



Gloucestershire County Council Performance Report

Quarter ending 30 June 2024

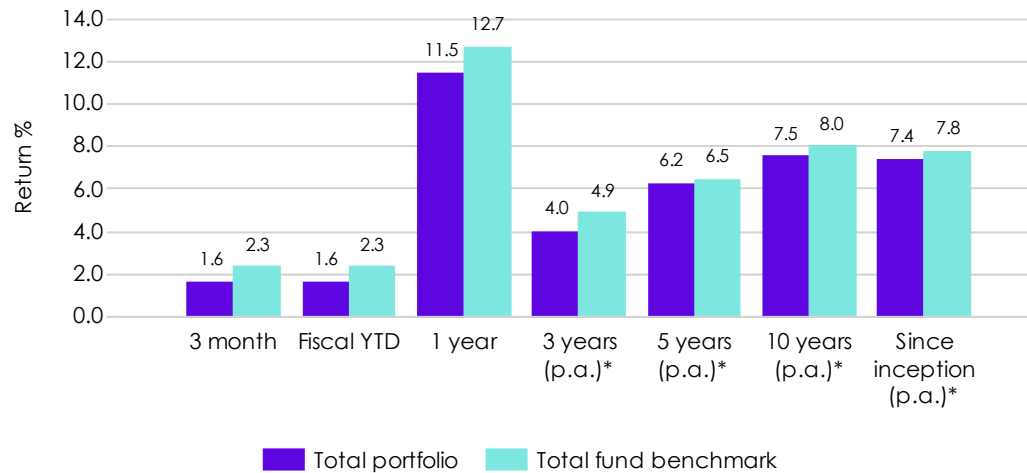


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Pension Fund performance

Performance (annualised)



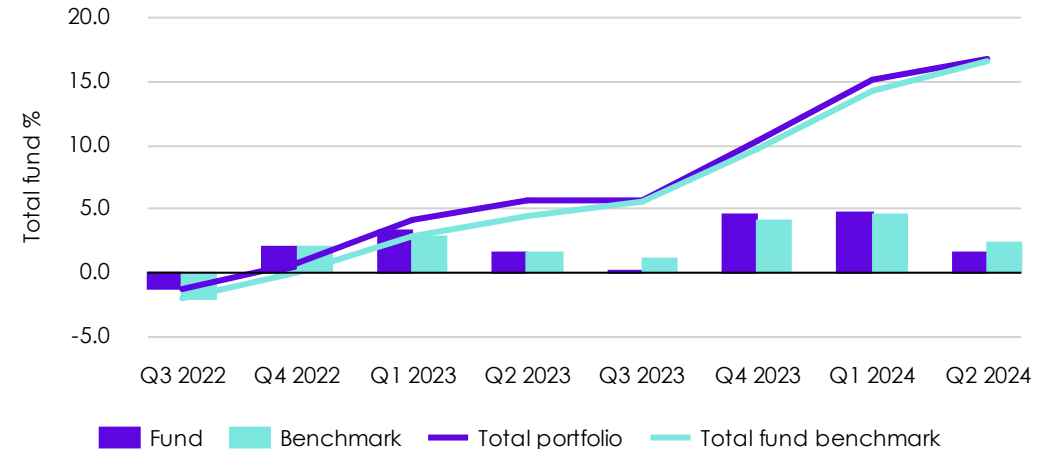
Source: State Street Global Services
*per annum. Net of all fees.

Key events

Markets generally moved upwards in the second quarter, continuing the trend from the first quarter, although at a more moderate pace. The emerging markets enjoyed positive performance, with China rallying after government efforts to support real estate. The ECB cut rates, but the US Fed remained firmly on hold as inflationary pressures persisted above comfort levels. The quarter also saw a noisy political backdrop with elections pending in the UK and results announced in France, South Africa and India. Credit markets continued to see a tightening of spreads over government yields. Private markets are still facing digestion issues with sluggish IPO markets and continued high interest rates.

The total fund rose 1.6% during the quarter. Across the last year, the fund rose 11.5% (both lagging the benchmark).

Quarterly performance

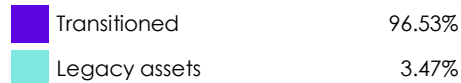
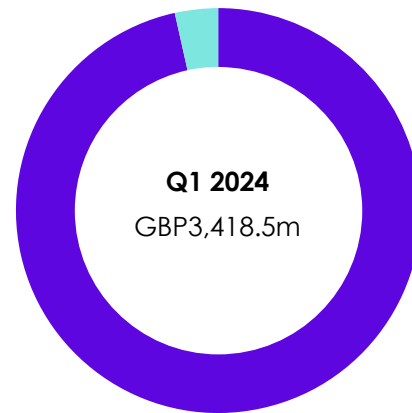
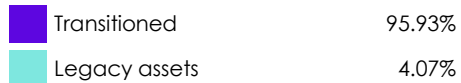
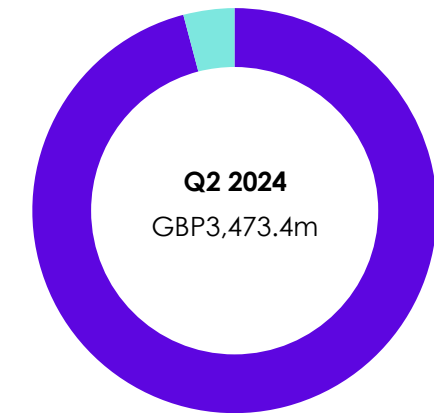


Source: State Street Global Services. Net of all fees.

Brunel's listed portfolios were generally up in absolute terms over the quarter. Multi Asset Credit continued its positive run and is now up 11.6% over the last year. Global Sustainable Equities was slightly down during the quarter, and whilst up 12.5% over the last year, continues to trail the benchmark. Emerging Markets Equities had a stronger quarter (up 5.7%) and is also now up 12.5% over the last year.

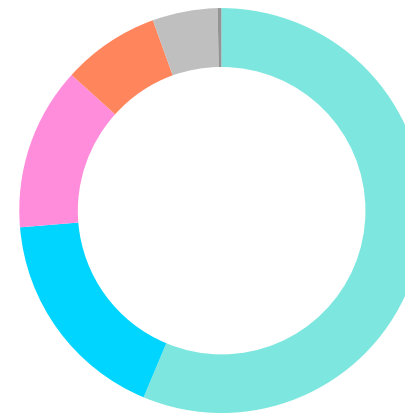
Asset summary

Assets transitioned to Brunel



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

Asset allocation breakdown



Key:

Equities	56.28%
Fixed income	17.40%
Private markets	13.02%
Property	7.78%
Other	5.20%
Cash	0.31%

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

Overview of assets

Detailed asset allocation

Equities	£1,954.98m	56.28%
Global High Alpha Equities	£500.28m	14.40%
Global Sustainable Equities	£448.91m	12.92%
UK Active Equities	£408.88m	11.77%
PAB Passive Global Equities	£386.28m	11.12%
Emerging Markets Equities	£207.93m	5.99%
Legacy Assets	£2.69m	0.08%
Fixed income	£604.49m	17.40%
Sterling Corporate Bonds	£355.51m	10.24%
Multi-Asset Credit	£248.98m	7.17%

Private markets (incl. property)	£722.69m	20.81%
UK Property	£208.88m	6.01%
Private Debt Cycle 2	£78.70m	2.27%
International Property	£61.45m	1.77%
Infrastructure (General) Cycle 2	£58.18m	1.68%
Infrastructure (Renewables) Cycle 2	£46.44m	1.34%
Infrastructure Cycle 1	£42.85m	1.23%
Private Equity Cycle 2	£42.84m	1.23%
Private Equity Cycle 1	£42.46m	1.22%
Private Debt Cycle 3	£10.84m	0.31%
Infrastructure Cycle 3	£6.12m	0.18%
Private Equity Cycle 3	£1.40m	0.04%
Legacy Assets	£122.53m	3.53%
Other	£180.51m	5.20%
Diversifying Returns Fund	£177.21m	5.10%
Blackrock Risk Management	-£2.10m	-0.06%
Legacy Assets	£5.40m	0.16%

Cash not included

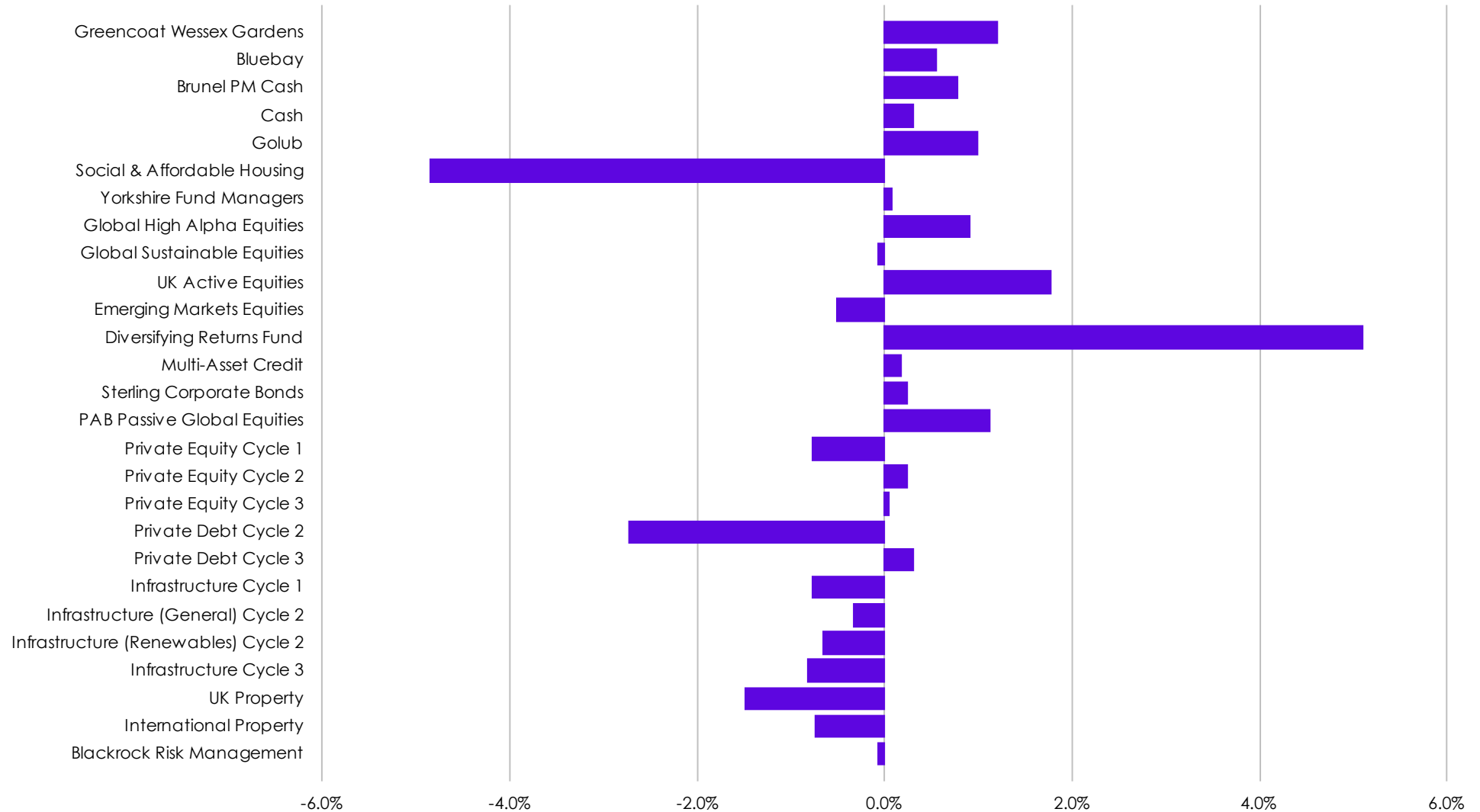
Overview of assets

Top 10 Equity Holdings at Pension Fund

ISIN	Security Name	Sector	Sub-sector	Country	Market Value (£)	% of Pension fund	ESG Score
US5949181045	MICROSOFT CORP	Information Technology	Systems Software	UNITED STATES	65,940,162.44	1.90%	14.18
US0231351067	AMAZON.COM INC	Consumer Discretionary	Broadline Retail	UNITED STATES	51,266,117.33	1.48%	29.32
US67066G1040	NVIDIA CORP	Information Technology	Semiconductors	UNITED STATES	32,946,252.37	0.95%	13.17
GB0009895292	ASTRAZENECA PLC	Health Care	Pharmaceuticals	UNITED KINGDOM	31,592,668.94	0.91%	21.09
US02079K3059	ALPHABET INC-CL A	Communication Services	Interactive Media &	UNITED STATES	30,596,871.10	0.88%	24.81
US57636Q1040	MASTERCARD INC - A	Financials	Transaction & Payment	UNITED STATES	27,393,656.44	0.79%	15.59
GB00B10RZP78	UNILEVER PLC	Consumer Staples	Personal Care Products	UNITED KINGDOM	25,553,968.74	0.74%	22.20
US8740391003	TAIWAN SEMICONDUCTOR-SP ADR	Information Technology	Semiconductors	TAIWAN	23,886,842.19	0.69%	13.48
US0378331005	APPLE INC	Information Technology	Technology Hardware	UNITED STATES	23,515,007.89	0.68%	16.79
DK0062498333	NOVO NORDISK A/S-B	Health Care	Pharmaceuticals	DENMARK	23,469,802.96	0.68%	22.66

Table excludes cash and legacy assets. This is an estimated aggregate position using Brunel Portfolios.

