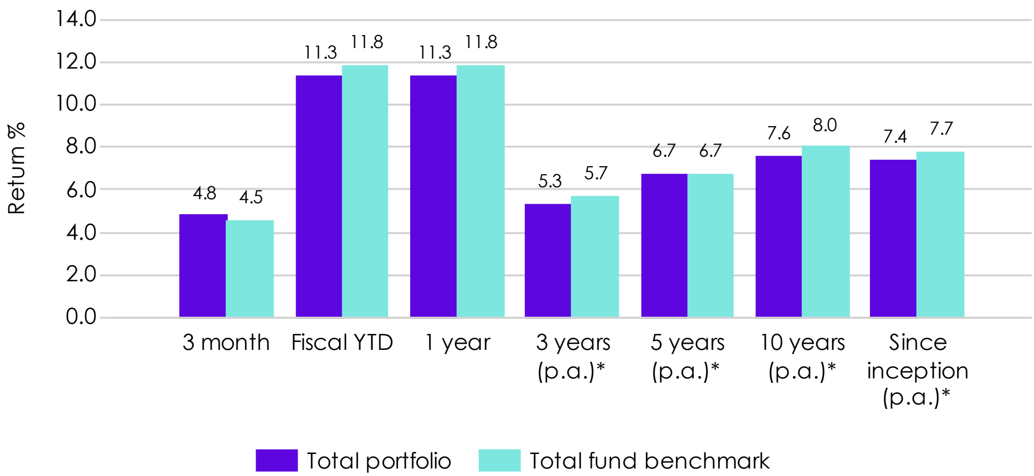
Gloucestershire County Council Performance Report

Quarter ending 31 March 2024

Contents

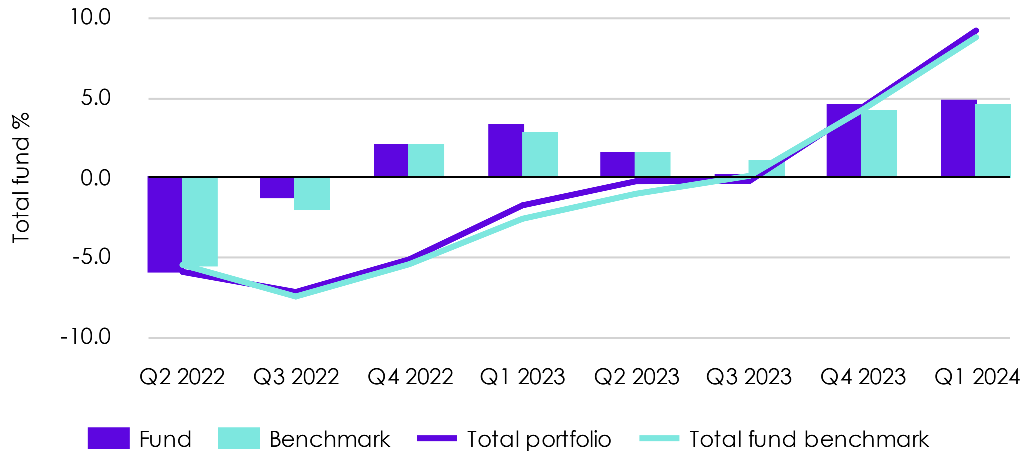
Pension Fund performance

Performance (annualised)



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

Quarterly performance



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

Key events

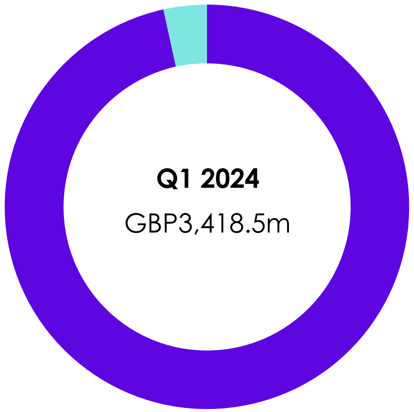
Markets enjoyed a strong first quarter, with global equities up around 10% (GBP). US equities were strong, whilst the UK and emerging markets lagged. China remained a drag on the latter, although the market staged a bit of a recovery towards the end of the quarter. Credit markets also had a good quarter and spreads in High Yield and sub-investment grade markets are now, arguably, quite tight. Gains in asset markets reflect a more positive outlook on growth and earnings. This has led to expectations that interest rates will not fall as rapidly as previously expected. In Private Markets, fundraising in Private Equity remains tricky and deals to exit were thin on the ground.

The total fund rose 4.8% during the quarter, while the benchmark rose 4.5%. Across the last year, the fund rose 11.3% vs the benchmark's increase of 11.8%.

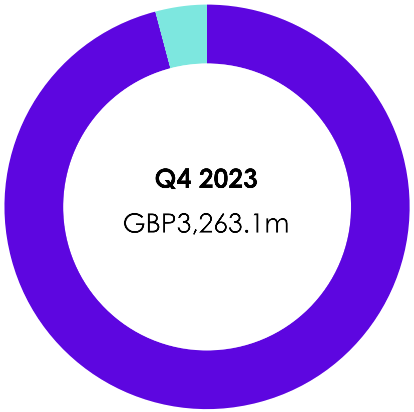
Brunel's listed portfolios reflected the strong markets and were all up in absolute terms, except for the two UK Gilt portfolios which were hindered by the "Higher for longer" outlook (Gloucestershire does not hold these). Global High Alpha Equities and Global Sustainable Equities both saw growth in excess of 9% in the quarter.

Asset summary

Assets transitioned to Brunel



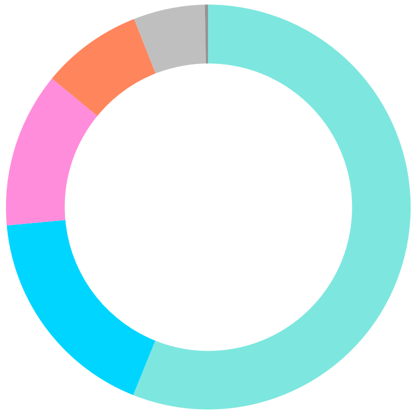
Transitioned	96.53%
Legacy assets	3.47%



Transitioned	95.88%
Legacy assets	4.12%

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

Asset allocation breakdown



Key:

Equities	56.03%
Fixed income	17.53%
Private markets	12.38%
Property	8.07%
Other	5.71%
Cash	0.27%

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

Overview of assets

Detailed asset allocation

Equities	£1,915.56m	56.03%
Global High Alpha Equities	£494.97m	14.48%
Global Sustainable Equities	£451.30m	13.20%
UK Active Equities	£394.19m	11.53%
PAB Passive Global Equities	£375.71m	10.99%
Emerging Markets Equities	£196.71m	5.75%
Legacy Assets	£2.69m	0.08%

Fixed income	£599.39m	17.53%
Sterling Corporate Bonds	£355.15m	10.39%
Multi-Asset Credit	£244.24m	7.14%

Private markets (incl. property)	£699.23m	20.45%
UK Property	£213.64m	6.25%
Private Debt Cycle 2	£78.91m	2.31%
International Property	£62.40m	1.83%
Infrastructure (General) Cycle 2	£56.67m	1.66%
Infrastructure (Renewables) Cycle 2	£43.07m	1.26%
Infrastructure Cycle 1	£41.71m	1.22%
Private Equity Cycle 1	£41.26m	1.21%
Private Equity Cycle 2	£39.35m	1.15%
Private Debt Cycle 3	£9.45m	0.28%
Infrastructure Cycle 3	£5.23m	0.15%
Private Equity Cycle 3	£0.83m	0.02%
Legacy Assets	£106.74m	3.12%

Other	£195.22m	5.71%
Diversifying Returns Fund	£192.99m	5.65%
Blackrock Risk Management	£2.24m	0.07%

Cash not included

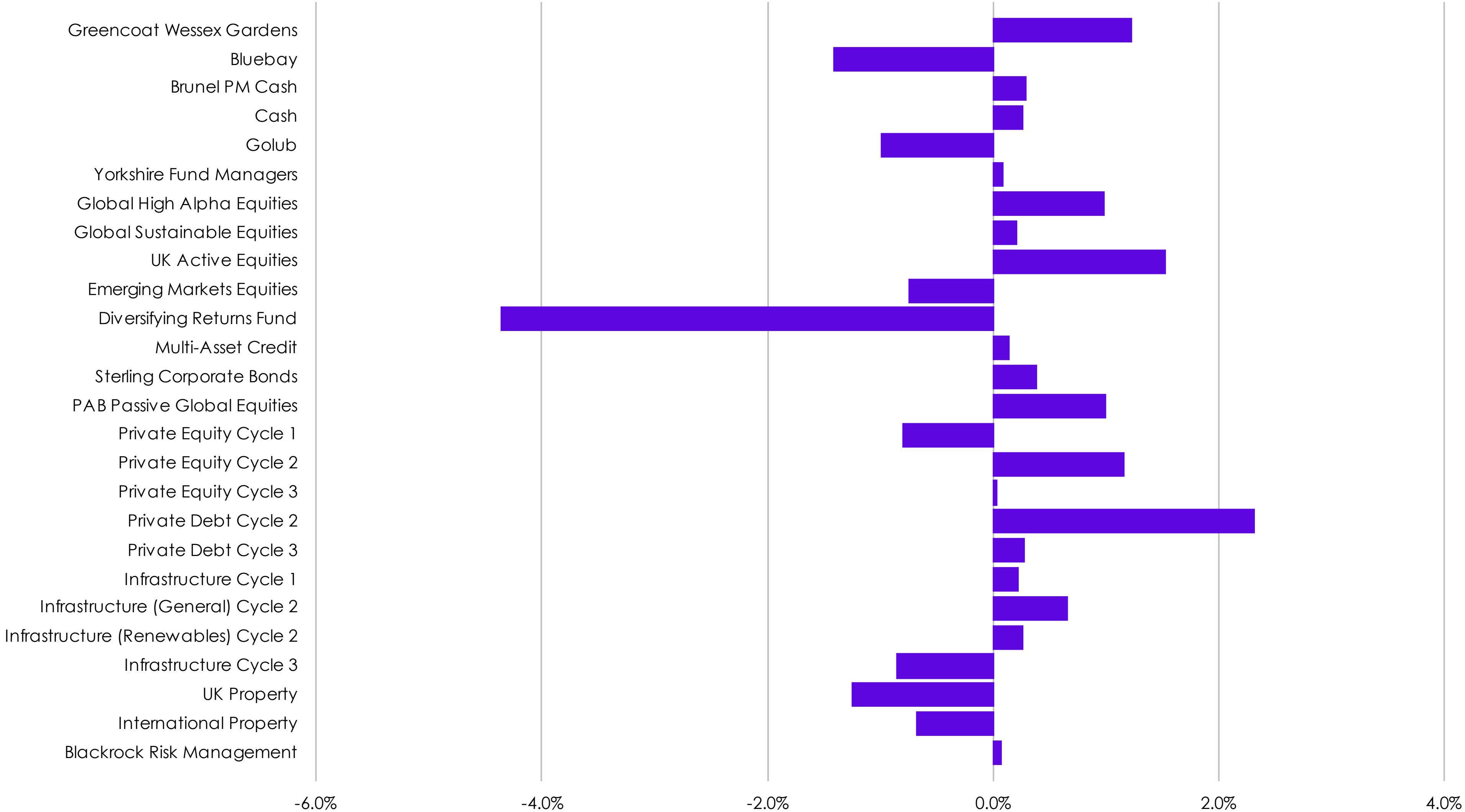
Overview of assets

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	62,302,796.25	1.82%	15.21
US0231351067	AMAZON.COM INC	Consumer Discretionary	Broadline Retail	UNITED STATES	48,955,715.89	1.43%	30.20
US57636Q1040	MASTERCARD INC - A	Financials	Transaction & Payment	UNITED STATES	29,433,989.51	0.86%	16.56
US02079K3059	ALPHABET INC-CL A	Communication Services	Interactive Media &	UNITED STATES	27,227,102.90	0.80%	24.09
US67066G1040	NVIDIA CORP	Information Technology	Semiconductors	UNITED STATES	26,323,775.87	0.77%	13.45
GB0009895292	ASTRAZENECA PLC	Health Care	Pharmaceuticals	UNITED KINGDOM	23,595,071.31	0.69%	22.03
GB00B10RZP78	UNILEVER PLC	Consumer Staples	Personal Care Products	UNITED KINGDOM	21,938,847.14	0.64%	23.57
DK0062498333	NOVO NORDISK A/S-B	Health Care	Pharmaceuticals	DENMARK	21,755,858.35	0.64%	23.06
GB00BP6MXD84	SHELL PLC	Energy	Integrated Oil & Gas	UNITED KINGDOM	21,075,757.97	0.62%	33.68
TW0002330008	TAIWAN SEMICONDUCTOR	Information Technology	Semiconductors	TAIWAN	19,358,619.80	0.57%	

