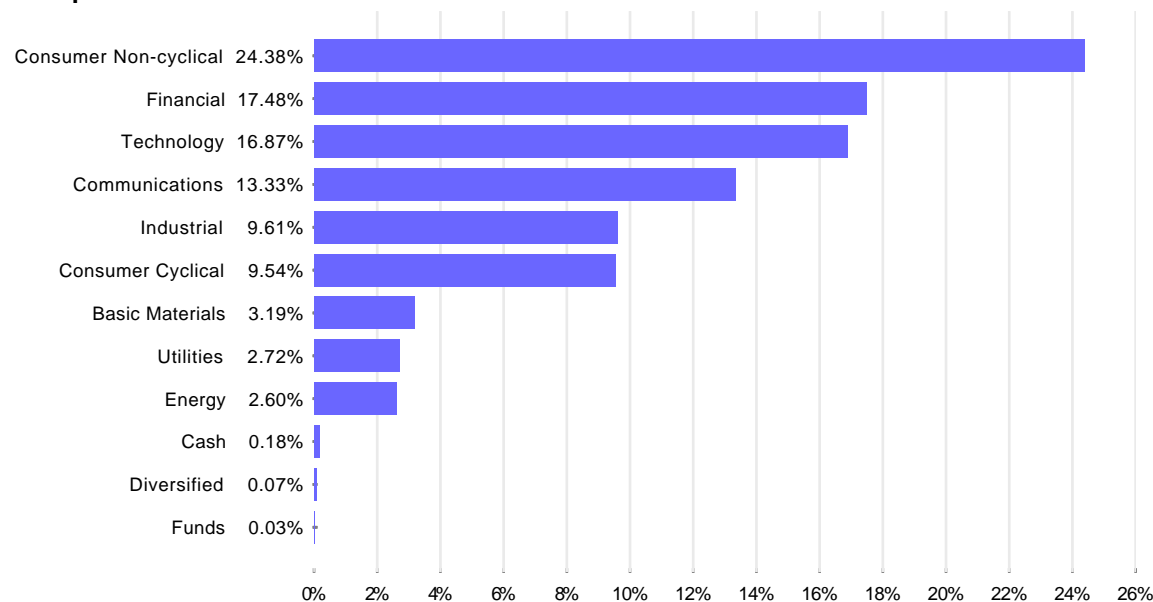
Top 20 Holdings

	Mkt. Val.(GBP)
APPLE INC	60,837,878
MICROSOFT CORP	56,168,207
AMAZON.COM INC	44,835,140
FACEBOOK INC-CLASS A	21,062,067
ALPHABET INC-CL C	17,351,386
ALPHABET INC-CL A	15,538,825
JOHNSON & JOHNSON	14,336,215
VISA INC-CLASS A SHARES	12,959,461
NESTLE SA-REG	12,726,495
PROCTER & GAMBLE CO/THE	11,639,487
JPMORGAN CHASE & CO	10,725,645
UNITEDHEALTH GROUP INC	10,514,969
HOME DEPOT INC	10,492,920
MASTERCARD INC - A	10,361,453
INTEL CORP	9,953,820
ROCHE HOLDING AG-GENUSSCHEIN	9,182,244
NVIDIA CORP	8,992,467
BERKSHIRE HATHAWAY INC-CL B	8,978,674
VERIZON COMMUNICATIONS INC	8,716,355
AT&T INC	8,575,938

Regional Exposure



Sector Exposure



Passive Low Carbon Equities – Responsible Investment

Top 10 ESG Contributors to Overall Score

	Insight	Momentum
1. MICROSOFT CORP	59.9	34.9
2. SAP SE	72.9	64.4
3. NVIDIA CORP	66.7	68.9
4. NEXTERA ENERGY INC	73.4	29.9
5. ACCENTURE PLC	69.3	62.1
6. PROCTER & GAMBLE CO/THE	63.4	66.1
7. NESTLE SA	62.9	67.8
8. SCHNEIDER ELECTRIC SE	78.2	50.0
9. SALESFORCE.COM INC	65.6	59.8
10. MASTERCARD INC	62.3	71.0

Bottom 10 ESG Detractors to Overall Score

	Insight	Momentum
1. APPLE INC	51.3	40.0
2. AMAZON.COM INC	49.9	26.7
3. FACEBOOK INC	43.9	30.9
4. ALPHABET INC	49.1	46.0
5. JOHNSON & JOHNSON	48.0	32.6
6. NETFLIX INC	43.1	42.9
7. JPMORGAN CHASE & CO	49.2	31.2
8. AT&T INC	50.1	42.4
9. KINDER MORGAN INC	34.5	26.7
10. NIKE INC	46.0	65.5

Weighted Average ESG Score	2020 Q1	2020 Q2
Portfolio	58.72	58.29
Passive Dev Equities	58.86	58.38

* Position 1 is the top contributor/detractor.



TruValue Labs & SASB

Brunel Assessment:

- Netflix (media and services) is facing lawsuits for deformation of character, there are also claims of employee poaching and trademark infringement. Disputes continue in South Korea over 'network usage fees' currently not paid by online content providers. Netflix shifted cash to banks supporting black lives and has taken a public stance against racism.
- JP Morgan Chase (Bank) saw a 40% fall in credit card expenditure due to COVID-19. The bank also came under fire due to its fossil fuel lending. 46.9% of shareholders voted 'FOR' a resolution requiring a plan to align its business with the goals of Paris Agreement. 41.7% also voted to split the role of chair and CEO.
- Amazon, along with Facebook, Alphabet and Apple CEO's will testify before a congressional panel investigating competition in the tech industry. Leaders will face questions from lawmakers about business practices, as the subcommittee seeks a case for antitrust enforcement of tech companies.

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

Some negative momentum a result of market volatility due to COVID-19.

The benchmark is MSCI Developed World (source index) so that the carbon reductions achieved by the application of carbon constraints to create the MSCI Developed World Low Carbon portfolio are easier to monitor.

Weighted Average Carbon Intensity (WACI)



Source: Trucost

Extractive Exposure

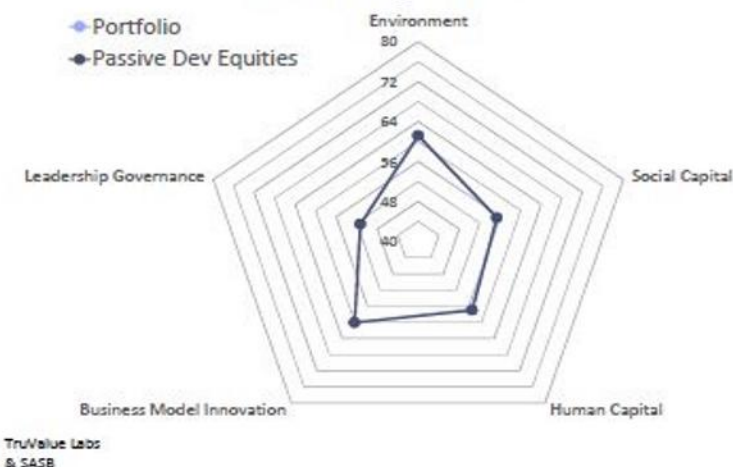
	Total Extractive Exposure ¹		Extractive Industries (VOH) ²	
	Q1	Q2	Q1	Q2
Portfolio	1.83	2.51	3.92	5.05
Passive Dev EQ	2.92	3.28	8.68	8.19

¹ Extractive revenue exposure as share (%) of total revenue.

² Value of holdings (VOH)-companies who derive revenues from extractives.