Strategic asset allocation



Performance attribution

Pension fund performance attribution - to quarter end

	End market value £'000	Actual % allocation at end of quarter	Strategic asset allocation (%)	Difference (%)	Fund return (%): 3 months	Contribution to return: 3 month
Greencoat Wessex Gardens	41,981	1.2%	-	1.2%	-0.3%	-0.0%
Bluebay	19,051	0.5%	-	0.5%	2.1%	0.0%
Brunel PM Cash	26,888	0.8%	-	0.8%	1.0%	0.0%
Cash	10,747	0.3%	-	0.3%	0.0%	0.0%
Golub	34,610	1.0%	-	1.0%	3.3%	0.0%
Social & Affordable Housing	5,401	0.2%	5.00%	-4.8%	-	-
Yorkshire Fund Managers	2,694	0.1%	-	0.1%	-0.0%	-0.0%
Global High Alpha Equities	500,284	14.4%	13.50%	0.9%	1.1%	0.1%
Global Sustainable Equities	448,911	12.9%	13.00%	-0.1%	-0.5%	-0.1%
UK Active Equities	408,875	11.8%	10.00%	1.8%	3.7%	0.4%
Emerging Markets Equities	207,931	6.0%	6.50%	-0.5%	5.7%	0.3%
Diversifying Returns Fund	177,214	5.1%	-	5.1%	-0.5%	-0.0%
Multi-Asset Credit	248,981	7.2%	7.00%	0.2%	1.9%	0.1%
Sterling Corporate Bonds	355,505	10.2%	10.00%	0.2%	0.1%	0.0%
PAB Passive Global Equities	386,282	11.1%	10.00%	1.1%	2.8%	0.3%
Private Equity Cycle 1	42,461	1.2%	2.00%	-0.8%	N/M	N/M

Performance attribution

Pension fund performance attribution - to quarter end

	End market value £'000	Actual % allocation at end of quarter	Strategic asset allocation (%)	Difference (%)	Fund return (%): 3 months	Contribution to return: 3 month
Private Equity Cycle 2	42,836	1.2%	1.00%	0.2%	N/M	N/M
Private Equity Cycle 3	1,398	0.0%	-	0.0%	N/M	N/M
Private Debt Cycle 2	78,699	2.3%	5.00%	-2.7%	N/M	N/M
Private Debt Cycle 3	10,841	0.3%	-	0.3%	N/M	N/M
Infrastructure Cycle 1	42,850	1.2%	2.00%	-0.8%	N/M	N/M
Infrastructure (General) Cycle 2	58,184	1.7%	2.00%	-0.3%	N/M	N/M
Infrastructure (Renewables) Cycle 2	46,439	1.3%	2.00%	-0.7%	N/M	N/M
Infrastructure Cycle 3	6,120	0.2%	1.00%	-0.8%	N/M	N/M
UK Property	208,881	6.0%	7.50%	-1.5%	N/M	N/M
International Property	61,455	1.8%	2.50%	-0.7%	N/M	N/M
Blackrock Risk Management	-2,104	-0.1%	-	-0.1%	-99.6%	0.2%

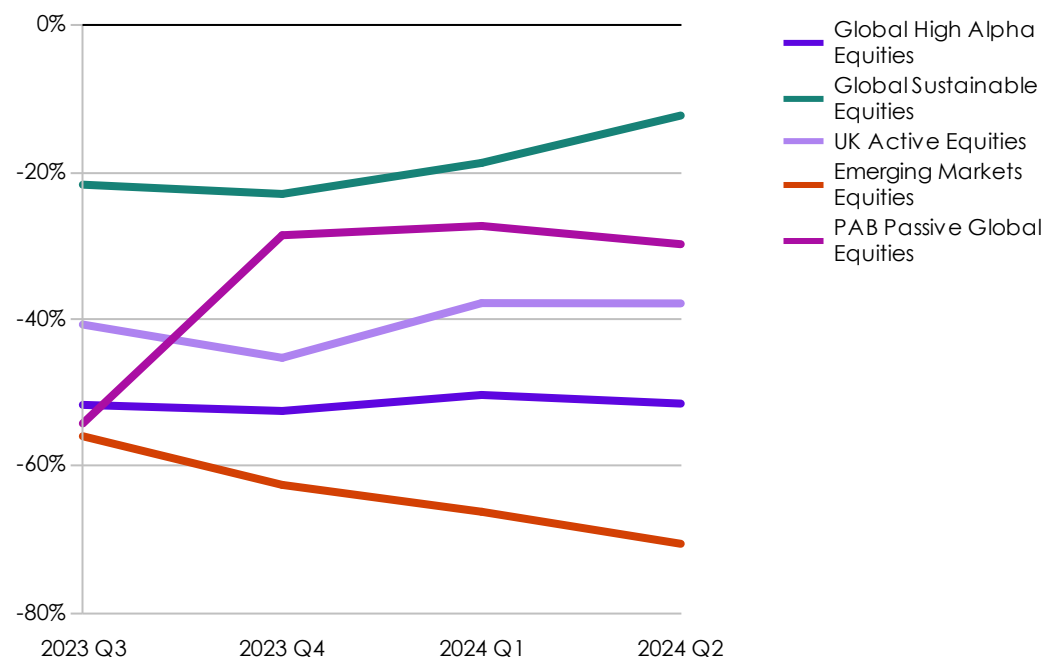
Private Markets 3 month performance is not material. Private Markets interim period performance is calculated using NAVs provided on business day 8. Later revisions to these NAVs are not captured in the calculations so please use caution when using this data.

Stewardship and climate metrics

Portfolio	WACI		Total Extractive Exposure ¹		Extractive Industries (VOH) ²	
	2024 Q1	2024 Q2	2024 Q1	2024 Q2	2024 Q1	2024 Q2
Global High Alpha Equities	79	77	1.5	1.3	2.4	2.4
MSCI World*	160	158	4.8	4.2	8.0	7.9
Global Sustainable Equities	160	178	2.0	1.9	5.1	5.4
MSCI ACWI*	197	203	4.8	4.2	8.1	8.0
UK Active Equities	82	82	6.8	6.4	10.4	11.1
FTSE All Share ex Inv Tr*	131	132	8.3	7.0	18.5	18.9
Emerging Markets Equities	179	175	2.1	2.0	4.6	4.5
MSCI Emerging Markets*	531	596	6.0	6.1	8.4	8.4
PAB Passive Global Equities	118	117	1.2	1.1	3.5	3.2
FTSE Dev World TR UKPD*	163	166	4.6	4.0	8.3	8.4
Passive Developed Equities (Hedged)	163	161	4.0	3.5	8.3	8.1

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

Weighted Average Carbon Intensity relative to benchmark



Stewardship reporting links

Engagement records

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

Holdings records

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

Voting records

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

Risk and return summary

Brunel portfolio performance - 3 year

	Annualised return	Risk (standard deviation)	Benchmark return	Benchmark standard deviation
Equities				
Global High Alpha Equities	6.8%	13.3%	10.6%	11.6%
Global Sustainable Equities	3.5%	14.3%	9.1%	11.1%
UK Active Equities	6.5%	12.0%	8.0%	11.0%
Emerging Markets Equities	-4.1%	13.8%	-1.8%	14.0%
Fixed income				
Multi-Asset Credit	2.6%	6.2%	7.0%	0.6%
Other				
Diversifying Returns Fund	2.8%	4.1%	6.0%	0.6%
Private markets (incl. property)				
Private Equity Cycle 1	14.4%	12.5%	9.1%	11.1%
Private Equity Cycle 2	4.9%	12.2%	9.1%	11.1%
Infrastructure Cycle 1	9.6%	4.1%	6.4%	2.1%
Infrastructure (General) Cycle 2	8.1%	5.5%	6.4%	2.1%
Infrastructure (Renewables) Cycle 2	7.9%	7.4%	6.4%	2.1%

Risk and return summary

Brunel portfolio performance - 3 year

	Annualised return	Risk (standard deviation)	Benchmark return	Benchmark standard deviation
Private markets (incl. property)				
UK Property	-0.5%	6.9%	-	10.2%
International Property**	0.1%	9.4%	2.6%	6.9%

**Performance data shown up to 31 March 2024

Risk and return summary

Legacy manager performance - 3 year

	Annualised return	Risk (standard deviation)	Benchmark return	Benchmark standard deviation
Bluebay	5.8%	4.6%	8.0%	0.6%
Brunel PM Cash	7.2%	-	-	-
Cash	-0.0%	-	-	-
Golub	15.0%	8.6%	8.0%	0.6%
Yorkshire Fund Managers	-6.4%	-	-	-
Gloucestershire County Council	4.0%	7.8%	4.9%	7.3%

Portfolio overview

Portfolio	Benchmark	Outperformance target	AUM (GBPm)	Perf. 3 month	Excess* 3 month	Perf. 1 year	Excess* 1 year	Perf. 3 year	Excess* 3 year	Perf. SII*	Excess* SII*	Initial investment
Equities (56.29%)			1,952.28									
Global High Alpha Equities	MSCI World	+2-3%	500.28	1.1%	-1.6%	17.2%	-4.2%	6.8%	-3.8%	13.4%	0.7%	15 Nov 2019
Global Sustainable Equities	MSCI ACWI	+2%	448.91	-0.5%	-3.5%	12.5%	-8.1%	3.5%	-5.6%	7.6%	-5.2%	30 Sep 2020
UK Active Equities	FTSE All Share ex Inv Tr	+2%	408.88	3.7%	-	14.9%	1.9%	6.5%	-1.5%	5.8%	-0.7%	21 Nov 2018
Emerging Markets Equities	MSCI Emerging Markets	+2-3%	207.93	5.7%	0.7%	12.5%	-1.1%	-4.1%	-2.3%	2.3%	-1.7%	09 Oct 2019
PAB Passive Global Equities	FTSE Dev World PAB	Match	386.28	2.8%	-	18.4%	-	-	-	11.2%	-0.1%	25 Jan 2022
Fixed income (17.43%)			604.49									
Multi-Asset Credit	SONIA +4%	0% to +1.0%	248.98	1.9%	-0.3%	11.9%	2.5%	2.6%	-4.4%	2.6%	-4.3%	01 Jun 2021
Sterling Corporate Bonds	iBoxx Sterling Non Gilt x	+1%	355.51	0.1%	0.2%	11.8%	2.1%	-	-	-3.0%	0.9%	02 Jul 2021
Private markets (incl. property) (17.31%)			600.16									
Private Equity Cycle 1	MSCI ACWI	+3%	42.46	N/M	N/M	5.4%	-15.2%	14.4%	5.3%	13.6%	1.0%	26 Mar 2019
Private Equity Cycle 2	MSCI ACWI	+3%	42.84	N/M	N/M	6.3%	-14.3%	4.9%	-4.3%	5.3%	-5.8%	05 Jan 2021
Private Equity Cycle 3	MSCI ACWI	+3%	1.40	N/M	N/M	10.5%	-10.1%	-	-	-2.7%	-23.5%	28 Apr 2023
Private Debt Cycle 2	SONIA	+4%	78.70	N/M	N/M	1.4%	-8.0%	-	-	6.7%	-0.5%	17 Sep 2021
Private Debt Cycle 3	SONIA	+4%	10.84	N/M	N/M	11.0%	1.6%	-	-	10.4%	1.4%	20 Dec 2022
Infrastructure Cycle 1	CPI	+4%	42.85	N/M	N/M	8.3%	6.3%	9.6%	3.2%	8.2%	4.0%	02 Jan 2019

Portfolio overview

Portfolio	Benchmark	Outperformance target	AUM (GBPm)	Perf. 3 month	Excess* 3 month	Perf. 1 year	Excess* 1 year	Perf. 3 year	Excess* 3 year	Perf. SII*	Excess* SII*	Initial investment
Private markets (incl. property) (17.31%)			600.16									
Infrastructure (General) Cycle 2	CPI	+4%	58.18	N/M	N/M	6.6%	4.7%	8.1%	1.7%	7.8%	2.1%	19 Oct 2020
Infrastructure (Renewables) Cycle 2	CPI	+4%	46.44	N/M	N/M	3.7%	1.7%	7.9%	1.5%	6.9%	1.2%	12 Oct 2020
Infrastructure Cycle 3	n/a - absolute return target	net 8% IRR	6.12	N/M	N/M	4.0%	2.0%	-	-	0.9%	-3.9%	13 Oct 2022
UK Property	MSCI/AREF UK	+0.5%	208.88	N/M	N/M	-3.0%	-2.9%	-0.5%	-0.5%	0.9%	-0.1%	01 Apr 2020
International Property**	GREFI	+0.5%	61.45	N/M	N/M	-9.7%	-2.2%	0.1%	-2.5%	-0.3%	-2.9%	01 Apr 2020
Other (5.11%)			177.21									
Diversifying Returns Fund	SONIA +3%	0% to +2.0%	177.21	-0.5%	-2.5%	9.3%	0.9%	2.8%	-3.1%	3.6%	-1.6%	27 Jul 2020
Total Brunel assets (excl. cash) (96.14%)			3,334.15									

*Since initial investment

**Performance data shown up to 31 March 2024

* Excess to benchmark, may not include outperformance

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

Table above excludes Blackrock Risk Management

Portfolio overview

Legacy assets

Portfolio	AUM (GBPm)	Perf. 3 month	Excess ⁺ 3 month	Perf. 1 year	Excess ⁺ 1 year	Perf. 3 year	Excess ⁺ 3 year	Perf. SII*	Excess ⁺ SII*	Initial investment
Equities (0.08%)		2.69								
Yorkshire Fund Managers	2.69	-	-	-12.5%	-12.5%	-6.4%	-6.4%	-	-	01 Oct 2017
Private markets (incl. property) (3.53%)		122.53								
Golub	34.61	3.3%	0.7%	14.2%	3.7%	15.0%	6.9%	10.1%	3.5%	01 Jul 2017
Bluebay	19.05	2.1%	-0.4%	8.6%	-1.9%	5.8%	-2.2%	6.7%	0.1%	01 Aug 2017
Brunel PM Cash	26.89	1.0%	1.0%	13.0%	13.0%	7.2%	7.2%	4.7%	-	14 Dec 2018
Greencoat Wessex Gardens	41.98	-0.3%	-1.1%	-	-	-	-	-0.3%	-2.3%	12 Feb 2024
Other (0.31%)		10.75								
Cash	10.75	-	-	1.0%	1.0%	-	-	-	-	01 Oct 2017
Total legacy assets (excl. cash) (3.92%)		135.97								

*Since initial investment

* Excess to benchmark, may not include outperformance

Chief Investment Officer commentary

Economic and market price momentum from the first quarter of 2024 continued into the second, albeit at a more moderate pace. Initial strong economic data was, at the margin, viewed negatively by investors given the stickier nature of inflation, particularly service inflation, which remained stubbornly higher than the levels with which the US central bank is comfortable. The Federal Reserve meeting in June poured further cold water on the idea of early rate cuts by striking a hawkish tone. The European central bank actually cut interest rates but, in keeping with other developed markets, expectations of further ECB rate cuts diminished.

Global equities rallied, driven by an ever-narrower clutch of AI-themed companies, as concentration increased even further. To highlight this point, an equally weighted benchmark of US companies underperformed the market cap-weighted benchmark by 10% in the first half of this year. Despite this, it was emerging market equities that posted by far the strongest returns, up in excess of 5% during the quarter. This was driven by several factors, not least the rally in the Chinese market, which was spurred into life by the positivity surrounding the government's efforts to support the real estate sector and President Xi's reform rhetoric. Politics also had a hand to play, as investors were heartened by the coalition formed in South Africa, and by Narendra Modi's NDA coalition retaining a parliamentary majority in India, albeit reduced. Not to be outdone, the UK stock market also posted strong returns and the FTSE 100 hit all-time highs.

Politics wasn't far from the agenda elsewhere, with (spoiler alert) then-PM Rishi Sunak calling for an election on 4 July. In France, snap parliamentary elections saw gains for right-wing parties, which created uncertainty and drove eurozone shares lower. The performance of Joe Biden, the US president, in a televised debate did, accordingly to polls, increase the likelihood of the former president, Donald Trump, returning to the White House. Politics as a rule doesn't drive long-term asset prices but can create short term volatility. That said, we do have a disproportionate number of elections this year, which does amplify the "noise level."