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	42,102	1.2%	-	1.2%	-	-
Bluebay	20,160	0.6%	2.00%	-1.4%	2.5%	0.0%
Brunel PM Cash	9,840	0.3%	-	0.3%	1.4%	0.0%
Cash	9,102	0.3%	-	0.3%	0.0%	0.0%
Golub	34,633	1.0%	2.00%	-1.0%	4.3%	0.0%
Yorkshire Fund Managers	2,695	0.1%	-	0.1%	-2.7%	-0.0%
Global High Alpha Equities	494,965	14.5%	13.50%	1.0%	9.9%	1.4%
Global Sustainable Equities	451,295	13.2%	13.00%	0.2%	9.2%	1.2%
UK Active Equities	394,185	11.5%	10.00%	1.5%	3.9%	0.4%
Emerging Markets Equities	196,713	5.8%	6.50%	-0.7%	2.8%	0.2%
Diversifying Returns Fund	192,987	5.6%	10.00%	-4.4%	4.3%	0.2%
Multi-Asset Credit	244,239	7.1%	7.00%	0.1%	2.2%	0.2%
Sterling Corporate Bonds	355,151	10.4%	10.00%	0.4%	1.2%	0.1%
PAB Passive Global Equities	375,707	11.0%	10.00%	1.0%	7.6%	0.8%
Private Equity Cycle 1	41,255	1.2%	2.00%	-0.8%	N/M	N/M
Private Equity Cycle 2	39,353	1.2%	-	1.2%	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 3	828	0.0%	-	0.0%	N/M	N/M
Private Debt Cycle 2	78,907	2.3%	-	2.3%	N/M	N/M
Private Debt Cycle 3	9,449	0.3%	-	0.3%	N/M	N/M
Infrastructure Cycle 1	41,705	1.2%	1.00%	0.2%	N/M	N/M
Infrastructure (General) Cycle 2	56,666	1.7%	1.00%	0.7%	N/M	N/M
Infrastructure (Renewables) Cycle 2	43,068	1.3%	1.00%	0.3%	N/M	N/M
Infrastructure Cycle 3	5,231	0.2%	1.00%	-0.8%	N/M	N/M
UK Property	213,636	6.2%	7.50%	-1.3%	N/M	N/M
International Property	62,396	1.8%	2.50%	-0.7%	N/M	N/M
Blackrock Risk Management	2,237	0.1%	-	0.1%	-993.6%	0.0%

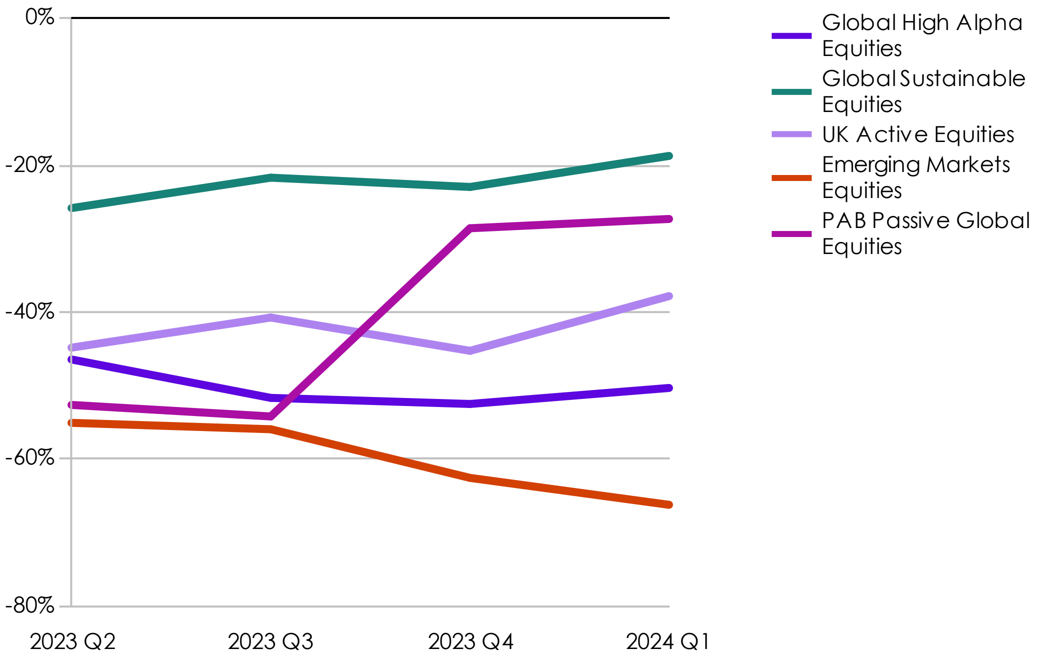
Private Markets 3 month performance is not material.

Stewardship and climate metrics

Portfolio	WACI		Total Extractive Exposure[1]		Extractive Industries (VOH)[2]	
	2023 Q4	2024 Q1	2023 Q4	2024 Q1	2023 Q4	2024 Q1
Global High Alpha Equities	78	79	1.6	1.5	2.5	2.4
MSCI World*	164	160	4.9	4.8	8.2	8.0
Global Sustainable Equities	155	160	2.2	2.0	4.8	5.1
MSCI ACWI*	201	197	4.9	4.8	8.3	8.1
UK Active Equities	79	82	7.4	6.8	11.4	10.4
FTSE All Share ex Inv Tr*	145	131	9.7	8.3	19.4	18.5
Emerging Markets Equities	193	179	1.9	2.1	4.3	4.6
MSCI Emerging Markets*	515	531	5.8	6.0	8.3	8.4
PAB Passive Global Equities	120	118	1.4	1.2	3.6	3.5
FTSE Dev World TR UKPD*	168	163	4.7	4.6	8.5	8.3
Passive Developed Equities (Hedged)	168	163	4.1	4.0	8.5	8.3

*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	9.6%	13.5%	12.4%	11.7%
Global Sustainable Equities	6.5%	14.7%	10.7%	11.3%
UK Active Equities	7.0%	11.9%	8.6%	11.0%
Emerging Markets Equities	-4.4%	13.9%	-1.8%	13.9%
Other				
Diversifying Returns Fund	4.9%	4.4%	5.5%	0.6%
Private markets (incl. property)				
Private Equity Cycle 1	16.9%	12.5%	10.7%	11.3%
Private Equity Cycle 2	3.6%	12.2%	10.7%	11.3%
Infrastructure Cycle 1	8.8%	4.2%	6.7%	2.1%
Infrastructure (General) Cycle 2	7.0%	6.2%	6.7%	2.1%
Infrastructure (Renewables) Cycle 2	7.9%	8.4%	6.7%	2.1%
UK Property	0.7%	7.1%	0.8%	10.4%

Risk and return summary

Brunel portfolio performance - 3 year

	Annualised return	Risk (standard deviation)	Benchmark return	Benchmark standard deviation
Private markets (incl. property)				
International Property**	1.8%	9.7%	5.3%	6.8%

**Performance data shown up to 31 December 2023

Risk and return summary

Legacy manager performance - 3 year

	Annualised return	Risk (standard deviation)	Benchmark return	Benchmark standard deviation
Bluebay	6.1%	4.5%	7.6%	0.6%
Brunel PM Cash	6.9%	-	-	-
Cash	-0.0%	-	-	-
Golub	14.9%	8.7%	7.6%	0.6%
Yorkshire Fund Managers	-6.4%	-	-	-
Gloucestershire County Council	5.3%	7.9%	5.7%	7.4%

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 (55.96%)			**1,912.86**									
Global High Alpha Equities	MSCI World	+2-3%	494.96	9.9%	-0.1%	20.5%	-2.5%	9.6%	-2.8%	13.9%	1.2%	15 Nov 2019
Global Sustainable Equities	MSCI ACWI	+2%	451.30	9.2%	-0.1%	13.2%	-8.0%	6.5%	-4.1%	8.3%	-4.5%	30 Sep 2020
UK Active Equities	FTSE All Share ex Inv Tr	+2%	394.19	3.9%	0.2%	10.4%	2.0%	7.0%	-1.6%	5.4%	-0.7%	21 Nov 2018
Emerging Markets Equities	MSCI Emerging Markets	+2-3%	196.71	2.8%	-0.6%	3.9%	-2.4%	-4.4%	-2.6%	1.2%	-1.9%	09 Oct 2019
PAB Passive Global Equities	FTSE Dev World PAB	Match	375.71	7.6%	-	21.3%	-	-	-	11.1%	-0.1%	25 Jan 2022
Fixed income (17.53%)			**599.39**									
Multi-Asset Credit	SONIA +4%	0% to +1.0%	244.24	2.2%	-0.1%	11.8%	2.6%	-	-	2.2%	-4.5%	01 Jun 2021
Sterling Corporate Bonds	iBoxx Sterling Non Gilt x	+1%	355.15	1.2%	1.1%	8.8%	2.7%	-	-	-3.3%	0.9%	02 Jul 2021
Private markets (incl. property) (17.33%)			**592.49**									
Private Equity Cycle 1	MSCI ACWI	+3%	41.26	N/M	N/M	5.7%	-15.5%	16.9%	6.2%	14.3%	1.6%	26 Mar 2019
Private Equity Cycle 2	MSCI ACWI	+3%	39.35	N/M	N/M	3.4%	-17.8%	3.6%	-7.1%	4.0%	-7.1%	05 Jan 2021
Private Equity Cycle 3	MSCI ACWI	+3%	0.83	N/M	N/M	-	-	-	-	-56.4%	-77.7%	28 Apr 2023
Private Debt Cycle 2	SONIA	+4%	78.91	N/M	N/M	12.2%	3.0%	-	-	7.9%	0.9%	17 Sep 2021
Private Debt Cycle 3	SONIA	+4%	9.45	N/M	N/M	12.1%	2.9%	-	-	12.6%	3.7%	20 Dec 2022
Infrastructure Cycle 1	CPI	+4%	41.71	N/M	N/M	5.0%	1.8%	8.8%	2.0%	7.8%	3.6%	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) (17.33%)			**592.49**									
Infrastructure (General) Cycle 2	CPI	+4%	56.67	N/M	N/M	3.6%	0.4%	7.0%	0.3%	7.0%	1.1%	19 Oct 2020
Infrastructure (Renewables) Cycle 2	CPI	+4%	43.07	N/M	N/M	0.6%	-2.6%	7.9%	1.1%	7.4%	1.5%	12 Oct 2020
Infrastructure Cycle 3	n/a - absolute return target	net 8% IRR	5.23	N/M	N/M	-2.2%	-5.3%	-	-	-3.0%	-8.0%	13 Oct 2022
UK Property	MSCI/AREF UK	+0.5%	213.64	N/M	N/M	-3.0%	-1.9%	0.7%	-0.1%	0.9%	0.2%	01 Apr 2020
International Property**	GREFI	+0.5%	62.40	N/M	N/M	-11.1%	-2.1%	1.8%	-3.5%	0.7%	-	01 Apr 2020
Other (5.65%)			**192.99**									
Diversifying Returns Fund	SONIA +3%	0% to +2.0%	192.99	4.3%	2.2%	10.9%	2.7%	4.9%	-0.6%	4.0%	-1.0%	27 Jul 2020
Total Brunel assets (excl. cash) (96.47%)			**3,297.74**									

*Since initial investment
**Performance data shown up to 31 December 2023
⁺ Excess to benchmark, may not include outperformance
Private Markets 3 month performance is not material.
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	-2.7%	-2.7%	-16.6%	-16.6%	-6.4%	-6.4%	-	-	01 Oct 2017
Private markets (incl. property) (3.12%)			**106.73**							
Golub	34.63	4.3%	1.7%	11.3%	1.0%	14.9%	7.3%	10.0%	3.5%	01 Jul 2017
Bluebay	20.16	2.5%	-	8.8%	-1.5%	6.1%	-1.4%	6.7%	0.1%	01 Aug 2017
Brunel PM Cash	9.84	1.4%	1.4%	12.9%	12.9%	6.9%	6.9%	4.7%	-	14 Dec 2018
Greencoat Wessex Gardens	42.10	-	-	-	-	-	-	-	-1.1%	12 Feb 2024
Other (0.27%)			**9.10**							
Cash	9.10	-	-	0.1%	0.1%	-	-	-	-	01 Oct 2017
Total legacy assets (excl. cash) (3.47%)	**118.53**									

*Since initial investment
+ Excess to benchmark, may not include outperformance

Chief Investment Officer commentary

Risk assets began the year as they finished the last – in fine form, with global equities up close to 10% in sterling terms. The US market was the clear leader, up over 11%, while emerging markets and the FTSE All-Share brought up the rear, with returns under 4%. The former was dragged down again by China, where the market ended the quarter in negative territory. However, the China index did finish the quarter strongly, rebounding from its January lows as the People's Bank of China announced an easing of policy. Despite the risk-on nature of the market, small cap stocks underperformed their large-cap brethren. Credit also benefited in the rally, albeit to a more muted extent, given spreads were already tight - but loans, and High Yield and other sub-investment grade markets made good headway. All returns, however, paled in comparison to the return of bitcoin and other associated digital assets. I mention this in passing to highlight the role that demand has on financial assets – eleven Bitcoin ETFs were approved and launched in January in the US and they saw inflows of $12bn.

Gains across all asset classes could largely be attributed to a US economy that proved more resilient than had been predicted, and to a collective shrug at the implication that higher-than-expected growth would lead to interest rates being higher for longer as a result of stickier inflation. Corporate earnings also came in positively, with even Nvidia beating its own, very lofty expectations. In terms of US economic data: Q4 GDP was revised up; employment data was strong; manufacturing data moved back into expansion territory; and positive consumer spending was sustained. The upshot was that inflation increased in February when measured year-on-year, halting the recent disinflationary trend. Whilst the Federal Reserve kept its 'dot plot' forecast at three interest rate cuts for the year, markets jettisoned their December forecast for seven cuts, and, by the end of March, were forecasting just two.