Source: Trucost

Absolute Weighted ESG Scores



TruValue Labs & SASB

Passive UK Equities

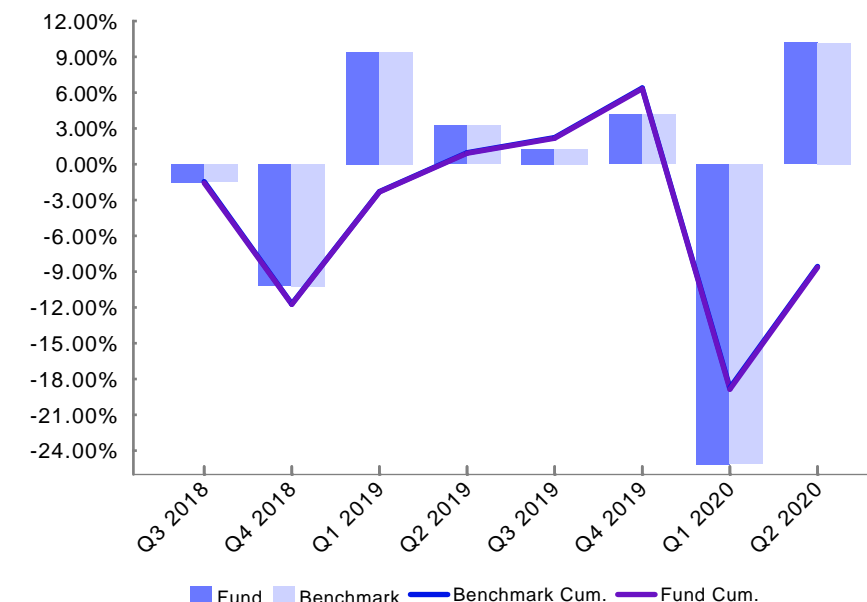
Overview

	Description
Portfolio Objective:	Provide exposure to FTSE All Share using a low cost highly liquid approach.
Investment Strategy & Key Drivers:	Invest passively in securities underlying the FTSE All Share. Provide long term growth
Liquidity:	High
Risk/Volatility:	High absolute risk with very low tracking error.
Total Fund Value:	£1,029,247,251

Performance to Quarter End

Ann. Performance	Fund	BM	Excess
3 Month	10.22%	10.17%	0.04%
Fiscal YTD	10.22%	10.17%	0.04%
1 Year	-13.04%	-12.99%	-0.05%
3 Years			
5 Years			
10 Years			
Since Inception	-6.90%	-6.86%	-0.05%

Rolling Performance*



* Partial returns shown in first quarter

The UK stock market performed positively in Q2 2020, though less well than the US market and some of its European counterparts. The benchmark FTSE All Share Index returned 10.17% over the period. The Brunel UK passive product performed in line with the benchmark, returning 10.22%

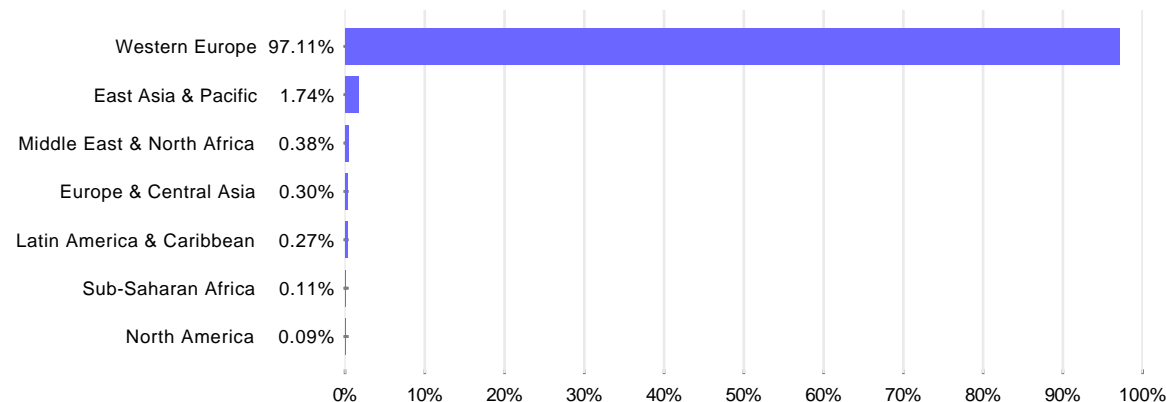
- Many sectors delivered positive performance in absolute terms over the quarter. Basic Materials and Industrials were the best performers through the coronavirus rebound.
- The oil and gas sector was the weakest of all sectors of the UK stock market over this period. This was the only negatively performing sector in absolute terms, and demonstrated a continuation of the poor performance seen in the prior two quarters, which has caused the weight of the Oil and Gas sector within the index to fall to 8.42%, down from 14.26% a year ago.

Passive UK Equities – Region & Sector Exposure

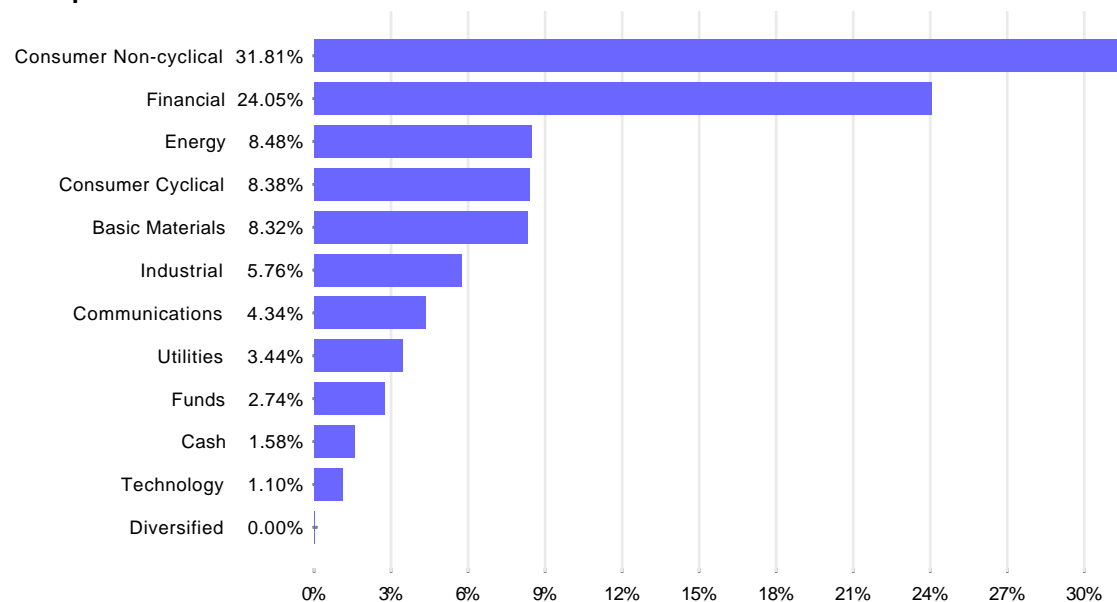
Top 20 Holdings

	Mkt. Val.(GBP)
ASTRAZENECA PLC	56,026,738
GLAXOSMITHKLINE PLC	40,758,594
HSBC HOLDINGS PLC	38,830,386
BRITISH AMERICAN TOBACCO PLC	35,870,310
DIAGEO PLC	31,172,257
BP PLC	30,770,269
ROYAL DUTCH SHELL PLC-A SHS	26,673,621
RIO TINTO PLC	24,934,886
UNILEVER PLC	23,983,693
RECKITT BENCKISER GROUP PLC	23,680,856
ROYAL DUTCH SHELL PLC-B SHS	22,967,738
LGIM STERLING LIQUIDITY-1	22,004,262
RELX PLC	17,633,908
NATIONAL GRID PLC	17,535,299
VODAFONE GROUP PLC	17,465,904
BHP GROUP PLC	17,290,598
PRUDENTIAL PLC	16,117,816
LONDON STOCK EXCHANGE GROUP	13,294,417
EXPERIAN PLC	12,986,795
ANGLO AMERICAN PLC	11,536,104

