



Gloucestershire County Council Performance Report

Quarter ending 30 June 2023

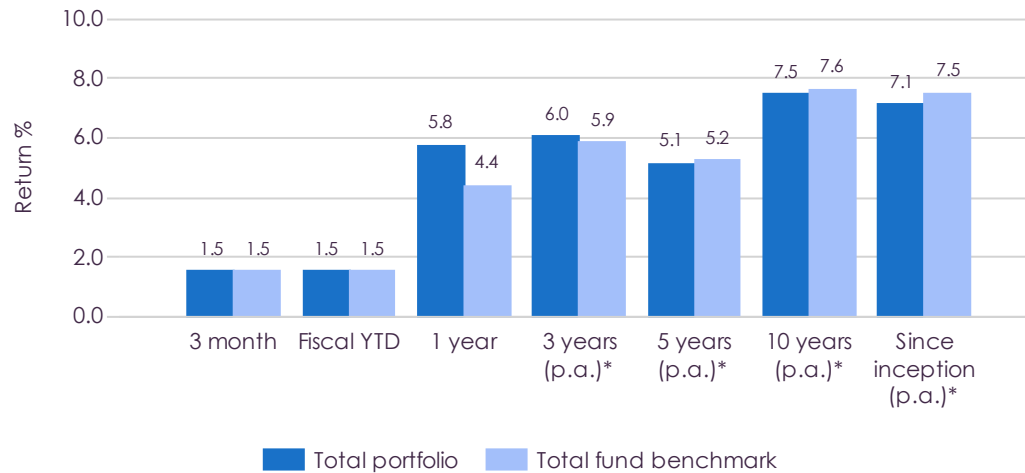


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Pension Fund performance

Performance (annualised)



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

Key events

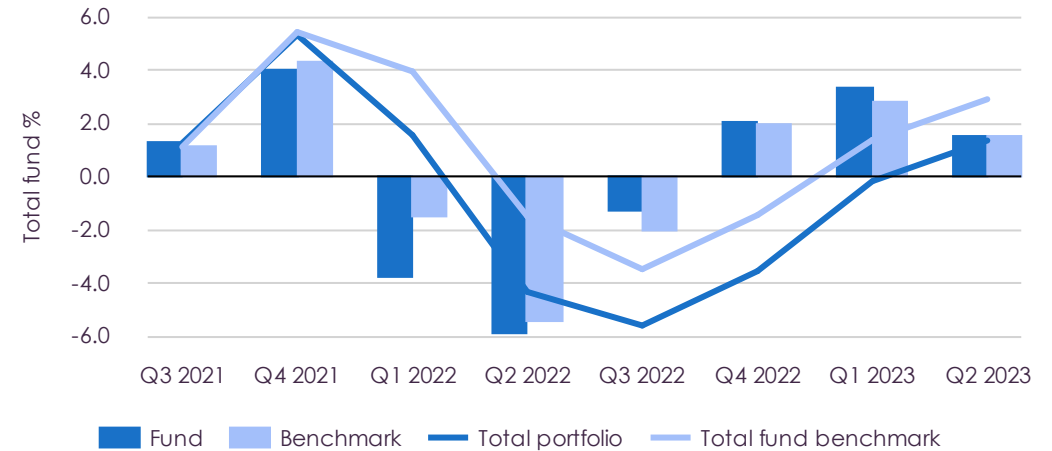
Quarter 2 was another good quarter for developed market global equities. However, if the so-called magnificent seven of Alphabet, Amazon, Apple, Meta, Microsoft, Nvidia and Tesla are excluded, global equities actually fell by 2.4%. Apple now represents c5% of global equity indices and therefore is a key determinant of portfolio performance relative to a global index. Emerging Markets and UK equities declined over the period.

Government bonds also fell as interest rates continued to rise – the exception being in Japan.

Rising rates continued to dampen activity in Private Markets.

The total portfolio was up 1.5% in the quarter, matching its benchmark, over a year it beat the benchmark (5.4% vs 4.4%).

Quarterly performance

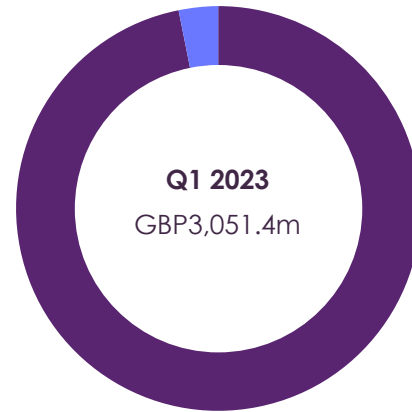
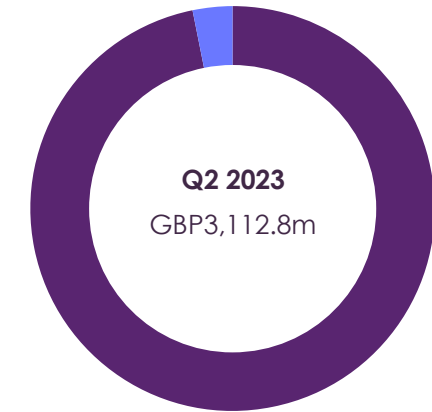


Source: State Street Global Services. Net of all fees.

The performance of Brunel's equity portfolios was broadly flat vs the respective benchmarks, though Global Sustainable Equity trailed its index by 3.3%. In Fixed Income, Multi-Asset Credit continued to show positive relative and actual returns, rising 1.8% to beat its index by 2%.

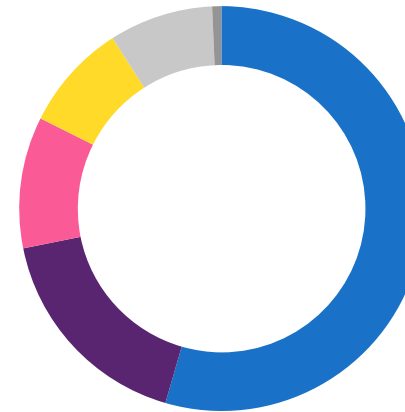
Asset summary

Assets transitioned to Brunel



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

Asset allocation breakdown



Key:

| | |
|-----------------|--------|
| Equities | 54.49% |
| Fixed income | 17.37% |
| Private markets | 10.50% |
| Property | 8.59% |
| Other | 8.30% |
| Cash | 0.76% |

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

Overview of assets

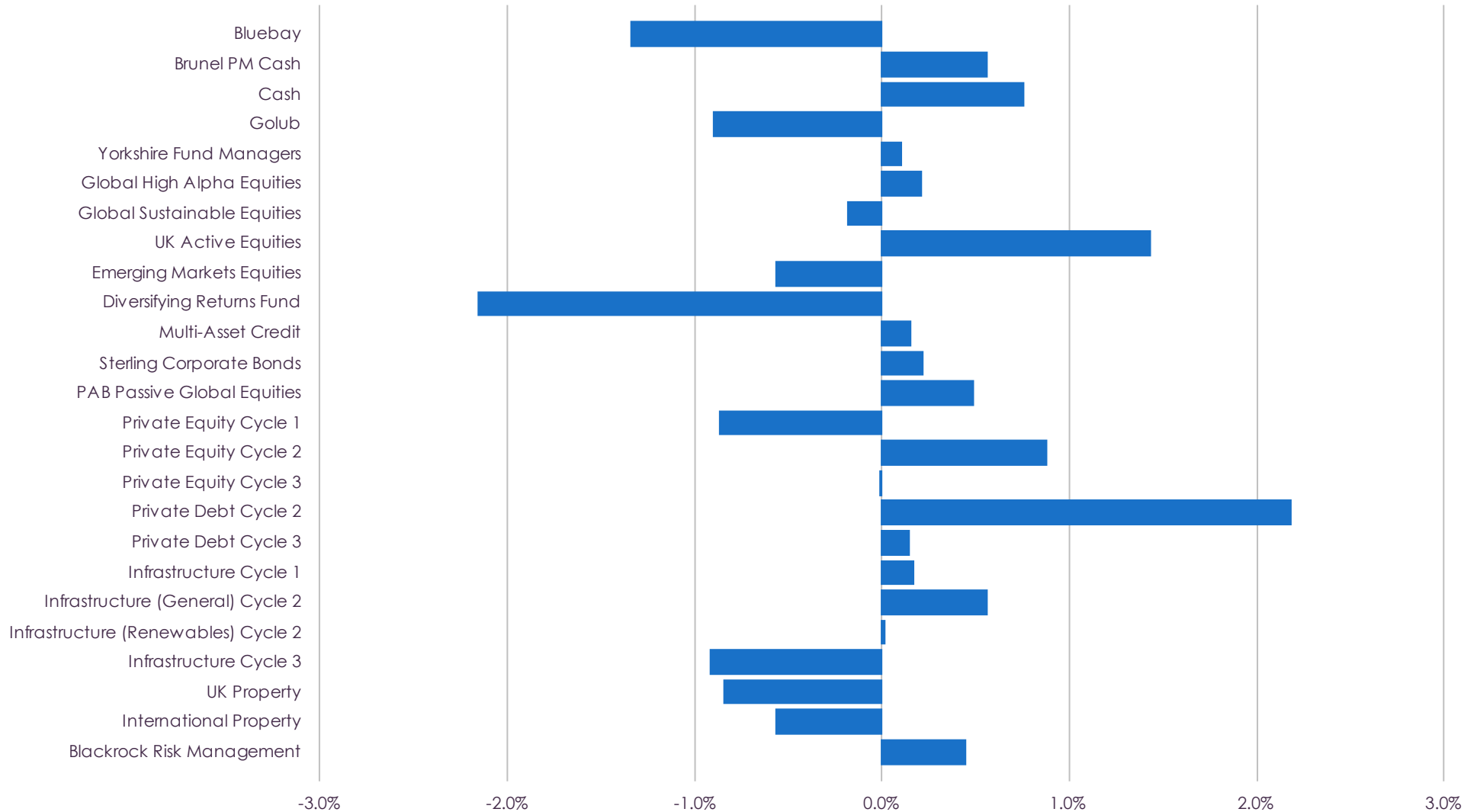
Detailed asset allocation

| Equities | £1,696.16m | 54.49% |
|-----------------------------|------------|--------|
| Global High Alpha Equities | £426.74m | 13.71% |
| Global Sustainable Equities | £398.99m | 12.82% |
| UK Active Equities | £356.00m | 11.44% |
| PAB Passive Global Equities | £326.34m | 10.48% |
| Emerging Markets Equities | £184.82m | 5.94% |
| Legacy Assets | £3.27m | 0.10% |
| Fixed income | £540.61m | 17.37% |
| Sterling Corporate Bonds | £318.07m | 10.22% |
| Multi-Asset Credit | £222.54m | 7.15% |

| Private markets (incl. property) | £594.19m | 19.09% |
|-------------------------------------|----------|--------|
| UK Property | £207.21m | 6.66% |
| Private Debt Cycle 2 | £67.87m | 2.18% |
| International Property | £60.13m | 1.93% |
| Infrastructure (General) Cycle 2 | £48.51m | 1.56% |
| Infrastructure Cycle 1 | £36.50m | 1.17% |
| Private Equity Cycle 1 | £35.31m | 1.13% |
| Infrastructure (Renewables) Cycle 2 | £31.65m | 1.02% |
| Private Equity Cycle 2 | £27.44m | 0.88% |
| Private Debt Cycle 3 | £4.50m | 0.14% |
| Infrastructure Cycle 3 | £2.71m | 0.09% |
| Private Equity Cycle 3 | -£0.05m | -0.00% |
| Legacy Assets | £72.41m | 2.33% |
| Other | £258.32m | 8.30% |
| Diversifying Returns Fund | £244.30m | 7.85% |
| Blackrock Risk Management | £14.02m | 0.45% |

Cash not included

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 |
|-----------------------------|---------------------------|--|-----------------------------------|----------------|------------------------------|------------------------------------|
| Bluebay | 20,558 | 0.7% | 2.00% | -1.3% | 2.3% | 0.0% |
| Brunel PM Cash | 17,445 | 0.6% | - | 0.6% | 0.9% | 0.0% |
| Cash | 23,506 | 0.8% | - | 0.8% | -0.9% | -0.0% |
| Golub | 34,412 | 1.1% | 2.00% | -0.9% | 0.6% | 0.0% |
| Yorkshire Fund Managers | 3,268 | 0.1% | - | 0.1% | -4.7% | -0.0% |
| Global High Alpha Equities | 426,739 | 13.7% | 13.50% | 0.2% | 3.9% | 0.5% |
| Global Sustainable Equities | 398,987 | 12.8% | 13.00% | -0.2% | 0.1% | 0.0% |
| UK Active Equities | 356,004 | 11.4% | 10.00% | 1.4% | -0.3% | -0.0% |
| Emerging Markets Equities | 184,822 | 5.9% | 6.50% | -0.6% | -2.4% | -0.2% |
| Diversifying Returns Fund | 244,299 | 7.8% | 10.00% | -2.2% | 1.0% | 0.1% |
| Multi-Asset Credit | 222,537 | 7.1% | 7.00% | 0.1% | 1.8% | 0.1% |
| Sterling Corporate Bonds | 318,073 | 10.2% | 10.00% | 0.2% | -2.5% | -0.3% |
| PAB Passive Global Equities | 326,341 | 10.5% | 10.00% | 0.5% | 5.3% | 0.5% |
| Private Equity Cycle 1 | 35,311 | 1.1% | 2.00% | -0.9% | N/M | N/M |
| Private Equity Cycle 2 | 27,435 | 0.9% | - | 0.9% | N/M | N/M |
| Private Equity Cycle 3 | -53 | -0.0% | - | -0.0% | 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 Debt Cycle 2 | 67,870 | 2.2% | - | 2.2% | N/M | N/M |
| Private Debt Cycle 3 | 4,497 | 0.1% | - | 0.1% | N/M | N/M |
| Infrastructure Cycle 1 | 36,504 | 1.2% | 1.00% | 0.2% | N/M | N/M |
| Infrastructure (General) Cycle 2 | 48,510 | 1.6% | 1.00% | 0.6% | N/M | N/M |
| Infrastructure (Renewables) Cycle 2 | 31,648 | 1.0% | 1.00% | 0.0% | N/M | N/M |
| Infrastructure Cycle 3 | 2,711 | 0.1% | 1.00% | -0.9% | N/M | N/M |
| UK Property | 207,208 | 6.7% | 7.50% | -0.8% | N/M | N/M |
| International Property | 60,132 | 1.9% | 2.50% | -0.6% | N/M | N/M |
| Blackrock Risk Management | 14,021 | 0.5% | - | 0.5% | 297.5% | 0.5% |