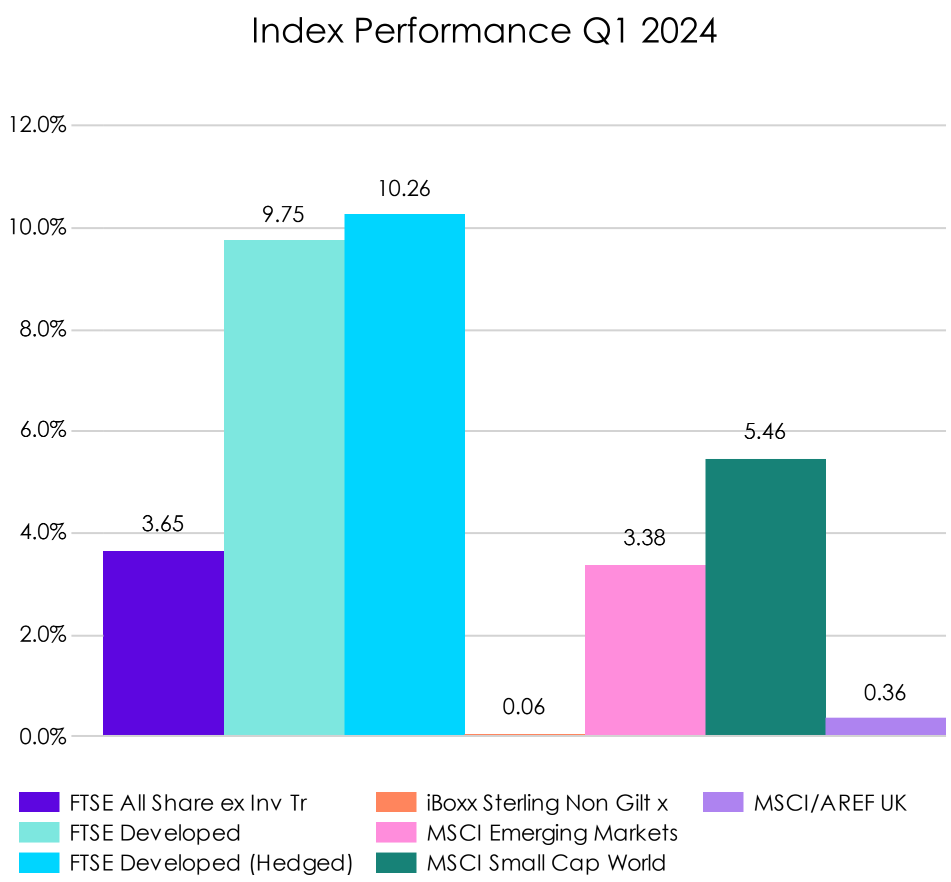
Unsurprisingly, government bonds adjusted to the change in expectation. UK 10-year government bond yields rose from 3.5% to 3.9% as prices fell. Interestingly, the move didn't derail growth stocks or the market, as it might have done previously, although the 'magnificent seven' became the 'magnificent five', as Tesla and Apple underperformed!

The tightening of corporate credit spreads meant that borrowers could refinance debt that had been originated at much higher financing costs. As such, Issuance in the US and European leveraged loan and high-yield markets skyrocketed, as investors' risk appetite improved materially. Demand was also strong in the CLO market, as previously warehoused loans overhanging from 2023 were sold. The continued expansion of the private credit market led to significant personnel changes and, indeed, whole team lift-outs, as new players seek to enter the market – quite reminiscent of bull market behaviour of old.

Fund raising in private equity broadly remained challenging, as end-investors still face liquidity concerns from previous overcommitments. Venture capital and growth funds looked most depressed at quarter-end, raising the smallest amount since 2017. On the exit side of the equation, deal activity remained muted and, although there were tentative green shoots in the IPO market (which had been shut for most of 2023), the recovery looks fragile.

In other macro news, Donald Trump was confirmed as the US presidential Republican candidate, but the more significant development after quarter-end was the missile attack by Iran on Israel - whilst little damage was done and the current market thesis is that this may be the end of hostilities, it certainly increased the risks in the region and elsewhere.

Chief Investment Officer commentary



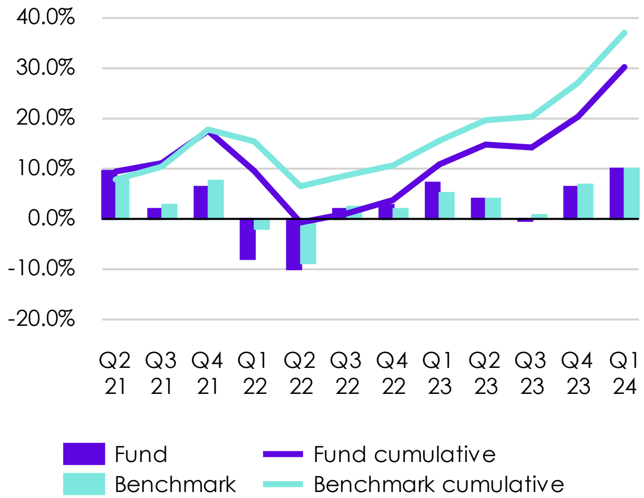
Source: State Street

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
£4,448m
Risk profile
High

Gloucestershire's Holding:
GBP495m

Rolling 3yr performance



Performance to quarter end

Performance	3 month	1 year	3 year*	Since inception*
Fund	9.9	20.5	9.6	14.5
Benchmark	10.0	23.1	12.4	13.3
Excess	-0.1	-2.5	-2.8	1.2

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

Performance commentary

Global developed equities (as proxied by the MSCI World index) returned 10% in GBP terms over the quarter. The strong return was delivered against a backdrop of a resilient US economic growth outlook, rebounding oil prices, and continued positive sentiment around Artificial Intelligence and interest rate cuts. (It should be noted, however, that expectations for those cuts were pared back over the quarter). Cyclical sectors generally outperformed defensive. Communications Services, IT and Financials were the best-performing sectors. Broad style indices showed that Quality outperformed Growth, and both outperformed Value.

The portfolio captured the strong market performance, returning 9.9% during the period, just 0.1% below-benchmark.

Sector attribution showed allocation and selection were neutral overall. Selection was strong in IT, where an overweight to TSMC added 0.4% and an underweight to Apple added 0.8%, which more than offset the negative impact of an underweight holding in Nvidia, costing 0.5%. TSMC (a large Taiwanese semiconductor company) was the largest single contributor to relative returns. The company returned 26% after reporting strong revenue and guidance that lived up to its lofty consensus expectations for AI-driven growth. Selection was weak in Communications Services, largely due to an underweight to Meta, which performed strongly. It was also weak in Financials, driven by overweight holdings in HDFC and Moody's - the latter underperformed after reporting quarterly earnings that missed consensus estimates.

Underlying manager performance varied widely for the quarter. RLAM and Baillie Gifford outperformed, whilst Fiera and AB, two managers with more of a quality focus, moderately underperformed - despite the MSCI Quality index outperforming the broader index. Their underperformance partly reflected the fact that neither manager holds Nvidia or Meta, thereby missing out on 2.3% from relative returns versus the MSCI World index. (The companies are also among the largest three holdings in the MSCI Quality index - thus the latter's very strong quarter). Unsurprisingly, Harris was the weakest performer, as Value stocks in general were not well-rewarded during the quarter.

From inception to quarter-end, the portfolio outperformed the benchmark by 1.2% p.a.

Global High Alpha Equities

Top 5 holdings

	Weight %	B'mark weight %	Client value (GBP)*
MICROSOFT CORP	6.28	4.57	31,101,169
AMAZON.COM INC	4.37	2.58	21,654,071
MASTERCARD INC	2.86	0.62	14,162,629
ALPHABET INC	2.71	2.58	13,400,977
TAIWAN SEMICONDUCTOR	2.24	-	11,106,072

*Estimated client value

Top 5 active overweights

	Weight %	Benchmark weight %
TAIWAN SEMICONDUCTOR	2.24	-
MASTERCARD INC	2.86	0.62
AMAZON.COM INC	4.37	2.58
MICROSOFT CORP	6.28	4.57
UNITEDHEALTH GROUP INC	2.06	0.70

Top 5 active underweights

	Weight %	Benchmark weight %
APPLE INC	0.75	3.88
META PLATFORMS INC	-	1.66
NVIDIA CORP	2.08	3.44
BROADCOM INC	-	0.91
JPMORGAN CHASE & CO	-	0.89

Largest contributors to ESG risk

	ESG risk score*	
	Q4 2023	Q1 2024
AMAZON.COM INC	30.61	30.20
MICROSOFT CORP	15.21	15.21
ALPHABET INC-CL A	24.09	24.09
MASTERCARD INC - A	16.56	16.56
NOVO NORDISK A/S-B	23.06	23.06

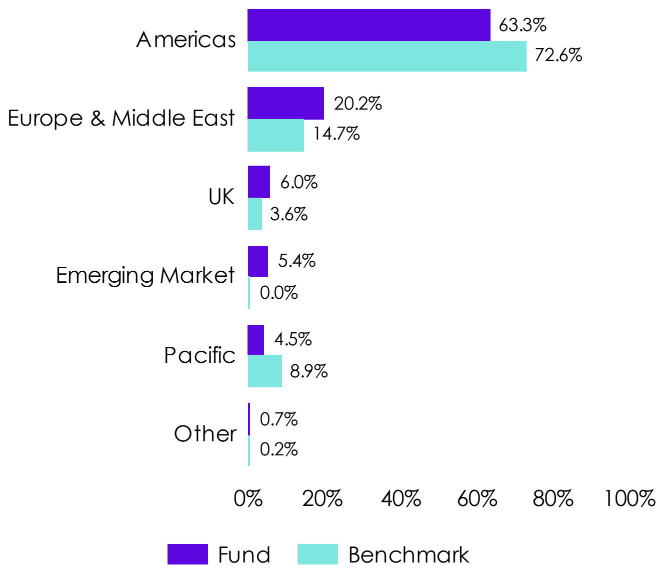
*Source: Sustainanalytics. The table is ordered by negative overall ESG impact on the portfolio, with the most impactful at the top. ESG Risk Score reference: 0-10 is Negligible, 10-20 is Low, 20-30 is Medium, 30-40 is High, 40+ is Severe.

Carbon metrics

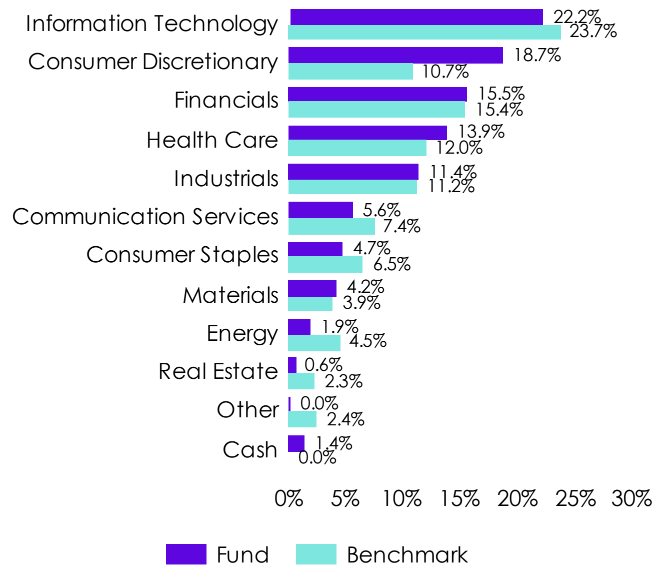
Portfolio	WACI		Total Extractive Exposure[1]		Extractive Industries (VOH)[2]	
	2023 Q4	2024 Q1	2023 Q4	2024 Q1	2023 Q4	2024 Q1
Global High Alpha	78	79	1.55	1.54	2.52	2.44
MSCI World*	164	160	4.87	4.80	8.24	8.05

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

Regional exposure



Sector exposure



Global Sustainable Equities

Launch date
20 October 2020

Investment strategy & key drivers
Global equity exposure concentrating on ESG factors

Liquidity
Managed

Benchmark
MSCI ACWI

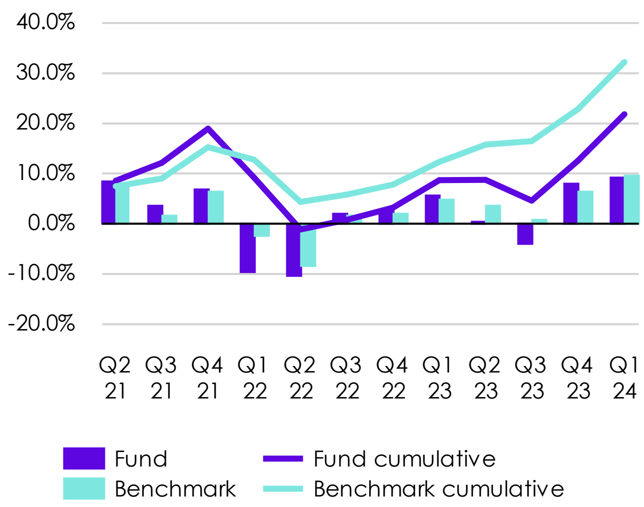
Outperformance target
+2%

Total fund value
£3,817m

Risk profile
High

Gloucestershire's Holding:
GBP451m

Rolling 3yr performance



Performance to quarter end

Performance	3 month	1 year	3 year*	Since inception*
Fund	9.2	13.2	6.6	7.9
Benchmark	9.3	21.2	10.7	12.4
Excess	-0.1	-8.0	-4.1	-4.5

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

Performance commentary

The portfolio returned 9.2% over the quarter, while the MSCI ACWI benchmark returned 9.3%. Over the year to quarter-end, the fund returned 13.2%, short of the MSCI ACWI's 21.2%. One-year underperformance could be attributed to a spike in market concentration in Q2 and to a subsequent rally for Energy stocks in Q3. However, as noted in the previous quarterly commentary, the market environment then shifted to favour sustainable investing. The portfolio notably outperformed in Q4 2023 and, in Q1 2024, captured all of the upside in one of the strongest market rallies this century - the 9th strongest ACWI quarter out of 97.