Regional Exposure



Sector Exposure



Passive UK Equities – Responsible Investment

Top 10 ESG Contributors to Overall Score

	Insight	Momentum
1. RELX PLC	67.0	55.1
2. DIAGEO PLC	62.4	23.3
3. RIO TINTO PLC	61.9	43.8
4. ASTRAZENECA PLC	59.5	41.4
5. EXPERIAN PLC	64.0	75.0
6. BUNZL PLC	77.6	81.4
7. SPIRAX-SARCO ENGINEERING PLC	77.5	75.3
8. CRODA INTERNATIONAL PLC	79.8	30.3
9. BAE SYSTEMS PLC	66.5	67.4
10. HALMA PLC	72.1	9.5

Bottom 10 ESG Detractors to Overall Score

	Insight	Momentum
1. HSBC HOLDINGS PLC	47.7	19.9
2. RECKITT BENCKISER GROUP PLC	48.5	32.6
3. BRITISH AMERICAN TOBACCO PLC	52.0	34.8
4. BP PLC	53.1	40.9
5. LLOYDS BANKING GROUP PLC	47.4	53.0
6. BARCLAYS PLC	46.9	52.3
7. GLENCORE PLC	46.6	75.8
8. GLAXOSMITHKLINE PLC	55.6	43.9
9. ROYAL DUTCH SHELL PLC	56.3	73.9
10. PRUDENTIAL PLC	53.4	38.8

Weighted Average ESG Score	2020 Q1	2020 Q2
Portfolio	59.00	58.49
Passive UK Equities	59.00	58.49

* Position 1 is the top contributor/detractor.



TruValue Labs & SASB

Brunei Assessment:

- Glencore (Mining) was informed of a criminal investigation opened in June by the Swiss Attorney General into alleged corruption in the Democratic Republic of Congo. Adding to current investigations by the UK's Serious Fraud Office and U.S. authorities. Norway's wealth fund toughened lending on coal and blacklisted Glencore amongst others.
- Halma (Technology) high score due to recent acquisitions enhancing gas detection capabilities, and strong developments in biometric wearables to benefit health care management of the elderly. Low momentum resulting from previous high insight score and a drop in volume.
- Bunzl (Distribution and outsourcing) turned down the UK government's £1,000 per worker bonus for retaining furloughed staff. The Office for Budget Responsibility has warned that 10-20% of workers on furlough will not keep their jobs.
- HSBC (Bank) alongside Standard Chartered supported China's imposition of a highly controversial national security law on Hong Kong. Combined with Covid linked profits warnings and staff redundancies, pressure is mounting on one of the world's largest banks.

100% of the bottom 10 ESG detractors are covered by engagement or specific voting activities.
Some negative momentum a result of market volatility due to COVID-19.
The benchmark (and index tracking portfolio) experienced a slight increase in carbon intensity this quarter.

Weighted Average Carbon Intensity (WACI)



Source: Trucost

Extractive Exposure

	Total Extractive Exposure ¹		Extractive Industries (VOH) ²	
	Q1	Q2	Q1	Q2
Portfolio	4.40	5.62	20.59	19.34
Passive UK EQ	4.40	5.62	20.59	19.34

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 UK Active Equity

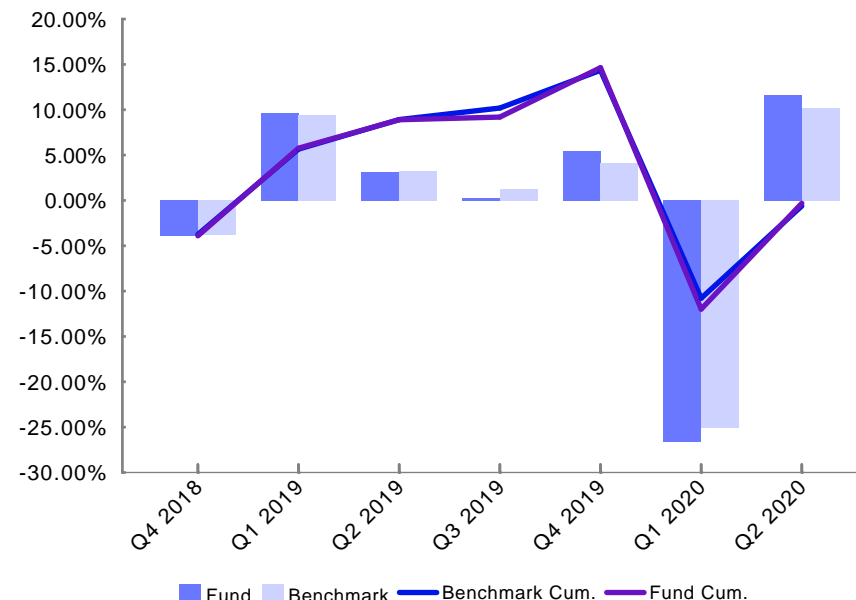
Overview

	Description
Portfolio Objective:	Provide exposure to UK Equities, together with enhanced returns from manager skill.
Investment Strategy & Key Drivers:	Skilled managers will create opportunities to add long term value through stock selection and portfolio construction.
Liquidity:	Managed level of liquidity. Less exposure to more illiquid assets.
Risk/Volatility:	High absolute risk with moderate relative risk, around 4% tracking error.
Total Fund Value:	£1,427,039,873

Performance to Quarter End

Ann. Performance	Fund	BM	Excess
3 Month	11.67%	10.17%	1.50%
Fiscal YTD	11.67%	10.17%	1.50%
1 Year	-13.34%	-12.99%	-0.35%
3 Years			
5 Years			
10 Years			
Since Inception	-3.72%	-3.45%	-0.27%

Rolling Performance*



* Partial returns shown in first quarter

Notwithstanding the strongest quarterly return since 2013 in absolute terms, UK equities (proxied by the FTSE All share) have still not recovered the value lost in the drawdown in late Feb and March 2020 when markets were first impacted by the Covid 19 crisis. Despite the strong absolute returns this quarter, uncertainty remains, and UK equities continue to underperform global equity markets significantly on both a quarterly and annual basis.

The Fund outperformed the FTSE All share this quarter by +1.5%, recovering the underperformance of last quarter, but remains marginally behind the benchmark since inception. Key points:

- The FTSE All-Share Index posted returns of +10.2% in the quarter, underperforming the global stock market which, as represented by the MSCI ACWI Index, returned +19.8%. This underperformance versus global markets widens when you look over the last 12 months with the FTSE All-Share Index returning -13.0% and the MSCI ACWI Index +5.7%.
- Both allocation and stock selection contributed positively to the quarterly relative outperformance of the Fund. The underweight to Oil and Gas benefitted the Fund, with stock selection particularly strong in Financials and Consumer Services.