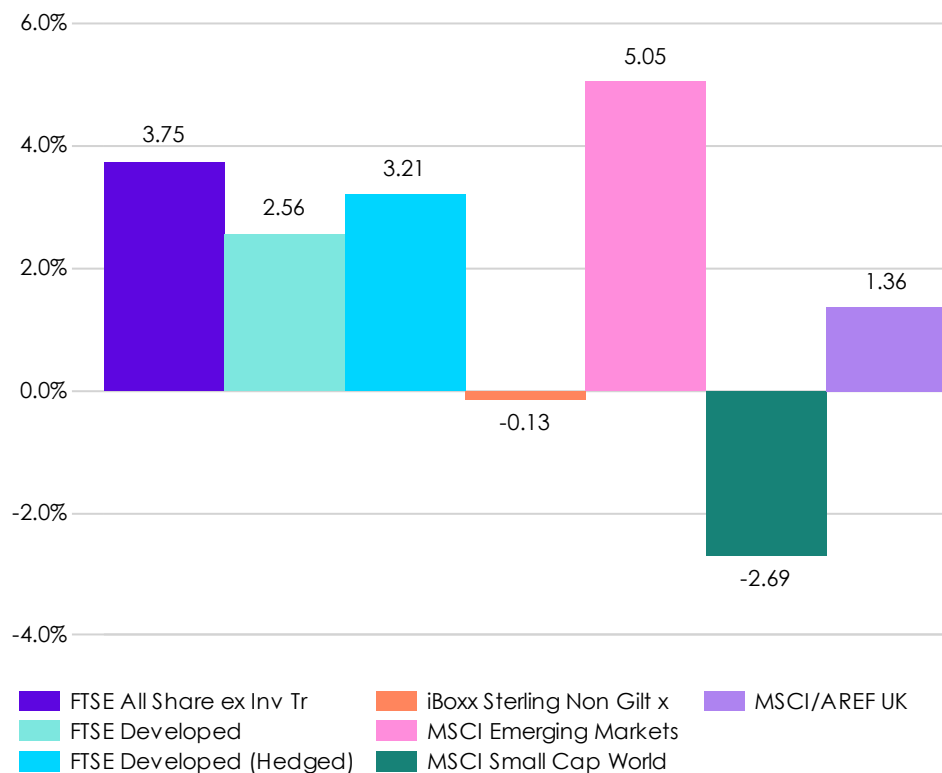
Despite some cracks appearing in US consumer data towards the end of June, the relatively benign economic news seen over the quarter put pressure on core government bonds but was supportive of the riskier ends of the fixed income market. Whilst all-in yields remained high, corporate spreads, which had stayed in narrow ranges this year, ended near post-financial crisis lows, driven by healthy fundamentals including continued positive corporate earnings. Linking back to my comments above, it is worthy of note that, whilst profits were at or near all-time highs in many markets, the share of profit increases coming back to employees was much, much lower, perhaps driving discontent and a move away in many places from the centre ground of politics.

In private markets, the macro themes described have played out somewhat differently. AI-powered technology allows for greater efficiencies and greater innovation but also hugely increases demand for power, which adds pressure to the energy transition. However, there were positives in the form of company actions: Microsoft, for example, this year signed a huge 10GW renewable energy contract agreement (PPA) to help it meet its demands and its Net Zero commitment. This type of action creates significant opportunities - and provides leadership by example.

Elsewhere in private equity and infrastructure, the market consensus of a higher-for-longer rate environment meant GPs buying assets with their eyes wide open. It's therefore very plausible that this current vintage should be a strong one. However, as the IPO markets remained quiet, there continued to be unresolved digestion problems, specifically in the private equity universe, where managers were unable to sell assets and return capital to their investors. In real estate, despite rates remaining elevated, some managers were starting to talk of green shoots and of more optimism in the market. Occupier markets were still resilient, although they have slowed since peak and, anecdotally, transaction volumes are anticipated to recover compared to the lows of the previous quarter and of 2023.

Chief Investment Officer commentary

Index Performance Q2 2024



Source: State Street

Global High Alpha Equities

Launch date

6 December 2019

Investment strategy & key drivers

High conviction, unconstrained global equity portfolio

Liquidity

Managed

Benchmark

MSCI World

Outperformance target

+2-3%

Total fund value

£4,418m

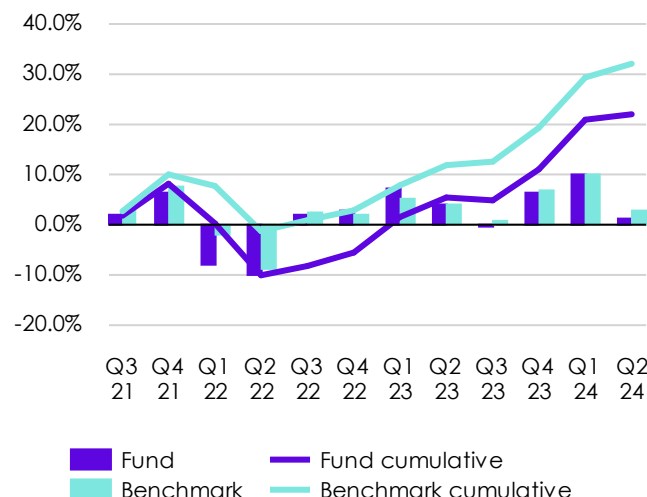
Risk profile

High

Gloucestershire's Holding:

GBP500m

Rolling 3yr performance



Performance to quarter end

Performance	3 month	1 year	3 year*	Since inception*
Fund	1.1	17.2	6.8	13.9
MSCI World	2.7	21.4	10.6	13.2
Excess	-1.6	-4.2	-3.8	0.7

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

Performance commentary

Global developed equities (as proxied by the MSCI World index) returned 2.7% in GBP terms over the quarter, continuing the rally experienced over the previous two quarters, albeit at a more moderate pace. Returns were driven by a handful of AI-connected large cap holdings, again highlighting the continuing concentration within the index. The largest four names in the index (Amazon, Apple, Microsoft, and NVIDIA, comprising nearly 17% of the index by market cap) together contributed c. 2.7%, to the index return (practically 100% of it). The other c.1,400 constituents contributed essentially nothing to absolute returns in aggregate. Therefore, it is no surprise that positioning in those top four names largely drove relative performance outcomes over the quarter. Cyclical sectors again generally outperformed defensive, with IT and Communications

Services the significant outperformers. Broad style indices showed Quality and Growth outperformed whilst Value materially underperformed the index.

The portfolio returned 1.1%, underperforming the index by 1.6%. It is underweight the four largest names in aggregate and it was the underweights to Apple and NVIDIA that hurt most, together detracting 1.1% from relative returns.

Sector attribution showed that, whilst the overweight allocation to the Consumer Discretionary sector detracted, it was weak selection within the IT sector that had the largest negative impact on performance, driven by underweights to Apple and NVIDIA. Selection within Financials was also weak, partly due to the negative impact of the transactions and

payments-type businesses held overweight in the portfolio (with Mastercard and Adyen two of the larger detractors).

Manager performance varied widely. Baillie Gifford was the only manager to outperform (+0.9%), resulting from sector positioning (overweights in IT and Communications Services added 0.9%) and an aggregate overweight in the largest four (which contributed 1.1% to relative returns). Harris underperformed (-6.1%), as it struggled against the headwinds of being 15% underweight the largest four, and of Value underperforming, which led to weak selection across the board. AB and Fiera had more muted underperformance. RLAM was neutral versus the index.

From inception to quarter-end, the portfolio outperformed the benchmark by 0.7% p.a.

Global High Alpha Equities

Top 5 holdings

	Weight %	B'mark weight %	Client value (GBP)*
MICROSOFT CORP	6.52	4.77	32,626,378
AMAZON.COM INC	4.41	2.73	22,065,530
ALPHABET INC	3.23	3.04	16,168,482
TAIWAN SEMICONDUCTOR	3.07	-	15,342,563
MASTERCARD INC	2.68	0.56	13,406,513

*Estimated client value

Top 5 active overweights

	Weight %	Benchmark weight %
TAIWAN SEMICONDUCTOR	3.07	-
MASTERCARD INC	2.68	0.56
MICROSOFT CORP	6.52	4.77
AMAZON.COM INC	4.41	2.73
UNITEDHEALTH GROUP INC	2.12	0.71

Top 5 active underweights

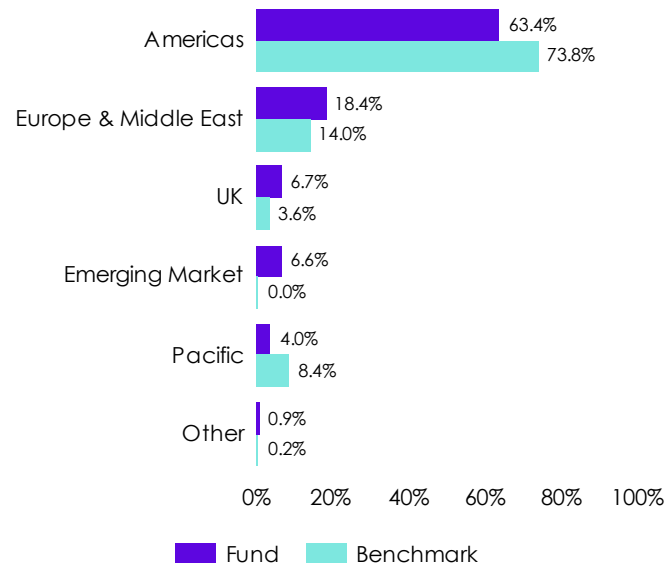
	Weight %	Benchmark weight %
APPLE INC	0.92	4.67
NVIDIA CORP	2.29	4.67
META PLATFORMS INC	-	1.67
BROADCOM INC	-	1.07
JPMORGAN CHASE & CO	-	0.88

Largest contributors to ESG risk

	ESG risk score*	
	Q1 2024	Q2 2024
AMAZON.COM INC	30.20	29.32
MICROSOFT CORP	15.21	14.18
ALPHABET INC-CL A	24.09	24.81
NOVO NORDISK A/S-B	23.06	22.66
MASTERCARD INC - A	16.56	15.59

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

Regional exposure

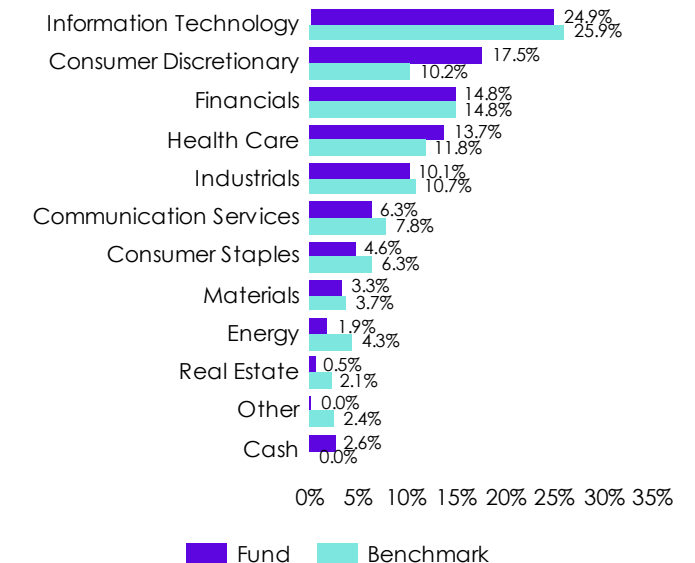


Carbon metrics

Portfolio	WACI		Total Extractive Exposure ¹		Extractive Industries (VOH) ²	
	2024 Q1	2024 Q2	2024 Q1	2024 Q2	2024 Q1	2024 Q2
Global High Alpha	79	77	1.54	1.25	2.44	2.42
MSCI World*	160	158	4.80	4.16	8.05	7.90

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

Sector exposure



Global Sustainable Equities

Launch date

20 October 2020

Investment strategy & key drivers

Global equity exposure concentrating on ESG factors

Liquidity

Managed

Benchmark

MSCI ACWI

Outperformance target

+2%

Total fund value

£3,767m

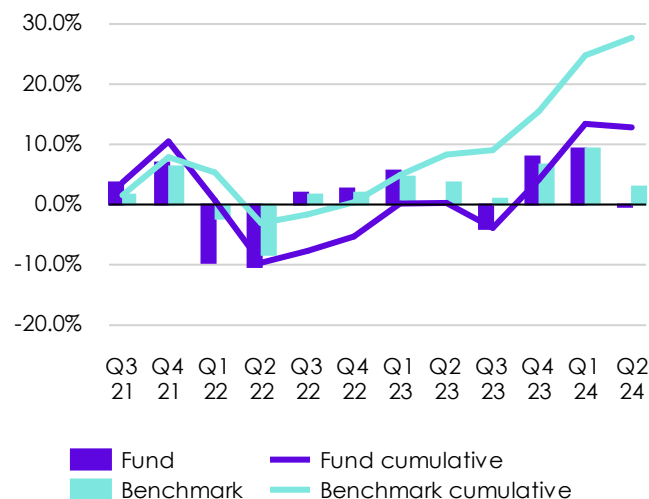
Risk profile

High

Gloucestershire's Holding:

GBP449m

Rolling 3yr performance



Performance to quarter end

Performance	3 month	1 year	3 year*	Since inception*
Fund	-0.5	12.5	3.5	7.2
MSCI ACWI	2.9	20.6	9.1	12.4
Excess	-3.5	-8.1	-5.6	-5.2

Source: State Street Global Services

*per annum. Net of all fees.

Performance commentary

The portfolio returned -0.5% over the quarter, while the MSCI ACWI benchmark returned 2.9%. Whilst the quarter was flat in terms of absolute return, over the first half of 2024 the fund returned 8.9%, and 12.9% over the 12 months to quarter-end.

The market this quarter was reminiscent of the concentrated environment we saw during large parts of 2023. Whilst 2023 was dominated by headlines on the "Magnificent 7", the quarter saw a handful of names dominate an "AI Trade". Five individual stocks - NVIDIA, Apple, Microsoft, Alphabet and TSMC - contributed 2.9% to the market's 2.9% return. Therefore, the remaining ~2900 (~85% of the index) stocks in the index collectively contributed 0% to the market return. The equally weighted MSCI ACWI returned -0.7% over the quarter and so, whilst the market appeared in good health,

the average stock actually fell over the quarter. This left many to question what happens when NVIDIA doesn't meet ~20% quarterly earnings growth.

The concentration in the market is causing concern for many active managers as they start to feel their internal risk frameworks are being stretched by the increasing weights of these top names. One GSE manager, for instance, has a prudent 5% max weight on any position size and has held NVIDIA at this weight for a number of years. As NVIDIA has now grown to an index weight of 4.2%, relative outperformance has been squeezed out compared to when NVIDIA was 2% of the index. The GSE portfolio itself has a 10% underweight position to the five outperforming names, which contributed 1.6% of the 3.4% relative underperformance.

The remaining contribution to underperformance largely came from companies deemed to be on the other side of the "AI Trade", notably, software companies such as Ansys. These companies all cited a tougher selling environment given previous strong growth periods, and a notable trend in increased AI-focused company spend, which pushed out software projects. We have engaged with managers on these affected positions; however, we have already seen a recovery in names such as Adobe.

Whilst it is always disappointing to have a quarter of underperformance, we note that the majority of Sustainable managers also underperformed the broad MSCI ACWI index. At time of writing, 82% had failed to outperform the index - the outperformers had significant exposure to AI names.