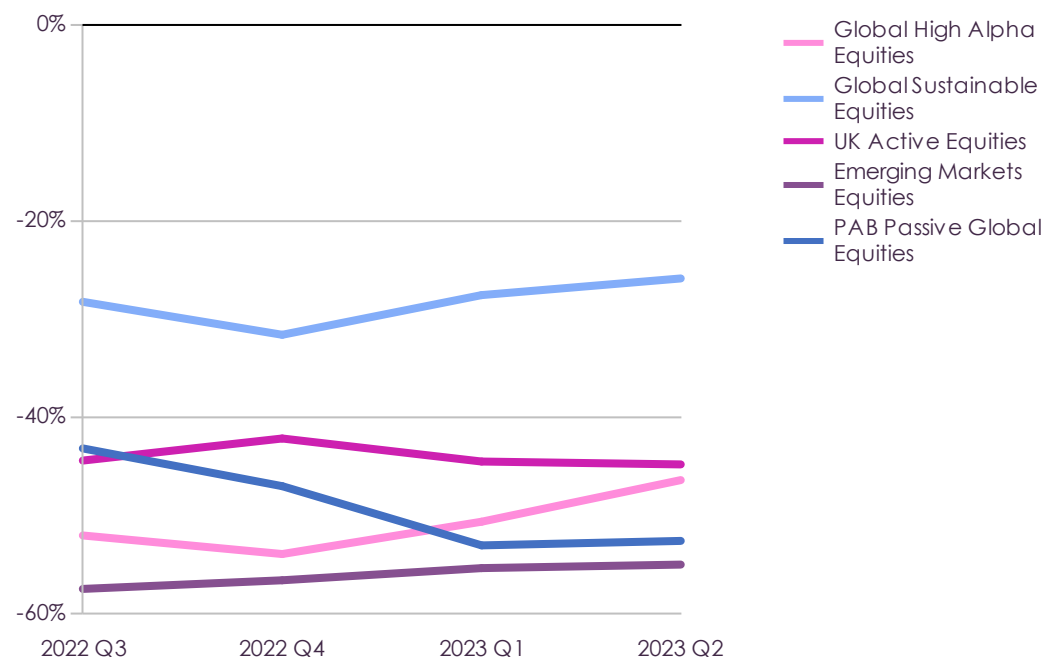
Private Markets 3 month performance is not material.

Stewardship and climate metrics

| Portfolio | WACI | | Total Extractive Exposure ¹ | | Extractive Industries (VOH) ² | |
|--|------------|------------|--|------------|--|-------------|
| | 2023 Q1 | 2023 Q2 | 2023 Q1 | 2023 Q2 | 2023 Q1 | 2023 Q2 |
| Global High Alpha Equities | 82 | 84 | 1.2 | 1.2 | 3.6 | 2.9 |
| MSCI World* | 166 | 157 | 3.3 | 3.1 | 9.2 | 8.4 |
| Global Sustainable Equities | 140 | 138 | 2.6 | 1.6 | 5.6 | 5.0 |
| MSCI ACWI* | 193 | 186 | 3.3 | 3.1 | 9.1 | 8.3 |
| UK Active Equities | 84 | 85 | 5.0 | 5.6 | 11.3 | 10.4 |
| FTSE All Share ex Inv Tr* | 152 | 153 | 6.3 | 6.2 | 19.5 | 18.8 |
| Emerging Markets Equities | 186 | 196 | 1.1 | 0.8 | 4.1 | 4.1 |
| MSCI Emerging Markets* | 418 | 437 | 3.6 | 3.2 | 7.8 | 8.1 |
| PAB Passive Global Equities | 79 | 76 | 0.6 | 0.6 | 3.4 | 3.2 |
| FTSE Dev World TR UKPD* | 168 | 160 | 3.1 | 3.0 | 9.4 | 8.6 |
| Passive Developed Equities (Hedged) | 169 | 160 | 2.7 | 2.5 | 9.4 | 8.6 |

*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 |
|----------------------------|-------------------|---------------------------|------------------|------------------------------|
| Global High Alpha Equities | 11.1% | 13.9% | 11.6% | 12.6% |
| UK Active Equities | 8.1% | 13.4% | 10.3% | 13.0% |
| Emerging Markets Equities | 0.3% | 13.9% | 1.7% | 13.1% |
| Private Equity Cycle 1 | 19.2% | 13.8% | 10.5% | 11.8% |
| Infrastructure Cycle 1 | 6.0% | 4.7% | 6.6% | 2.1% |
| UK Property | 2.0% | 6.8% | 2.3% | 10.4% |
| International Property | 5.5% | 11.4% | 6.9% | 13.4% |

Since portfolio inception

Risk and return summary

Legacy manager performance - 3 year

| | Annualised return | Risk (standard deviation) | Benchmark return | Benchmark standard deviation |
|--------------------------------|-------------------|---------------------------|------------------|------------------------------|
| Bluebay | 5.7% | 4.4% | 6.3% | 0.4% |
| Brunel PM Cash | 2.4% | - | - | - |
| Cash | -0.3% | - | - | - |
| Golub | 11.0% | 11.2% | 6.3% | 0.4% |
| Yorkshire Fund Managers | 0.9% | - | - | - |
| Gloucestershire County Council | 6.0% | 8.4% | 5.9% | 7.9% |

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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 (54.39%) | | | 1,692.89 | | | | | | | | | |
| Global High Alpha Equities | MSCI World | +2-3% | 426.74 | 3.9% | -0.1% | 16.3% | 2.5% | 11.1% | -0.5% | 12.3% | 2.0% | 15 Nov 2019 |
| Global Sustainable Equities | MSCI ACWI | +2% | 398.99 | 0.1% | -3.3% | 10.2% | -1.7% | - | - | 5.9% | -4.2% | 30 Sep 2020 |
| UK Active Equities | FTSE All Share ex Inv Tr | +2% | 356.00 | -0.3% | 0.1% | 8.1% | -0.3% | 8.1% | -2.2% | 4.0% | -1.2% | 21 Nov 2018 |
| Emerging Markets Equities | MSCI Emerging Markets | +2-3% | 184.82 | -2.4% | -0.6% | -2.6% | -0.2% | 0.3% | -1.5% | -0.3% | -1.8% | 09 Oct 2019 |
| PAB Passive Global Equities | FTSE Dev World PAB | Match | 326.34 | 5.3% | - | 16.7% | - | - | - | 6.4% | -0.1% | 25 Jan 2022 |
| Fixed income (17.37%) | | | 540.61 | | | | | | | | | |
| Multi-Asset Credit | SONIA +4% | 0% to +1.0% | 222.54 | 1.8% | -0.2% | 7.6% | 0.3% | - | - | -1.5% | -7.3% | 01 Jun 2021 |
| Sterling Corporate Bonds | iBoxx Sterling Non Gilt x | +1% | 318.07 | -2.5% | 0.9% | -5.5% | 1.4% | - | - | -9.7% | 0.5% | 02 Jul 2021 |
| Private markets (incl. property) (16.76%) | | | 521.77 | | | | | | | | | |
| Private Equity Cycle 1 | MSCI ACWI | +3% | 35.31 | N/M | N/M | 0.7% | -11.2% | 19.0% | 8.5% | 17.8% | 7.0% | 26 Mar 2019 |
| Private Equity Cycle 2 | MSCI ACWI | +3% | 27.44 | N/M | N/M | -13.0% | -24.8% | - | - | 4.2% | -3.3% | 05 Jan 2021 |
| Private Equity Cycle 3 | MSCI ACWI | +3% | -0.05 | N/M | N/M | - | - | - | - | -100.0% | -103.5% | 28 Apr 2023 |
| Private Debt Cycle 2 | SONIA | +4% | 67.87 | N/M | N/M | 13.4% | 6.2% | - | - | 12.4% | 6.4% | 17 Sep 2021 |
| Private Debt Cycle 3 | SONIA | +4% | 4.50 | N/M | N/M | - | - | - | - | 4.6% | 0.3% | 20 Dec 2022 |
| Infrastructure Cycle 1 | CPI | +4% | 36.50 | N/M | N/M | 8.6% | 0.7% | 7.9% | 1.3% | 8.1% | 3.5% | 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) (16.76%) | | | 521.77 | | | | | | | | | |
| Infrastructure (General) Cycle 2 | CPI | +4% | 48.51 | N/M | N/M | 11.0% | 3.1% | - | - | 8.9% | 1.8% | 19 Oct 2020 |
| Infrastructure (Renewables) Cycle 2 | CPI | +4% | 31.65 | N/M | N/M | 12.7% | 4.7% | - | - | 9.9% | 2.8% | 12 Oct 2020 |
| Infrastructure Cycle 3 | n/a - absolute return target | net 8% IRR | 2.71 | N/M | N/M | - | - | - | - | -5.7% | -11.9% | 13 Oct 2022 |
| UK Property | MSCI/AREF UK | +0.5% | 207.21 | N/M | N/M | -17.3% | -0.2% | 2.4% | 0.2% | 2.2% | 0.8% | 01 Apr 2020 |
| International Property** | GREFI | +0.5% | 60.13 | N/M | N/M | 7.6% | 10.3% | - | - | 7.4% | - | 01 Apr 2020 |
| Other (7.85%) | | | 244.30 | | | | | | | | | |
| Diversifying Returns Fund | SONIA +3% | 0% to +2.0% | 244.30 | 1.0% | -0.8% | 1.1% | -5.1% | - | - | 1.8% | -2.5% | 27 Jul 2020 |
| Total Brunel assets (excl. cash) (96.36%) | | | 2,999.58 | | | | | | | | | |

*Since initial investment

**Performance data shown up to 31 March 2023

Table above excludes Blackrock Risk Management

Private Markets 3 month performance is not material.

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 (0.10%) | | 3.27 | | | | | | | | |
| Yorkshire Fund Managers | 3.27 | -4.7% | -4.7% | -15.2% | -15.2% | 0.9% | 0.9% | - | - | 01 Oct 2017 |
| Private markets (incl. property) (2.33%) | | 72.41 | | | | | | | | |
| Golub | 34.41 | 0.6% | -1.7% | 2.9% | -5.4% | 11.0% | 4.7% | 9.4% | 3.4% | 01 Jul 2017 |
| Bluebay | 20.56 | 2.3% | - | 7.5% | -0.8% | 5.7% | -0.6% | 6.4% | 0.4% | 01 Aug 2017 |
| Brunel PM Cash | 17.44 | 0.9% | 0.9% | 5.3% | 5.3% | 2.4% | 2.4% | 2.9% | - | 14 Dec 2018 |
| Other (0.76%) | | 23.51 | | | | | | | | |
| Cash | 23.51 | -0.9% | -0.9% | -1.1% | -1.1% | -0.3% | -0.3% | - | - | 01 Oct 2017 |
| Total legacy assets (excl. cash) (3.19%) | | 99.19 | | | | | | | | |

*Since initial investment

Chief Investment Officer commentary

Following another strong quarter, Apple now has a market capitalisation above \$3 trillion. It is the first company to pass this mark, it was also the first stock to close above \$1 trillion, which it did in August 2018. It is now bigger than Microsoft and Alphabet combined, two behemoths in their own right, and it is valued more highly than the entire FTSE 100. More pertinently it is now close to a 5% weighting in the MSCI All Countries World Index. Why is this important? Well, how much you owned of Apple and indeed if you owned Apple was the biggest contributor to your performance this year.

But it isn't just Apple to which this issue relates. The stock market has not been this concentrated since the 1970s when the so-called Nifty 50 stocks dominated the landscape. This quarter the performance of the top seven names, the so-called magnificent 7; Apple, Microsoft, Amazon, Nvidia, Alphabet, Tesla and Meta accounted for 85% of the total gains made by world equities.

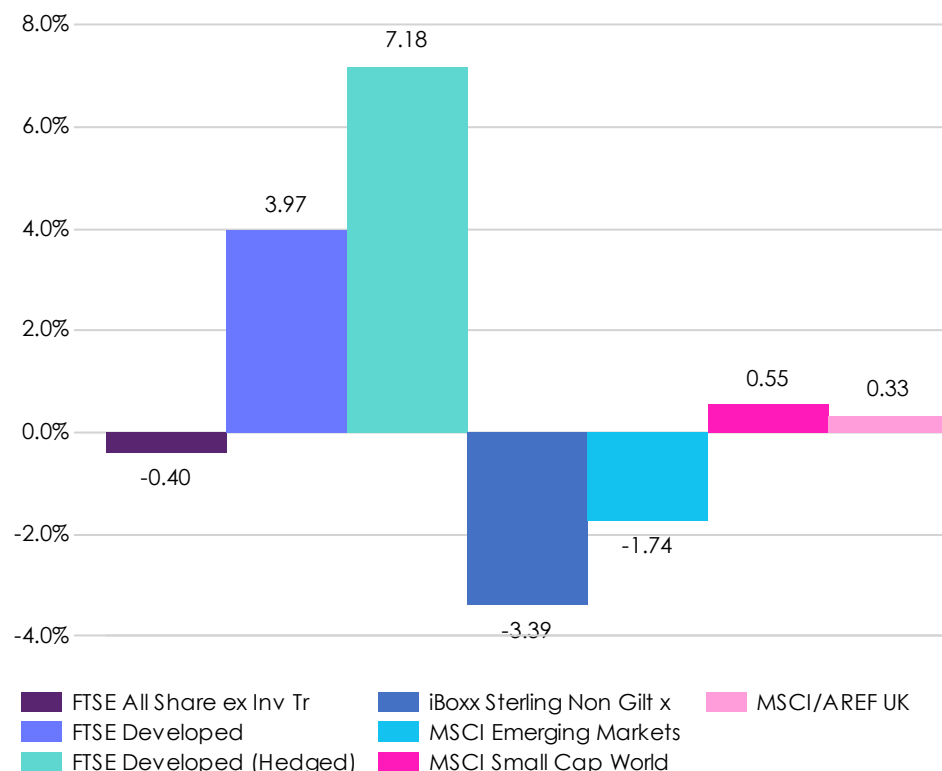
Driven by these stocks the second quarter was another strong period for developed market equities, at least optically. An equally weighted index of world equities actually fell by 2.4%. This narrowness of the market was more obvious when looking at the performance of regional markets with Emerging Markets equities and UK equities declining over the period. Small cap equities posted only a marginal gain.