Over the quarter, there was a drop in the number of rate cuts the market anticipated for 2024. This came on the back of inflation numbers that were stickier than first expected. The anticipation of imminent rate cuts had acted as a tailwind for the portfolio's Quality/Growth style of investing in Q4 2023 - relative negative underperformance is therefore to be expected when that sentiment reverses. However, the strength of the Quality names in the portfolio, coupled with positive quarterly earnings for the underlying companies, meant that the portfolio sustained its strong performance momentum despite the revised rate expectations.

Stock selection was the main driver of relative performance at a sector level. The portfolio added notable performance through the Health Care sector, largely through the equipment and technology sub-sectors. Edwards Lifesciences, for example, returned 26% over the quarter.

Meanwhile, the "magnificent 7" stocks continued to exert a major impact. In 2023, their strength had caused a relative drag on portfolio performance - but that strength dimmed somewhat in Q1 2024. The portfolio has no exposure to Apple and Tesla, and both declined over the quarter, returning -10% and -30% respectively. Of the remaining five, however, it had exposure to four: Microsoft, Nvidia, Amazon and Alphabet. Each of these contributed positively to absolute return over the period, most notably Nvidia, which returned 84%.

Whilst fund underperformance over the year is disappointing, it is notable that the majority of sustainable manager peers also failed to outperform the MSCI ACWI.

Global Sustainable Equities

Top 5 holdings

	Weight %	B'mark weight %	Client value (GBP)*
MASTERCARD INC	2.80	0.56	12,650,977
MICROSOFT CORP	2.39	4.12	10,774,582
INTUIT INC	2.36	0.25	10,645,106
ANSYS INC	2.06	0.04	9,275,425
ASML HOLDING NV	2.05	0.54	9,249,566

*Estimated client value

Top 5 active overweights

	Weight %	Benchmark weight %
MASTERCARD INC	2.80	0.56
INTUIT INC	2.36	0.25
ANSYS INC	2.06	0.04
WASTE MANAGEMENT INC	2.03	0.12
ADYEN NV	1.57	0.05

Top 5 active underweights

	Weight %	Benchmark weight %
APPLE INC	-	3.49
MICROSOFT CORP	2.39	4.12
META PLATFORMS INC	-	1.49
ALPHABET INC	1.01	2.32
NVIDIA CORP	1.96	3.09

Largest contributors to ESG risk

	ESG risk score*	
	Q4 2023	Q1 2024
MASTERCARD INC - A	16.56	16.56
INTUIT INC	17.95	17.95
WASTE MANAGEMENT INC	19.58	19.58
AMAZON.COM INC	30.61	30.20
EDWARDS LIFESCIENCES CORP	23.88	23.88

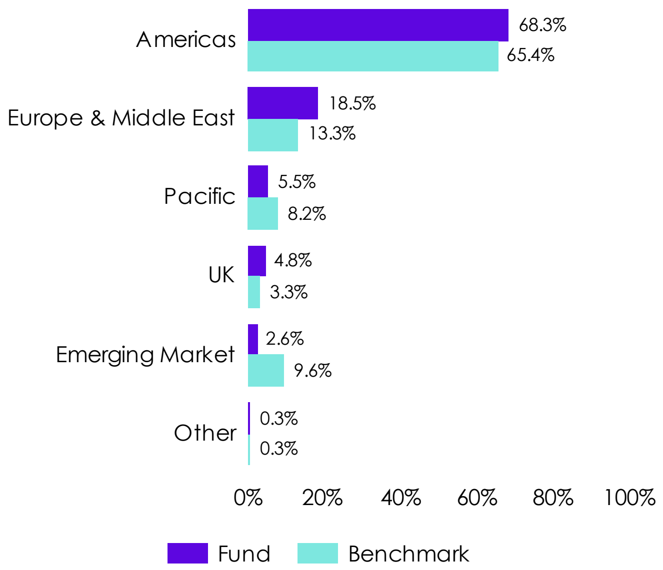
*Source: Sustainanalytics. The table is ordered by negative overall ESG impact on the portfolio, with the most impactful at the top. ESG Risk Score reference: 0-10 is Negligible, 10-20 is Low, 20-30 is Medium, 30-40 is High, 40+ is Severe.

Carbon metrics

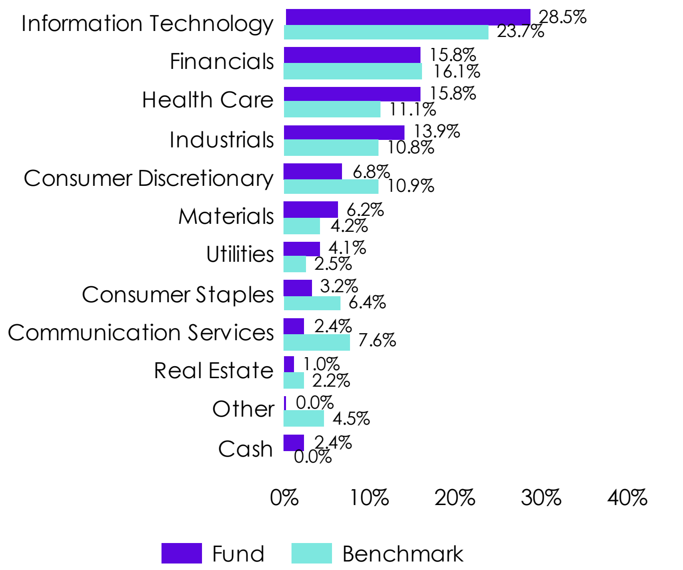
Portfolio	WACI		Total Extractive Exposure[1]		Extractive Industries (VOH)[2]	
	2023 Q4	2024 Q1	2023 Q4	2024 Q1	2023 Q4	2024 Q1
Global Sustainable	155	160	2.21	1.96	4.83	5.06
MSCI ACWI*	201	197	4.89	4.82	8.25	8.08

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

Regional exposure



Sector exposure



UK Active Equities

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

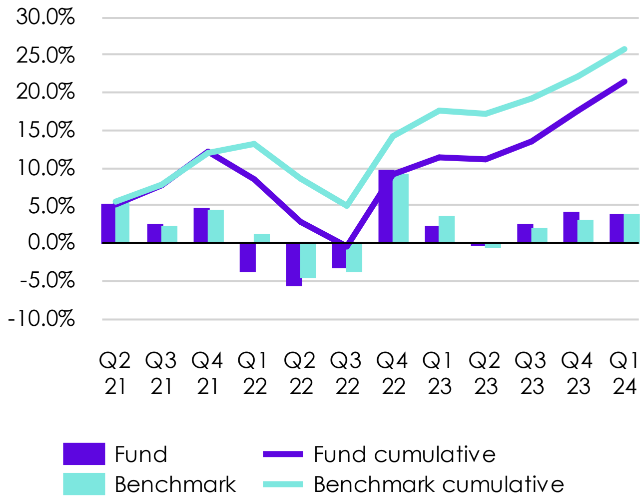
Outperformance target
+2%

Total fund value
£1,287m

Risk profile
High

Gloucestershire's Holding:
GBP394m

Rolling 3yr performance



Performance to quarter end

Performance	3 month	1 year	3 year*	Since inception*
Fund	3.9	10.4	7.0	5.3
Benchmark	3.7	8.4	8.6	6.1
Excess	0.2	2.0	-1.6	-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, underperforming the developed market index (MSCI World) by over 6% in GBP terms. In a reversal of the previous quarter, the FTSE 100 outperformed the FTSE 250. The portfolio returned 3.9% during the period, outperforming the benchmark by 0.2%, and delivering a fourth consecutive quarter of outperformance.

Sector attribution shows that allocation was the main driver of outperformance. The main contributors were an overweight to Industrials (the best-performing sector) and underweight to the Utilities. Selection was negative over the quarter and was weakest in the Consumer Discretionary sector, where overweights in Taylor Wimpey and Persimmon were among the detractors. Other major detractors in the portfolio included an overweight holding in St James's Place (SJP), the UK wealth manager, which fell 32% after the company reported taking a provision of £426 million for potential client refunds due to complaints about an insufficient level of service from their advisers.

The largest positive contributor to relative returns was the overweight holding in Babcock, which participated strongly in the rally in defence-related names over the quarter. Market cap allocation was a headwind over the quarter, detracting 0.5% from relative returns - driven by the portfolio's overweight to the smallest quintile of companies (which was also the worst-performing quintile).

On a manager-by-manager basis, Invesco outperformed the index by 1.8%, building on strong relative performance over the prior two quarters. The reporting quarter's outperformance was driven by the positive contribution from the Momentum factor, particularly in March. Of the other targeted factors, Value also contributed positively, whilst Quality was flat. Baillie Gifford underperformed by 2% over the quarter, giving up the 2% outperformance made the previous quarter. Sector allocation was positive, driven largely by the overweight in Industrials. However, this was more than offset by negative stock selection, which was weakest in the Financials sector: overweight holdings in SJP, Prudential and Close Brothers all impacted negatively.

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	5.33	7.11	21,019,890
UNILEVER PLC	4.92	4.49	19,380,237
SHELL PLC	4.13	7.82	16,283,202
HSBC HOLDINGS PLC	3.27	5.44	12,883,039
GLENCORE PLC	2.70	2.42	10,647,535

*Estimated client value

Largest contributors to ESG risk

	ESG risk score*	
	Q4 2023	Q1 2024
SHELL PLC	33.68	33.68
ASTRAZENECA PLC	21.81	22.03
UNILEVER PLC	23.57	23.57
GLENCORE PLC	38.56	38.56
HSBC HOLDINGS PLC	24.98	24.95

*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]	
	2023 Q4	2024 Q1	2023 Q4	2024 Q1	2023 Q4	2024 Q1
UK Active Equities	**79**	**82**	7.40	6.80	11.39	10.39
FTSE All Share ex Inv	**145**	**131**	9.74	8.32	19.40	18.55

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

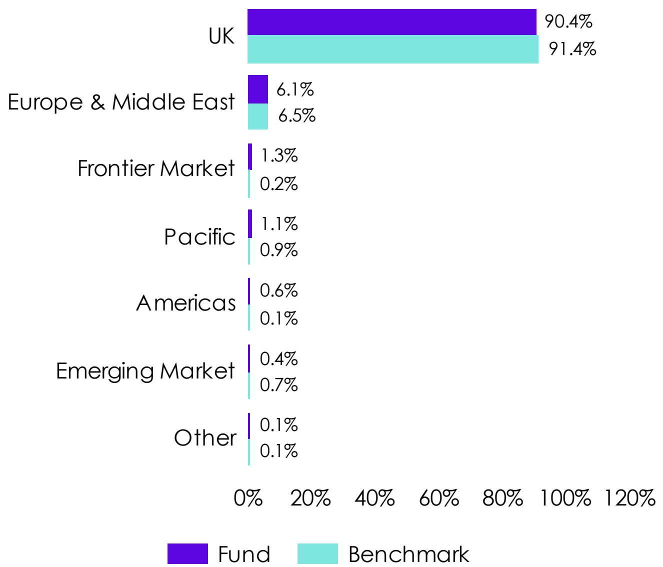
Top 5 active overweights

	Weight %	Benchmark weight %
LEGAL & GENERAL GROUP PLC	2.48	0.68
MARKS & SPENCER GROUP PLC	1.87	0.23
HOWDEN JOINERY GROUP PLC	1.76	0.22
INFORMA PLC	1.98	0.52
BUNZL PLC	1.74	0.46

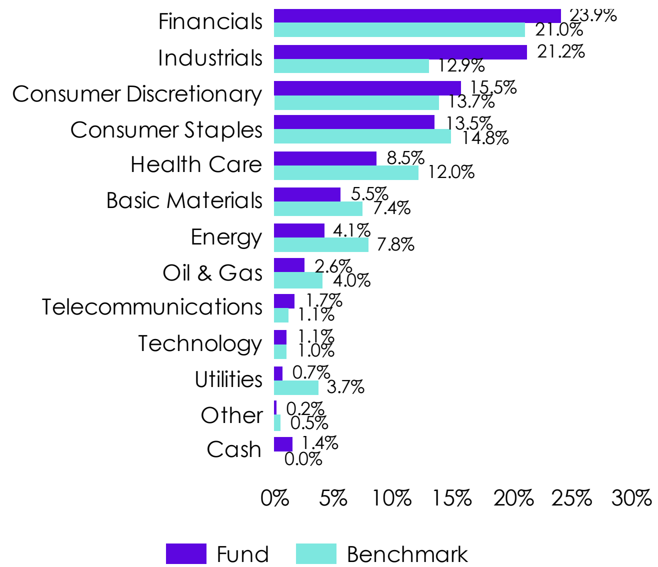
Top 5 active underweights

	Weight %	Benchmark weight %
SHELL PLC	4.13	7.82
HSBC HOLDINGS PLC	3.27	5.44
BP PLC	1.83	3.73
ASTRAZENECA PLC	5.33	7.11
NATIONAL GRID PLC	-	1.77