Global Sustainable Equities

Top 5 holdings

	Weight %	B'mark weight %	Client value (GBP)*
NVIDIA CORP	2.58	4.19	11,574,865
MASTERCARD INC	2.58	0.50	11,568,984
MICROSOFT CORP	2.55	4.28	11,438,889
INTUIT INC	2.43	0.25	10,887,447
ASML HOLDING NV	2.41	0.56	10,806,777

*Estimated client value

Top 5 active overweights

	Weight %	Benchmark weight %
INTUIT INC	2.43	0.25
MASTERCARD INC	2.58	0.50
ASML HOLDING NV	2.41	0.56
WASTE MANAGEMENT INC	1.85	0.12
ANSYS INC	1.67	0.04

Top 5 active underweights

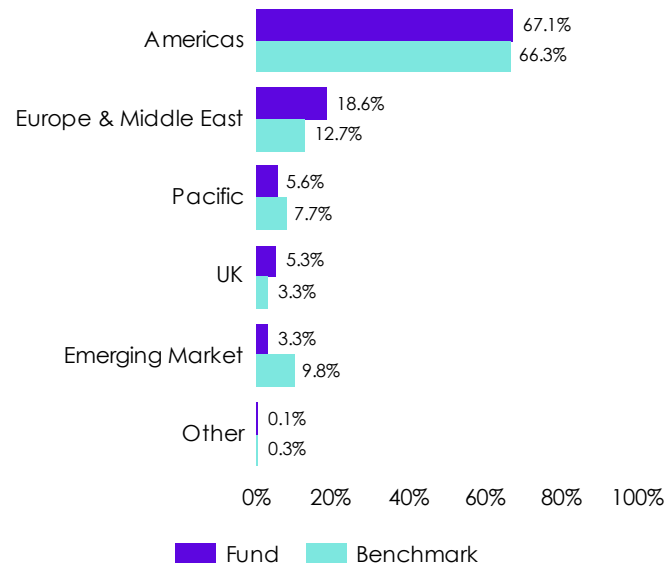
	Weight %	Benchmark weight %
APPLE INC	-	4.19
ALPHABET INC	0.70	2.73
MICROSOFT CORP	2.55	4.28
NVIDIA CORP	2.58	4.19
META PLATFORMS INC	-	1.50

Largest contributors to ESG risk

	ESG risk score*	
	Q1 2024	Q2 2024
INTUIT INC	17.95	16.92
MASTERCARD INC - A	16.56	15.59
NOVO NORDISK A/S-B	23.06	22.66
AMAZON.COM INC	30.20	29.32
MICROSOFT CORP	15.21	14.18

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

Regional exposure

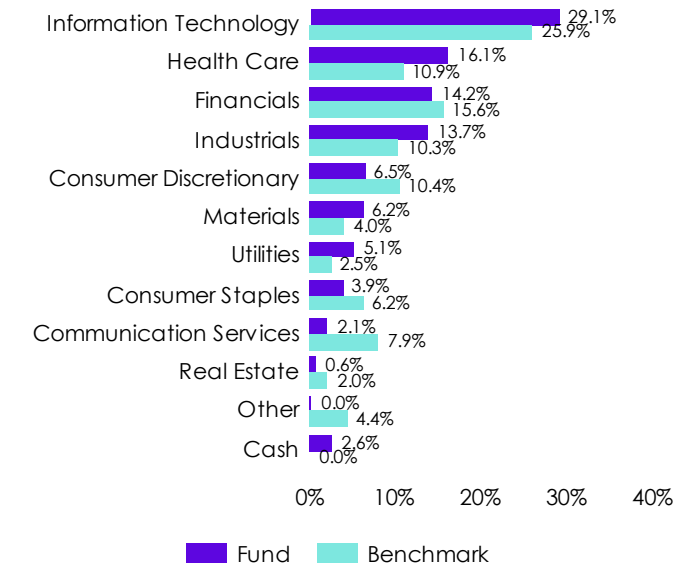


Carbon metrics

Portfolio	WACI		Total Extractive Exposure ¹		Extractive Industries (VOH) ²	
	2024 Q1	2024 Q2	2024 Q1	2024 Q2	2024 Q1	2024 Q2
Global Sustainable	160	178	1.96	1.89	5.06	5.36
MSCI ACWI*	197	203	4.82	4.20	8.08	7.95

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

Sector exposure



UK Active Equities

Launch date

1 December 2018

Investment strategy & key drivers

Active stock and sector exposure to UK equity markets

Liquidity

Managed

Benchmark

FTSE All Share ex Inv Tr

Outperformance target

+2%

Total fund value

£1,335m

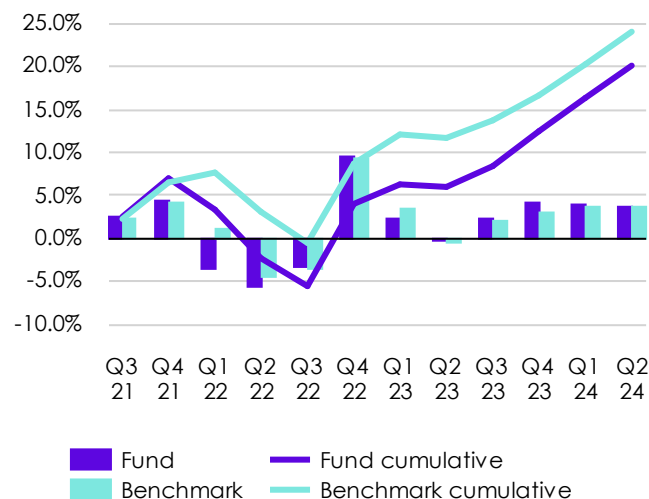
Risk profile

High

Gloucestershire's Holding:

GBP409m

Rolling 3yr performance



Performance to quarter end

Performance	3 month	1 year	3 year*	Since inception*
Fund	3.7	14.8	6.5	5.8
FTSE All Share ex Inv Tr	3.7	12.9	8.0	6.5
Excess	-0.0	1.9	-1.5	-0.8

Source: State Street Global Services

*per annum. Net of all fees.

Performance commentary

The FTSE All-Share Index excluding Investment Trusts returned 3.7% over the quarter. (Note this is the same return as last quarter, after rounding). The FTSE All-Share also outperformed the developed market index (MSCI World) for the second quarter in a row, this time by 1% in GBP terms. The FTSE 100 recorded a fresh all-time high and outperformed the FTSE 250, largely reflecting the FTSE 100's greater strength in banks, Industrials and Pharmaceuticals.

The portfolio also returned 3.7% during the period, matching the benchmark and marking the fifth successive quarter of performance at or above benchmark.

Sector attribution showed a small negative impact from allocation as the underweight to Energy and overweight to Industrials detracted. This was offset by a small positive effect

driven by stock selection in the Technology and Consumer Staples sectors. The underweight to Shell was the largest single-name relative impact on portfolio performance, detracting 0.35%.

Market cap allocation was a headwind over the quarter, detracting 0.7% from relative returns, driven by the portfolio's underweight to the largest quintile of companies (which was also the best-performing quintile).

On a manager-by-manager basis, Invesco outperformed the index by 0.7%, building on strong relative performance over the prior three quarters. Relative performance was again driven by the targeted factors, with positive contributions from the Value and Momentum factors, whilst the Quality factor marginally detracted. Baillie Gifford underperformed

by 1% over the quarter. Sector allocation was negative, resulting from large overweights in the Industrials and Consumer Discretionary sectors. Selection also had a small negative impact, but it was market cap allocation which had the largest impact on relative returns with an underweight to the largest quintile and overweight to the smallest quintile detracting 1.4% and 0.9% respectively.

From inception to quarter-end, the portfolio underperformed the benchmark by 0.8% per annum.

UK Active Equities

Top 5 holdings

	Weight %	B'mark weight %	Client value (GBP)*
ASTRAZENECA PLC	6.99	8.17	28,564,868
UNILEVER PLC	5.13	4.82	20,967,848
SHELL PLC	4.11	8.24	16,788,736
HSBC HOLDINGS PLC	3.14	5.85	12,848,612
RELX PLC	2.68	3.09	10,969,872

*Estimated client value

Top 5 active overweights

	Weight %	Benchmark weight %
MARKS & SPENCER GROUP PLC	1.80	0.25
HOWDEN JOINERY GROUP PLC	1.64	0.21
BUNZL PLC	1.88	0.45
STANDARD CHARTERED PLC	2.03	0.70
INFORMA PLC	1.72	0.52

Top 5 active underweights

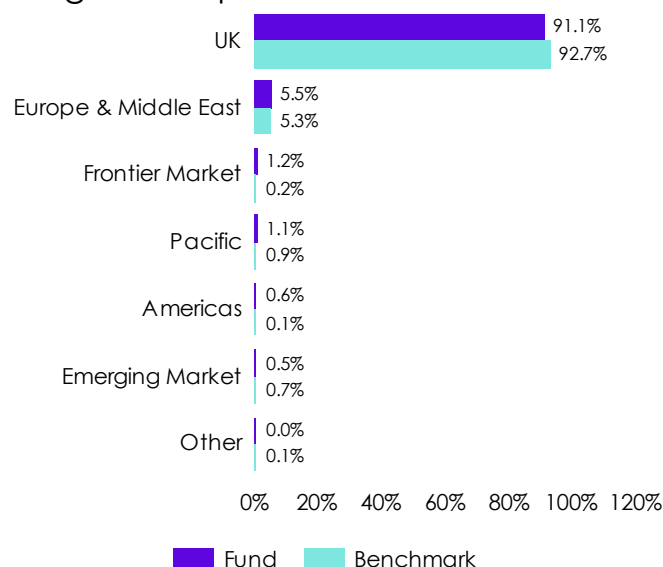
	Weight %	Benchmark weight %
SHELL PLC	4.11	8.24
HSBC HOLDINGS PLC	3.14	5.85
LONDON STOCK EXCHANGE	0.40	2.04
NATIONAL GRID PLC	-	1.47
COMPASS GROUP PLC	0.27	1.65

Largest contributors to ESG risk

	ESG risk score*	
	Q1 2024	Q2 2024
ASTRAZENECA PLC	22.03	21.09
SHELL PLC	33.68	32.43
UNILEVER PLC	23.57	22.20
GLENCORE PLC	38.56	36.85
BP PLC	35.97	33.82

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

Regional exposure

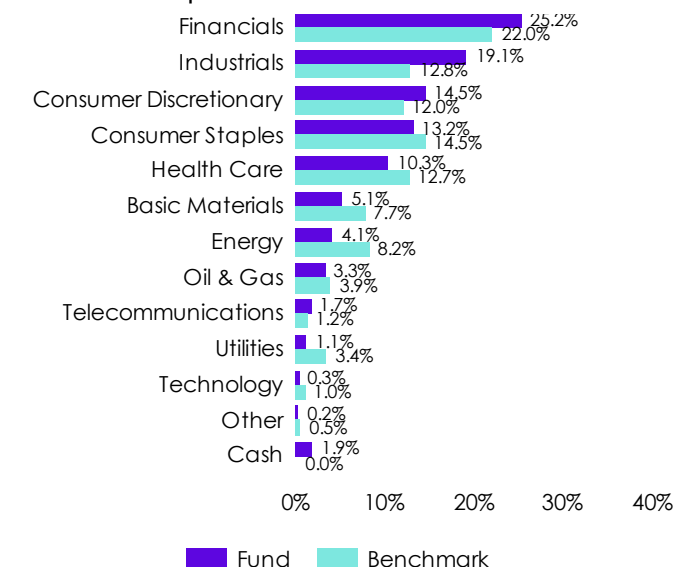


Carbon metrics

Portfolio	WACI		Total Extractive Exposure ¹		Extractive Industries (VOH) ²	
	2024 Q1	2024 Q2	2024 Q1	2024 Q2	2024 Q1	2024 Q2
UK Active Equities	82	82	6.80	6.42	10.39	11.06
FTSE All Share ex Inv	131	132	8.32	7.04	18.55	18.90

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

Sector exposure



Emerging Markets Equities

Launch date

8 November 2019

Investment strategy & key drivers

Equity exposure to emerging markets

Liquidity

Managed

Benchmark

MSCI Emerging Markets

Outperformance target

+2-3%

Total fund value

£1,087m

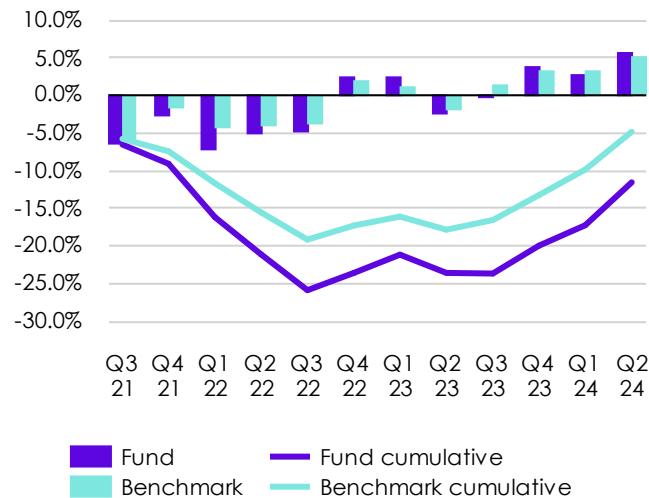
Risk profile

High

Gloucestershire's Holding:

GBP208m

Rolling 3yr performance



Performance to quarter end

Performance	3 month	1 year	3 year*	Since inception*
Fund	5.7	12.5	-4.1	1.7
MSCI Emerging Markets	5.0	13.6	-1.8	3.4
Excess	0.7	-1.1	-2.3	-1.7

Source: State Street Global Services

*per annum. Net of all fees.

Performance commentary

Emerging markets (EM) had another positive quarter, returning +5.0% when measured by the MSCI Emerging Markets Index. Most country constituents within the index made negative returns over the period; however, the broader return was propped up by strong returns in China, India & Taiwan. The noteworthy events of last quarter were the elections in India and Mexico. Mexico elected leftist Claudia Sheinbaum with stronger than expected support. The result spooked markets – Mexican equities fell 16% as a result. India also saw a surprise result. Narendra Modi won a third term as expected; however, his party lost their majority only winning 240 seats. This initially caused large drawdowns in Indian equities, but investors ultimately took the news as a positive given a weaker mandate from Modi may prove

friendly to investors. Indian equities returned +10.3% over the quarter.

The Emerging Markets portfolio returned +5.7% last quarter, which was +0.7% ahead of the benchmark return. Country, sector and style headwinds all moved against the portfolio. However, stock selection was strong and ultimately offset these headwinds.

At a stock level, the most impressive results were found in India. Mahindra & Mahindra – an Indian automotive company – saw passenger vehicle sales rise more than expected. The company rose +49% over the quarter. Crompton Greaves – a consumer electrical products company – rose 51% following strong demand for electric consumer durables.

Country and sector allocation was once again a large detractor last quarter. At a country level, the overweight to Mexico and underweight to Taiwan cost almost 80bps in relative performance. The fund is typically underweight Taiwan due to its highly developed nature. At a sector level, Consumer Staples fell 2.8%. The fund is typically overweight in this area due to the bias Genesis have towards the EM consumer. The allocation impact from Consumer Staples was approximately -40bps.