Government bonds also fell, as, apart from Japan, interest rate rises continued, albeit the US central bank did not raise rates in June. This has been coined "a hawkish pause", implying that this is not likely to be the end of the hiking cycle but a pause to allow the effects of previous rises to feed through to the economy. This pause was driven by "better" data, showing that US Inflation not only declined in absolute terms to an annual rate of 4% but also came in lower than expectations. It is worth remembering that oil peaked last year in June and so a decline was to be mathematically expected. The soft-landing narrative also gained more traction given continued robust economic data, particularly wage growth which whilst slowing was still strong enough to support retail sales. Unemployment was also low and as such recessionary forecasts were pushed into 2024 by the remaining bears.

In the UK investors were faced not with a pause but with a reacceleration of interest rate rises culminating in a 50bp increase in June as inflation data suggested that inflation is not yet under control. This initially drove government bond yields back to levels last seen during the aftermath of the budget crisis last year, increasing the spectre of a more severe house price correction as many banks pulled their mortgage offerings.

Chief Investment Officer commentary

Index Performance Q2 2023



Source: State Street

The impact of rising rates was also felt in Private Markets as this directly fed through to an increase in the cost of capital, most obviously in debt funding costs. This in turn has led to a significant decrease in deal activity. Added to this was the denominator effect impact on fund raising – which started in 2022 and has very much continued into 2023. The immediate implication being that marque funds failed to raise as much capital as they targeted or simply paused their fund-raising activities. The silver lining of the liquidity squeeze that many investors are experiencing is an increase in the attractiveness of secondary deals, where we stand ready to participate opportunistically.

Elsewhere commodities led by metals fell for the second quarter in a row, albeit natural gas, cocoa and soyabeans bucked the trend. This led energy and mining companies to also broadly underperform the wider indices which provided a small tailwind for our equity franchise.

Whilst a soft landing is still very plausible, the eye of the needle has narrowed; a slowdown is needed that both tames inflation and so limits the need for further rate rises but is mild enough not to create economic pain. The fact that this Goldilocks scenario appears to be increasingly consensual means that any negative surprise and reversal of this view would see a larger decline in asset prices. Equity valuations specifically have risen, the US market trades on a forward price earnings ratio of 19x, at a time when earnings look harder to come by. That said ex the afore mentioned 7 large US names that metric falls to a more manageable 15x.

The outlook for earnings therefore remains the key to medium term returns. The US earnings season begins in August and consensus expects a 9% year over year decline, driven by flat revenues and decreasing margins. This looks like a low bar to step over, however the forecast for next year is for growth of 11% which looks optimistic if the much-predicted recession does land.

Global High Alpha Equities

Investment strategy & key drivers

High conviction, unconstrained global equity portfolio

Liquidity

Managed

Benchmark

MSCI World

Outperformance target

+2-3%

Total fund value

£4,059m

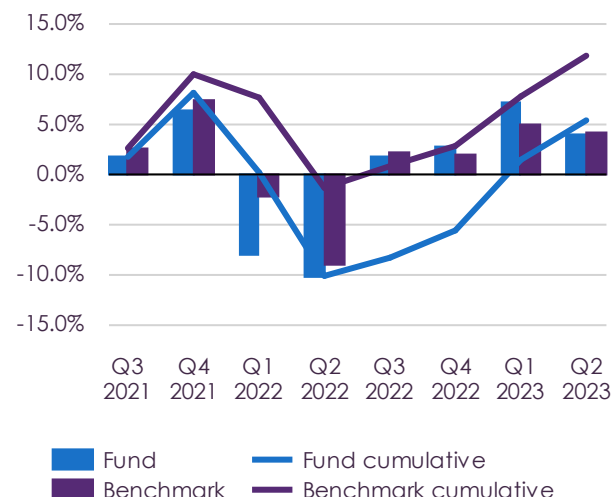
Risk profile

High

Gloucestershire's Holding:

GBP427m

Rolling 2yr performance



Performance to quarter end

| Performance | 3 month | 1 year | Since inception * |
|-------------|---------|--------|-------------------|
| Fund | 3.9 | 16.3 | 13.0 |
| Benchmark | 4.1 | 13.8 | 11.0 |
| Excess | -0.1 | 2.5 | 2.0 |

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

Performance commentary

Global developed equities (as proxied by the MSCI World index) returned 4.1% in GBP terms over the quarter. This strong performance was once again driven by a small number of the very largest technology names in an environment where concerns regarding financial instability receded and enthusiasm for AI gained further traction. Indeed, the seven largest names in the index (Apple, Microsoft, Amazon, NVIDIA, Tesla, Alphabet and Meta - dubbed the 'magnificent seven') returned 2.75%, a contribution of over 65% of total index returns. This concentration of returns masked the more muted performance by the broader index hampered by fears about a potential recession negatively impacting earnings.

The portfolio returned 3.9% during the period, marginally underperforming the benchmark by 0.1%.

The portfolio owned six of the 'magnificent seven' but was underweight these names in aggregate, which detracted 0.5% from relative performance. Managers were able to find pockets of performance outside of these names to offset this, with positive contributions from overweight holdings in names such as Eli Lilly (returned 33%, driven by improved potential for their new diabetes drug Mounjaro), and Delta Airlines (returned 32%, as it benefitted from falling fuel prices and strong second quarter demand).

Sector attribution shows a positive impact from allocation driven by an overweight to the Consumer Discretionary sector and underweights to the two poorest performing sectors, Utilities and Energy. Selection was negative overall and weakest in the Consumer Discretionary sector where the

underperformance of Chinese names versus their developed market peers was a material detractor (Alibaba, PinDuoDuo and Meituan).

Two of the five managers outperformed this quarter with a particularly strong relative performance by RLAM (+3.9%). RLAM's differentiated approach was again in evidence this quarter with several names not held elsewhere in the portfolio doing particularly well (Eli Lilly, Thor Industries, Lithia Motors). Harris was the poorest performer this quarter following two quarters of outperformance. Their value approach resulted in them holding companies less appreciated by the market as value underperformed growth and quality.

Since inception the portfolio has outperformed the benchmark by 2% p.a.

Global High Alpha Equities

Top 5 holdings

| | Weight % | B'mark weight % | Client value (GBP)* |
|------------------------|----------|-----------------|---------------------|
| MICROSOFT CORP | 6.03 | 4.24 | 25,737,626 |
| AMAZON.COM INC | 3.38 | 2.12 | 14,407,784 |
| ALPHABET INC | 2.61 | 2.40 | 11,145,277 |
| MASTERCARD INC | 2.54 | 0.59 | 10,820,913 |
| UNITEDHEALTH GROUP INC | 2.16 | 0.79 | 9,201,992 |

*Estimated client value

Top 5 active overweights

| | Weight % | Benchmark weight % |
|------------------------|----------|--------------------|
| MASTERCARD INC | 2.54 | 0.59 |
| TAIWAN SEMICONDUCTOR | 1.83 | - |
| MICROSOFT CORP | 6.03 | 4.24 |
| UNITEDHEALTH GROUP INC | 2.16 | 0.79 |
| MOODY'S CORP | 1.47 | 0.10 |

Top 5 active underweights

| | Weight % | Benchmark weight % |
|------------------------|----------|--------------------|
| APPLE INC | 1.03 | 5.40 |
| META PLATFORMS INC | - | 1.12 |
| EXXON MOBIL CORP | - | 0.77 |
| JPMORGAN CHASE & CO | - | 0.75 |
| BERKSHIRE HATHAWAY INC | 0.12 | 0.78 |

Largest contributors to ESG risk

| | ESG risk score* | |
|--------------------|-----------------|---------|
| | Q1 2023 | Q2 2023 |
| AMAZON.COM INC | 30.28 | 30.53 |
| MICROSOFT CORP | 15.00 | 15.32 |
| ALPHABET INC-CL A | 24.60 | 24.50 |
| NESTLE SA-REG | 27.37 | 27.29 |
| MASTERCARD INC - A | 17.02 | 17.07 |

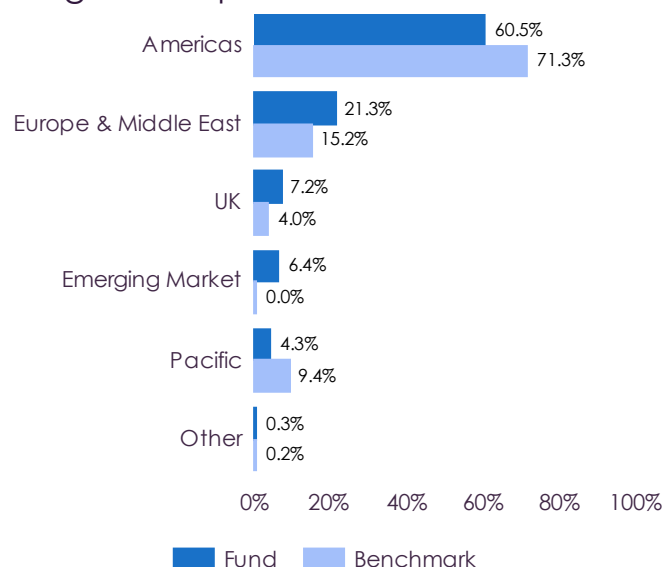
*Source: Sustainalytics. The table is ordered by negative overall ESG impact on the portfolio, with the most impactful at the top. ESG Risk Score reference: 0-10 is Negligible, 10-20 is Low, 20-30 is Medium, 30-40 is High, 40+ is Severe.

Carbon metrics

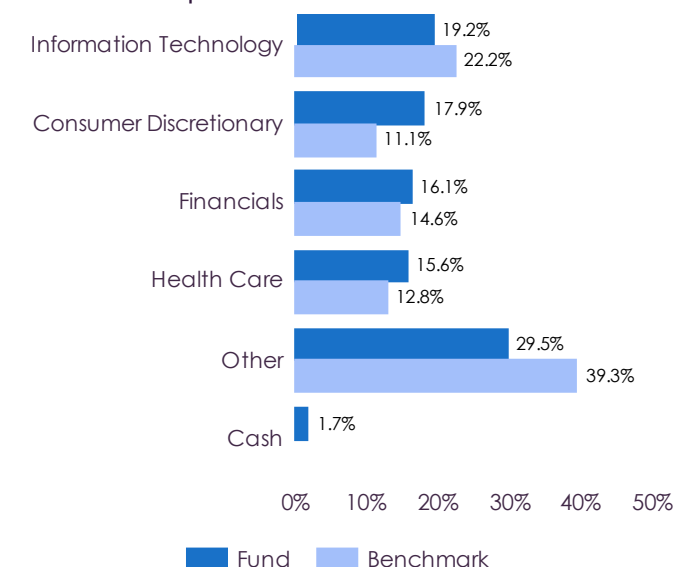
| Portfolio | WACI | | Total Extractive Exposure ¹ | | Extractive Industries (VOH) ² | |
|-------------------|---------|---------|--|---------|--|---------|
| | 2023 Q1 | 2023 Q2 | 2023 Q1 | 2023 Q2 | 2023 Q1 | 2023 Q2 |
| Global High Alpha | 82 | 84 | 1.19 | 1.24 | 3.60 | 2.89 |
| MSCI World* | 166 | 157 | 3.26 | 3.07 | 9.22 | 8.36 |

*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

Investment strategy & key drivers

Global equity exposure concentrating on ESG factors

Liquidity

Managed

Benchmark

MSCI ACWI

Outperformance target

+2%

Total fund value

£3,120m

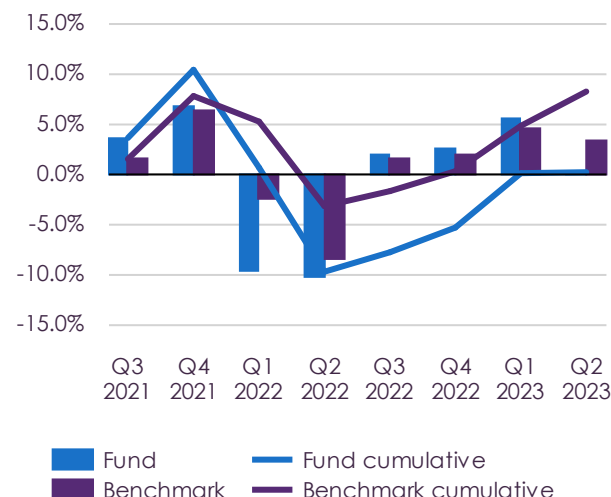
Risk profile

High

Gloucestershire's Holding:

GBP399m

Rolling 2yr performance



Performance to quarter end

| Performance | 3 month | 1 year | Since inception * |
|-------------|---------|--------|-------------------|
| Fund | 0.1 | 10.2 | 5.3 |
| Benchmark | 3.4 | 11.9 | 9.5 |
| Excess | -3.4 | -1.7 | -4.3 |

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

Performance commentary

The fund returned 0.1% over the quarter on a net basis, a relative underperformance of 3.4% against the MSCI ACWI benchmark. Over the 1-year period the fund has returned 10.2% on a net basis, underperforming the MSCI ACWI by 1.7%, due to the performance of the most recent quarter.

As discussed in the CIO commentary, this quarter can be characterised by the outperformance of a small number of stocks, which occupy the Very Large Cap end of the market cap spectrum. Whilst the portfolio does have some exposure to the 7 names, which contributed 85% of market return, the fund is still relatively underweight. This is largely due to Valuation considerations but also Sustainable considerations when considering the investment case for Meta and Tesla. Altogether the 9% underweight in these 7 names cost the

fund 100bps of relative performance over the quarter, notably 50bps from the 4.5% underweight in Apple.