Regional exposure



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

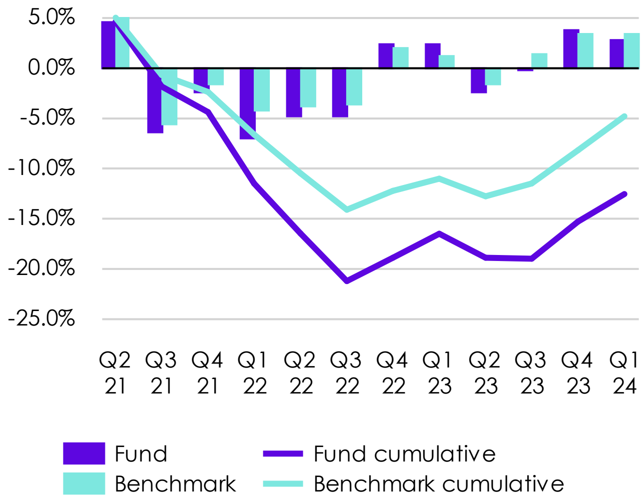
Outperformance target
+2-3%

Total fund value
£1,029m

Risk profile
High

Gloucestershire's Holding:
GBP197m

Rolling 3yr performance



Performance to quarter end

Performance	3 month	1 year	3 year*	Since inception*
Fund	2.7	3.9	-4.5	0.6
Benchmark	3.4	6.3	-1.8	2.5
Excess	-0.6	-2.4	-2.6	-1.9

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

Performance commentary

Emerging Markets produced a modest return during the quarter, returning +3.4%. In a strikingly similar fashion to the previous quarter, most emerging economies continued to make positive gains (16 out of 24 countries were positive). China continued to be a drag, with the market down 1.4%.

The Emerging Markets portfolio returned +2.7%, which was behind the benchmark return of +3.4%. Ninety-One beat the benchmark by +1.1%. Genesis underperformed by -1.9%, which was mostly due to underexposure in Taiwan and Energy. Wellington was in line with benchmark. Since-inception portfolio performance remained behind the benchmark. At quarter-end, the portfolio had made an annualised return of 0.6%, lagging the benchmark by 1.9%.

At stock level, holdings in the Financials sector weighed most heavily on relative performance. AIA Group – a life insurer – performed poorly and fell by 22% due to elevated medical claims. AIA is an example of financialization in emerging markets, which is a common theme adopted by the managers.

Country allocation was very significant during the quarter. Total impact on relative performance from country allocation was almost 150 negative basis points. Some markets produced a strong return; Taiwan, for example, returned +12.4%. The fund remains biased towards faster-growing economies, which often leads to an underweight in Taiwan, which is considered more developed than several Western European economies. Sector allocation was also significant.

The allocation impact on relative performance from sectors was approximately -60 basis points. This was driven almost entirely by the underweight to Energy and overweight to Consumer Staples. These sectors returned +7.8% and -3.6% respectively. The fund is typically underweight Energy, given the lack of companies with potential to align to Net Zero. The overexposure to consumers is a result of Genesis' bias towards the emerging consumer.

The outlook for EM remains cautiously optimistic. All three managers had been actively adding to companies, which at quarter-end were cheap enough to own due to recent share price weakness. However, investors should still be mindful of the slowdown in China, which could have worldwide repercussions on asset prices.

Emerging Markets Equities

Top 5 holdings

	Weight %	B'mark weight %	Client value (GBP)*
TAIWAN SEMICONDUCTOR	9.18	8.33	18,059,735
SAMSUNG ELECTRONICS CO LTD	5.11	4.64	10,058,625
TENCENT HOLDINGS LTD	4.26	3.57	8,389,322
HDFC BANK LTD	1.90	0.68	3,741,317
PDD HOLDINGS INC	1.78	0.96	3,494,620

*Estimated client value

Largest contributors to ESG risk

	ESG risk score* Q4 2023	Q1 2024
TENCENT HOLDINGS LTD	19.32	19.50
SAMSUNG ELECTRONICS CO LTD	19.41	18.03
RELIANCE INDUSTRIES LTD	-	40.19
PDD HOLDINGS INC	29.23	29.27
HDFC BANK LIMITED	30.77	30.77

*Source: Sustainanalytics. 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 2023 Q4	WACI 2024 Q1	Total Extractive Exposure[1] 2023 Q4	Total Extractive Exposure[1] 2024 Q1	Extractive Industries (VOH)[2] 2023 Q4	Extractive Industries (VOH)[2] 2024 Q1
Emerging Markets	193	179	1.89	2.15	4.31	4.60
MSCI Emerging	515	531	5.84	5.96	8.34	8.40

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

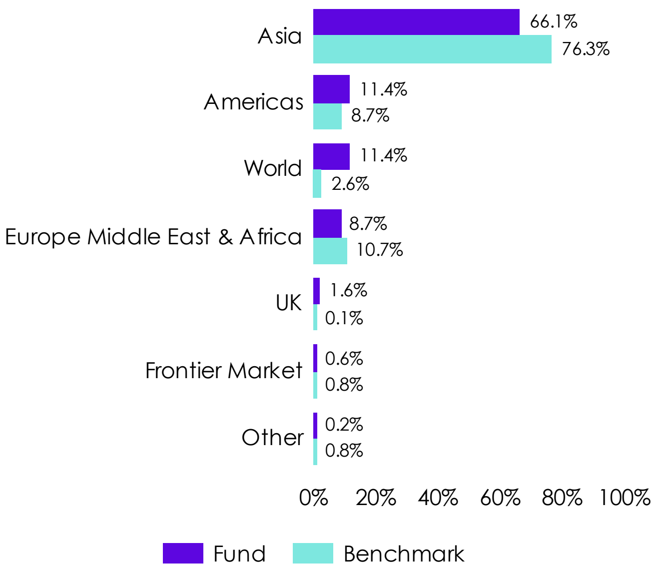
Top 5 active overweights

	Weight %	Benchmark weight %
AIA GROUP LTD	1.56	-
HDFC BANK LTD	1.90	0.68
NETEASE INC	1.71	0.56
INNER MONGOLIA YILI INDUSTRIAL	1.13	0.02
KIMBERLY-CLARK DE MEXICO SAB	1.05	0.05

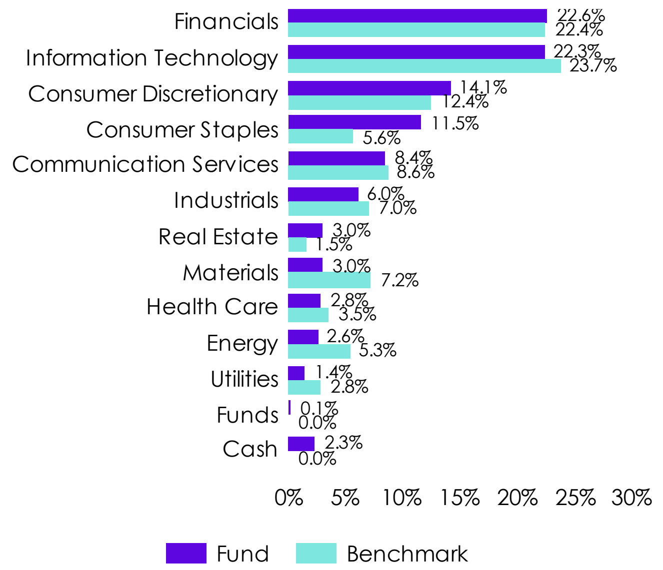
Top 5 active underweights

	Weight %	Benchmark weight %
CHINA CONSTRUCTION BANK CORP	-	0.81
HON HAI PRECISION INDUSTRY CO	-	0.81
ALIBABA GROUP HOLDING LTD	1.26	2.03
PETROLEO BRASILEIRO SA	0.17	0.89
AL RAJHI BANK	-	0.60

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%

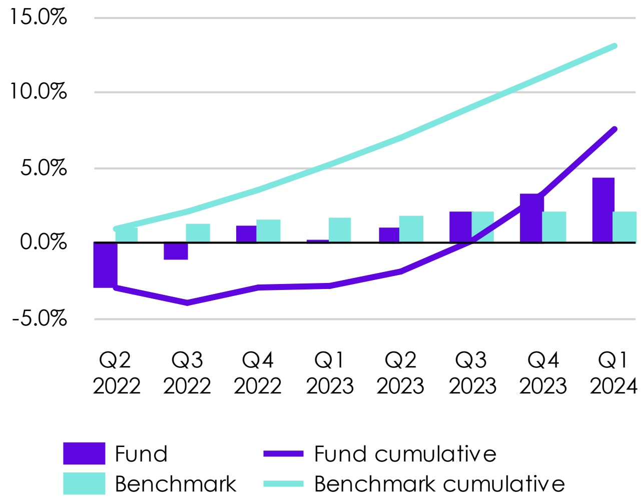
Outperformance target
0% to +2.0%

Total fund value
£968m

Risk profile
Moderate

Gloucestershire's Holding:
GBP193m

Rolling 2yr performance



Performance to quarter end

Performance	3 month	1 year	3 year*	Since inception*
Fund	4.3	10.8	4.9	4.3
SONIA +3%	2.0	8.1	5.5	5.1
Excess	2.2	2.7	-0.6	-0.9

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

Performance commentary

The Diversifying Returns Fund returned 4.3% over the first quarter of 2024. The benchmark return was 2.0%. The sterling-hedged 50/50 equity/bond index we monitor returned 4.8% over the quarter, as equities performed well.

Increasing exposure to equities over the six months to quarter-end enabled the portfolio to benefit from the 2024 market rally and to decrease the level of underperformance vs the cash-plus benchmark. However, the portfolio remained behind the cash-plus benchmark, both since inception and over a three-year period. This benchmark has been hard to beat in an environment where interest rates have risen aggressively, raising the benchmark return whilst simultaneously hampering the performance of risk assets.

Exposure to traditional asset classes held through Fulcrum and Lombard Odier benefited performance; exposure to equities and commodities made a positive contribution to returns. Exposure to sovereign bonds held through these managers detracted from performance, but not enough to negate the significant positive returns gained from exposure to other traditional asset classes. Over the quarter, Lombard Odier returned 4.9% and Fulcrum 5.6%.

Fulcrum also benefitted from alternative return streams, with positive contributions coming from the long/short thematic equities book and from discretionary macro positioning in Japanese equities and commodities.

J. P. Morgan also performed well over the quarter, returning 9.3%. Following a disappointing end to 2023, relative value equity momentum was the best-performing signal. Other equity signals also performed well with Value, Quality and Trend making positive contributions to returns.

UBS returned -7.0% for the period. Its largest positions, long Norwegian Kroner and Japanese Yen, each played a large part in its negative returns. In particular, the yen was weak. Despite the removal of negative interest rates by the Bank of Japan, increasing US yields resulted in the large rate differential between the yen and dollar persisting.

There were positive contributions from a short position in the New Zealand dollar and long exposure to the Colombian peso. There was also a positive contribution from the short position in the Chinese renminbi, as Chinese monetary policy was eased.

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%

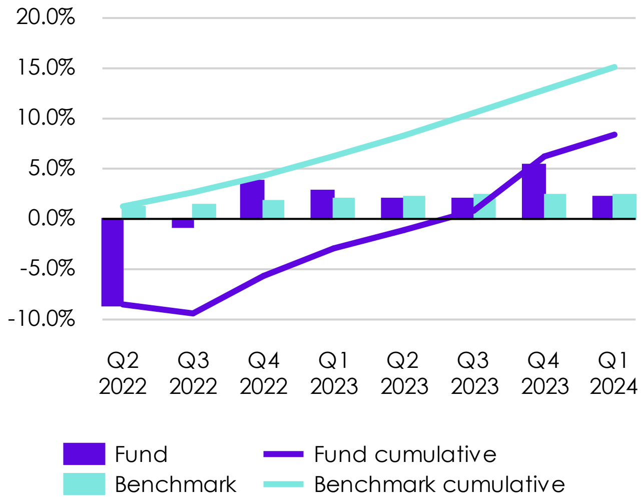
Outperformance target
0% to +1.0%

Total fund value
£2,968m

Risk profile
Moderate

Gloucestershire's Holding:
GBP244m

Rolling 2yr performance



Performance to quarter end

Performance	3 month	1 year	3 year*	Since inception*
Fund	2.2	11.8	-	2.2
SONIA +4%	2.3	9.2	-	6.8
Excess	-0.1	2.6	-	-4.6

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

Performance commentary

Sub-investment grade started the year in positive fashion against a backdrop of rising interest rates and tightening credit spreads. Investors started to pull back from the aggressive pivot mentality, causing a rise in US Treasury yields. Many market participants are assuming two or fewer rate cuts in the US this year - a significant reversal from the six-cuts narrative that dominated last year. US and UK 2-year yields rose by 37 basis points (bps) and 21bps respectively.