The outlook for EM remains cautiously optimistic. Companies remain attractively valued vs developed counterparts. However, investors should be mindful of upcoming events such as the US elections, which may cause further volatility in the asset class.

Emerging Markets Equities

Top 5 holdings

	Weight %	B'mark weight %	Client value (GBP)*
TAIWAN SEMICONDUCTOR	9.77	9.72	20,318,234
TENCENT HOLDINGS LTD	5.57	4.18	11,582,055
SAMSUNG ELECTRONICS CO LTD	4.70	4.25	9,765,918
HDFC BANK LTD	2.11	0.75	4,393,385
PDD HOLDINGS INC	2.10	1.05	4,376,376

*Estimated client value

Top 5 active overweights

	Weight %	Benchmark weight %
AIA GROUP LTD	1.55	-
TENCENT HOLDINGS LTD	5.57	4.18
HDFC BANK LTD	2.11	0.75
PDD HOLDINGS INC	2.10	1.05
SANLAM LTD	1.13	0.10

Top 5 active underweights

	Weight %	Benchmark weight %
CHINA CONSTRUCTION BANK CORP	-	0.95
ALIBABA GROUP HOLDING LTD	1.14	1.86
PETROLEO BRASILEIRO SA	0.20	0.79
AL RAJHI BANK	-	0.56
TATA CONSULTANCY SERVICES LTD	-	0.56

Largest contributors to ESG risk

	ESG risk score*	
	Q1 2024	Q2 2024
TAIWAN SEMICONDUCTOR	-	13.48
TENCENT HOLDINGS LTD	19.50	18.96
SAMSUNG ELECTRONICS CO LTD	18.03	14.82
PDD HOLDINGS INC	29.27	28.93
RELIANCE INDUSTRIES LTD	40.19	38.54

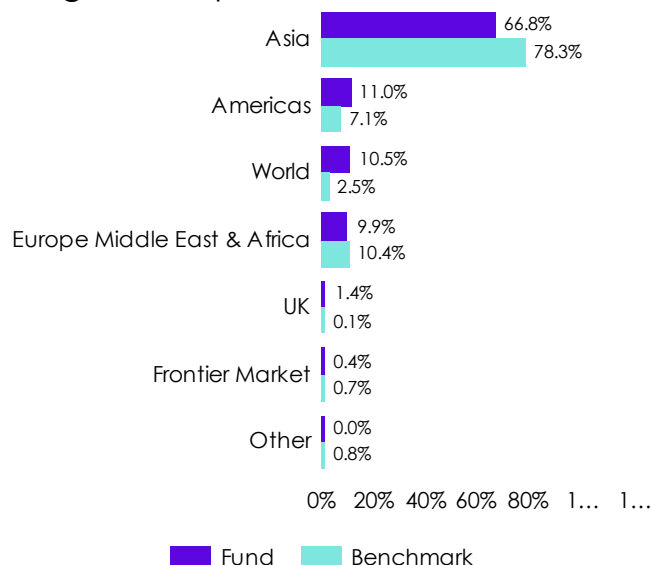
*Source: Sustainalytics. The table is ordered by negative overall ESG impact on the portfolio, with the most impactful at the top. ESG Risk Score reference: 0-10 is Negligible, 10-20 is Low, 20-30 is Medium, 30-40 is High, 40+ is Severe.

Carbon metrics

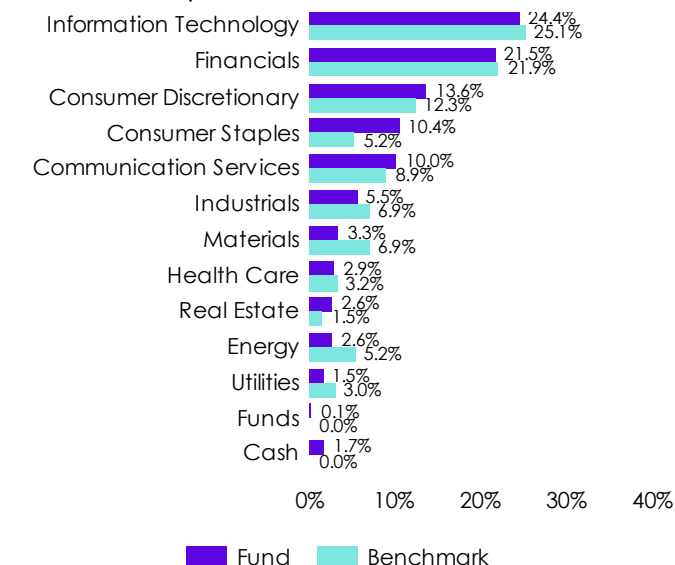
Portfolio	WACI		Total Extractive Exposure ¹		Extractive Industries (VOH) ²	
	2024 Q1	2024 Q2	2024 Q1	2024 Q2	2024 Q1	2024 Q2
Emerging Markets	179	175	2.15	1.97	4.60	4.51
MSCI Emerging	531	596	5.96	6.15	8.40	8.37

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

Regional exposure



Sector exposure



Diversifying Returns Fund

Launch date

12 August 2020

Investment strategy & key drivers

Strategy utilising currencies, credit, rates and equities

Liquidity

Managed

Benchmark

SONIA +3%

Outperformance target

0% to +2.0%

Total fund value

£948m

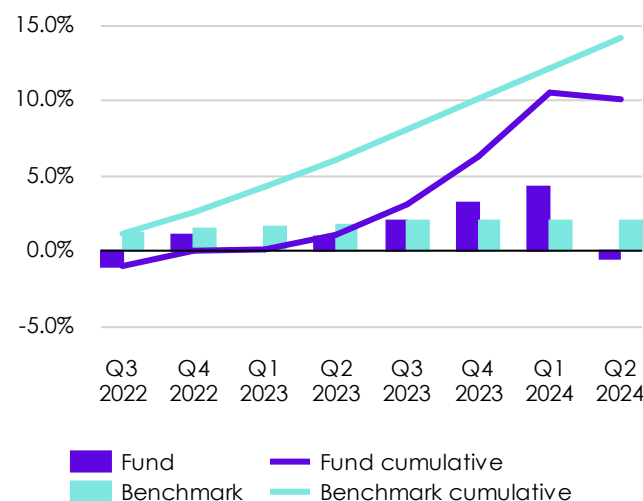
Risk profile

Moderate

Gloucestershire's Holding:

GBP177m

Rolling 2yr performance



Performance to quarter end

Performance	3 month	1 year	3 year*	Since inception*
Fund	-0.5	9.2	2.8	3.9
SONIA +3%	2.0	8.4	6.0	5.3
Excess	-2.5	0.9	-3.1	-1.5

Source: State Street Global Services

*per annum. Net of all fees.

Performance commentary

The Diversifying Returns Fund returned -0.5% over the second quarter of 2024. SONIA +3% returned 2.0%. The sterling hedged 50/50 equity/bond index we monitor returned 1.8% over the quarter, with equities generating positive performance and bonds close to flat.

The fund captured some positive returns from equities and from interest earned on large cash positions in derivative heavy sub-strategies. However, it was a weaker quarter for alternative premia, leading to negative returns for the fund.

Fulcrum were able to take advantage of positive equity market and returned 1.8%. The long-short thematic equity sleeve and exposure to precious metals also made positive contributions to returns. Currency positioning and trend

following strategies detracted from performance over the quarter.

Lombard Odier also benefitted from exposure to equities and commodities generating a return of 0.6% for the period. Interest earned on cash also made a positive contribution to returns but sovereign bond exposure and carry signals detracted.

The aggregate performance of JPM's factor signals was muted, with interest on cash aiding a quarterly return of 0.6%. Credit and FX carry were the best performing of the factor signals with Relative Value Equity Momentum also making a positive contribution to returns. Other equity signals had a weak quarter and trend signals across asset classes also contributed negative returns in a choppy quarter.

UBS returned -8.2% for the period with further losses from their long Yen position as the Bank of Japan quashed hopes that significant additional rate rises will follow March's increase. The Brazilian Real also fell over the quarter and dampened returns. The Norwegian Kroner, which has been weak for some time, did make a positive contribution to returns along with short positions in the Euro and Sterling.

Multi-Asset Credit

Launch date

7 July 2021

Investment strategy & key drivers

Exposure to higher yield bonds with moderate credit risk

Liquidity

Managed

Benchmark

SONIA +4%

Outperformance target

0% to +1.0%

Total fund value

£3,026m

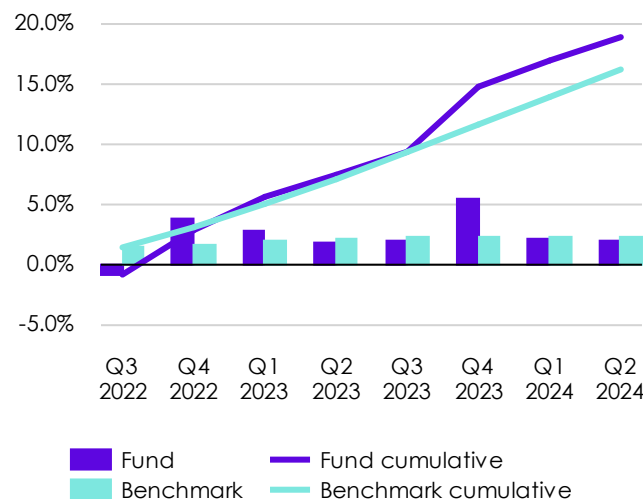
Risk profile

Moderate

Gloucestershire's Holding:

GBP249m

Rolling 2yr performance



Performance to quarter end

Performance	3 month	1 year	3 year*	Since inception*
Fund	1.9	11.9	-	2.7
SONIA +4%	2.3	9.4	-	7.0
Excess	-0.3	2.5	-	-4.4

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

Performance commentary

Leveraged finance produced a positive return last quarter, following a small rise in yields. The small rise in yields masked another volatile period for interest rate expectations in the United States (US). As mentioned in the CIO commentary, an upside surprise, in March CPI and other robust macro data, was enough to evaporate hopes of policy rate cut before the US elections. Risk assets rebounded in May as interest rates fell from their 2024 peak. Weaker-than-expected jobs data and stabilising US inflation also fuelled increased speculation of rate cuts before year end.

Government bond yields rose modestly, with longer dated parts of the curve increasing more. The US 2 & 10-year bond yields ended the quarter at 4.72% and 4.37% respectively. This was an increase of 10 and 17bps respectively. It was a similar

story in the UK where the 2 and 10-year yields ended the period at 4.21% and 4.15% respectively. Credit spreads remained fairly stable last quarter as a result of both sentiment and a muted default environment. Spreads in High Yield corporates ended the quarter at 328bps, narrowly up from the 322bps in March. Once again, rising government bond yields and stable spreads resulted in floating rate asset classes being the most successful. The highest returning asset class was Collateralised Loan Obligations (CLOs), with all sub-investment grade tranches returning in excess of 2.3%. Higher duration asset classes - such as investment grade corporates - were once again the laggards.

The Multi-Asset Credit portfolio returned +1.9% last quarter. This was ahead of the composite benchmark - comprised of

Loans and High Yield bonds - which returned +1.6%. The primary cash benchmark - SONIA +4% - returned +2.3% as Sterling rates remained elevated. Differences in manager performance were driven by duration positioning, with Neuberger making the lowest return given their higher duration.

Looking forward, investors should treat the muted default environment with caution. Extensions, payment in kind (PIK) and rescue financing is on the rise. Environments like this bode well for active management, allowing investors to avoid defaults. Our managers remain mindful of the current default environment and have increased quality, currently BB-, in the portfolio to reflect this view.

Sterling Corporate Bonds

Launch date

2 July 2021

Investment strategy & key drivers

Managed credit selection to generate excess sterling yield returns

Liquidity

Managed

Benchmark

iBoxx Sterling Non Gilt x

Outperformance target

+1%

Total fund value

£2,799m

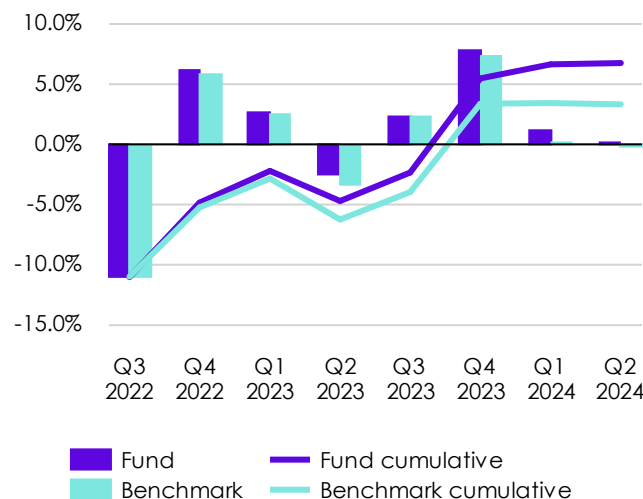
Risk profile

Moderate

Gloucestershire's Holding:

GBP356m

Rolling 2yr performance



Performance to quarter end

Performance	3 month	1 year	3 year*	Since inception*
Fund	0.1	11.8	-	-3.0
iBoxx Sterling Non Gilt x	-0.1	9.7	-	-4.0
Excess	0.2	2.1	-	0.9

Source: State Street Global Services

*per annum. Net of all fees.

Performance commentary

2024 began with an expectation that central banks would cut early and often, however this expectation has changed. Inflation has fallen slower than hoped, with services inflation continuing to be considered "sticky". The surprisingly early UK General Election was a source of short-term volatility but did not result in large scale repricing in the markets.

Data released in the UK in the second quarter confirmed that the country bounced out of technical recession in Q1 and suggested continued economic growth. First quarter GDP rose 0.7% quarter-on-quarter in real terms, after falling 0.3% in the fourth quarter. Meanwhile inflation also dropped back to the Bank of England's 2% target. The Bank of England kept rates at 5.25%, even though headline inflation dropped. This reflected concerns about services inflation and pay growth.

The sterling Investment Grade credit market (non-gilt) returned -0.1% with the average sterling investment grade credit spread widening 0.01% to 1.03%. Given the modest rise in yields, sectors with a greater proportion of long-dated bonds performed less well, including utilities. Of the major sectors, supranationals and banks produced positive returns.

Over the period, the Sterling Corporate Bonds portfolio returned 0.1%, outperforming the benchmark by 0.2%.

The main driver of positive relative performance was security selection particularly in banks and structured bonds. This more than offset the underweight in supranationals which performed well over the quarter. Within the banking sector, Subordinated bonds from the likes of Close Brothers and Santander performed strongly. Exposure to Virgin Money and

the Co-operative Bank also did well as the proposed takeovers by Nationwide and Coventry Building Society respectively continued to progress. Structured bonds were the other area of interest, with strong performance from student loan provider ICSL, real estate vehicle Canary Wharf and Telereal – secured on BT telephone exchanges. In terms of credit rating bands, BB-rated bonds and an underweight in AAA contributed most to relative returns.