Continued Commentary

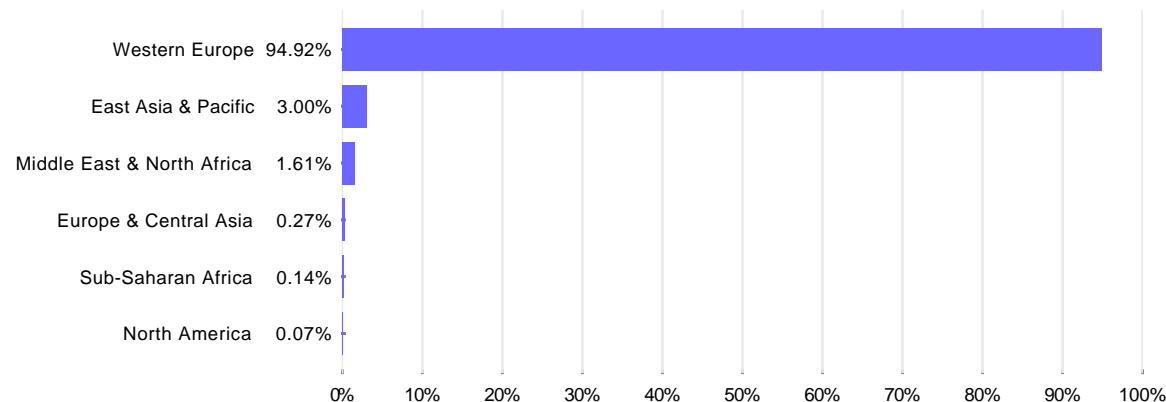
- The Fund's position in Shell was reduced materially over the quarter with Baillie Gifford selling their holding entirely and ASI materially reducing their holding. In general, trading activity has been slightly higher than average as managers move to re-position their portfolios. We have also seen managers participate selectively in a number of small equity raisings by companies since the Covid crisis.
- Fund outperformance over the quarter was driven by strong performances from Baillie Gifford and ASI, with both demonstrating positive stock selection. Invesco were marginally behind benchmark for the quarter.
- Since inception, the fund has returned -3.7% on an annualised basis, underperforming the benchmark by -0.3%.

Brunel UK Active Equity – Region & Sector Exposure

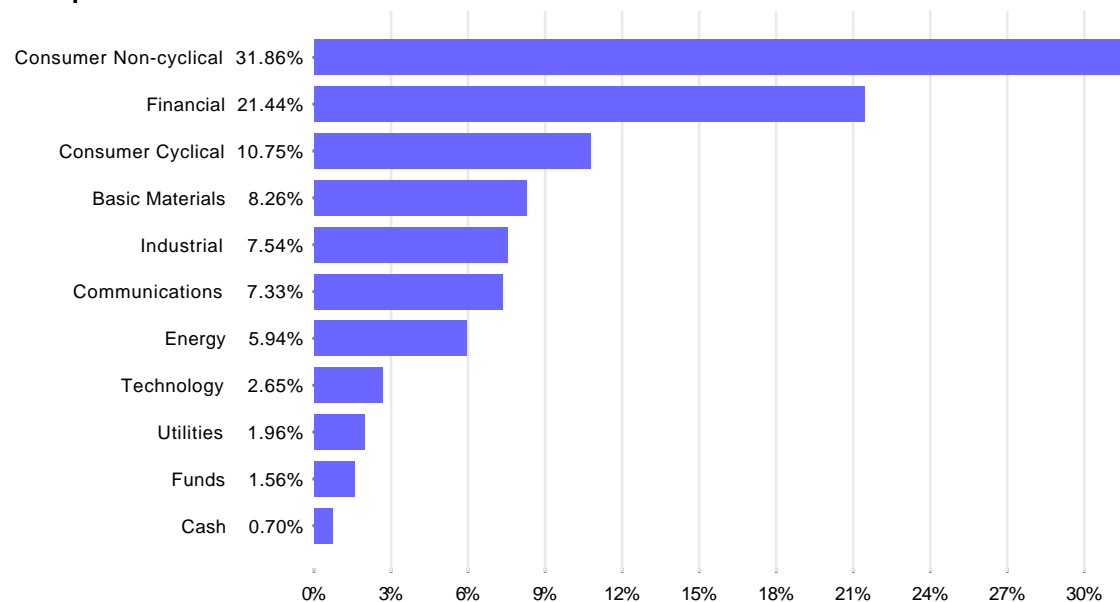
Top 20 Holdings

	Mkt. Val.(GBP)
BRITISH AMERICAN TOBACCO PLC	64,924,310
GLAXOSMITHKLINE PLC	59,506,195
ASTRAZENECA PLC	46,816,160
RELX PLC	45,884,777
UNILEVER PLC	45,214,513
PRUDENTIAL PLC	43,958,024
BHP GROUP PLC	42,861,684
RIO TINTO PLC	39,094,702
DIAGEO PLC	33,382,182
HSBC HOLDINGS PLC	27,077,040
BP PLC	25,512,908
AUTO TRADER GROUP PLC	24,334,286
VODAFONE GROUP PLC	24,159,490
LEGAL & GENERAL GROUP PLC	23,370,948
ROYAL DUTCH SHELL PLC-B SHS	23,030,419
RIGHTMOVE PLC	20,943,639
ROYAL DUTCH SHELL PLC-A SHS	20,283,496
HIKMA PHARMACEUTICALS PLC	19,025,810
BAE SYSTEMS PLC	18,757,565
INTERMEDIATE CAPITAL GROUP	17,712,783

Regional Exposure



Sector Exposure



Brunel UK Active Equity – Responsible Investment

Top 10 ESG Contributors to Overall Score

	Insight	Momentum
1. RELX PLC	67.0	55.1
2. AUTO TRADER GROUP PLC	72.1	15.2
3. BUNZL PLC	77.6	81.4
4. BAE SYSTEMS PLC	66.5	67.4
5. INCHCAPE PLC	67.6	71.3
6. HIKMA PHARMACEUTICALS PLC	65.6	50.0
7. DIAGEO PLC	62.4	23.3
8. DUNELM GROUP PLC	73.1	50.0
9. RIO TINTO PLC	61.9	43.8
10. INFORMA PLC	73.3	58.6

Bottom 10 ESG Detractors to Overall Score

	Insight	Momentum
1. BRITISH AMERICAN TOBACCO PLC	52.0	34.8
2. HSBC HOLDINGS PLC	47.7	19.9
3. PRUDENTIAL PLC	53.4	38.8
4. GLAXOSMITHKLINE PLC	55.6	43.9
5. RIGHTMOVE PLC	49.7	21.0
6. LLOYDS BANKING GROUP PLC	47.4	53.0
7. BP PLC	53.1	40.9
8. HARGREAVES LANSDOWN PLC	44.1	21.2
9. RECKITT BENCKISER GROUP PLC	48.5	32.6
10. ROYAL DUTCH SHELL PLC	56.3	73.9

Weighted Average ESG Score	2020 Q1	2020 Q2
Portfolio	59.95	59.17
FTSE All Share	58.99	58.47

* Position 1 is the top contributor/detractor.



TruValue Labs & SASB

Brunel Assessment:

- **Rightmove** (Internet services) was criticised for not doing more to help estate agents impacted by the halt to the housing market. After offering a 6 month payment holiday, rightmove bowed to pressure and implemented a reduction of three quarters for four months.
- **Bunzl** (Distribution and outsourcing), turned down the UK government's £1,000 per worker bonus for retaining furloughed staff. The Office for Budget Responsibility has warned that 10-20% of workers on furlough will not keep their jobs.
- **Auto Trader** (Internet services) placed 46.5 million new shares to strengthen finance and cut board pay as used car sales slumped last quarter. Payment holiday and suspended payments were offered to retailers using the advertising platform.