Credit spreads tightened over the quarter, with High Yield Bonds – proxied by Bloomberg Global High Yield – tightening by 41bps to 382bps at quarter-end. A wider acceptance of a soft landing - or of none at all - along with strong technical factors, such as excess cash with asset managers, had fuelled the contraction.

All areas of sub-Investment Grade posted a positive return despite the rising interest rate environment. This was driven by spread compression and carry. Collateralised Loan Obligations (CLOs) were the primary beneficiaries, given their floating rate and higher carry; sub-IG CLO tranches returned in excess of 3%. High Yield Bonds and Leveraged Loans posted local returns of +2.1% and +1.6% respectively. The only notable outlier across the broader credit spectrum was Investment Grade, which fell by approximately 75bps in local terms.

The portfolio returned +2.2% over the quarter, which was in line with both the primary and composite benchmarks. Neuberger Berman, CQS and Oaktree returned +1.6%, +3.2% and +2.9% respectively. Neuberger Berman posted a weaker return due to its rate-sensitive allocation to Investment Grade corporates and its lack of exposure to CLOs. Oaktree and CQS saws strong opportunities in CLOs, given their higher carry and stronger structural protection against default.

Since-inception performance reached +2.2%, lagging the primary benchmark by 4.6%. The composite benchmark had returned approximately +2.6% over the same period.

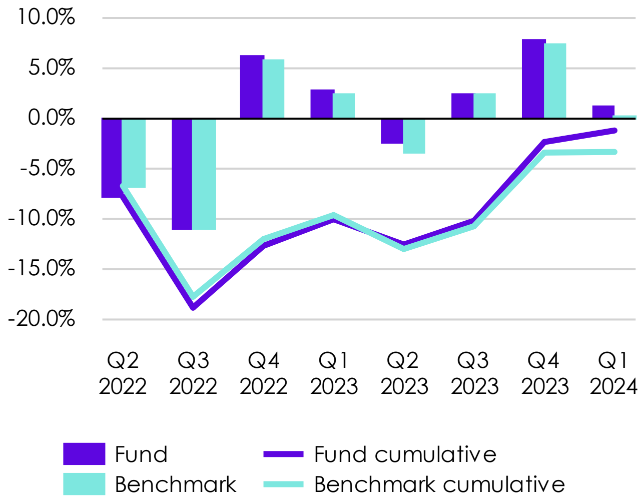
All three managers maintained a cautiously optimistic outlook. All-in yields had fallen to 7.8% (at quarter-end) for the Multi-Asset Credit portfolio with a duration of 2.8 years. Investors should remain wary of the reduced amount of compensation for credit risk. Our managers remain heavily focused on the quality of their issuers, leaving them well-positioned to outperform versus market default rates.

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
£2,796m
Risk profile
Moderate

Gloucestershire's Holding:
GBP355m

Rolling 2yr performance



Performance to quarter end

Performance	3 month	1 year	3 year*	Since inception*
Fund	1.2	8.8	-	-3.3
Benchmark	0.1	6.1	-	-4.3
Excess	1.1	2.7	-	0.9

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

Performance commentary

Markets recalibrated their pricing for expected central bank cuts over the year, contributing to negative returns for government bond markets over the quarter.

The sterling Investment Grade credit market (non-gilt) returned 0.1% over the quarter, as the effect of higher yields was mitigated by tighter credit spreads and higher carry. The shorter duration of the credit market index also helped offset some of the government-induced market headwinds. Given the rise in yields, sectors with a greater proportion of long-dated bonds performed poorly, including utilities and social housing. Supranationals was the worst-performing sector, while the bank and insurance sectors performed well.

Over the period, the Sterling Corporate Bonds portfolio returned 1.2%, outperforming the benchmark by 1.1%.

The main drivers of positive relative performance over the quarter were stock selection and sector allocation. Stock selection in bank and insurance bonds significantly contributed to relative returns. Within banks, the portfolio's bias towards subordinated bonds was helpful, particularly AT1s, which continued to outperform the wider market. At a sector level, the portfolio's underweight position in supranationals and overweight in insurance both contributed to relative returns.

In terms of credit rating bands, the allocation to BB-rated bonds contributed most to relative returns, whilst the significant underweight allocation to AAA-rated bonds was also positive.

The holding in Thames Water was a detractor over the quarter. RLAM continues to believe that liquidity in the operating company remains satisfactory and that valuations remain attractive on a fundamental basis.

Bond yields are generally higher than they had been at the start of the year and interest rate cuts are now closer. RLAM therefore believes that overall government bond yields look attractive, and that credit spreads continue to compensate credit investors for the risk of default. Whilst yields are expected to remain sensitive to economic data, the portfolio is highly diversified, with a bias towards bonds with greater security and downside protection relative to the benchmark.

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

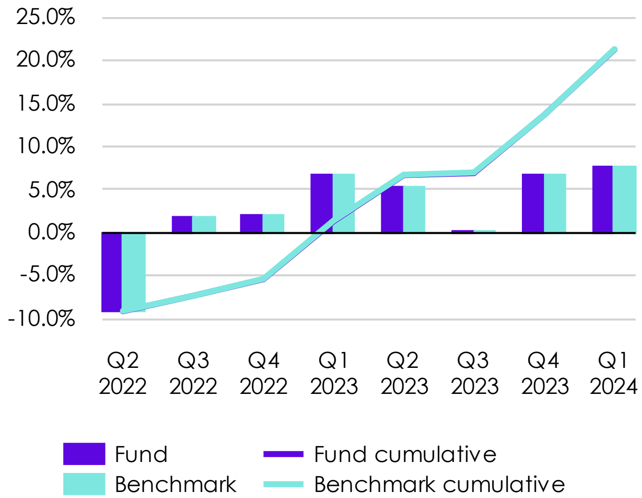
Outperformance target
Match

Total fund value
£2,711m

Risk profile
High

Gloucestershire's Holding:
GBP376m

Rolling 2yr performance



Performance to quarter end

Performance	3 month	1 year	3 year*	Since inception*
Fund	7.6	21.3	-	8.5
Benchmark	7.6	21.3	-	8.6
Excess	-	-	-	-0.1

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

Performance commentary

The FTSE Developed Paris Aligned Index (GBP Hedged) (PAB) returned 7.9% over Q1 2024.

The PAB's holding in Tesla made a large negative contribution to returns. 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. Tesla suffered a significant fall in share price over the quarter, driven by falling demand, production halts, rumours of staff layoffs, growing pressure to cut prices, and increasing pressure from competitors - particularly Chinese EV manufacturers.

Among the 'Magnificent 7', Tesla suffered the worst performance over the quarter. Overweights to Microsoft and Alphabet meant that both made positive contributions to returns over the quarter. However, the portfolio had underweight positions in Nvidia and Meta, and these stocks both had strong performance over the quarter. The main driver of performance for Meta was strong earnings results, while Nvidia continued to benefit from the surging interest in AI.

At quarter-end, the PAB had 4 holdings in the Energy sector, each of which made a negative contribution to portfolio returns over the quarter: Vestas Wind Systems A/S, First Solar, Enphase Energy and SolarEdge Technologies. Each of these stocks was held overweight due to Green Revenue and TPI Management Quality scores. The broader Energy sector, including companies with significant oil & gas exposure, performed strongly over the quarter. Stocks held by the market-weighted index but not held at all in this portfolio included Exxon Mobil, Chevron, Shell, BP and ConocoPhillips. Each of these delivered positive returns over the quarter, benefiting from significant increases in the price of crude oil.

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	5.80	21,799,263
MICROSOFT CORP	5.44	20,426,994
ALPHABET INC	4.60	17,290,706
APPLE INC	4.06	15,249,002
TESLA INC	2.83	10,615,672

*Estimated client value

Largest contributors to ESG risk

	ESG risk score* Q4 2023	Q1 2024
AMAZON.COM INC	30.61	30.20
MICROSOFT CORP	15.21	15.21
TESLA INC	25.23	25.26
APPLE INC	17.22	16.72
ALPHABET INC-CL A	24.09	24.09

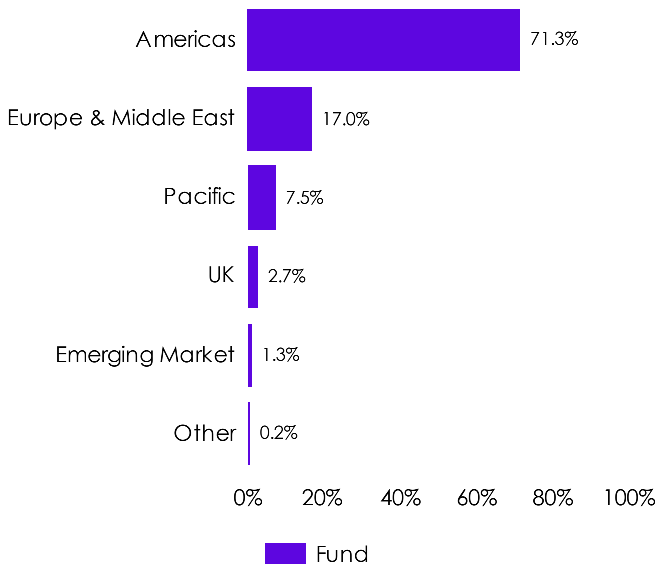
*Source: Sustainanalytics. The table is ordered by negative overall ESG impact on the portfolio, with the most impactful at the top. ESG Risk Score reference: 0-10 is Negligible, 10-20 is Low, 20-30 is Medium, 30-40 is High, 40+ is Severe.

Carbon metrics

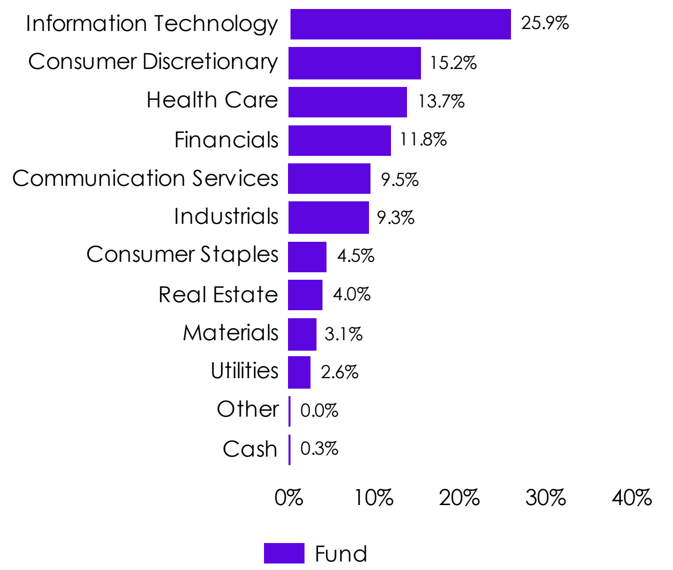
Portfolio	WACI		Total Extractive Exposure[1]		Extractive Industries (VOH)[2]	
	2023 Q4	2024 Q1	2023 Q4	2024 Q1	2023 Q4	2024 Q1
PAB Passive Global	120	118	1.39	1.21	3.57	3.48
FTSE Dev World TR	168	163	4.69	4.60	8.45	8.34

*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



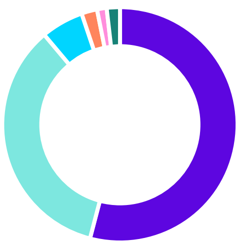
Private Equity Cycle 1

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:
GBP41.26m

Country

Invested in underlying investments

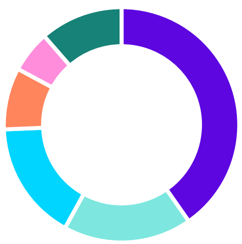


North America	54.1%
Western Europe	34.8%
Asia Pacific	5.8%
Global	2.2%
Middle-East/North Africa	1.3%
Other	1.8%

Source: Colmore
Country data is lagged by one quarter

Sector

GICs level 1



Financials	40.3%
Information Technology	17.7%
Health Care	16.4%
Industrials	8.5%
Telecommunication	5.7%
Other	11.4%

Source: Colmore
Sector data is lagged by one quarter

Performance commentary

Deal activity continued to show signs of picking up, largely reflecting sellers' adjusting pricing expectations (although some high-quality technology assets continued to attract high purchase multiples from buyers).

GPs remained focused on operational improvements as a driver for EBITDA growth vs a pure increase in top-line revenue. Select portfolio companies were showing some signs of underperformance due to a combination of wage inflation pressures (experienced over the ~12 months to quarter-end) alongside some instances of 'de-stocking', whereby companies grew to meet pent-up and outsized demand in 2021/2022 (driven by COVID-related supply issues) which then fell away to a greater degree than expected.

Outside of the Brunel portfolios, liquidity continued to cause challenges for GPs and LPs in older funds, which had expected to be realizing/harvesting returns - but an exit environment failed to materialise (IPO markets remained especially closely watched - but were still muted).

Portfolio deployment stood at c.~76% invested, 100% committed. Portfolio performance remained positive and was flat vs the prior quarter.

Pipeline:

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

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
41.3	5.7%	14.3%	1,687,145	613,369	1,073,776	1,090,920	1.35	0.1%	0.0%

*Money weighted return. Net of all fees.