News flow continued on the water sector as the regulator's draft decision on spending over the next five years was deferred due to the snap election. There have been no real developments that require portfolio positioning to be changed, and RLAM continue to support the funding of this critical sector.

PAB Passive Global Equities

Launch date

1 November 2021

Investment strategy & key drivers

Passive global equity exposure aligned to Paris Agreement climate goals

Liquidity

High

Benchmark

FTSE Dev World PAB

Outperformance target

Match

Total fund value

£2,763m

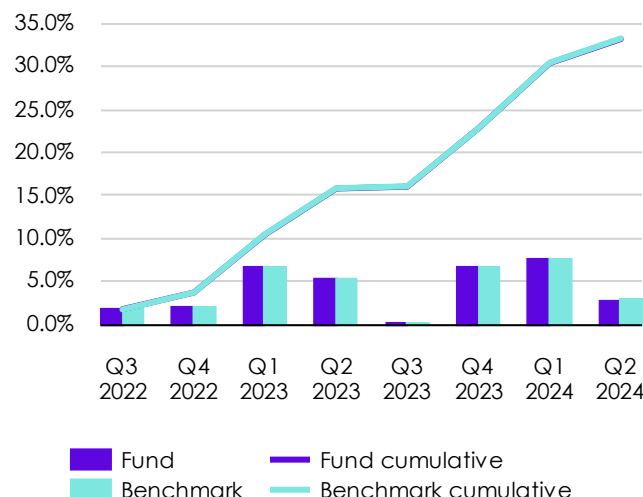
Risk profile

High

Gloucestershire's Holding:

GBP386m

Rolling 2yr performance



Performance to quarter end

Performance	3 month	1 year	3 year*	Since inception*
Fund	2.8	18.4	-	8.8
FTSE Dev World PAB	2.8	18.4	-	8.9
Excess	-0.0	-0.0	-	-0.1

Source: State Street Global Services

*per annum. Net of all fees.

Performance commentary

The FTSE Developed Paris Aligned Index (PAB) returned 2.8% over Q2 2024.

Six of the so-called "Magnificent Seven" stocks accounted for the vast majority of the contributions to return over the quarter. Alphabet made the highest contribution, owing to strong Q1 earnings and margin improvement, jumping 12% in a day on a 15% increase in revenue. Apple also beat modest earnings expectations, with an expectation to return to revenue growth, and an announcement of a record share buyback for the company of \$110bn. Growth in the services and MacBook segments of the business worked against falls in iPhone sales. Nvidia returned to its run of strong performance following the announcement of a new family of AI chips and a stock split on top of strong revenue growth.

Amazon's stock price performance was more muted, reflecting Amazon's sensitivity to the US consumer environment. However, as a large portfolio constituent, it remained a top contributor. Microsoft revenues also exceeded expectations, with the high-margin Azure cloud segment seeing 23% year-over-year growth.

For all five of the above, proximity to the AI megatrend appears to have been a significant driver of investor sentiment, despite muted announcement activity from Apple on this subject.

Tesla is a significant position in the portfolio, owing to its strong Green Revenue score and a positive tilt score for Scope 3 carbon emissions intensity. The PAB's holding in Tesla made a small positive contribution to returns, driven by significant

growth in energy storage deployments and high numbers of EVs delivered.

The only "Mag-7" company not to materially contribute to performance over the quarter was Meta, which was forced to delay the rollout of generative AI in Europe by regulators. Moreover, investors responded negatively to the announcement of large expenditure plans to build capacity in AI without clear revenue opportunities.

Salesforce was the largest detractor from returns, following poor forward revenue guidance.

At quarter-end, the PAB had three holdings in the Energy sector, each of which made a negative contribution to portfolio returns over the quarter: Vestas Wind Systems A/S

[Summary](#)
[Overview of assets](#)
[Strategic asset allocation](#)
[Performance attribution](#)
[Responsible investment](#)
[Risk and return](#)
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and Enphase Energy contributed negatively to returns following a disappointing Q1, while FirstSolar contributed positively to returns due to regulatory change in China and high analyst expectations. Each of these stocks was held overweight due to Green Revenue and TPI Management Quality scores. The PAB Energy sector outperformed the Energy sector of the FTSE Developed Markets weighted index, which includes companies with significant oil & gas exposure. Stocks held by the market-weighted index but not held at all in this portfolio included Exxon Mobil, Chevron, Shell, BP and ConocoPhillips, and these stocks had a mixed, mainly negative quarter.

The portfolio decarbonisation trajectory is in line with the requirements of EU regulations for Paris-aligned benchmarks, which utilises EVIC rather than revenue in its decarbonisation calculations.

PAB Passive Global Equities

Top 5 holdings

	Weight %	Client value (GBP)*
AMAZON.COM INC	6.09	23,523,313
MICROSOFT CORP	5.66	21,874,892
ALPHABET INC	5.43	20,990,924
APPLE INC	4.90	18,919,949
TESLA INC	3.11	12,024,464

*Estimated client value

Largest contributors to ESG risk

	ESG risk score*	
	Q1 2024	Q2 2024
AMAZON.COM INC	30.20	29.32
APPLE INC	16.72	16.79
MICROSOFT CORP	15.21	14.18
TESLA INC	25.26	24.73
ALPHABET INC-CL A	24.09	24.81

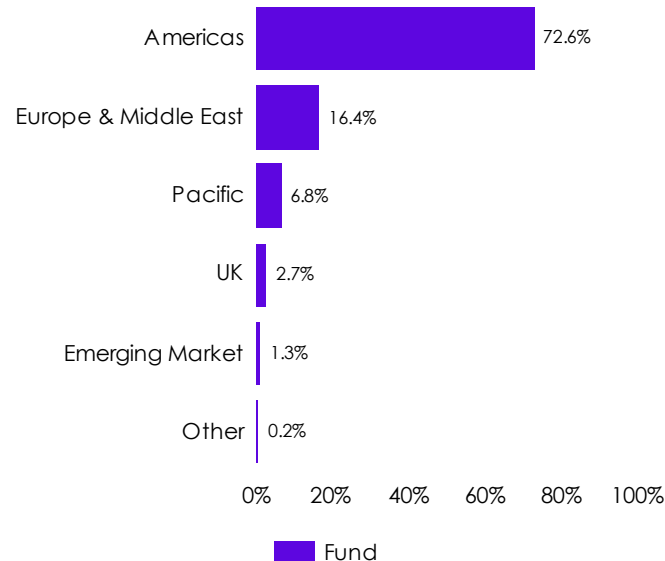
*Source: Sustainalytics. The table is ordered by negative overall ESG impact on the portfolio, with the most impactful at the top. ESG Risk Score reference: 0-10 is Negligible, 10-20 is Low, 20-30 is Medium, 30-40 is High, 40+ is Severe.

Carbon metrics

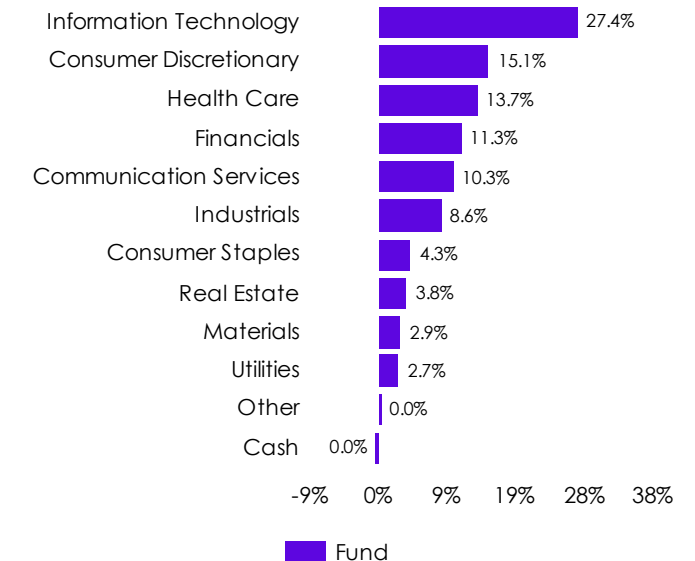
Portfolio	WACI		Total Extractive Exposure ¹		Extractive Industries (VOH) ²	
	2024 Q1	2024 Q2	2024 Q1	2024 Q2	2024 Q1	2024 Q2
PAB Passive Global	118	117	1.21	1.12	3.48	3.23
FTSE Dev World TR	163	166	4.60	3.95	8.34	8.39

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

Regional exposure



Sector exposure



Private Equity Cycle 1

Investment objective

Global portfolio of private equity investments

Benchmark

MSCI ACWI

Outperformance target

+3%

Launch date

1 October 2018

Commitment to portfolio

£43.00m

The fund is denominated in GBP

Commitment to Investment

£43.52m

Amount Called

£33.59m

% called to date

77.18

Number of underlying funds

7

Gloucestershire's Holding:

GBP42.46m

Performance commentary

Deal activity has continued to increase as the economic environment continues to move in a positive direction. Inflation has begun to settle across both the US and UK, however the last mile is proving challenging for Central banks, hence choosing to hold rates at their current levels. The market consensus has moved towards a higher for longer rate environment meaning GPs are buying assets with their eyes wide open (and importantly without material risk of rates rising further). Value creation through operational improvement continues to drive returns in a market that does not allow for reliance on financial engineering. Exits remain muted, especially for large cap players, as IPO markets remain quiet. Underlying company performance has remained stable with inflation having largely passed through top lines and EBITDA margins remaining stable. GPs remain positive on the outlook for the second half of the year, despite the continued difficult fundraising market for mid-tier funds.

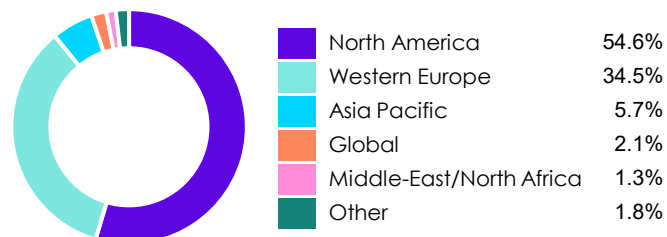
Portfolio deployment now stands at ~77% invested, 100% committed as at Q2 2024. Portfolio performance remains positive and is flat vs the prior quarter.

Pipeline

The Cycle 1 portfolio is now fully committed, so no new investments are being considered.

Country

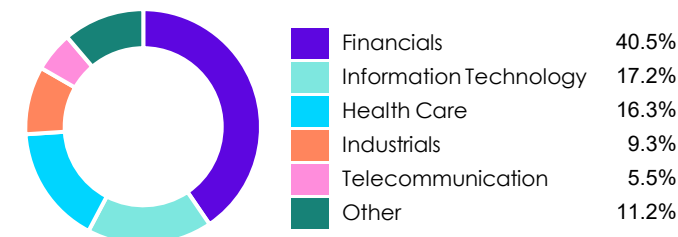
Invested in underlying investments



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

Sector

GICs level 1



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

Portfolio summary

Market value (GBP millions)	1 Year MWR*	Since Inception MWR*	Inflows	Outflows	Net cash flow latest quarter	Value added latest quarter	TVPI	Contribution to return: 1 year	Contribution to return: since inception
42.5	5.4%	13.6%	731,519	121,884	609,635	596,610	1.36	0.1%	0.0%

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

Classification: Public

Private Equity Cycle 2

Investment objective

Global portfolio of private equity investments

Benchmark

MSCI ACWI

Outperformance target

+3%

Launch date

1 May 2020

Commitment to portfolio

£70.00m

The fund is denominated in GBP

Commitment to Investment

£70.63m

Amount Called

£38.17m

% called to date

54.04

Number of underlying funds

14

Gloucestershire's Holding:

GBP42.84m

Performance commentary

Deal activity has continued to increase as the economic environment continues to move in a positive direction. Inflation has begun to settle across both the US and UK, however the last mile is proving challenging for Central banks, hence choosing to hold rates at their current levels. The market consensus has moved towards a higher for longer rate environment meaning GPs are buying assets with their eyes wide open (and importantly without material risk of rates rising further). Value creation through operational improvement continues to drive returns in a market that does not allow for reliance on financial engineering. Exits remain muted, especially for large cap players, as IPO markets remain quiet. Underlying company performance has remained stable with inflation having largely passed through top lines and EBITDA margins remaining stable. GPs remain positive on the outlook for the second half of the year, despite the continued difficult fundraising market for mid-tier funds.

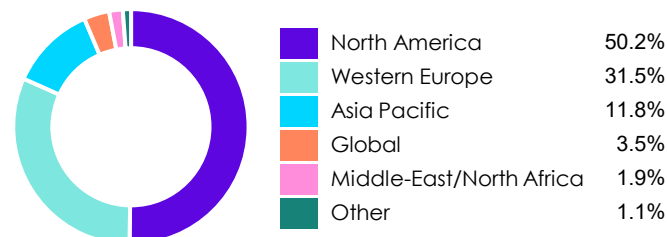
The pace of portfolio deployment remains strong, with the portfolio now ~57% invested, 100% committed. All funds in the portfolio have now called capital. Performance was generally flat across funds in the portfolio vs the prior quarter.

Pipeline

The Cycle 2 portfolio is now fully committed, so no new investments are being considered..

Country

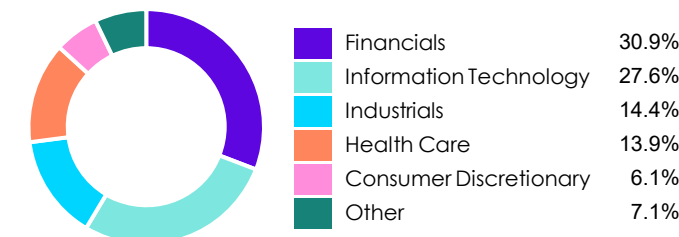
Invested in underlying investments



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

Sector

GICs level 1



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

Portfolio summary

Market value (GBP millions)	1 Year MWR*	Since Inception MWR*	Inflows	Outflows	Net cash flow latest quarter	Value added latest quarter	TVPI	Contribution to return: 1 year	Contribution to return: since inception
42.8	6.3%	5.3%	2,329,468	115,526	2,213,942	1,269,210	1.08	0.1%	0.0%

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

Classification: Public

Private Equity Cycle 3

Investment objective

Global portfolio of private equity investments

Benchmark

MSCI ACWI

Outperformance target

+3%

Launch date

1 April 2022

Commitment to portfolio

£16.00m

The fund is denominated in GBP

Commitment to Investment

£16.00m

Amount Called

£1.01m

% called to date

6.30

Number of underlying funds

1

Gloucestershire's Holding:

GBP1.40m

Performance commentary

Deal activity has continued to increase as the economic environment continues to move in a positive direction. Inflation has begun to settle across both the US and UK, however the last mile is proving challenging for Central banks, hence choosing to hold rates at their current levels. The market consensus has moved towards a higher for longer rate environment meaning GPs are buying assets with their eyes wide open (and importantly without material risk of rates rising further).

Value creation through operational improvement continues to drive returns in a market that does not allow for a reliance on financial engineering. Exits remain muted, especially for large cap players, as IPO markets remain quiet. Underlying company performance has remained stable with inflation having largely passed through top lines and EBITDA margins remaining stable. GPs remain positive on the outlook for the second half of the year, despite the continued difficult fundraising market for mid-tier funds.