90% of the bottom 10 ESG detractors are covered by engagement or specific voting activities.

Some negative momentum a result of market volatility due to COVID-19.

A slight increase in the portfolio carbon intensity was replicated by the benchmark. Brunel has engaged extensively to improve the carbon intensity of this portfolio. There was strong commitment from the quantitative manager to encompass climate risk in the investment process. The outcome has been to deliver a portfolio significantly below benchmark. Since inception carbon intensity (reduction) from 210 to 120 tCO2e/£M.

Weighted Average Carbon Intensity (WACI)



Source: Trucost

Extractive Exposure

	Total Extractive Exposure ¹		Extractive Industries (VOH) ²	
	Q1	Q2	Q1	Q2
Portfolio	4.74	4.89	17.76	15.32
FTSE All Share	4.40	5.67	20.62	19.50

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 Emerging Market Equity

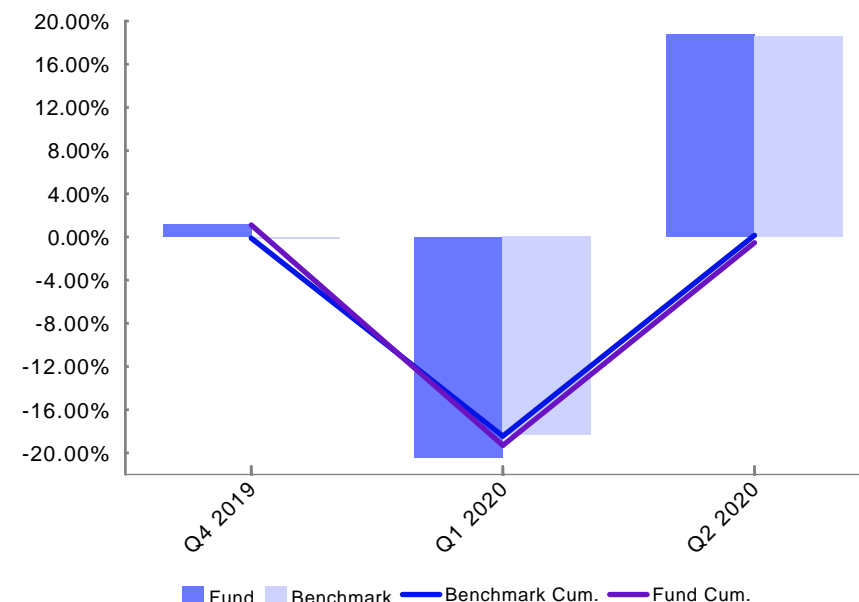
Overview

	Description
Portfolio Objective:	Provide exposure to emerging market equities, targeting excess returns and enhanced risk control from leading managers.
Investment Strategy & Key Drivers:	A geographically diverse portfolio, typically expected to achieve higher long-term growth rates than developed economies.
Liquidity:	Managed liquidity. Less exposure to more illiquid assets
Risk/Volatility:	High absolute risk with moderate to high relative risk, around 5% tracking error.
Total Fund Value:	£1,176,947,844

Performance to Quarter End

Ann. Performance	Fund	BM	Excess
3 Month	18.77%	18.60%	0.17%
Fiscal YTD	18.77%	18.60%	0.17%
1 Year			
3 Years			
5 Years			
10 Years			
Since Inception	-4.42%	-2.32%	-2.10%

Rolling Performance*



* Partial returns shown in first quarter

Emerging markets staged a very strong recovery following the severe market downturn observed in Q1 2020. Returns were the strongest seen since the aftermath of the Global Financial Crisis almost 11 years ago. The recovery was also broad based, with 24 out of the 26 country constituents in the MSCI Emerging Markets Index returning more than 10% in Q2 2020 in GBP terms. China continued to surprise on the upside, keeping pace with other countries and returning almost 16% despite the large outperformance observed in the first 3 months of the year. China remains by far the standout performer on a year to date basis, returning over 11% in GBP terms. The benchmark has lost -3% over the same period. Taiwan is the only other market to remain in positive territory on a year to date basis, returning 5.5%.

Key Points:

- The portfolio produced positive performance on an absolute and relative basis. The portfolio returned 18.8% over the quarter, outperforming the benchmark by 0.2% in GBP terms.
- Genesis and Wellington have both had a strong quarter vs benchmark, outperformance was 0.9% and 1.0% respectively. Ninety-One had a tougher quarter, underperforming the benchmark by -1.0%.

Continued Commentary

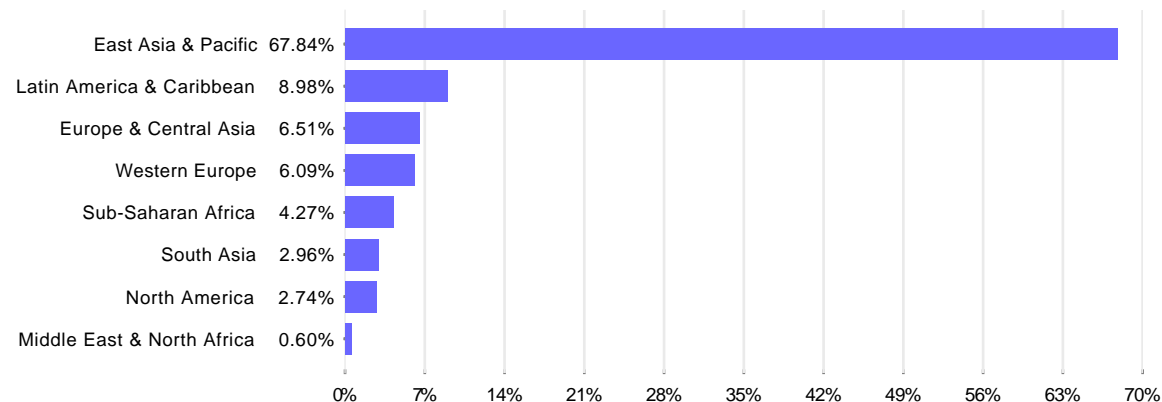
- Relative performance remains negative on a since inception basis, the portfolio is -2.1% behind benchmark as at quarter end. All three managers are lagging the benchmark over this period; Genesis, Ninety-One and Wellington underperformed the benchmark by -2.4%, -1.7% and -0.9% respectively.
- China was a strong contributor to relative performance this quarter, contributing around +100bps towards relative performance. The improvement in performance from China was driven entirely by strong stock selection, which was observed across all three managers. The significant negative allocation impacts from Q1 2020 did not reverse in Q2. The portfolio remains underweight China, currently -4% vs benchmark.