Private Equity Cycle 2

Investment objective
Global portfolio of private equity investments

Benchmark
MSCI ACWI

Outperformance target
+3%

Launch date
1 May 2020

Commitment to portfolio
£70.00m

The fund is denominated in GBP

Commitment to Investment
£70.63m

Amount Called
£38.17m

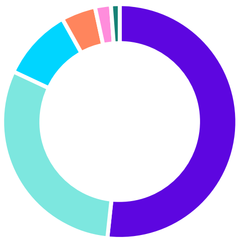
% called to date
54.04

Number of underlying funds
14

Gloucestershire's Holding:
GBP39.35m

Country

Invested in underlying investments

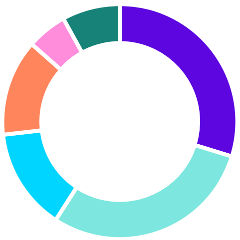


North America	51.7%
Western Europe	30.3%
Asia Pacific	9.9%
Global	4.7%
Middle-East/North Africa	2.2%
Other	1.2%

Source: Colmore
Country data is lagged by one quarter

Sector

GICs level 1



Financials	29.8%
Information Technology	29.4%
Industrials	14.0%
Health Care	13.3%
Consumer Discretionary	5.5%
Other	8.0%

Source: Colmore
Sector data is lagged by one quarter

Performance commentary

Deal activity continued to show signs of picking up, largely reflecting sellers adjusting pricing expectations (although some high-quality technology assets continues to attract high purchase multiples from buyers). GPs remained focused on operational improvements as a driver for EBITDA growth vs pure increase in top-line revenue.

Select portfolio companies showed some signs of underperformance due to a combination of wage inflation pressures (experienced over the last ~12 months) and some instances of 'de-stocking', whereby companies grew to meet pent-up and outsized demand in 2021/2022 (driven by COVID-related supply issues), demand which then fell away to a greater degree than expected. Outside of the Brunel portfolios, liquidity continues to cause challenges for GPs and LPs in older funds, which would be expecting to be realising/harvesting returns - but for an exit environment which continues to be suppressed. (IPO markets especially remain closely watched but still muted).

The pace of portfolio deployment remained strong, with the portfolio c.~56% invested at quarter-end, and 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.

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
39.4	3.4%	4.0%	3,108,852	175,959	2,932,893	538,080	1.06	0.0%	0.0%

*Money weighted return. Net of all fees.

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

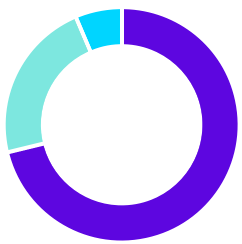
% called to date
6.30

Number of underlying funds
1

Gloucestershire's Holding:
GBP0.83m

Country

Invested in underlying investments

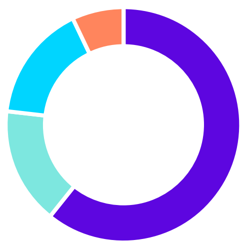


North America	71.2%
Europe	22.4%
Rest of the World	6.4%

Source: Colmore
Country data is lagged by one quarter

Sector

GICs level 1



Information Technology	60.8%
Health Care	16.1%
Industrials	16.1%
Consumer Discretionary	7.1%
Other	-0.1%

Source: Colmore
Sector data is lagged by one quarter

Performance commentary

Deal activity continued to show signs of picking up, largely reflecting sellers adjusting pricing expectations (although some high-quality technology assets continued to attract high purchase multiples from buyers).

GPs remained focused on operational improvements as a driver for EBITDA growth vs a pure increase in top-line revenue. Select portfolio companies showed some signs of underperformance due to a combination of wage inflation pressures experienced over the ~12 months to quarter-end, and some instances of 'de-stocking', whereby companies grew to meet pent-up and outsized demand in 2021/2022 (driven by COVID-related supply issues) which then fell away to a greater degree than expected.

Outside of the Brunel portfolios, liquidity continued to cause challenges for GPs and LPs in older funds, which had expected to be realizing/harvesting returns - but an exit environment failed to materialise. (IPO markets remained especially closely watched, but were still muted).

The Cycle 3 PE portfolio developed tremendously in the short space of time from Neuberger Berman's selected to establish and manage the Clifton vehicle (to quarter-end), helping Brunel to filter one of the busiest and richest fundraising environments in memory.

Pro-forma for the pending approved investments mentioned in the pipeline below, the Cycle 3 PE portfolio stood as follows:

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
0.8	-	-56.4%	498,403	0	498,403	-15,344	0.82	-0.0%	-0.0%

*Money weighted return. Net of all fees.

Private Equity Cycle 3

- 14 fund commitments made, representing 88% of total committed capital

- 31% impact funds (vs 40% ambition at outset)

- 49% small-/mid-cap, 32% large-cap, 8% growth/VC

- 55% primary, 17% coinvest, 16% secondary

- 39% North America, 36% Europe, 13% RoW

- only 12% remains uncommitted, but with suitable opportunities close to being identified

Pipeline:

Two high-conviction small-/mid-cap European buyout funds were approved by Brunel during the quarter and both closed in early Q2. Both are considered ESG leaders, focusing on founder- and family-owned companies in the DACH and Northwest Europe regions, respectively. These will be presented at the next ISG.

A climate-focused primary impact fund is currently in due diligence by Neuberger Berman, with Brunel yet to receive a formal veto pack. One final primary fund remains to be selected, with several candidates being reviewed - likely a US small-/mid-cap buyout fund to round out the portfolio construction process.

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

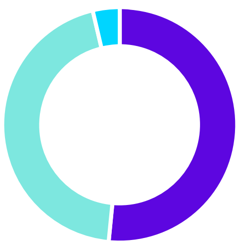
% called to date
66.78

Number of underlying funds
1

Gloucestershire's Holding:
GBP78.91m

Country

Invested in underlying investments



Europe	51.5%
North America	44.8%
Asia Pacific	3.7%
Other	-

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

Sector

GICs level 1

Health Care	28.8%
Information Technology	22.8%
Industrials	16.4%
Consumer Discretionary	13.5%
Financials	9.5%
Other	9.0%

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

Performance commentary

With new deal volumes growing from recent lows, lenders were originating deals in new platforms/companies alongside generating new business from follow-on financings to existing borrowers. The latter is especially relevant for roll-up M&A, which has become a core component of many GP investment theses.

Inflationary pressures appeared to be easing. However, wage inflation remained sticky in the US and UK, creating problems for companies that have a time lag associated with passing costs through to customers. These inflationary pressures created additional EBITDA margin pressure for companies exposed to wage inflation or staff shortages. The problem has been compounded by financing costs which have remained elevated (typically in excess of ~10% on an all-in basis due to elevated base rates). The net result is a broad deterioration in interest/debt coverage capacity by borrowers. Despite these challenges, the Brunel portfolios remained focused on high-quality borrowers in defensive and non-cyclical sectors and, as at quarter-end, acute borrower stress had thus far been limited.

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. The 'key person event' triggered a pause to investment activity for the fund in the Brunel portfolio (GPLF 4), pending approval of any solution proposed by Barings. This will require a vote at the LPAC, on which Aksia (representing Brunel) has a seat.

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
78.9	12.2%	7.9%	0	0	0	-177,440	1.11	0.3%	0.0%

*Money weighted return. Net of all fees.

Private Debt Cycle 2

At the end of Q1, 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 was positive but generally flat across the portfolio and underlying funds over the quarter.

Pipeline:

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

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

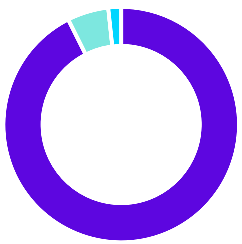
% called to date
37.41

Number of underlying funds
4

Gloucestershire's Holding:
GBP9.45m

Country

Invested in underlying investments



Europe	92.5%
North America	5.7%
Other	1.8%

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

Sector

GICs level 1

Health Care	27.1%
Software	18.6%
Financials & Insurance	14.1%
Professional Services	11.8%
Other	28.4%

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

Performance commentary

With new deal volumes growing from recent lows, lenders are originating deals in new platforms/companies alongside generating new business from follow-on financings to existing borrowers. The latter is especially relevant for roll-up M&A, which has become a core component of many GP investment theses. Inflationary pressures appeared to be easing by quarter-end. However, wage inflation remained sticky in the US and UK, thus creating problems for companies that have a time lag associated with passing costs through to customers.

These inflationary pressures created additional EBITDA margin pressure for companies exposed to wage inflation or staff shortages, compounded by financing costs, which have remained elevated (typically in excess of ~10% on an all-in basis due to elevated base rates). The net result is a broad deterioration in interest/debt coverage capacity by borrowers. Despite these challenges, the Brunel portfolios remained focused on high-quality borrowers in defensive and non-cyclical sectors and, as at quarter-end, acute borrower stress remained limited.

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 solution proposed by Barings. The solution will require a vote at the LPAC, on which Brunel has a seat.

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
9.4	12.1%	12.6%	1,895,254	804,788	1,090,466	250,759	1.09	0.0%	0.0%

*Money weighted return. Net of all fees.

Private Debt Cycle 3

On the last day of Q1, the fifth fund commitment closed (and thus is not included in the figures to the left). The sixth and final fund commitment closed in early April, post-period end. Both these US funds had previously been presented to ISG. These final two fund commitments took the portfolio to three US funds and three European funds, broadly balancing the portfolio by geographic exposure. There had previous been a skew to Europe, as shown in the pie chart, which reflects current investments by the European funds (to which the earliest commitments were made).

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 the Cycle 4 Private Debt portfolio.

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

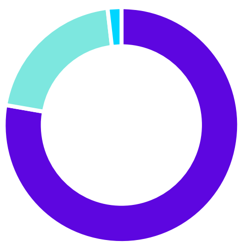
% called to date
91.83

Number of underlying funds
5

Gloucestershire's Holding:
GBP41.71m

Country

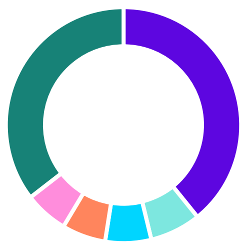
Commitment in underlying investments



Europe (incl. UK)	77.7%
North America	20.4%
Rest Of World	1.9%

Source: Stepstone
Country data is lagged by one quarter

Sector



Wind & Solar	39.2%
Rail	7.0%
Diversified Renewables	6.3%
Distributed Energy	6.0%
Diversified Social	6.0%
Other	35.5%

Source: Stepstone
Sector data is lagged by one quarter

Performance commentary

Despite continued volatility across the political, economic and investment landscapes, Infrastructure as an asset remained broadly resilient. The portfolio was no exception. The consensus remained that most major developed economies would see positive, but sluggish growth throughout 2024 and that the Fed, ECB and BoE would start cutting rates in 2024. While this would lower the discount rate used by managers for their valuations, given the "higher for longer" consensus we do not forecast any significant short-term impacts as a result.

Global Infrastructure also remains key in the execution of government agendas to boost economic growth, bring down energy consumption and increase the production of renewable energy. The ability to build diversified portfolios with medium-to-long-term investment horizons, low exposures to cyclical sectors, the ability to work closely with portfolio company management teams, and an emphasis on investing in companies with strong recurring cashflows, should continue to provide downside protection and strong competitive advantages.

The Cycle 1 portfolio is fully committed to nine primary funds and seven tactical investments. As at the end of Q1 2024, the portfolio was ~92% 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 had (as at quarter-end) proven to be resilient to market volatility as it continued to deliver performance in line with the target set at inception.

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
41.7	5.0%	7.8%	3,319,649	855,590	2,464,059	757,762	1.19	0.1%	0.0%

*Money weighted return. Net of all fees.

Infrastructure Cycle 1

Pipeline:

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

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

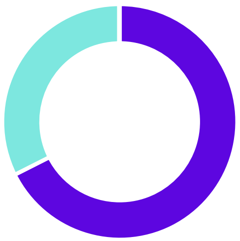
% called to date
81.21

Number of underlying funds
1

Gloucestershire's Holding:
GBP56.67m

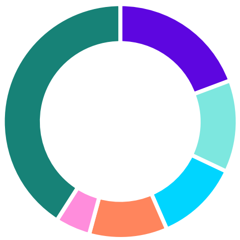
Country

Commitment in underlying investments



Source: Stepstone.
Country data is as of latest available Q3 23

Sector



Source: Stepstone.
Country data is as of latest available Q3 23

Performance commentary

Despite continued volatility in political, economic and investment landscapes, Infrastructure as an asset class, and the Brunel portfolio specifically, remained broadly resilient. The asset class therefore played its part as an attractive option in more turbulent times.

The consensus remained that most major developed economies would see positive, but sluggish growth throughout 2024 and that the Fed, ECB and BoE would start cutting rates in 2024. This would lower the discount rate used by managers for their valuations. However, given the "higher for longer" consensus, we do not forecast any significant short-term impacts as a result.

Global infrastructure also remains key in the execution of government agendas to boost economic growth, bring down energy consumption, and increase the production of renewable energy. The ability to build diversified portfolios with medium-to-long-term investment horizons, low exposures to cyclical sectors, the capacity to enable close work with portfolio company management teams, and an emphasis on investing in companies with strong recurring cashflows, should continue to provide downside protection and strong competitive advantages.

The Cycle 2 General portfolio is fully committed to six primary funds and seven tactical investments in total. At the end of Q1 2024, the portfolio was ~80% invested and 100% committed. On the whole, early performance indicates good resilience to market turbulence. We are very pleased with how the portfolio has developed and continues to do so. The

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
56.7	3.6%	7.0%	3,705,218	135,651	3,569,567	1,702,100	1.12	0.1%	0.0%

*Money weighted return. Net of all fees.