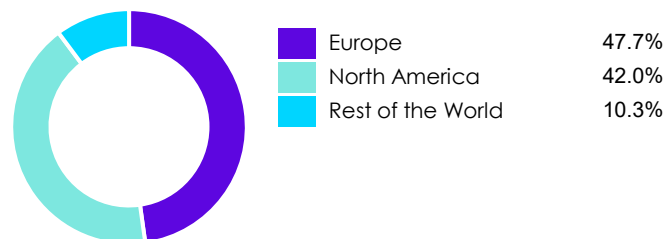
The Cycle 3 PE portfolio stood as follows (including exposure to pipeline investments noted below): 15 fund commitments made, representing ~97% of total committed capital; 36% impact funds; 51% small-/mid-cap, 36% large-cap, 10% growth/VC; 63% primary, 21% coinvest, 13% secondary.

Pipeline

A high-conviction small/mid-cap North American Buyout fund was approved by Brunel and closed in Q2. A climate focused primary impact fund is currently in DD by Neuberger Berman, and Brunel have received a formal veto pack. This would be the final ticket, to round off portfolio construction for Cycle 3.

Country

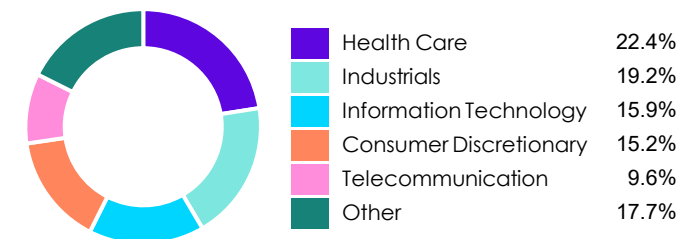
Invested in underlying investments



Source: Colmore
Country data is as of latest available Q4 23

Sector

GICs level 1



Source: Colmore
Sector data is as of latest available Q4 23

Portfolio summary

Market value (GBP millions)	1 Year MWR*	Since Inception MWR*	Inflows	Outflows	Net cash flow latest quarter	Value added latest quarter	TVPI	Contribution to return: 1 year	Contribution to return: since inception
1.4	10.5%	-2.7%	408,946	0	408,946	160,412	0.99	0.0%	-0.0%

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

Classification: Public

Private Debt Cycle 2

Investment objective

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

Benchmark

SONIA

Outperformance target

+4%

Launch date

1 May 2020

Commitment to portfolio

£120.00m

The fund is denominated in GBP

Commitment to Investment

£120.00m

Amount Called

£80.14m

% called to date

66.78

Number of underlying funds

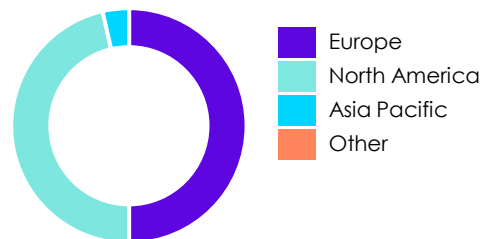
1

Gloucestershire's Holding:

GBP78.70m

Country

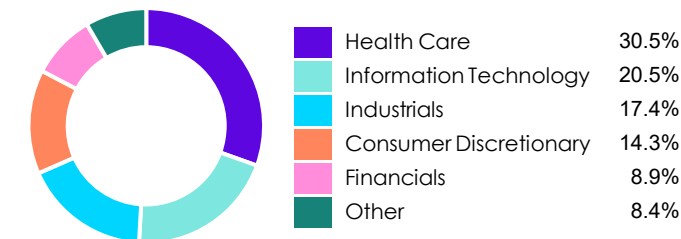
Invested in underlying investments



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

Sector

GICs level 1



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

Performance commentary

During Q2, there was a notable pick-up in M&A activity which is a positive sign for deal flow for lenders following a prolonged period where there has been greater reliance on a manager's back book. Sticky inflation has led to lower rate cut expectations which is a tailwind for private credit, benefiting from higher base rates. However, the high-rate environment remains a challenge for some companies, with interest coverage ratios continuing to edge lower. There is increased pressure on highly levered companies, further demonstrating the importance of sensible capital structures and prudent opening leverage.

During Q1 the industry witnessed an unusual and unfortunate series of events unfold at Barings, where a majority of the senior investment team left en-masse to join a rival start-up organisation. This Key Person Event triggered a pause to investment activity for the fund in the Brunel portfolio (GPLF 4), pending approval of any cure proposed by Barings. This will require a vote at the LPAC, on which Aksia (representing Brunel) has a seat. As yet, there is no specified voting timeline for GPLF IV.

At the end of Q2, the portfolio was ~67% invested and 100% committed. All managers have now called investor capital and some managers are coming towards the end of their investment periods. Portfolio performance has been positive but generally flat across the portfolio and underlying funds over the quarter.

Pipeline

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

Portfolio summary

Market value (GBP millions)	1 Year MWR*	Since Inception MWR*	Inflows	Outflows	Net cash flow latest quarter	Value added latest quarter	TVPI	Contribution to return: 1 year	Contribution to return: since inception
78.7	1.4%	6.7%	0	0	0	-208,586	1.11	0.0%	0.0%

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

Classification: Public

Private Debt Cycle 3

Investment objective

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

Benchmark

SONIA

Outperformance target

+4%

Launch date

1 April 2022

Commitment to portfolio

£38.00m

The fund is denominated in GBP

Commitment to Investment

£26.32m

Amount Called

£9.85m

% called to date

37.41

Number of underlying funds

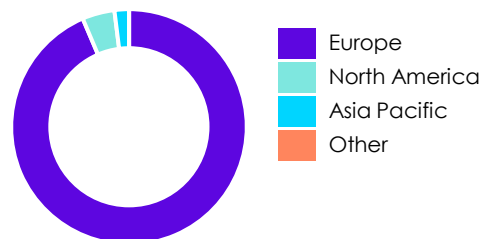
4

Gloucestershire's Holding:

GBP10.84m

Country

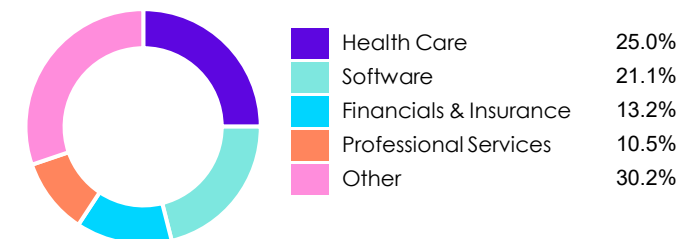
Invested in underlying investments



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

Sector

GICs level 1



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

Performance commentary

During Q2, there was a notable pick-up in M&A activity which is a positive sign for deal flow for lenders following a prolonged period where there has been greater reliance on a manager's back book. Sticky inflation has led to lower rate cut expectations which is a tailwind for private credit, benefiting from higher base rates. However, the high-rate environment remains a challenge for some companies, with interest coverage ratios continuing to edge lower. There is increased pressure on highly levered companies, further demonstrating the importance of sensible capital structures and prudent opening leverage.

During Q1 the industry witnessed an unusual and unfortunate series of events unfold at Barings, where a majority of the senior investment team left en-masse to join a rival start-up organisation. This Key Person Event triggered a pause to investment activity for the fund in the Brunel portfolio (NAPLF 3), pending approval of any cure proposed by Barings. Brunel is considering the proposed cure and have been advised we hold a material share of capital in the fund.

At the end of Q2 the portfolio had made commitments to six funds (3 European, 3 US) with the fifth fund closing at the very end of March. All funds across cycle 3 have previously been presented at ISG.

Pipeline

There is no fund pipeline, with the portfolio fully committed as of April, pending the outcome of the Barings situation. Work has commenced on market mapping for Cycle 4 Private Debt portfolio.

Portfolio summary

Market value (GBP millions)	1 Year MWR*	Since Inception MWR*	Inflows	Outflows	Net cash flow latest quarter	Value added latest quarter	TVPI	Contribution to return: 1 year	Contribution to return: since inception
10.8	11.0%	10.4%	1,777,429	477,831	1,299,598	92,061	1.08	0.0%	0.0%

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

Classification: Public

Infrastructure Cycle 1

Investment objective

Portfolio of predominantly European sustainable infrastructure assets

Benchmark

CPI

Outperformance target

+4%

Launch date

1 October 2018

Commitment to portfolio

£43.00m

The fund is denominated in GBP

Commitment to Investment

£42.89m

Amount Called

£39.38m

% called to date

91.83

Number of underlying funds

5

Gloucestershire's Holding:

GBP42.85m

Performance commentary

H1 2024 continued to experience mixed macroeconomic data, leading to continued volatility. The anticipated rate relief was delayed, particularly in the US where inflation has proved somewhat more persistent. Elsewhere in the developed world inflation has been more benign, with YoY rates continuing to head back towards central bank targets. Many feel that we are on the cusp of central banks making their next moves on interest rates which will likely unlock capital and support the closing of a strong pipeline of infrastructure investments.

Whilst the impact of an economic slowdown on equity investments is generally negative, we believe that many infrastructure investments continue to exhibit strong defensive characteristics. In addition, we expect that the diversification of the portfolios in terms of sectors, countries, business models and other characteristics will protect the overall Fund performance against macroeconomic shocks.

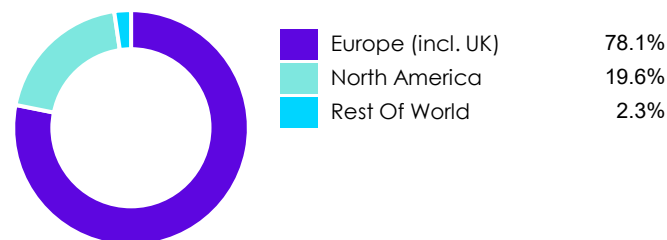
The Cycle 1 portfolio is fully committed to nine primary funds and seven tactical investments. As at the end of Q2 2024, the portfolio was ~91% invested and 100% committed. Overall, we are pleased with the evolution of Cycle 1. The portfolio is well diversified across sectors, technologies, geographies, managers and vintages and has proven to be resilient to market volatility as it continues to deliver performance in line with target at inception.

Pipeline

Cycle 1 is fully committed, so no new investments are being considered.

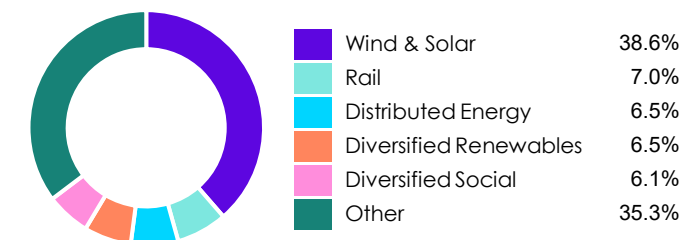
Country

Commitment in underlying investments



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

Sector



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

Portfolio summary

Market value (GBP millions)	1 Year MWR*	Since Inception MWR*	Inflows	Outflows	Net cash flow latest quarter	Value added latest quarter	TVPI	Contribution to return: 1 year	Contribution to return: since inception
42.9	8.3%	8.2%	410,583	474,989	-64,406	1,209,550	1.22	0.1%	0.0%

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

Classification: Public

Infrastructure (General) Cycle 2

Investment objective

Global portfolio of infrastructure with a focus on non-RE sectors and sustainable assets

Benchmark

CPI

Outperformance target

+4%

Launch date

1 May 2020

Commitment to portfolio

£65.00m

The fund is denominated in GBP

Commitment to Investment

£65.00m

Amount Called

£52.79m

% called to date

81.21

Number of underlying funds

1

Gloucestershire's Holding:

GBP58.18m

Performance commentary

H1 2024 continued to experience mixed macroeconomic data, leading to continued volatility. The anticipated rate relief was delayed, particularly in the US where inflation has proved somewhat more persistent. Elsewhere in the developed world inflation has been more benign, with YoY rates continuing to head back towards central bank targets. Many feel that we are on the cusp of central banks making their next moves on interest rates which will likely unlock capital and support the closing of a strong pipeline of infrastructure investments.

Whilst the impact of an economic slowdown on equity investments is generally negative, we believe that many infrastructure investments continue to exhibit strong defensive characteristics. In addition, we expect that the diversification of the portfolios in terms of sectors, countries, business models and other characteristics will protect the overall Fund performance against macroeconomic shocks.

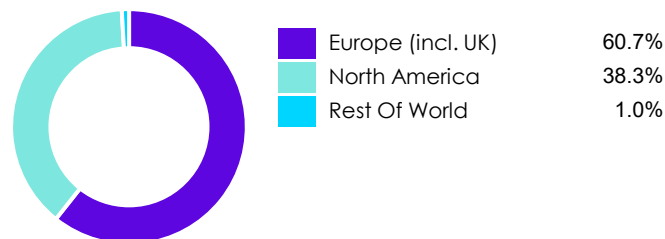
The Cycle 2 General portfolio is fully committed to six primary funds and seven tactical investments in total. At the end of Q2 2024, the portfolio was ~81% invested and 100% committed. Early performance indicates good resilience to market turbulence. We are pleased with how the portfolio has developed and continues to do so. The portfolio is diversified across geographies, sectors, managers and vintages, and invested in opportunities that we believe will provide strong performance, both in terms of returns and societal and environmental sustainability.

Pipeline

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

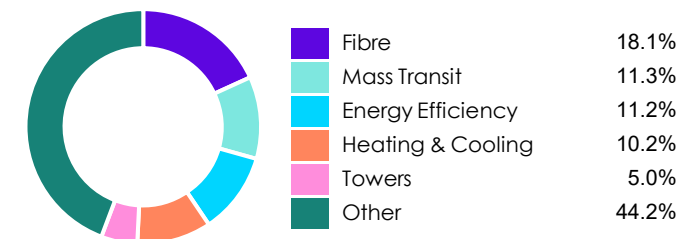
Country

Commitment in underlying investments



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

Sector



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

Portfolio summary

Market value (GBP millions)	1 Year MWR*	Since Inception MWR*	Inflows	Outflows	Net cash flow latest quarter	Value added latest quarter	TVPI	Contribution to return: 1 year	Contribution to return: since inception
58.2	6.6%	7.8%	625,715	909,203	-283,488	1,801,440	1.15	0.1%	0.0%

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

Classification: Public

Infrastructure (Renewables) Cycle 2

Investment objective

Global portfolio of renewable energy and associated infrastructure assets

Benchmark

CPI

Outperformance target

+4%

Launch date

1 May 2020

Commitment to portfolio

£65.00m

The fund is denominated in GBP

Commitment to Investment

£65.00m

Amount Called

£41.94m

% called to date

64.52

Number of underlying funds

1

Gloucestershire's Holding:

GBP46.44m

Performance commentary

H1 2024 continued to experience mixed macroeconomic data, leading to continued volatility. The anticipated rate relief was delayed, particularly in the US where inflation has proved somewhat more persistent. Elsewhere in the developed world inflation has been more benign, with YoY rates continuing to head back towards central bank targets. Many feel that we are on the cusp of central banks making their next moves on interest rates which will likely unlock capital and support the closing of a strong pipeline of infrastructure investments.