Brunel Emerging Market Equity – Region & Sector Exposure

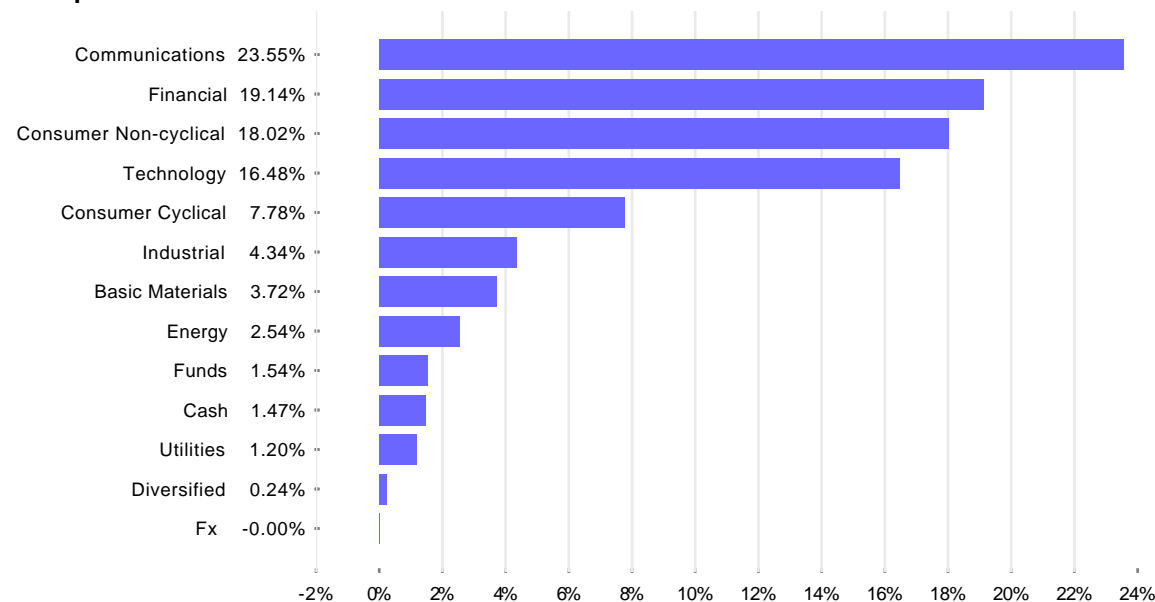
Top 20 Holdings

	Mkt. Val.(GBP)
TENCENT HOLDINGS LTD	76,053,450
ALIBABA GROUP HOLDING-SP ADR	67,775,781
TAIWAN SEMICONDUCTOR MANUFAC	56,032,200
SAMSUNG ELECTRONICS CO LTD	33,643,920
AIA GROUP LTD	20,709,941
SBIBANK PJSC -SPONSORED ADR	17,685,316
WULIANGYE YIBIN CO LTD-A	14,940,223
HDFC BANK LTD-ADR	13,552,291
PING AN INSURANCE GROUP CO-H	12,960,260
CHINA CONSTRUCTION BANK-H	12,437,045
ISHARES MSCI INDIA ETF	12,209,075
NETEASE INC-ADR	11,752,441
SAMSUNG ELECTRONICS-PREF	11,002,824
NASPER LTD-N SHS	10,809,959
BID CORP LTD	10,678,341
YANDEX NV-A	10,409,718
MEDIATEK INC	10,404,197
INFOSYS LTD-SP ADR	10,011,846
CHINA MENGNIU DAIRY CO	9,923,356
CSPC PHARMACEUTICAL GROUP LT	9,047,865

Regional Exposure



Sector Exposure



Brunel Emerging Market Equity – Responsible Investment

Top 10 ESG Contributors to Overall Score

	Insight	Momentum
1. TAIWAN SEMICONDUCTOR MANUFACTURING	60.0	22.0
2. MEDIATEK INC	72.9	74.3
3. CHINA MENGNIU DAIRY CO LTD	65.6	26.9
4. WEICHAI POWER CO LTD	78.9	27.0
5. SAMSUNG ELECTRONICS CO LTD	58.8	17.8
6. PING AN INSURANCE GROUP CO OF CHINA LT	63.2	60.8
7. SBERBANK OF RUSSIA PJSC	60.5	19.8
8. DELTA ELECTRONICS INC	77.9	26.6
9. YANDEX NV	62.1	20.8
10. XS RETAIL GROUP NV	77.8	83.8

Bottom 10 ESG Detractors to Overall Score

	Insight	Momentum
1. TENCENT HOLDINGS LTD	46.9	22.0
2. PETROLEO BRASILEIRO SA	36.7	74.3
3. ALIBABA GROUP HOLDING LTD	55.0	26.9
4. COGNIZANT TECHNOLOGY SOLUTIONS CORP	38.1	27.0
5. NASPERS LTD	48.6	17.8
6. NETEASE INC	52.5	60.8
7. INFOSYS LTD	52.4	19.8
8. FORMOSA PLASTICS CORP	29.5	26.6
9. VALE SA	40.4	20.8
10. GRUPO MEXICO SAB DE CV	50.3	83.8

Weighted Average ESG Score	2020 Q1	2020 Q2
Portfolio	58.60	57.80
MSCI EM	58.33	56.94

* Position 1 is the top contributor/detractor.



TruValue Labs & SASB

Brunel Assessment:

- China Mengniu Dairy (Dairy manufacturer) issued a COVID related profit warning. The company was also highlighted in a report by FAIRR as one of 44 food and beverage companies most at risk of being unable to prevent the emergence of new zoonotic diseases. Genesis, one of our Emerging Market managers has been engaging with the company on antimicrobial resistance (AMR) and environmental standards.
- Sberbank (Russian bank) will provide a RUB 3.5Bn loan to S3 ASK 6, under soft lending program for SMEs run by the Ministry of Economic Development of Russia in order to finance new housing developments.
- Formosa Plastics (Chemicals company) who last year paid a \$50 pollution settlement is facing fresh objections. A legal challenge has been launched to halt construction of a complex. Concerns raised include covering up of burial sites, flood risks and biodiversity loss.
- Tencent, (Chinese IT/Telecoms) impacted by broader concerns about Chinese technology companies e.g. censorship and data security. For example, India banned WeChat and TikTok as they were "prejudicial to sovereignty and integrity of India". Naspers (Media) which owns over 30% of Tencent has additional issues with Covid linked staff redundancies and blocked takeover plans.

70% of the bottom 10 ESG detractors are covered by engagement or specific voting activities. Some negative momentum a result of market volatility due to COVID-19. The decrease in carbon intensity last quarter has reversed this quarter.

Weighted Average Carbon Intensity (WACI)



Source: Trucost

Extractive Exposure

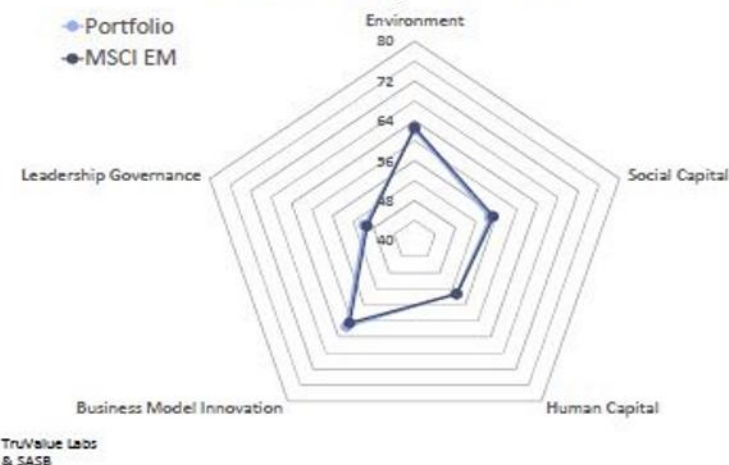
	Total Extractive Exposure ¹		Extractive Industries (VOH) ²	
	Q1	Q2	Q1	Q2
Portfolio	1.40	1.83	3.07	2.70
MSCI EM	2.88	2.70	8.81	7.75