Infrastructure (General) Cycle 2

portfolio is diversified across geographies, sectors, managers, and vintages, invested in opportunities that we believe will provide strong performance in terms of both returns and societal and environmental sustainability.

Pipeline:

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

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

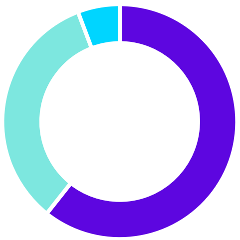
% called to date
64.52

Number of underlying funds
1

Gloucestershire's Holding:
GBP43.07m

Country

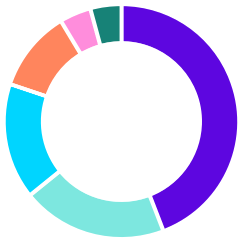
Commitment in underlying investments



Europe (incl. UK)	60.7%
North America	33.5%
Rest Of World	5.8%

Source: Stepstone.
Country data is as of latest available Q3 23

Sector



Solar	44.2%
Wind	20.0%
Diversified Renewables	16.0%
Energy Efficiency	11.2%
Energy Storage	4.3%
Other	4.3%

Source: Stepstone.
Country data is as of latest available Q3 23

Performance commentary

Despite continued volatility in political, economic and investment landscapes, Infrastructure as an asset class and the Brunel portfolio, has remained broadly resilient and proven an attractive option for investors during more turbulent times. The consensus remained that most major developed economies would see positive, but sluggish growth throughout 2024 and that the Fed, ECB and BoE would start cutting rates in 2024. This would ordinarily lower the discount rate used by managers for their valuations. However, given the "higher for longer" consensus, we do not forecast any significant short-term impacts.

Global Infrastructure also remained key in the execution of government agendas to boost economic growth, bring down energy consumption, and increase the production of renewable energy. The ability to build diversified portfolios with medium-to-long-term investment horizons, low exposures to cyclical sectors, the capacity to work closely with portfolio company management teams, and an emphasis on investing in companies with strong recurring cashflows, should continue to provide downside protection and strong competitive advantages.

Power prices influence valuations both through differences in the price achieved versus the modelled position in each period and, more significantly, through changes to the modelled power price curves over the lifespan of the assets. Many funds utilise futures to forecast the unhedged portion of short-term cashflows (two years), and the independent power curve thereafter. Over the last few quarters, long term power price forecasts have reduced markedly compared

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
43.1	0.6%	7.4%	1,563,638	491,280	1,072,358	-12,947	1.11	0.0%	0.0%

*Money weighted return. Net of all fees.

Infrastructure (Renewables) Cycle 2

with the peaks of 2022. For the Brunel portfolio more specifically, we do not expect this to have a significant impact on the NAVs, as most revenue across the portfolio is contracted (i.e. through PPAs or CfDs), in addition, most models include a prudent capture discount.

In the UK, we note the decline in the forward curve means the funds now do not have any assumed liability to the Electricity Generator Levy (EGL) where merchant prices (as opposed to fixed) are assumed. This is because the forward curve is now below the CPI-linked £75/MWh benchmark price - above which, the EGL takes effect.

At the end of Q1, the Cycle 2 Renewables portfolio was ~89% committed and ~65% invested across 6 primary funds and 12 tactical investments. Only one small primary fund ticket is required to complete construction of the the Cycle 2 Renewables portfolio. The lower invested-capital percentage is due to the weighting towards 'greenfield' renewables that require time to be constructed. Two of the tacticals, for instance, are in construction Interconnector cable projects, which will draw down capital over several years. Likewise, the more traditional renewable generation investments (wind and solar farms) also require construction periods, albeit shorter periods. This was necessary given the return targets set at portfolio inception, and also to achieve the necessary diversification in such a targeted portfolio with fewer 'levers' to pull.

Pipeline:

We await proposals from StepStone for the final primary fund selection for Cycle 2 Renewables. Two potential funds have been identified and early due diligence has been initiated. No other investments have been approved by Brunel, pending closing.

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

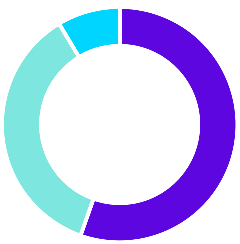
% called to date
26.87

Number of underlying funds
1

Gloucestershire's Holding:
GBP5.23m

Country

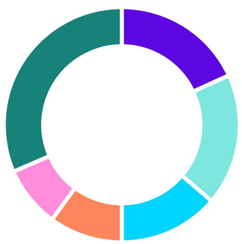
Commitment in underlying investments



	Europe (incl. UK)	55.4%
	North America	36.0%
	Rest Of World	8.6%

Source: Stepstone.
Country data is as of latest available Q3 23

Sector



	Diversified Renewables	18.1%
	Timber	18.1%
	Wind	13.8%
	Water Utilities	10.1%
	Agriculture	8.4%
	Other	31.5%

Source: Stepstone.
Country data is as of latest available Q3 23

Performance commentary

Despite continued volatility in political, economic and investment landscapes, Infrastructure as an asset class remained broadly resilient and an attractive option for investors during more turbulent times.

The consensus remained that most major developed economies would see positive, but sluggish growth throughout 2024 and that the Fed, ECB and BoE would start cutting rates in 2024, lowering the discount rate used by managers for their valuations. However, given the "higher for longer" consensus, we do not forecast any significant short-term impacts.

Global Infrastructure remained key in the execution of government agendas to boost economic growth, bring down energy consumption, and increase the production of renewable energy. The ability to build diversified portfolios with medium-to-long-term investment horizons, low exposures to cyclical sectors, the capacity to work closely with portfolio company management teams, and an emphasis on investing in companies with strong recurring cashflows, should combine to continue providing downside protection and strong competitive advantages.

At the end of Q1 2024, Cycle 3 was ~58% committed and ~28% invested. At the end of Q4 2023, Cibus Fund II closed - the European agriculture-focused primary fund. Cibus held final close in Q1 2024 at $510m. In addition, There were also Q1 closures for Mirova Energy Transition 6, a Europe-focused renewables, and energy transition infrastructure primary fund, and DIF Infrastructure VII, a global primary fund focused on

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
5.2	-2.2%	-3.0%	622,605	0	622,605	59,452	0.97	-0.0%	-0.0%

*Money weighted return. Net of all fees.

Infrastructure Cycle 3

brownfield and greenfield infrastructure assets. Mirova held its first close at the end of Q1 2024.

Pipeline:

During Q1, three tactical investments were approved by Brunel and are subject to further StepStone due diligence:

1. ~£28m follow-on co-investment opportunity into a platform which invests in sustainable infrastructure, innovative technologies & essential assets arising from Cycle 2G

2. ~£28m co-investment opportunity into a US renewable energy developer

3. ~£32m secondaries fund consisting of 7-8 secondary investments.

StepStone will be responsible for sourcing high-quality secondary opportunities and writing smaller tickets across both LP-led and GP-led strategies, capitalising on the tailwinds created by the supply-demand imbalance in the secondary market, as both GP and LP appetite for liquidity solutions increases.

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

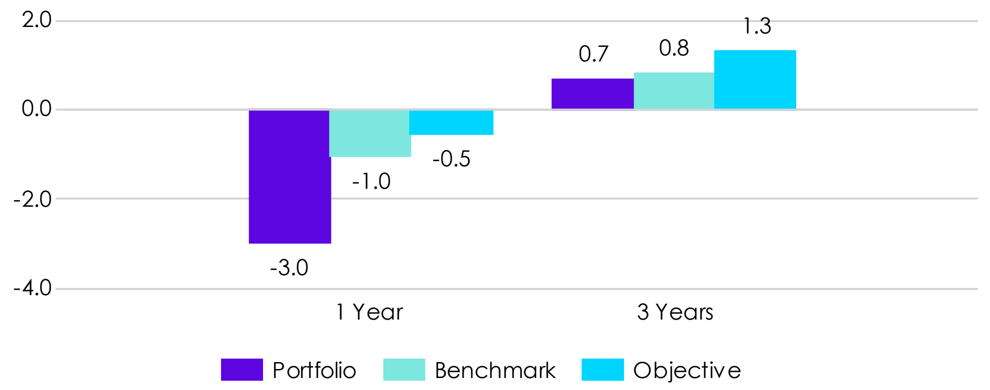
£225.0m

Amount Called

£232.7m

Number of portfolios

22



Performance commentary

Despite market hopes that interest rates may begin a downward path this year, investment in UK commercial property remained muted, at 56% below the five-year average investment level. London was the main area of interest and international investors accounted for nearly half of the overall transaction activity.

Whilst valuations within the UK office sector weakened over the reporting period, Industrial yields remained generally stable and some yields in the prime retail parks sector actually compressed.

Within Brunel's UK property model, LGIM's Industrial Property Investment Fund (IPIF), with its focus on south-east multi-let industrial assets, continued to outperform. The two residential funds, M&G UK Residential Fund and PGIM UK Affordable Housing Fund, provided positive returns over twelve months to quarter-end, supported by strong occupational and rental demand.

Columbia Threadneedle (TPUT) and UBS's Triton Property Trust proved resilient performers among the diversified funds, although other balanced funds were engaged in sales programmes to fund investor redemptions over the 12-month period, as the asset class fell out of favour - hitting performance. However, overall, Brunel's UK model property portfolio retained low gearing and was defensively positioned, and thus protected, should interest rates fail to move lower during 2024.

Pipeline

There is no fund pipeline, with the portfolio fully committed to model funds. A review of the model portfolio with our adviser (Townsend) is due over Q2 and the team continue to monitor the market for interesting new opportunities.

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	230.9	213.6	-3.0%	0.7%	-	0.9%	1.3	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

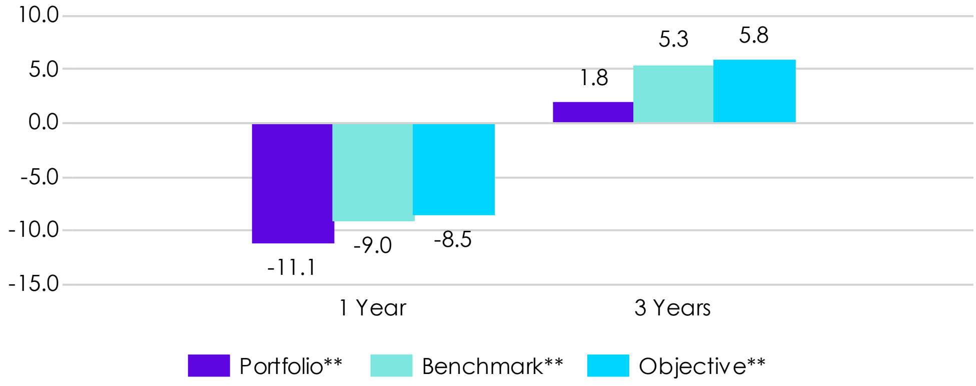
£75.0m

Amount Called

£59.5m

Number of portfolios

12



**Performance data shown up to 31 December 2023

Performance commentary

The economic outlook and market circumstances continue to place pressure on real estate prices globally. On the positive side, inflation eased over the period and, as forward curves are suggesting peak interest rates have been reached, discussions turned likely timings for monetary policy to loosen. Managers are starting to talk of cautious optimism returning to markets. However, geopolitical events and risks of contagion effects, such as elevated shipping costs from the conflict in the Red Sea region, continue to breed uncertainty.

Investment activity remained subdued in 2023, with global transaction volumes down 37% year-on-year. US and European activity fell significantly (52% and 49% respectively). However, there were early signs that transactional activity is picking up in 2024, particularly in the logistics and residential sectors, where fundamentals remained strong. Transactions in the office sector were much more limited. Transactions are likely to pick up once debt markets normalise, and pricing becomes more attractive.

The benchmark INREV GREFI index in Q4 fell -3.2%, continuing its negative run and finishing a negative year. 2023 as a whole saw a fall of -8.0%. The three major geographical regions all saw declines, but the US was the greatest detractor, falling by 5.0% in Q4 and by 12.2% over the 12 months to quarter-end. Anecdotally, this fall has come from transactional markets finally starting to reopen, with the new lower pricing informing valuations. INREV's Consensus Indicator improved significantly to March 2024, moving above 50 and indicating a positive sentiment, driven by hopes of strong leasing and operations.

In the Brunel model, most funds delivered low single-digit negative returns over Q4 2023. The exception was Invesco Real Estate Asia Fund, which benefited from Asian currencies appreciating against the US dollar. The laggard over the quarter was Cortland Growth & Income Fund, which saw valuation write-downs, as more transactions hit the market.

Occupier demand for office and logistics saw a modest slowdown in Q4, but vacancy and supply conditions are still

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	16.6	62.4	-11.1%	1.8%	-	-0.3%	1.1	Apr 2020

International Property

constrained, particularly for high quality space, and within the industrial sector. These therefore saw continued rent growth.

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. The CBRE Global Alpha Fund for clients with a total commitment below the £50m threshold (as well as clients with large legacy holdings) has been approved by Brunel, with additional funds set to be committed once there is sufficient capital.

*Since initial investment

**Performance data shown up to 31 December 2023

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 CO_2 equivalent per million GBP of investment exposure
yield to worst	Lowest possible yield on a bond portfolio assuming no defaults

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Somerset Council
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Gloucestershire County Council
Brunel Pension Partnership