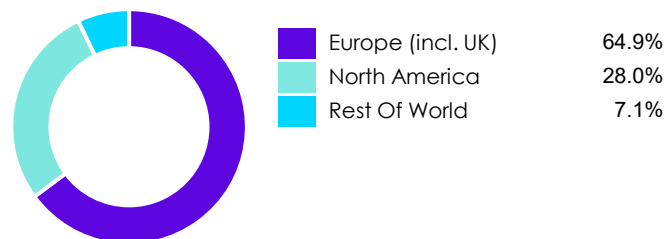
Whilst the impact of an economic slowdown on equity investments is generally negative, we believe that many infrastructure investments continue to exhibit strong defensive characteristics. In addition, we expect that the diversification of the portfolios in terms of sectors, countries, business models and other characteristics will protect the overall Fund performance against macroeconomic shocks.

The outlook for renewables is supported by strong global policy initiatives and an increasing demand for data. The rise of AI has played a role in this increasing demand, AI powered technology allows for greater Resulting in, a vast increase in renewable power demand to support green data centres. This year Microsoft signed a 10GW PPA with Brookfield and the movement of large corporations towards renewable energy is a tailwind for renewables moving forwards.

At the end of Q2 2024, the Cycle 2 Renewables portfolio is ~89% committed and ~68% invested across six primary funds and twelve tactical investments. In Q2 2024, the final Primary fund ticket, a North America-focused fund targeting renewable and energy transition subsectors, was approved

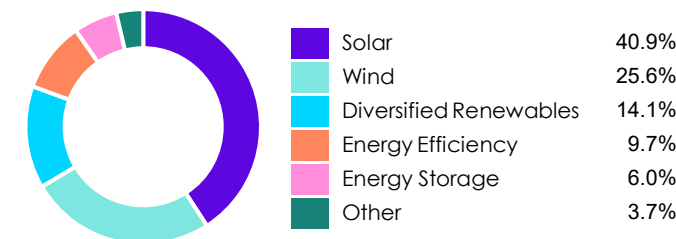
Country

Commitment in underlying investments



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

Sector



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

Portfolio summary

Market value (GBP millions)	1 Year MWR*	Since Inception MWR*	Inflows	Outflows	Net cash flow latest quarter	Value added latest quarter	TVPI	Contribution to return: 1 year	Contribution to return: since inception
46.4	3.7%	6.9%	2,979,903	17,284	2,962,619	408,399	1.12	0.0%	0.0%

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

Classification: Public

Infrastructure (Renewables) Cycle 2

subject to further StepStone due diligence, thus completing the Cycle 2 Renewables' portfolio.

Pipeline

Upon the closing of the final Primary investment, Cycle 2 Renewables will be fully committed, and therefore no new investments will be considered.

Infrastructure Cycle 3

Investment objective

Global portfolio of infrastructure assets, mainly focussed on climate solutions, energy transition and efficiency

Benchmark

n/a - absolute return target

Outperformance target

net 8% IRR

Launch date

1 April 2022

Commitment to portfolio

£20.00m

The fund is denominated in GBP

Commitment to Investment

£20.00m

Amount Called

£5.37m

% called to date

26.87

Number of underlying funds

1

Gloucestershire's Holding:

GBP6.12m

Performance commentary

H1 2024 continued to see mixed macroeconomic data, leading to continued volatility. The anticipated rate relief was delayed, particularly in the US, where inflation has proved persistent. Elsewhere, inflation has been more benign, with rates heading back towards central bank targets. Many feel that we are close to central banks making their next moves on interest rates, which will likely unlock capital and support the closing of a strong pipeline of infrastructure investments.

Whilst the impact of an economic slowdown on equity investments is generally negative, we believe that many infrastructure investments continue to exhibit strong defensive characteristics. In addition, we expect that the diversification of the portfolios in terms of sectors, countries, business models and other characteristics will protect the overall Fund performance against macroeconomic shocks.

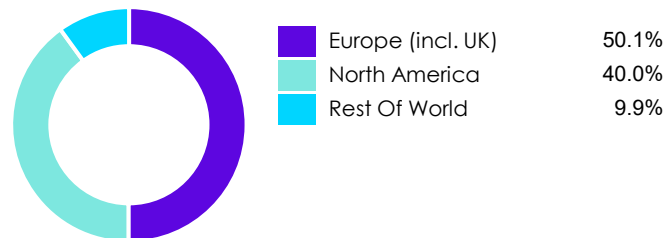
At the end of Q2 2024, Cycle 3 was ~66% committed and ~33% invested across nine Primaries and nine Tacticals.

Pipeline:

During Q2, three Tactical investments were approved by Brunel and are subject to further StepStone due diligence. These include a ~£32m allocation to a Secondaries Mini Portfolio comprising 7-8 investments, to gain additional exposure into Secondaries. This will help achieve a high level of diversification across managers and assets. The other two approved tactical allocations were: a ~£28m co-investment opportunity into a renewable energy developer focused on the western US states; and a ~£24m co-investment opportunity alongside Energy Capital Partners ("ECP") in the take-private of a publicly-traded owner, operator and developer of highly-contracted renewable energy.

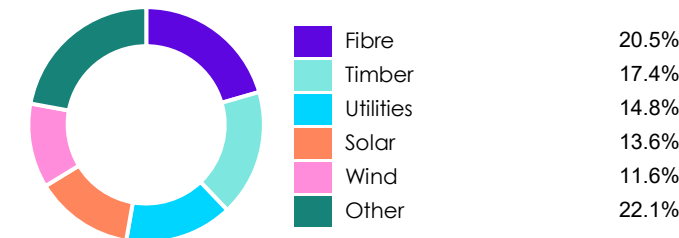
Country

Commitment in underlying investments



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

Sector



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

Portfolio summary

Market value (GBP millions)	1 Year MWR*	Since Inception MWR*	Inflows	Outflows	Net cash flow latest quarter	Value added latest quarter	TVPI	Contribution to return: 1 year	Contribution to return: since inception
6.1	4.0%	0.9%	804,393	107,034	697,359	192,115	1.01	0.0%	0.0%

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

Classification: Public

UK Property

Investment strategy & key drivers

Portfolio of active UK property funds seeking capital & income returns

Liquidity

Illiquid

Benchmark

MSCI/AREF UK

Outperformance target

+0.5%

Commitment to portfolio

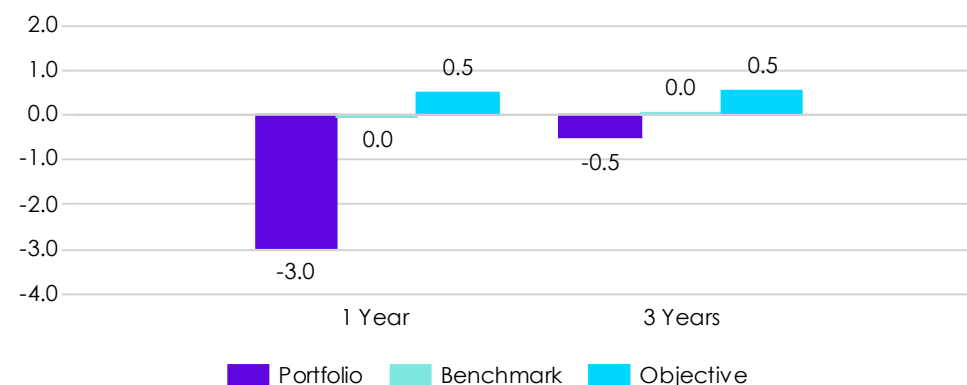
£225.0m

Amount Called

£232.7m

Number of portfolios

22



Performance commentary

Investor interest for UK property has been diverse so far in 2024, with offices, industrial, retail and hotels all accounting for similar shares of activity. Active capital is slowly stepping forward to meet the pricing aspirations, or floors, of vendors in various areas of the UK market (industrials, retail warehouses and supermarkets, for example).

Overall, investment activity will likely remain subdued until interest rates start to come down later in the year. The first cut is likely to lead in a substantial increase in activity, especially as the last few months to quarter-end saw an increasing stabilisation of yields after a period of significant repricing.

Positive signs of recovery could be further supported by the general election result, which gave Labour a clear mandate to drive its policy priorities, particularly in housing.

Within Brunel's UK property model, the Octopus Healthcare Fund remained resilient, with continued positive performance. Structural factors continued to support the industrial sector, and the LGIM Industrial Property Investment Fund (IPIF) benefited, with occupational markets supportive of rental growth and scope for a yield fall in the short term as base rates move downwards.

The Orchard Street Social & Environmental Impact Fund acquired its second asset, a Southeast London last-mile

industrial estate, for c. £21m. The nine-unit industrial estate in Charlton is fully let, and Orchard Street has plans to carry out low embodied carbon refurbishments across the 1980s estate to improve the EPCs, electrify units to reduce carbon emissions, and to install solar PV panels and air source heat pumps.

Pipeline

There is no fund pipeline, with the portfolio fully committed to model funds. A review of the model portfolio with our adviser (Townsend) was completed and approved at BIC and presented at ISG.

Property holdings summary

Holding	Cost (GBP millions)	Market value (GBP millions)	Perf. 1 year	Perf. 3 year	Perf. 5 year	Perf. SII*	TVPI	Inception Date
Brunel UK Property	219.9	208.9	-3.0%	-0.5%	-	0.9%	1.4	Apr 2020

*Since initial investment

International Property

Investment strategy & key drivers

Portfolio of active International property funds seeking capital & income returns

Liquidity

Illiquid

Benchmark

GREFI

Outperformance target

+0.5%

Commitment to portfolio

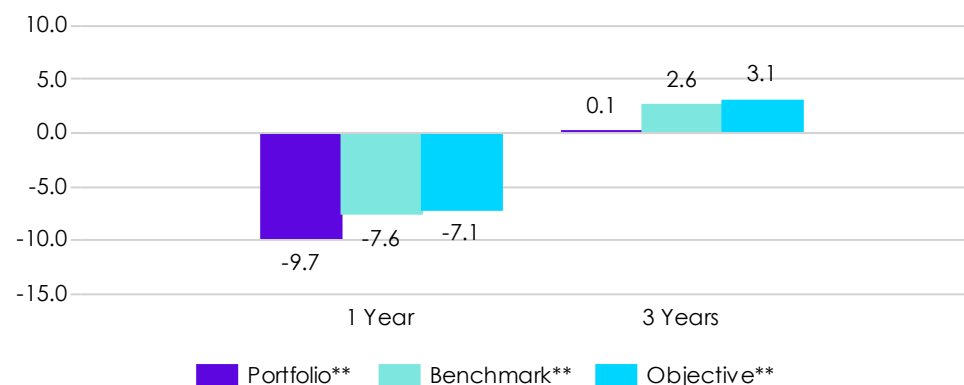
£75.0m

Amount Called

£59.5m

Number of portfolios

12



Performance commentary

Although interest rates remained high, some real estate fund managers started to talk of green shoots amid more optimism in the market. This was supported by the ECB cutting rates in June, and other central banks were expected to follow suit during the year. Occupier markets were still resilient, although had slowed since peak, and anecdotally transactional volumes were anticipated to recover in Q2 compared to the lows of the previous quarter and of 2023.

The benchmark INREV GREFI index in Q1 delivered a total return of -1.3%, the seventh consecutive negative quarter. Although APAC funds fell further in Q2 than in Q1, Europe delivered flat returns. Europe outperformed others over the

one-year time period at -3.2%. Despite lagging Europe, the US's performance improved the most in Q1, although it does display the lowest one-year figure of the regions. Globally both core and non-core remained negative. June's INREV Consensus Indicator suggested the beginning of the recovery was near, with an increase from 50.2 in March to 53.6. Leasing and operations remained the strongest sub-indicator.

The slight improvement was reflected by Brunel's model funds. Most delivered stronger returns in Q1 than Q4, if still negative. The one exception was Invesco Asia Real Estate, which was negatively impacted by USD appreciation. Some funds did deliver a positive Q2 performance, including

Blackstone Property Partners Europe, Prologis European Logistics Fund, and the Charter Hall Prime Industrial Fund.

Open-ended funds continued to pay down redemption queues built up over 2022 and 2023, where cash generation is appropriate.

Pipeline

There is no fund pipeline at present, though the model for the international property portfolio is currently being reviewed as part of the annual strategy review.

**Performance data shown up to 31 March 2024

Property holdings summary

Holding	Cost (GBP millions)	Market value (GBP millions)	Perf. 1 year**	Perf. 3 year**	Perf. 5 year**	Perf. SII***	TVPI	Inception Date
Brunel International Property	19.2	61.5	-9.7%	0.1%	-	-0.7%	1.1	Apr 2020

*Since initial investment

**Performance data shown up to 31 March 2024

Brunel Pension Partnership
Forging better futures

Classification: Public

Glossary

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

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

Glossary

Term	Comment
Momentum	An investment strategy that aims to capitalize on the continuance of existing trends in the market
Money-weighted return	A performance measure that takes into account the timing and size of cash flows, including contributions and withdrawals.
MWR	Money weighted return - similar to an IRR - it reflects the actual investment return taking into account cashflows
NAV	Net asset value
net performance	Performance after deduction of all fees
PAB	Paris-Aligned Benchmark - targets a 50% lower carbon exposure from 2020 and then a 7% annual reduction
Quality	Quality stocks typically have a high Return on Equity, a very consistent profit outcome and exhibit higher and stable margins
relative risk	Relative volatility when compared with a benchmark
sector/stock selection	Performance driven by the selection of individual investments within a country or sector
since inception	Period since the portfolio was formed
since initial investment	Period since the client made its first investment in the fund
SONIA	Sterling Overnight Index Average - Overnight interbank interest rate - replacement for LIBOR
source of performance data	Source of performance data is provided net of fees by State Street Global Services unless otherwise indicated

Term	Comment
standard deviation	Standard deviation is a measure of volatility for an investment using historical data. Volatility is used as a measure of investment risk. A higher number may indicate a more volatile (or riskier) investment but should be taken in context with other measures of risk
time-weighted return	A performance measure that eliminates the impact of cash flows, focussing solely on the investment's rate of return over a specific time period. It does not account for the timing and size of contributions and withdrawals.
total extractive exposure	Revenue derived from extractive operations as a % of total corporate revenue
total return (TR)	Total Return - including price change and accumulated dividends
tracking error	A measure of relative volatility around a benchmark. A fund which differs greatly from the benchmark is likely to have a high tracking error
transitioned assets	Client assets that have been transferred to the Brunel Pension Partnership
TVPI	Total Value to Paid In; ratio of the current value of remaining investments within a fund, plus the total value of all distributions to date, relative to the total amount of capital paid in
Value	Value stocks typically have a low valuation when measured on a Price to Book or Price to earnings ratio
WACI	Weighted Average Carbon Intensity; measures the carbon intensity of businesses rather than total carbon emissions. It is expressed as tonnes of CO2 equivalent per million GBP of investment exposure
yield to worst	Lowest possible yield on a bond portfolio assuming no defaults

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