The outperformance of a handful of stocks has continued to drive market concentration within the MSCI ACWI. We highlighted in the CIO commentary that the equally weighted return of the MSCI ACWI was -2.4%, which highlights the affect that the weighting structure is having within the index. If we think about proportional Stock outperformance, this quarter saw only 30% of MSCI ACWI names outperform the index, which implies that 2100 stocks underperformed the MSCI ACWI, the largest proportion of stock underperformance in over a decade of quarterly returns.

If we were to see a reversal in the trend of market concentration driven by the very narrow outperformance of

a handful of mega-cap stocks we should hopefully see outperformance within the Sustainable Equity Fund. We have worked with managers over the most recent quarters to gain assurance that the fundamental analysis of the underlying stocks remain attractive and that the underperformance is largely due to short-term market sentiment, which is not reflecting the true value of these sustainable positions.

Since Inception, we have seen managers providing Alpha in different market scenarios and continue to be comfortable with the diversification exhibited. Ownership and Mirova have demonstrated significant outperformance year to date, whilst Jupiter provided defensiveness through 2022. The ability for managers to outperform in different environments should hopefully translate into long term outperformance.

Global Sustainable Equities

Top 5 holdings

| | Weight % | B'mark weight % | Client value (GBP)* |
|----------------|----------|-----------------|---------------------|
| MICROSOFT CORP | 2.74 | 3.79 | 10,918,396 |
| MASTERCARD INC | 2.55 | 0.53 | 10,180,789 |
| ANSYS INC | 2.29 | 0.05 | 9,134,526 |
| ADYEN NV | 2.24 | 0.06 | 8,935,272 |
| VISA INC | 1.79 | 0.61 | 7,159,979 |

*Estimated client value

Top 5 active overweights

| | Weight % | Benchmark weight % |
|----------------|----------|--------------------|
| ANSYS INC | 2.29 | 0.05 |
| ADYEN NV | 2.24 | 0.06 |
| MASTERCARD INC | 2.55 | 0.53 |
| SYNOPSIS INC | 1.76 | 0.10 |
| INTUIT INC | 1.74 | 0.20 |

Top 5 active underweights

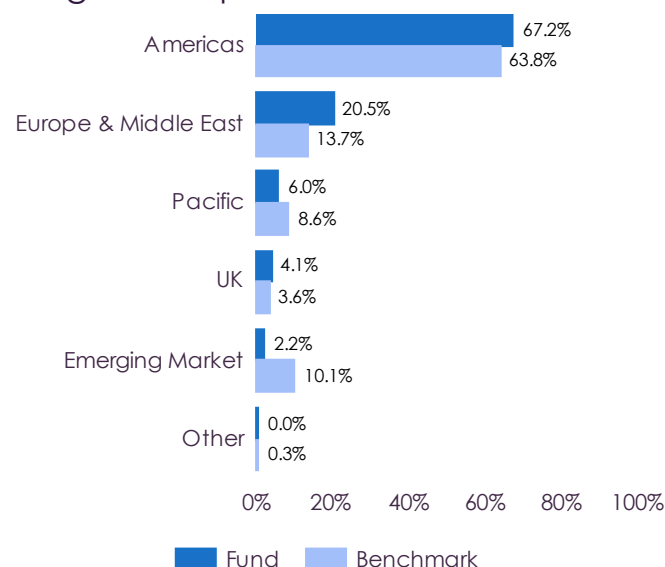
| | Weight % | Benchmark weight % |
|--------------------|----------|--------------------|
| APPLE INC | - | 4.84 |
| TESLA INC | - | 1.18 |
| ALPHABET INC | 0.97 | 2.15 |
| MICROSOFT CORP | 2.74 | 3.79 |
| META PLATFORMS INC | - | 1.00 |

Largest contributors to ESG risk

| | ESG risk score* | |
|--------------------|-----------------|---------|
| | Q1 2023 | Q2 2023 |
| MASTERCARD INC - A | 17.02 | 17.07 |
| MICROSOFT CORP | 15.00 | 15.32 |
| ADYEN NV | 16.23 | 16.23 |
| ANSYS INC | 13.05 | 15.53 |
| FORTIVE CORP | 34.76 | 34.76 |

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

Regional exposure

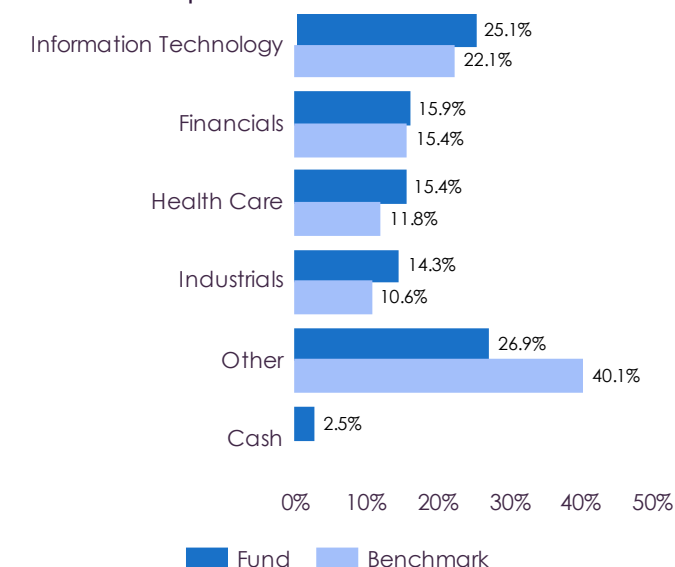


Carbon metrics

| Portfolio | WACI | | Total Extractive Exposure ¹ | | Extractive Industries (VOH) ² | |
|--------------------|---------|---------|--|---------|--|---------|
| | 2023 Q1 | 2023 Q2 | 2023 Q1 | 2023 Q2 | 2023 Q1 | 2023 Q2 |
| Global Sustainable | 140 | 138 | 2.64 | 1.55 | 5.64 | 4.99 |
| MSCI ACWI* | 193 | 186 | 3.27 | 3.07 | 9.06 | 8.33 |

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

Sector exposure



UK Active Equities

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

£1,353m

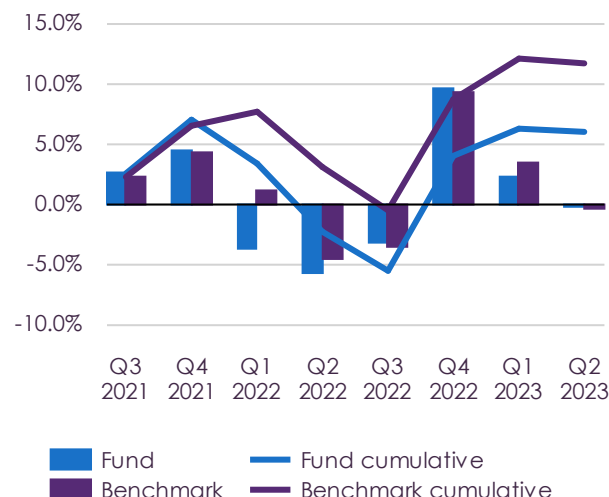
Risk profile

High

Gloucestershire's Holding:

GBP356m

Rolling 2yr performance



Performance to quarter end

| Performance | 3 month | 1 year | Since inception * |
|-------------|---------|--------|-------------------|
| Fund | -0.3 | 8.1 | 3.9 |
| Benchmark | -0.4 | 8.4 | 5.2 |
| Excess | 0.1 | -0.3 | -1.3 |

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

Performance commentary

The FTSE All-Share Index, excluding Investment Trusts, returned -0.4% over the quarter, underperforming the developed market index (MSCI World). This underperformance reflected the UK's under exposure to technology companies that benefitted from the positive surge in sentiment around AI that drove global equity returns.

The portfolio returned -0.3% during the period, outperforming the benchmark by 0.1%. Sector attribution shows a positive contribution from allocation as overweight allocations to Financials and Industrials (the two best performing sectors after Technology) added to relative returns. This more than offset the negative effects from selection where poor selection in both Financials and Industrials detracted. Within Industrials, the overweight position in PageGroup (British

based recruitment business) detracted, as profits were impacted by challenging market conditions with people reluctant to change jobs. In contrast the off-benchmark position in Wise (UK-based foreign exchange fintech business) added value, returning over 20% off the back of boosted revenue figures arising from strong customer and volume growth. Within Financials, the underweight position in HSBC hurt as the bank returned over 14%, benefiting from higher net interest margin resulting from the increasing interest rate environment.

Baillie Gifford outperformed by 0.2% over the period, despite the negative impact of not holding HSBC and Shell (the latter returning 2.5%). Two notable examples of smaller growth companies sought by BG that performed well during the

quarter were Wise (mentioned above) and Abcam the global leader in the manufacture and distribution of antibodies. Abcam returned 76% following a positive trading update and announcement of a strategic review including the potential sale of the company, which had a further positive impact.

Invesco outperformed the index by 0.1% this quarter. Of the three targeted factors, Momentum and Quality outperformed slightly, whilst the Value factor underperformed as attractively valued companies were not rewarded by market participants.

From inception to quarter-end, the portfolio underperformed the benchmark by 1.3% per annum.

UK Active Equities

Top 5 holdings

| | Weight % | B'mark weight % | Client value (GBP)* |
|-------------------|----------|-----------------|---------------------|
| ASTRAZENECA PLC | 6.41 | 7.71 | 22,813,612 |
| UNILEVER PLC | 5.48 | 4.76 | 19,513,350 |
| SHELL PLC | 3.84 | 7.54 | 13,669,121 |
| HSBC HOLDINGS PLC | 3.49 | 5.79 | 12,414,742 |
| RIO TINTO PLC | 3.00 | 2.51 | 10,688,266 |

*Estimated client value

Top 5 active overweights

| | Weight % | Benchmark weight % |
|-------------------------------|----------|--------------------|
| BUNZL PLC | 2.09 | 0.47 |
| LEGAL & GENERAL GROUP PLC | 2.15 | 0.62 |
| BURBERRY GROUP PLC | 1.77 | 0.37 |
| BAILLIE GIFFORD UK & BALANCED | 1.34 | - |
| MARKS & SPENCER GROUP PLC | 1.45 | 0.17 |

Top 5 active underweights

| | Weight % | Benchmark weight % |
|------------------------------|----------|--------------------|
| SHELL PLC | 3.84 | 7.54 |
| HSBC HOLDINGS PLC | 3.49 | 5.79 |
| BRITISH AMERICAN TOBACCO PLC | 0.89 | 2.70 |
| NATIONAL GRID PLC | - | 1.75 |
| LONDON STOCK EXCHANGE | 0.16 | 1.64 |

Largest contributors to ESG risk

| | ESG risk score* | |
|-----------------|-----------------|---------|
| | Q1 2023 | Q2 2023 |
| ASTRAZENECA PLC | 22.47 | 22.50 |
| SHELL PLC | 37.65 | 36.10 |
| UNILEVER PLC | 24.12 | 24.57 |
| BP PLC | 33.81 | 35.12 |
| RIO TINTO PLC | 30.68 | 31.55 |

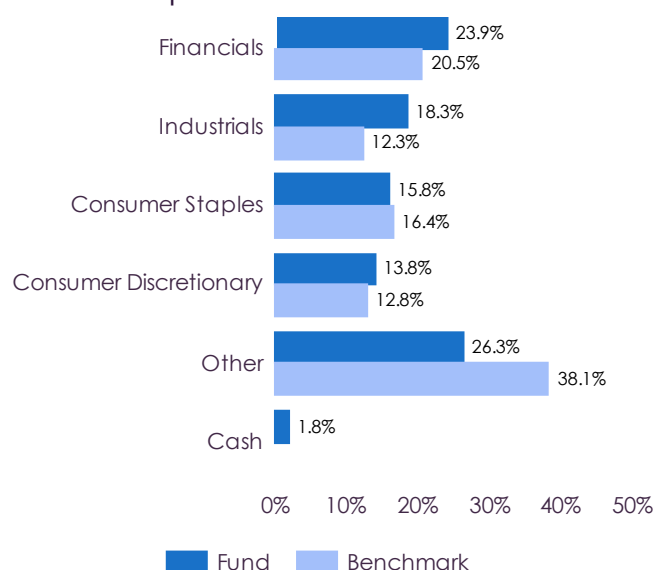
*Source: Sustainalytics. The table is ordered by negative overall ESG impact on the portfolio, with the most impactful at the top. ESG Risk Score reference: 0-10 is Negligible, 10-20 is Low, 20-30 is Medium, 30-40 is High, 40+ is Severe.

Carbon metrics

| Portfolio | WACI | | Total Extractive Exposure ¹ | | Extractive Industries (VOH) ² | |
|-----------------------|---------|---------|--|---------|--|---------|
| | 2023 Q1 | 2023 Q2 | 2023 Q1 | 2023 Q2 | 2023 Q1 | 2023 Q2 |
| UK Active Equities | 84 | 85 | 5.02 | 5.63 | 11.30 | 10.41 |
| FTSE All Share ex Inv | 152 | 153 | 6.28 | 6.20 | 19.50 | 18.79 |

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

Sector exposure



Classification: Public

Emerging Markets Equities

Investment strategy & key drivers

Equity exposure to emerging markets

Liquidity

Managed

Benchmark

MSCI Emerging Markets

Outperformance target

+2-3%

Total fund value

£1,013m

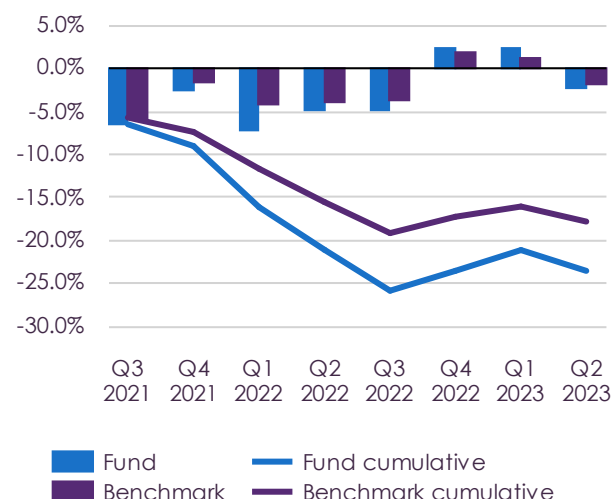
Risk profile

High

Gloucestershire's Holding:

GBP185m

Rolling 2yr performance



Performance to quarter end

| Performance | 3 month | 1 year | Since inception * |
|-------------|---------|--------|-------------------|
| Fund | -2.4 | -2.6 | -1.0 |
| Benchmark | -1.7 | -2.4 | 0.8 |
| Excess | -0.7 | -0.2 | -1.8 |

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

Performance commentary

The second quarter of 2023 saw a slowdown in Emerging Markets (EM), reversing the trend observed at the beginning of the year. Weaker than expected industrial production, retail sales and fixed asset investment proved damaging to investor sentiment in China. Conversely, many Taiwanese and Korean semiconductor companies with tangible links to artificial intelligence posted impressive performance. Outside of Asia, Brazil produced an impressive GBP return of +17.5% following stronger growth and lower inflation.