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 Global High Alpha Equity

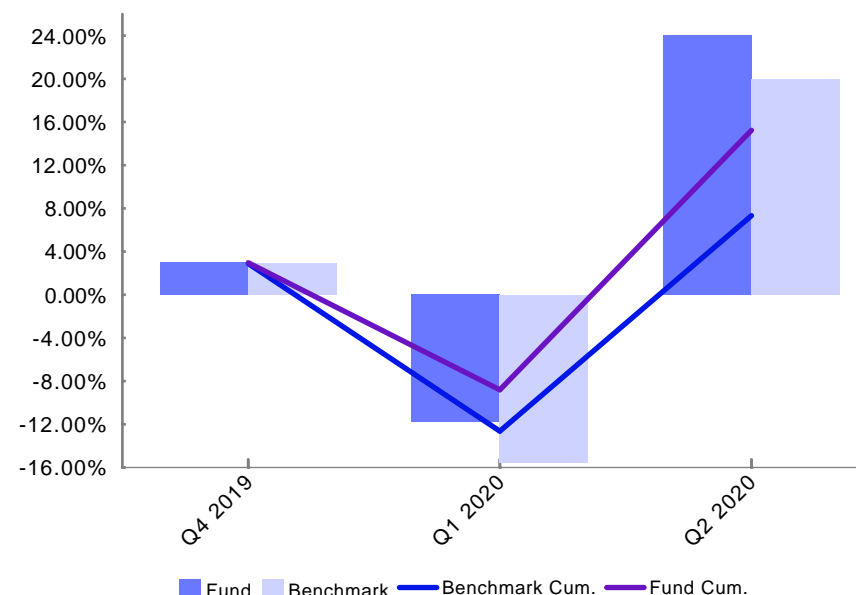
Overview

	Description
Portfolio Objective:	Provide global equity market exposure together with excess returns from accessing leading managers.
Investment Strategy & Key Drivers:	In order to achieve the best returns, Managers are likely to have high conviction, concentrated portfolios, and to
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:	£3,013,755,342

Performance to Quarter End

Ann. Performance	Fund	BM	Excess
3 Month	24.04%	19.96%	4.08%
Fiscal YTD	24.04%	19.96%	4.08%
1 Year			
3 Years			
5 Years			
10 Years			
Since Inception	12.68%	4.27%	8.42%

Rolling Performance*



* Partial returns shown in first quarter

In the short period since launch in Dec 2019, global equity markets have experienced the most significant sell-off since the global financial crisis of 2007/08 followed by the strongest quarterly performance this quarter since that time, reflecting the impact the Covid 19 crisis has had on global equity markets. Developed equity markets (proxied by MSCI World) returned 20% this quarter and returns continue to be driven by a small subset of very large cap growth companies.

Against this backdrop, the Fund has continued to perform well this quarter, providing a relative outperformance of +4.1% above the benchmark, delivering +8.4% outperformance since inception.

Key points:

- This quarter saw a continuation (if slightly less extreme) of the dispersion in returns at stock level and between sectors and countries experienced last quarter.
- The quarterly relative outperformance was driven by both allocation and stock selection. The largest overweight (Consumer Discretionary) and largest underweight (Utilities) both contributed materially to relative performance, with stock selection strongest in Healthcare and Communication Services

Continued Commentary

over the quarter.

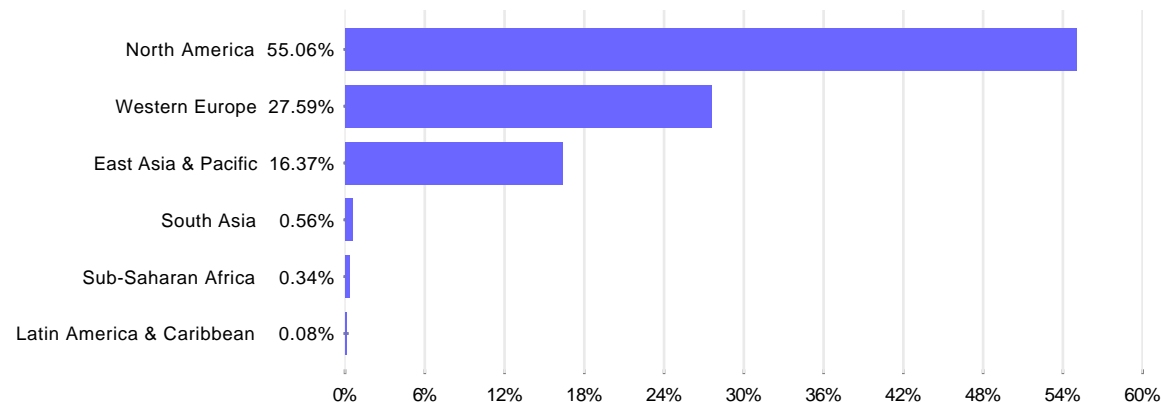
- Manager performance varied widely too over the quarter, as one would expect given the individual manager style characteristics and the level of dispersion in the market. Baillie Gifford's outperformance has been a significant contributor to Fund returns. Such outperformance reflects their strategy to identify long term growth companies.
- The Fund was rebalanced towards the end of the quarter to return manager allocations to target. This was in response to the allocation to Baillie Gifford reaching the upper rebalancing threshold as a result of their strong performance since inception. The rebalance helps maintain the style balance and risk profile within the portfolio.

Brunel Global High Alpha Equity – Region & Sector Exposure

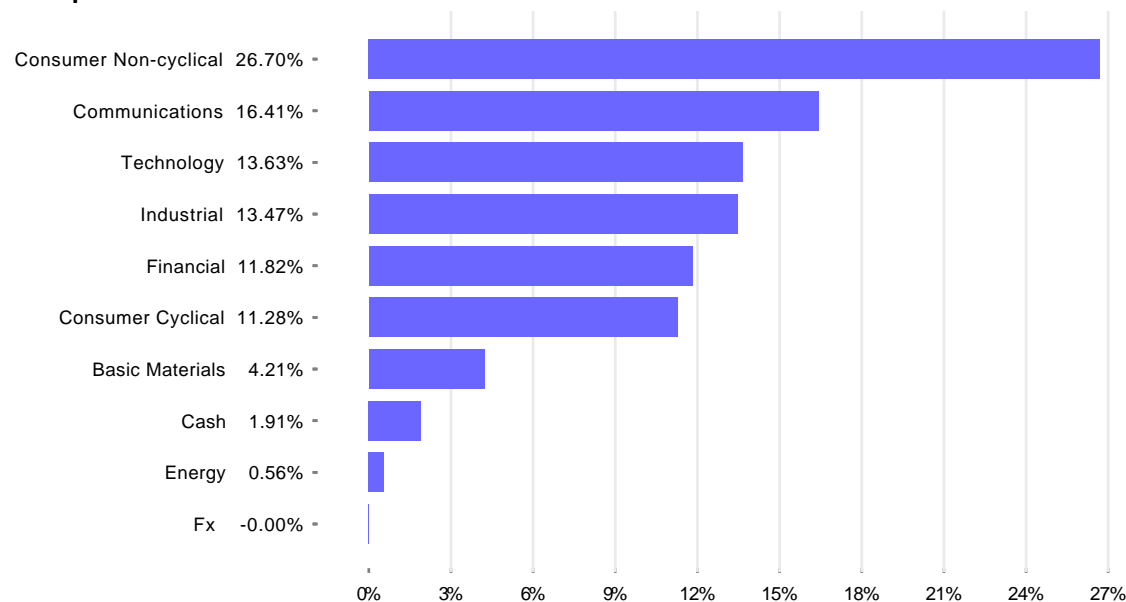
Top 20 Holdings

	Mkt. Val.(GBP)
MASTERCARD INC - A	95,288,406
MICROSOFT CORP	89,779,721
KEYENCE CORP	81,099,745
MOODY'S CORP	71,450,548
ALPHABET INC-CL A	70,465,102
AMAZON.COM INC	62,519,578
NESTLE SA-REG	61,300,925
ALIBABA GROUP HOLDING-SP ADR	56,073,801
TENCENT HOLDINGS LTD	54,918,776
TJX COMPANIES INC	53,967,018
ASML HOLDING NV	51,666,865
FACEBOOK INC-CLASS A	48,587,334
JOHNSON & JOHNSON	48,581,329
TAIWAN SEMICONDUCTOR-SP ADR	46,340,558
TESLA INC	43,893,839
MSCI INC	36,957,333
VERISK ANALYTICS INC	35,977,420
ROCHE HOLDING AG-GENUSSCHEIN	33,807,614
ABBOTT LABORATORIES	32,901,739
GENMAB A/S	32,362,480