The Emerging Markets portfolio returned -2.4% last quarter, which was 0.7% behind the benchmark return of -1.7%, proxied by MSCI Emerging Markets. Genesis and Wellington lagged the benchmark by 0.5% and 1.0% respectively,

whereas Ninety-One performed in line. Since inception performance is now -1.0%, which is 1.8% behind benchmark.

The most significant stock detractor was Petrobras – a Brazilian oil producer – which appreciated by over 50% in GBP terms over the past quarter. The fund is typically underweight Oil and Gas producers, including Petrobras. This alone was responsible for approximately one third of relative performance.

Country and sector allocations did not work in the portfolio's favour during Q2 2023. The fund has underweight positions in wealthier EM economies such as Korea and Taiwan, which have characteristics akin to developed countries. There is also a significant underweight to the Middle East, primarily due to governance and valuation concerns. These areas

appreciated far more than the broader EM universe. Korea, Taiwan and Saudi Arabia appreciated by +1.7%, +2.0% and +3.4% respectively. The portfolio is also biased away from carbon intensive sectors like Energy, which was by far the best performing sector with a return of +9.3%. Consumer sectors, which the fund is biased towards, struggled following poor economic data as cited above. Consumer Discretionary and Consumer Staples both underperformed the benchmark by 7.3% and 1.0% respectively.

The outlook for EM remains fairly positive. Valuations still look appealing vs developed markets and on an absolute basis. There is also increasing evidence that inflation is slowing in parts of Latin American and Asia, implying that monetary tightening is less likely to be a headwind for EM going forward.

Emerging Markets Equities

Top 5 holdings

| | Weight % | B'mark weight % | Client value (GBP)* |
|----------------------------|----------|-----------------|---------------------|
| TAIWAN SEMICONDUCTOR | 7.49 | 6.82 | 13,848,529 |
| SAMSUNG ELECTRONICS CO LTD | 4.78 | 4.47 | 8,826,570 |
| TENCENT HOLDINGS LTD | 4.34 | 3.94 | 8,021,320 |
| ALIBABA GROUP HOLDING LTD | 2.01 | 2.56 | 3,707,913 |
| AIA GROUP LTD | 1.86 | - | 3,444,265 |

*Estimated client value

Top 5 active overweights

| | Weight % | Benchmark weight % |
|--------------------------------|----------|--------------------|
| AIA GROUP LTD | 1.86 | - |
| HDFC BANK LTD | 1.65 | - |
| ISHARES CORE MSCI EM IMI UCITS | 1.09 | - |
| NETEASE INC | 1.55 | 0.57 |
| NASPERS LTD | 1.49 | 0.53 |

Top 5 active underweights

| | Weight % | Benchmark weight % |
|---------------------------|----------|--------------------|
| RELIANCE INDUSTRIES LTD | 0.67 | 1.42 |
| PETROLEO BRASILEIRO SA | 0.23 | 0.82 |
| BAIDU INC | - | 0.57 |
| AL RAJHI BANK | - | 0.57 |
| ALIBABA GROUP HOLDING LTD | 2.01 | 2.56 |

Largest contributors to ESG risk

| | ESG risk score* | |
|----------------------------|-----------------|---------|
| | Q1 2023 | Q2 2023 |
| TAIWAN SEMICONDUCTOR | 13.62 | 14.23 |
| TENCENT HOLDINGS LTD | 21.76 | 22.03 |
| SAMSUNG ELECTRONICS CO LTD | 19.53 | 19.41 |
| ALIBABA GROUP HOLDING LTD | 26.36 | 26.53 |
| HDFC BANK LTD-ADR | 30.92 | 30.61 |

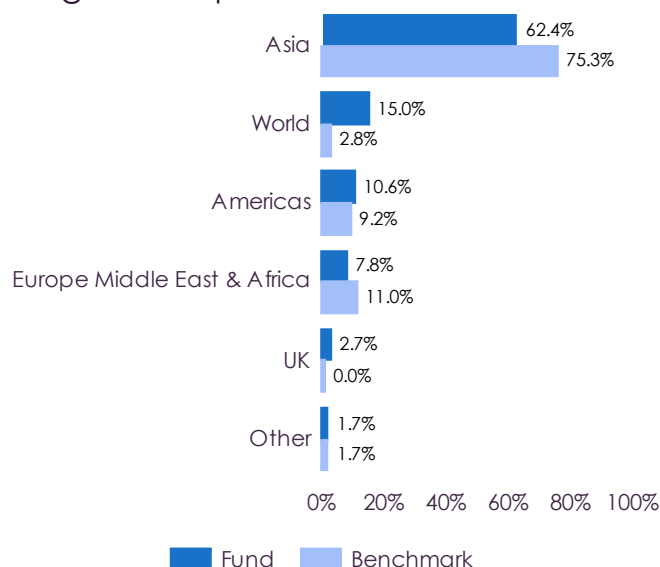
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Carbon metrics

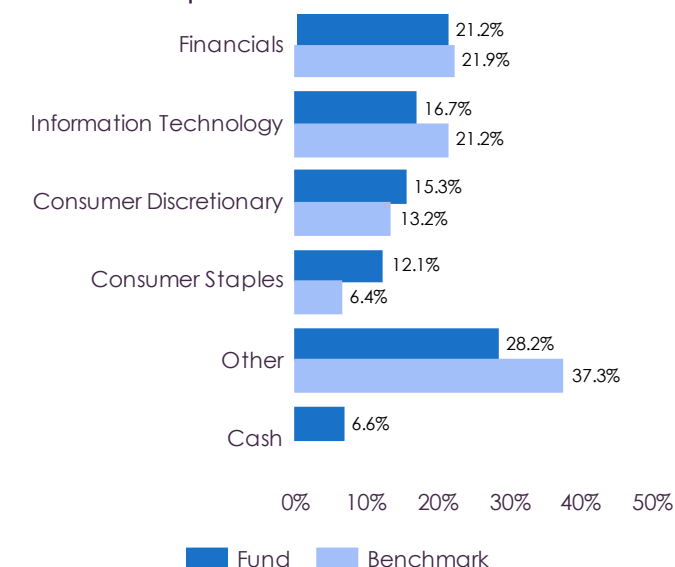
| Portfolio | WACI | | Total Extractive Exposure ¹ | | Extractive Industries (VOH) ² | |
|------------------|---------|---------|--|---------|--|---------|
| | 2023 Q1 | 2023 Q2 | 2023 Q1 | 2023 Q2 | 2023 Q1 | 2023 Q2 |
| Emerging Markets | 186 | 196 | 1.05 | 0.84 | 4.06 | 4.08 |
| MSCI Emerging | 418 | 437 | 3.61 | 3.19 | 7.78 | 8.07 |

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

Regional exposure



Sector exposure



Diversifying Returns Fund

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

£1,257m

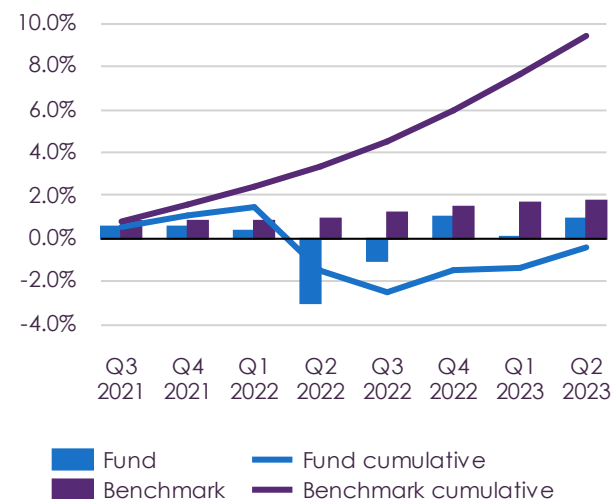
Risk profile

Moderate

Gloucestershire's Holding:

GBP244m

Rolling 2yr performance



Performance to quarter end

| Performance | 3 month | 1 year | Since inception * |
|-------------|---------|--------|-------------------|
| Fund | 1.0 | 1.1 | 2.1 |
| Benchmark | 1.8 | 6.2 | 4.3 |
| Excess | -0.8 | -5.1 | -2.2 |

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

Performance commentary

The Diversifying Returns Fund returned 1.0% over the second quarter of 2023. The cash plus 3% benchmark return was 1.8%. The portfolio returned 1.1% for the year ending 30th June 2023, underperforming the benchmark which returned 6.2%.

The sterling hedged 50/50 equity/bond index we monitor returned 3.2% over the quarter, driven by strong equity market returns of 6.6%, but diluted by bond market performance of -0.2%.

Fulcrum lost -0.4% over the quarter. The strategic equities component of the strategy made a positive contribution to returns. This was offset by negative returns from tactical positioning in currencies, where long Japanese Yen and short Euro positions dented returns. Long commodity exposure, held as a hedge against geopolitical risks and to offer

diversification if the persistent strength of the US economy continues to drive inflation, also suffered weak performance.

JPM returned 3.3% for the quarter. Strong performance was underpinned by carry signals, with FX carry making the biggest contribution to return. There were also positive contributions from equity value and trend signals. Fixed income trend was the only signal to make a negative contribution to return over the quarter as markets re-assessed when interest rates are likely to peak.

Lombard Odier generated a return of 1.1%. Exposure to developed market (DM) equities made the largest contribution to return with DM credit also contributing positively. Exposure to sovereign bonds has been reduced because of high asset class volatility but still detracted 70bps

from performance. Commodity exposure also made a negative contribution to return.

UBS returned -0.9% over the three-month period. Long positions in Norwegian Kroner and Japanese Yen weighed on performance. These positions remain the largest in the portfolio as UBS consider the undervaluation of these currencies to be at extreme levels. Losses from these positions were somewhat offset by long exposure to Latam currencies and short exposure to the US dollar, New Zealand dollar and Chinese Renminbi, which UBS considers overvalued in the face of a weakening Chinese economy that has not benefitted from the 're-opening trade' to the extent some market participants had expected.

Multi-Asset Credit

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

£2,656m

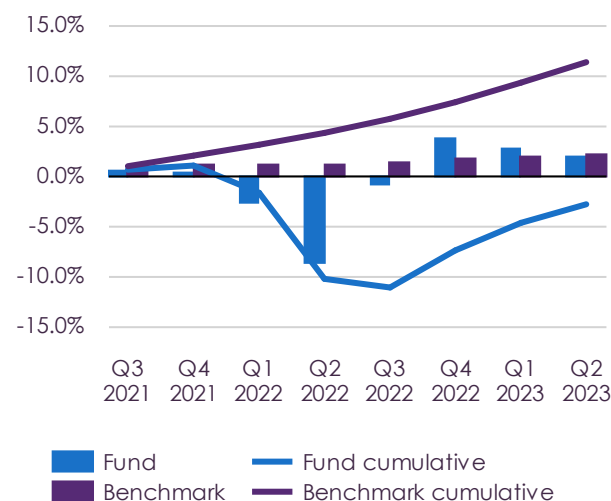
Risk profile

Moderate

Gloucestershire's Holding:

GBP223m

Rolling 2yr performance



Performance to quarter end

| Performance | 3 month | 1 year | Since inception * |
|-------------|---------|--------|-------------------|
| Fund | 1.8 | 7.6 | -1.7 |
| Benchmark | 2.0 | 7.2 | 5.8 |
| Excess | -0.2 | 0.3 | -7.5 |

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

Performance commentary

It was a positive but volatile quarter in leveraged finance. Positive economic data in the US caused fixed rate debt to reprice in June. The most notable drivers were favourable non-farm payrolls, retail sales and inflation releases for the month of May. The positive data releases provided further capacity for the Federal Reserve to hike interest rates to curb inflation without significantly damaging the economy.

Ultimately, this caused US Treasuries to sell off aggressively in the second quarter, with the policy sensitive 2yr yield increasing to 487bps, an increase of 80bps. Spread tightening was observed across credit because of reduced recession fears. High Yield spreads – proxied by Bloomberg Global High Yield – ended the period at +491bps, a decrease of 56bps.

All areas of leveraged finance produced positive returns, mostly due to strong carry and reduced spreads offsetting the impact of rising interest rates. High Yield and Leveraged Loans – which make up the majority of the leveraged finance universe – both posted strong returns of +2.6% and +2.4% respectively. The best performing asset class by far was Convertible Bonds, which returned +5.3% in local terms.

The portfolio returned +1.8% over the quarter, which was 0.2% behind the primary benchmark of SONIA +4%. The secondary benchmark, comprised of 50% Bloomberg Global High Yield and 50% Morningstar LSTA US Leveraged Loan Index, returned +2.4%. Manager performance was once again mixed. Neuberger Berman, CQS & Oaktree returned +113, +375 & +229bps respectively. Neuberger hold the largest amount of

Investment Grade Bond exposure, which drove the underperformance vs other managers due to the higher duration. They are happy to hold investment grade as it offers attractive risk adjusted returns in higher rate environments.

Since inception performance is -1.7%, which lags the primary benchmark by 7.5%. The composite benchmark has returned approximately -1.0% over the same period.

All three managers maintain a cautiously optimistic outlook. All-in yields remain over 9% for the Multi-Asset Credit portfolio with a duration of 2.4 years. However, the recent contraction in spreads – which are now below 500bps in High Yield – have now pushed assets to expensive levels. A resurgence in recession fears could potentially cause a repricing in risk assets and it is unclear whether will be offset by falling rates.

Sterling Corporate Bonds

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

£2,138m

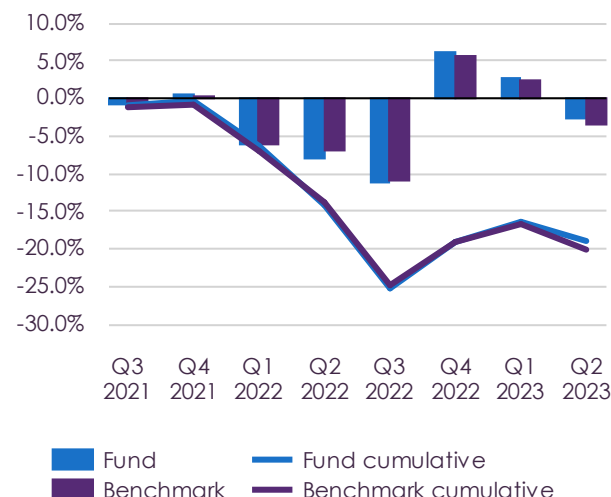
Risk profile

Moderate

Gloucestershire's Holding:

GBP318m

Rolling 2yr performance



Performance to quarter end

| Performance | 3 month | 1 year | Since inception * |
|-------------|---------|--------|-------------------|
| Fund | -2.5 | -5.5 | -9.7 |
| Benchmark | -3.4 | -6.9 | -10.2 |
| Excess | 0.9 | 1.4 | 0.5 |

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

Performance commentary

The Bank of England (BoE) increased interest rates over the quarter, with hikes of 0.25% and 0.50% in May and June respectively. Whilst market attention has turned towards expectations of when and at what level rates will peak, inflation has remained strong and surprised on the upside over the quarter. In the UK, the 10-year gilt yield rose 90 basis points to 4.39%. The sterling investment grade credit market returned -3.39% over the quarter, reflecting the increase in gilt yields over the period, with credit spreads slightly tighter.

Over the period, the Sterling Corporate Bonds portfolio returned -2.51% (net of fees), outperforming the benchmark by 87bps.

Security selection was the main driver of outperformance, particularly in the bank and insurance sectors. The two

sectors saw a strong rebound following the first quarter's sell-off in response to the Credit Suisse collapse.

Credit sector allocation also contributed to relative returns. This was driven by positive contributions from the overweight exposure to insurance and the underweight exposure to supranationals. Whilst the modest overweight allocation to banks had a neutral impact overall, within banks the exposure to AT1 issues had a positive impact on relative returns.

In terms of credit rating bands, the underweight exposure to AAA rated bonds was the most significant contributor to relative returns, while the exposure to B+ bonds was negative reflecting the small holding in Thames Water Kemble. Towards the end of the quarter, the CEO of Thames Water

unexpectedly resigned, leading to significant focus on the utility's debt levels. Whilst the impact from exposure to Thames Water was negative for the portfolio, the effect was well mitigated by the portfolio's significant diversification.

In terms of outlook, RLAM expect that inflation has peaked, driven by the view that energy prices will moderate and weaker GDP growth will reduce the tightness of the labour market. Nonetheless, RLAM believe that UK interest rates are likely to rise slightly further as the BoE continues to focus on bringing inflation under control. While credit spreads remain at reasonably attractive levels, it is likely that higher rates will lead to a slowdown in the UK, impacting company earnings and leading to some increase in credit rating downgrades and default rates.

PAB Passive Global Equities

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

£2,328m

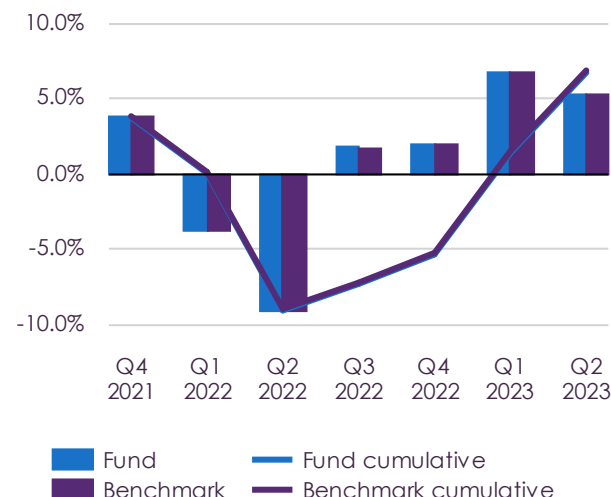
Risk profile

High

Gloucestershire's Holding:

GBP326m

Rolling 2yr performance



Performance to quarter end

| Performance | 3 month | 1 year | Since inception * |
|-------------|---------|--------|-------------------|
| Fund | 5.3 | 16.7 | 3.5 |
| Benchmark | 5.3 | 16.7 | 3.6 |
| Excess | - | - | -0.1 |

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

Performance commentary

The FTSE Developed Paris Aligned index (PAB) performed strongly over Q2 2023, up 5.3%. The PAB Passive Global Equities product closely replicated the performance of the benchmark over this period. The product outperformed the market capitalisation parent benchmark which returned 3.9%.

This outperformance was largely a result of the PAB product having a greater allocation to the Consumer Discretionary companies that have delivered strong performance over the period. Tesla, which made the largest contribution to returns, is held at a larger weight than in the market cap index as a result of positive scoring on emissions, carbon performance and a very high green revenues tilt. Amazon also made strong positive contributions to returns and is held at a larger

weight than in the parent index due to positive tilt scoring on scope 3 emissions and green revenues.

The largest negative contribution to returns, relative to the market cap parent benchmark, came from AbbVie, held overweight because of positive tilt scores on emissions, and Nike which is also held overweight as a result of positive tilting on scope 1 and 2 emissions, green revenues and TPI management quality scoring.

At portfolio level, the PAB index has greater exposure to the Consumer Discretionary and Health Care sectors and less exposure to Energy, the Consumer Staples and Financials sectors than the market cap index. The PAB also has a higher level of exposure to the US and companies at the top end of the cap spectrum.

PAB Passive Global Equities

Top 5 holdings

| | Weight % | Client value (GBP)* |
|----------------|----------|---------------------|
| TESLA INC | 6.57 | 21,454,698 |
| APPLE INC | 6.20 | 20,249,227 |
| MICROSOFT CORP | 6.08 | 19,846,881 |
| ALPHABET INC | 5.34 | 17,429,739 |
| AMAZON.COM INC | 5.24 | 17,109,011 |

*Estimated client value

Largest contributors to ESG risk

| | ESG risk score* | |
|-------------------|-----------------|---------|
| | Q1 2023 | Q2 2023 |
| TESLA INC | 28.82 | 27.25 |
| AMAZON.COM INC | 30.28 | 30.53 |
| APPLE INC | 16.91 | 16.43 |
| MICROSOFT CORP | 15.00 | 15.32 |
| ALPHABET INC-CL A | 24.60 | 24.50 |

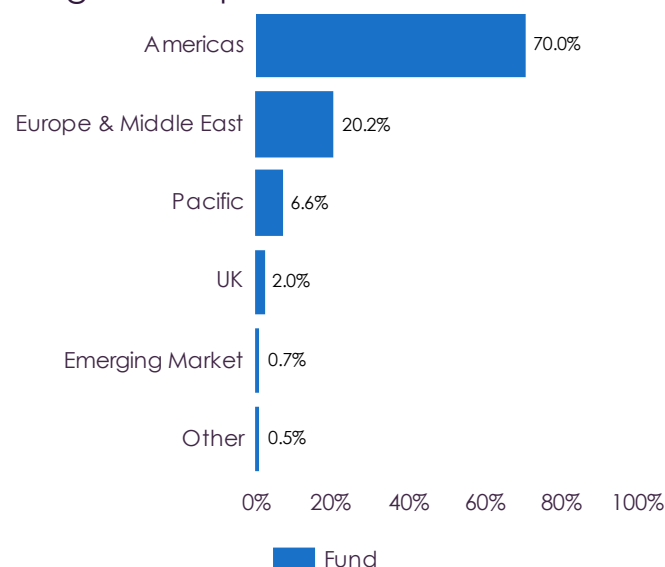
*Source: Sustainalytics. The table is ordered by negative overall ESG impact on the portfolio, with the most impactful at the top. ESG Risk Score reference: 0-10 is Negligible, 10-20 is Low, 20-30 is Medium, 30-40 is High, 40+ is Severe.

Carbon metrics

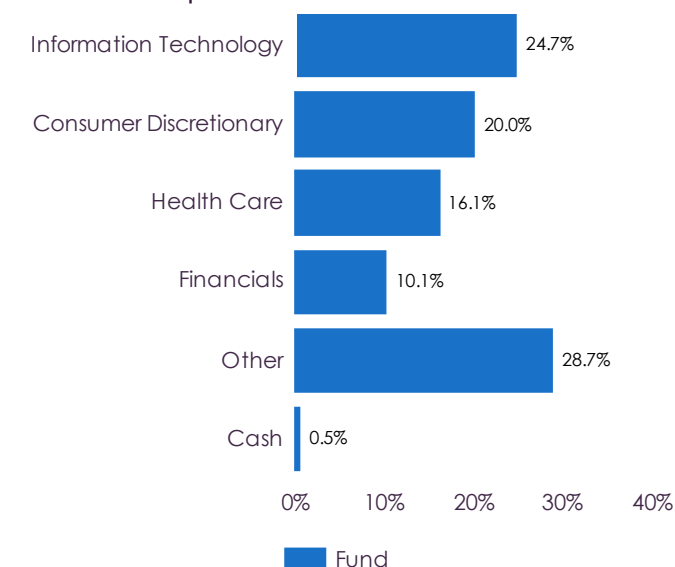
| Portfolio | WACI | | Total Extractive Exposure ¹ | | Extractive Industries (VOH) ² | |
|--------------------|---------|---------|--|---------|--|---------|
| | 2023 Q1 | 2023 Q2 | 2023 Q1 | 2023 Q2 | 2023 Q1 | 2023 Q2 |
| PAB Passive Global | 79 | 76 | 0.61 | 0.61 | 3.42 | 3.21 |
| FTSE Dev World TR | 168 | 160 | 3.10 | 2.99 | 9.44 | 8.64 |

*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



Passive Developed Equities (Hedged)

Investment strategy & key drivers

Passive global equity exposure - hedged

Liquidity

High

Benchmark

FTSE Developed

Outperformance target

Match

Total fund value

£400m

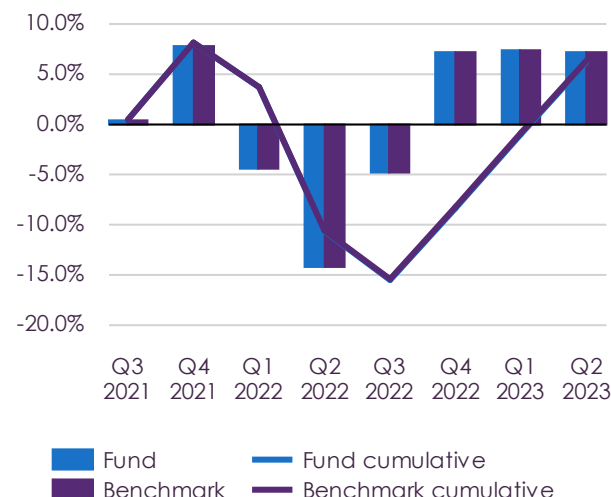
Risk profile

High

Gloucestershire's Holding:

GBP-m

Rolling 2yr performance



Performance to quarter end

| Performance | 3 month | 1 year | Since inception * |
|-------------|---------|--------|-------------------|
| Fund | 7.2 | 17.3 | 8.4 |
| Benchmark | 7.2 | 17.4 | 8.5 |
| Excess | - | -0.1 | -0.1 |

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

Performance commentary

Passive Developed Equities (GBP Hedged) returned 7.2% in the second quarter of 2023 and 17.3% over the past year. The fund replicated the FTSE Developed World (GBP Hedged) Index in line with expectations.

With a large amount of the fund invested in the US, the GBP/USD exchange rate generally has a large bearing on the performance differential between the hedged and unhedged products. Over the quarter, Sterling appreciated 2.8% against the US Dollar and 4.7% over the year, helping the hedged product outperform the unhedged product over both time frames.

In local currency, Japan produced strong returns of 14.9% over the quarter. The US returned 8.7% while European and

UK stock market performance lagged, with respective returns of 2.7% and -0.2%.

Product performance benefitted from Technology sector returns. That markets have been driven by a small number of large cap tech stocks has been well publicised and global passive indices have done a very good job of capturing the performance of these stocks, though do also expose investors to concentration risk.

Telecommunications was the weakest performing sector, with AT&T making the largest negative contribution to returns within the sector after missing analyst's Q1 earnings expectations. The company has also subsequently been implicated in a Wall Street Journal report that lead coated

cables laid by companies including AT&T have contributed to lead contamination in soil and water supplies in the US.

The Energy and Basic Materials sector also posted negative returns over the quarter as commodity prices remained under pressure.