Regional Exposure



Sector Exposure



Brunel Global High Alpha Equity – Responsible Investment

Top 10 ESG Contributors to Overall Score

	Insight	Momentum
1. APTIV PLC	78.1	27.2
2. MASTERCARD INC	62.3	71.0
3. IQVIA HOLDINGS INC	71.9	26.3
4. MURATA MANUFACTURING CO LTD	74.4	27.9
5. SPIRAX-SARCO ENGINEERING PLC	77.5	75.3
6. NESTLE SA	62.9	67.8
7. CONSTELLATION SOFTWARE INC/CANADA	80.4	70.9
8. TEMENOS AG	70.6	55.1
9. GEBERIT AG	74.5	79.1
10. MCCORMICK & CO INC/MD	78.5	70.8

Bottom 10 ESG Detractors to Overall Score

	Insight	Momentum
1. ALPHABET INC	49.1	46.0
2. FACEBOOK INC	43.9	30.9
3. TENCENT HOLDINGS LTD	46.9	22.0
4. AMAZON.COM INC	49.9	26.7
5. AUTOZONE INC	40.3	19.8
6. JOHNSON & JOHNSON	48.0	32.6
7. ASML HOLDING NV	48.8	22.7
8. BAYER AG	40.3	25.1
9. TIX COS INC/THE	52.0	26.1
10. ILLUMINA INC	47.3	27.1

Weighted Average ESG Score	2020 Q1	2020 Q2
Portfolio	59.69	58.37
MSCI World	58.75	58.36

* Position 1 is the top contributor/detractor.



TruValue Labs & SASB

Brunel Assessment:

- Amazon, along with Facebook, Alphabet and Apple will see their CEO's testify before a congressional panel investigating competition issues in the technology industry. The leaders will face critical questions from lawmakers about business practices as the subcommittee seeks to build a case for tougher antitrust enforcement of tech companies.
- Aptiv (Auto parts) have developed driverless vehicle technologies as part of a joint venture with Hyundai. The vehicles have been used during the COVID crisis to deliver food to struggling families in Las Vegas in partnership with the charity 'Delivery with Dignity'
- Tencent (Chinese IT/Telecoms) impacted by broader concerns about Chinese technology companies e.g. censorship and data security. For example, India banned WeChat and TikTok as they were "prejudicial to sovereignty and integrity of India".

90% of the bottom 10 ESG detractors are covered by engagement or specific voting activities.

Some negative momentum a result of market volatility due to COVID-19.

The benchmark carbon intensity has slightly reduced whilst the portfolio intensity remaining the same. The portfolio still remains significantly below benchmark. Current change could be as a result of market volatility and a significant fall in the oil price.

Weighted Average Carbon Intensity (WACI)



Source: Trucost

Extractive Exposure

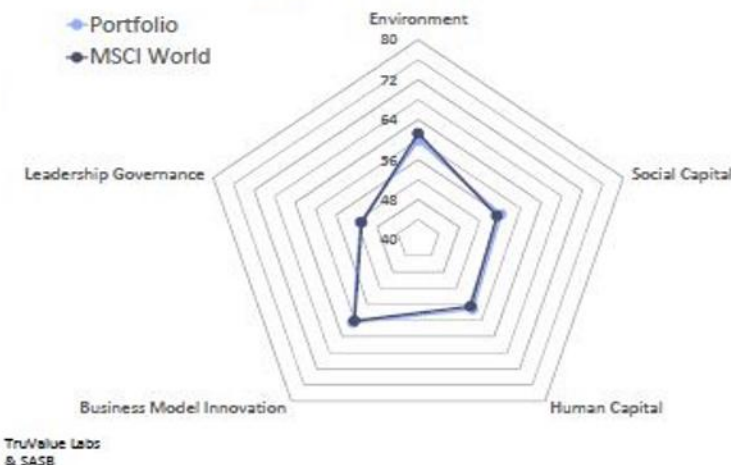
	Total Extractive Exposure ¹		Extractive Industries (VOH) ²	
	Q1	Q2	Q1	Q2
Portfolio	1.66	1.91	2.55	2.47
MSCI World	3.06	3.33	8.45	7.96

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

Glossary of Terms

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

Glossary of Terms

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

Glossary of Terms

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

Glossary of Terms

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

Glossary of Terms

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

Glossary of Terms

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

Brunel Committees and Groups

Full name	Abbreviation	Chair	Purpose
Audit, Risk & Compliance Committee	ARC	Patrick Newberry	To oversee key functions of the Regulated Company, including: <ul style="list-style-type: none"> - Financial and Annual reporting - Internal controls - Compliance and whistleblowing - External audit function
Brunel Investment Committee	BIC	Mark Mansley (CIO)	Formal meeting of the Brunel Investment Team, covering: <ul style="list-style-type: none"> - Economic and Markets update - Responsible Investment update - Stakeholder input (from CRT) - Investment proposals (private and listed mkts) - Procedures - Forward look
Brunel Investment Risk Committee	BIRC	Mark Mansley	To provide challenge and insight in respect of investment risks and exposures. This will include oversight of portfolio guidelines and monitoring.
Brunel Oversight Board	BOB	Ray Theodolou (Glos)	The senior client group that oversees Brunel on behalf of the funds. It is made up of representatives from each of the Pension Committees and an independent Chair. It is a joint committee set up by the Brunel Administering Authorities (i.e. the 9 Councils, with the Environment Agency being included on terms recognising its non-local authority status). Acting for the Administering Authorities, has ultimate responsibility for ensuring that the Brunel company delivers the services required to achieve asset pooling. This body of people represents shareholders for the purposes of any matter requiring shareholder approval, including any reserved matters.
Brunel Operations Committee	BOC	Joe Webster	To review the detailed elements of Brunel's operations, including: <ul style="list-style-type: none"> - Technology and infrastructure - HR policies - Regulatory change (and compliance with)

Brunel Committees and Groups

Full name	Abbreviation	Chair	Purpose
Brunel Operations Committee	BOC	Joe Webster	<ul style="list-style-type: none"> - Finance - Managing supplier relationships - ICAPP oversight
Brunel Risk and Compliance Committee	BRCC	Kevin Jones	Second line review overseeing the Compliance and Risk function
Client Group	CG	Sean Collins	Sub-committee of the Brunel Oversight Board (see above), it is responsible for the client oversight of the Brunel manager on a day to day basis. It includes people with finance and investment management expertise.
The Executive Committee	ExCo	Laura Chappell	<p>The core responsibility of ExCo is to oversee delivery of the Brunel objectives. The Executive Committee comprises:</p> <ul style="list-style-type: none"> Chief Executive Officer Chief Investment Officer Chief Operations Officer Client Relationship Director
Remuneration Committee	RemCo	Denise Le Gal	In line with the Shareholders Agreement, to set and monitor remuneration policy including that for senior management remuneration.

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