Passive Developed Equities (Hedged)

Top 5 holdings

| | Weight % | Client value (GBP)* |
|----------------|----------|---------------------|
| APPLE INC | 4.90 | - |
| MICROSOFT CORP | 4.29 | - |
| ALPHABET INC | 2.25 | - |
| AMAZON.COM INC | 1.99 | - |
| NVIDIA CORP | 1.70 | - |

*Estimated client value

Largest contributors to ESG risk

| | ESG risk score* | |
|----------------------------|-----------------|---------|
| | Q1 2023 | Q2 2023 |
| APPLE INC | 16.91 | 16.43 |
| MICROSOFT CORP | 15.00 | 15.32 |
| AMAZON.COM INC | 30.28 | 30.53 |
| META PLATFORMS INC-CLASS A | 34.54 | 34.50 |
| TESLA INC | 28.82 | 27.25 |

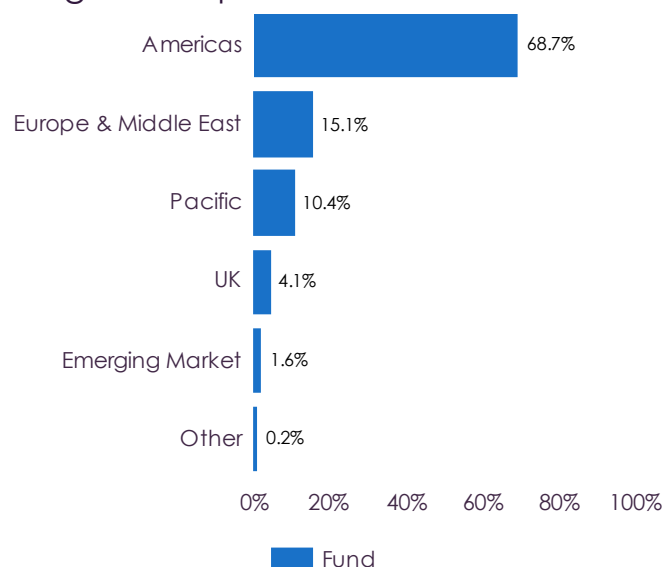
*Source: Sustainalytics. The table is ordered by negative overall ESG impact on the portfolio, with the most impactful at the top. ESG Risk Score reference: 0-10 is Negligible, 10-20 is Low, 20-30 is Medium, 30-40 is High, 40+ is Severe.

Carbon metrics

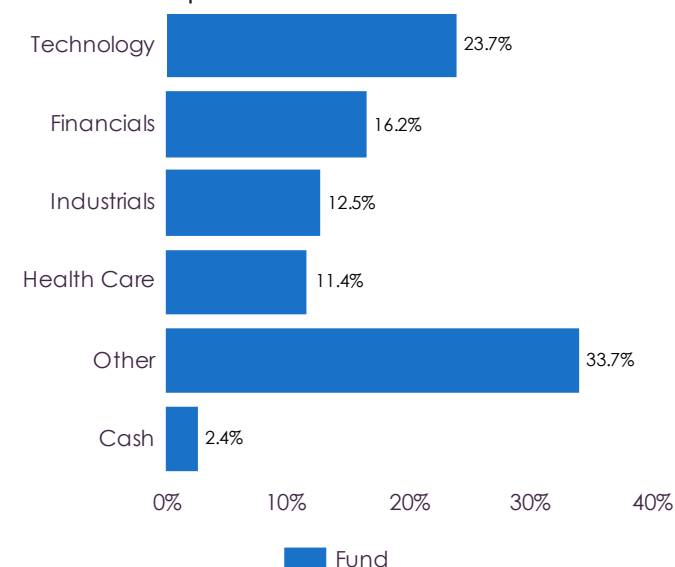
| Portfolio | WACI | | Total Extractive Exposure ¹ | | Extractive Industries (VOH) ² | |
|-------------------|---------|---------|--|---------|--|---------|
| | 2023 Q1 | 2023 Q2 | 2023 Q1 | 2023 Q2 | 2023 Q1 | 2023 Q2 |
| Passive Developed | 169 | 160 | 2.70 | 2.53 | 9.41 | 8.58 |

*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

£43.47m

Amount Called

£28.57m

% called to date

65.73

Number of underlying funds

7

Gloucestershire's Holding:

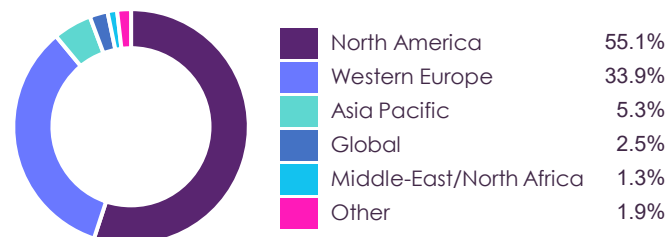
GBP35.31m

Performance commentary

Deal Activity has remained depressed due to the continued pressure of economic headwinds. Several of the major themes in the last quarter have continued. Central Banks are raising rates, forcing GPs to continue funding deals with larger amounts of equity. Fundraising has become increasingly difficult with several GPs extending final closes or raising below target fund sizes. Continued slowdown in M&A activity in markets has forced several GPs to increase portfolio activity into existing investee companies versus originating new deals. However, additional attention towards portfolio companies is helpful as they continue to feel the pressure of inflation. Margin pressure has led GPs to emphasise the use of operational value drivers such as digitisation and costs management to drive revenue growth and margin expansion. Whilst headline inflation is beginning to level out and retreat, wage inflation has become a more persistent problem as both US and UK labour markets remain tight.

Country

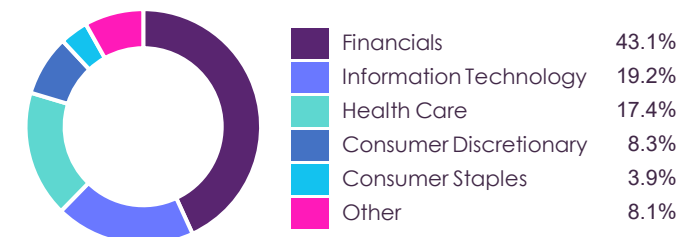
Invested in underlying investments



Source: Colmore
Country data is lagged by one quarter

Sector

GICs level 1



Source: Colmore
Sector data is lagged by one quarter

For Brunel's Private equity portfolio, the high-quality managers selected have both hit fundraising targets and, in some cases, surpassed targets. Valuations in the defensive sectors that Brunel allocate to have held strong.

Portfolio deployment now stands at over 60% of total commitments. Portfolio performance remains positive, despite slight deterioration versus the prior quarter. Fund performance was broadly flat apart from some minor mark downs in valuations amongst some of the buyout funds.

Portfolio summary

| Market value (GBP millions) | 1 Year MWR* | Since Inception MWR* | Inflows | Outflows | Net cash flow latest quarter | Value added latest quarter | | Contribution to return: 1 year | Contribution to return: since inception |
|--------------------------------|----------------|-------------------------|-----------|----------|---------------------------------|-------------------------------|--|--------------------------------------|---|
| 35.3 | 0.7% | 17.8% | 2,272,707 | 96,075 | 2,176,631 | 704,951 | | -0.0% | 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

£70.60m

Amount Called

£26.69m

% called to date

37.80

Number of underlying funds

14

Gloucestershire's Holding:

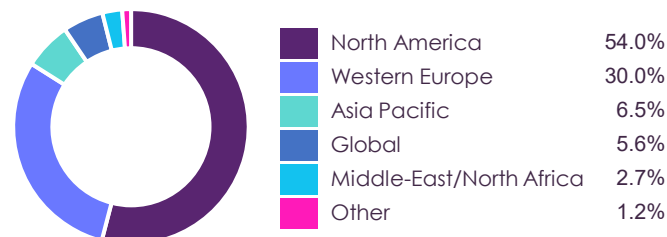
GBP27.44m

Performance commentary

Deal Activity has remained depressed due to the continued pressure of economic headwinds. Major themes in the last quarter have continued. Central Banks are raising rates, forcing GPs to continue funding deals with larger amounts of equity. Fundraising has become increasingly difficult with several GPs extending final closes or raising below target fund sizes. Continued slowdown in M&A activity in markets has forced several GPs to increase portfolio activity into existing investee companies versus originating new deals. However, additional attention towards portfolio companies is helpful as they continue to feel the pressure of inflation. Margin pressure has led GPs to emphasise the use of operational value drivers such as digitisation and costs management to drive revenue growth and margin expansion. Whilst headline inflation is beginning to level out and retreat, wage inflation has become a more persistent problem.

Country

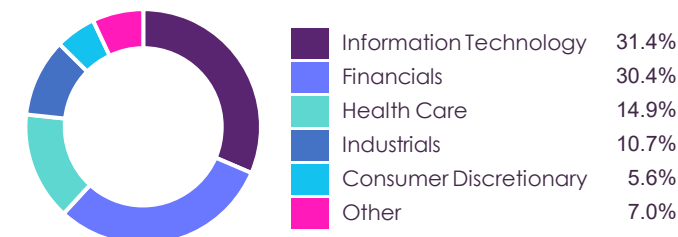
Invested in underlying investments



Source: Colmore
Country data is lagged by one quarter

Sector

GICs level 1



Source: Colmore
Sector data is lagged by one quarter

For Brunel's Private equity portfolio, the high-quality managers selected have both hit fundraising targets and, in some cases, surpassed targets. Valuations in the defensive sectors that Brunel allocate to have held strong.

The pace of portfolio deployment remains strong, with the portfolio now over one-third deployed and the rate of deployment has escalated over the last year. Portfolio performance showed a modest decline over the period but due to the relative nascency of the portfolio this is not yet meaningful.

Portfolio summary

| Market value (GBP millions) | 1 Year MWR* | Since Inception MWR* | Inflows | Outflows | Net cash flow latest quarter | Value added latest quarter | | Contribution to return: 1 year | Contribution to return: since inception |
|--------------------------------|----------------|-------------------------|-----------|----------|---------------------------------|-------------------------------|--|--------------------------------------|---|
| 27.4 | -13.0% | 4.2% | 4,202,860 | 180,587 | 4,022,273 | 128,625 | | -0.1% | 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

£1.54m

Amount Called

£0.01m

% called to date

0.73

Number of underlying funds

2

Gloucestershire's Holding:

GBP-0.05m

persistent problem as both US and UK labor markets show no signs of loosening.

The first fund within this portfolio, Apax Global Impact, has now called capital. The major success of Q2 was the launch of the cycle 3 PE vehicle with Neuberger Berman and together have progressed commitments to 5 more funds over the Quarter with such being in various stages of legal work. Returns for the portfolio are not yet meaningful given the portfolio is still being committed to manager funds.

Performance commentary

Deal Activity has remained depressed due to the continued pressure of macro-economic headwinds. Several of the major themes in the last quarter are continuing to play out. Central Banks continue to raise rates as June 2023 saw the Bank of England increase interest from 4.5% to 5%. Thus, forcing GPs to continue funding deals with larger amounts of equity. Fundraising has become increasingly difficult with several GP's extending final closes or raising below fund target sizes. Continued slowdown in M&A activity in markets has forced several GPs to increase portfolio activity into

existing investee companies versus originating new deals. However, additional attention towards portfolio companies has come at the right time as they continue to feel the pressure of inflation. Inflation and margin pressure has led GPs to emphasizing the use of operational value drivers such as digitization of services and cost management to drive EBITDA/revenue growth to generate investment return. Whilst headline inflation is beginning to level out and come down in some instances, wage inflation has become a far more

Portfolio summary

| Market value (GBP millions) | 1 Year MWR* | Since Inception MWR* | Inflows | Outflows | Net cash flow latest quarter | Value added latest quarter | | Contribution to return: 1 year | Contribution to return: since inception |
|--------------------------------|----------------|-------------------------|---------|----------|---------------------------------|-------------------------------|--|--------------------------------------|---|
| -0.1 | - | -100.0% | 11,252 | 0 | 11,252 | - | | -0.0% | -0.0% |

*Money weighted return. Net of all fees.

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

£66.36m

% called to date

55.30

Number of underlying funds

1

Gloucestershire's Holding:

GBP67.87m

Performance commentary

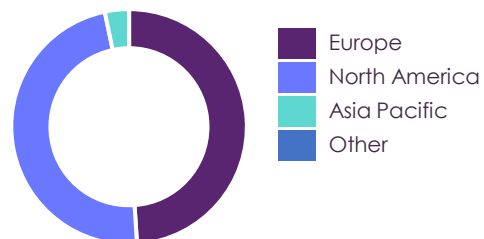
Deal Activity has remained depressed due to the continued pressure of macro-economic headwinds. Central Banks continue to raise rates as June 2023 saw the Bank of England increase interest from 4.5% to 5%. Thus, forcing GPs to continue funding deals in an environment of scarcer debt financing. Whilst headline inflation is beginning to level out and come down in some instances, wage inflation has become a far more persistent problem as both US and UK labour markets tighten. Lenders are prioritising focus on margin pressure/inflation with strong focus on sustained ability to pass through costs to keep cashflow levels/interest coverage intact as debt becomes more expensive. Preference for businesses which are both asset light and have wages with a lower share of cost bases are preferred.

With respect to Brunel's private debt portfolio, the current climate has created an attractive environment for the high-quality lenders that we allocate to. Thus, benefitting from better pricing, less leverage and better terms which means the current market is suited to lenders, however the caveat is reduced deal flow, therefore lenders are relying on strong relationships and existing portfolio companies to drive portfolio activity.

The portfolio is over 50% called. All managers have now called investor capital and some managers are coming towards the end of their investment periods. Portfolio performance has been positive, reflecting the fact that higher interest rates are accretive to portfolio performance.

Country

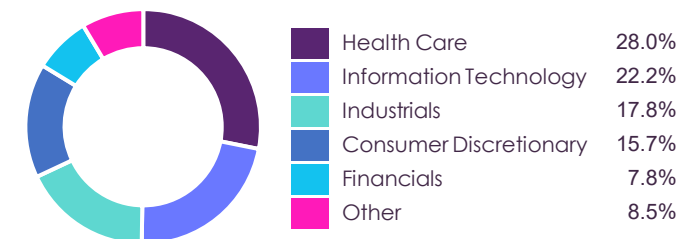
Invested in underlying investments



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

Sector

GICs level 1



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

Portfolio summary

| Market value (GBP millions) | 1 Year MWR* | Since Inception MWR* | Inflows | Outflows | Net cash flow latest quarter | Value added latest quarter | | Contribution to return: 1 year | Contribution to return: since inception |
|--------------------------------|----------------|-------------------------|------------|-----------|---------------------------------|-------------------------------|--|--------------------------------------|---|
| 67.9 | 13.4% | 12.4% | 10,446,880 | 4,999,983 | 5,446,897 | 6,546,810 | | 0.2% | 0.0% |

*Money weighted return. Net of all fees.

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

£14.98m

Amount Called

£4.55m

% called to date

30.38

Number of underlying funds

1

Gloucestershire's Holding:

GBP4.50m

relationships and existing portfolio companies to drive portfolio activity.

The portfolio has made commitments to two funds, one of which has called capital. Portfolio performance has shown a minor deterioration but at this point performance measures are not yet meaningful. Additional progress has been made regarding additional manager allocations as the portfolio expects to close ~5-7 manager allocations by the end of 2023.

Performance commentary

Deal Activity has remained depressed due to the continued pressure of macro-economic headwinds. Central Banks continue to raise rates as June 2023 saw the Bank of England increase interest from 4.5% to 5%. Whilst headline inflation is beginning to level out and come down in some instances, wage inflation has become a far more persistent problem as both US and UK labour markets tighten. Lenders are prioritising focus on margin pressure/inflation with strong focus on sustained ability to pass through costs to keep cashflow levels/interest coverage intact as debt becomes more

expensive. Preference for businesses which are both asset light and have wages with a lower share of cost bases are preferred.

With respect to Brunel's private debt portfolio, the current climate has created an attractive environment for the high-quality lenders that we allocate to. Thus, benefitting from better pricing, less leverage and better terms which means the current market is suited for lenders, however the caveat is reduced deal flow, therefore lenders are relying on strong

Portfolio summary

| Market value (GBP millions) | 1 Year MWR* | Since Inception MWR* | Inflows | Outflows | Net cash flow latest quarter | Value added latest quarter | | Contribution to return: 1 year | Contribution to return: since inception |
|--------------------------------|----------------|-------------------------|-----------|----------|---------------------------------|-------------------------------|--|--------------------------------------|---|
| 4.5 | - | 4.6% | 1,206,932 | 38,324 | 1,168,608 | 15,259 | | 0.0% | 0.0% |

*Money weighted return. Net of all fees.

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

£34.54m

% called to date

80.54

Number of underlying funds

5

Gloucestershire's Holding:

GBP36.50m

Performance commentary

The fundraising environment for Private Markets has experienced a significant slowdown in 2023 relative to 2022. During 2022, \$168bn was committed to infrastructure funds, yet by the end of Q1 2023 only \$3.6bn had been raised, representing a 94% year on year drop and the worst since 2009. No real pick up was observed in Q2 2023. This appears to be a wider Private Markets theme and not an infrastructure specific issue, highlighting the importance of selecting top-performing managers with strong franchise appeal that will assist strong fund raises and therefore reduce strategy risk.

In June 2023 the Bank of England surprised many investors by raising interest rates half a percentage from 4.5% to 5%, following stickier inflation and wage growth than they had predicted. The European Central Bank followed suit and raised rates by a quarter-point to 3.5%. Despite headline inflation falling across the developed world in recent months, driven by declining goods inflation, services inflation remains strong, particularly in the UK.

As reported in previous commentary a higher rate environment presents several challenges driven primarily by the impact of higher discount rates. Market recovery continues to be inconsistent, with the increase in market volatility highlighting the importance of well-structured infrastructure investments with downside protection, strong inflation linkage and inherent mission-critical objectives. Brunel's co-investment portfolio has thus far demonstrated resilience in an environment of rising inflation given its defensive attributes thanks to: (1) high visibility of revenues,

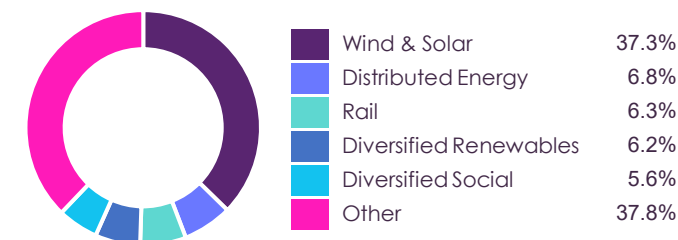
Country

Commitment in underlying investments



Source: Stepstone
Country data is lagged by one quarter

Sector



Source: Stepstone
Sector data is lagged by one quarter

Portfolio summary

| Market value (GBP millions) | 1 Year MWR* | Since Inception MWR* | Inflows | Outflows | Net cash flow latest quarter | Value added latest quarter | | Contribution to return: 1 year | Contribution to return: since inception |
|--------------------------------|----------------|-------------------------|-----------|----------|---------------------------------|-------------------------------|--|--------------------------------------|---|
| 36.5 | 8.6% | 8.1% | 1,788,379 | 168,843 | 1,619,536 | -109,382 | | 0.1% | 0.0% |

*Money weighted return. Net of all fees.

Infrastructure Cycle 1

(2) low GDP exposure / high barriers to entry, and (3) inelastic demand.

In Q1 2023 it was reported that an investment into an operating UK offshore wind project had been approved by Brunel. The project has now been approved by Stepstone's Investment Committee and is in closing but subject to various anti-trust clearances expected in October. If concluded, this project completes Cycle 1 and will bring it to ~100% committed.

As at the end of Q2 2023, Cycle 1 Infrastructure remained c.93% committed with overall deployment increasing to c.82% invested. Brunel is pleased with the deployment of Cycle 1 and the overall development of the Portfolio. Focus is shifting from deployment to portfolio performance and monitoring. Early benchmarking metrics for Cycle 1 infrastructure are positive with a caveat that it is too early to be truly meaningful.

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

£45.06m

% called to date

69.32

Number of underlying funds

1

Gloucestershire's Holding:

GBP48.51m

Performance commentary

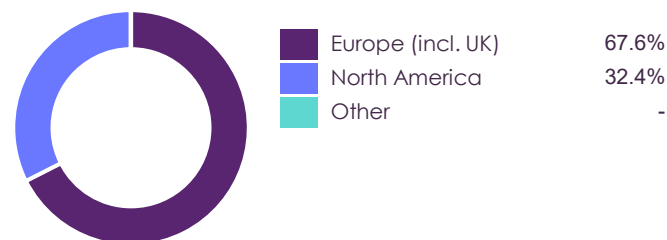
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As reported in previous commentary a higher rate environment presents several challenges driven primarily by the impact of higher discount rates. Market recovery continues to be inconsistent, with the increase in market volatility highlighting the importance of well-structured infrastructure investments with downside protection, strong inflation linkage and inherent mission-critical objectives. Brunel's co-investment portfolio has thus far demonstrated resilience in an environment of rising inflation given its defensive attributes thanks to: (1) high visibility of revenues,

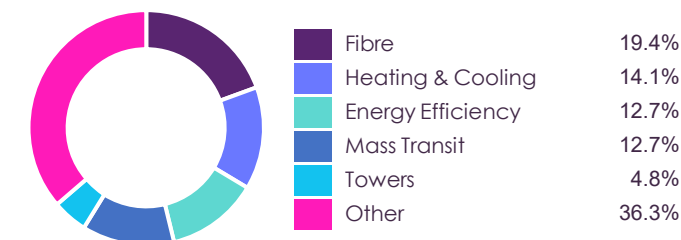
Country

Commitment in underlying investments



Source: Stepstone.
Country data is lagged by one quarter

Sector



Source: Stepstone
Sector data is lagged by one quarter

Portfolio summary

| Market value (GBP millions) | 1 Year MWR* | Since Inception MWR* | Inflows | Outflows | Net cash flow latest quarter | Value added latest quarter | | Contribution to return: 1 year | Contribution to return: since inception |
|--------------------------------|----------------|-------------------------|-----------|----------|---------------------------------|-------------------------------|--|--------------------------------------|---|
| 48.5 | 11.0% | 8.9% | 1,677,933 | 186,630 | 1,491,303 | 139,386 | | 0.1% | 0.0% |

*Money weighted return. Net of all fees.

Infrastructure (General) Cycle 2

(2) low GDP exposure / high barriers to entry, and (3) inelastic demand.

Cycle 2 G is fully committed to 6 primary funds and 7 tactical investments. At the end of Q2, the portfolio is c.70% invested. On the whole Cycle 2G's early performance indicates good resilience to market turbulence. Brunel is very pleased with how the Cycle 2G portfolio has developed. The portfolio is diversified and invested in quality opportunities that we believe will provide strong performance, both in terms of returns and societal and environmental sustainability.

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

£30.69m

% called to date

47.22

Number of underlying funds

1

Gloucestershire's Holding:

GBP31.65m

Performance commentary

The fundraising environment for Private Markets has experienced a significant slowdown in 2023. While in 2022 \$168bn was committed to infrastructure funds, by the end of Q1 2023 only \$3.6bn had been raised, representing a 94% year on year drop and the worst since 2009. No real pick up was observed in Q2 2023, and not an infrastructure specific issue, highlighting the importance of selecting top-performing managers with strong franchise appeal that will assist strong fund raises and therefore reduce strategy risk. Renewable managers and in particular Energy Transition strategies have seen a slightly healthier fundraising environment due to strong appetite from investors to gain exposure to these sectors, driven by an increasing flight to greener assets as well as capitalising on the market tailwinds created by ambitious government targets and need for energy security.

While this is positive for renewables managers, gaining exposure to good renewable deals continues to be challenging for a number of reasons. Competition for operating renewables is high and therefore returns are lower than the cycle 2 hurdle, particularly on a real basis. This forces investors higher up the risk curve. We remain aware of several global headwinds such as grid infrastructure, supply chain and availability of talent. Despite this, Brunel and Stepstone have created a well-diversified portfolio across geographies and renewable technologies including wind, solar, batteries and transmission to name a few of the core exposures.

Activity has ticked up during H1 2023, in line with expectations and identified pipeline opportunities. The Fund offers an

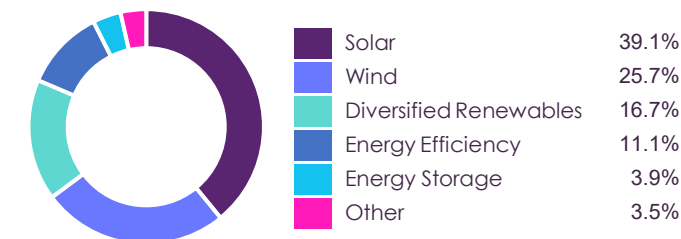
Country

Commitment in underlying investments



Source: Stepstone
Country data is lagged by one quarter

Sector



Source: Stepstone
Sector data is lagged by one quarter

Portfolio summary

| Market value (GBP millions) | 1 Year MWR* | Since Inception MWR* | Inflows | Outflows | Net cash flow latest quarter | Value added latest quarter | | Contribution to return: 1 year | Contribution to return: since inception |
|--------------------------------|----------------|-------------------------|-----------|----------|---------------------------------|-------------------------------|--|--------------------------------------|---|
| 31.6 | 12.7% | 9.9% | 1,356,669 | 258,063 | 1,098,606 | -813,731 | | 0.1% | 0.0% |

*Money weighted return. Net of all fees.

Infrastructure (Renewables) Cycle 2

opportunity for investors to gain exposure to the renewables sector across operating, ready to build and development assets, seeking a stable cash yield, and contribution to climate change mitigation. Two further Tactical deals were approved by Brunel in Q2, both Solar opportunities with one being headquartered in Somerset and the other located in the US. Both deals are in final Stepstone DD stages. As at the end of Q2 and not including the recently approved deals, Cycle 2 R is c.46% invested and c.72% committed across 6 primary funds and 8 Tacticals.

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

£2.83m

% called to date

14.17

Number of underlying funds

1

Gloucestershire's Holding:

GBP2.71m

Performance commentary

The fundraising environment for Private Markets has experienced a significant slowdown in 2023 relative to 2022. During 2022, \$168bn was committed to infrastructure funds, yet by the end of Q1 2023 only \$3.6bn had been raised, representing a 94% year on year drop and the worst since 2009. No real pick up was observed in Q2 2023. This appears to be a wider Private Markets theme and not an infrastructure specific issue, highlighting the importance of selecting top-performing managers with strong franchise appeal that will assist strong fund raises and therefore reduce strategy risk.

In June 2023 the Bank of England surprised many investors by raising interest rates half a percentage from 4.5% to 5%, following stickier inflation and wage growth than they had predicted. The European Central Bank followed suit and raised rates by a quarter-point to 3.5%. Despite headline inflation falling across the developed world in recent months, driven by declining goods inflation, services inflation remains strong, particularly in the UK.

As reported in previous commentary a higher rate environment presents several challenges driven primarily by the impact of higher discount rates. Market recovery continues to be inconsistent, with the increase in market volatility highlighting the importance of well-structured infrastructure investments with downside protection, strong inflation linkage and inherent mission-critical objectives. Brunel's co-investment portfolio has thus far demonstrated resilience in an environment of rising inflation given its defensive attributes thanks to: (1) high visibility of revenues,

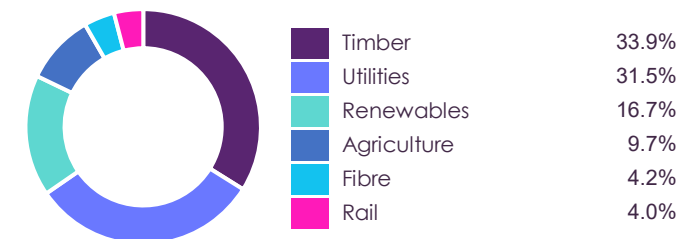
Country

Commitment in underlying investments



Source: Stepstone
Country data is lagged by one quarter

Sector



Source: Stepstone
Sector data is lagged by one quarter

Portfolio summary

| Market value (GBP millions) | 1 Year MWR* | Since Inception MWR* | Inflows | Outflows | Net cash flow latest quarter | Value added latest quarter | | Contribution to return: 1 year | Contribution to return: since inception |
|--------------------------------|----------------|-------------------------|---------|----------|---------------------------------|-------------------------------|--|--------------------------------------|---|
| 2.7 | - | -5.7% | 48,060 | 40,707 | 7,353 | -66,526 | | -0.0% | -0.0% |

*Money weighted return. Net of all fees.

Infrastructure Cycle 3

(2) low GDP exposure / high barriers to entry, and (3) inelastic demand.

Following the closing of Copenhagen Infrastructure Partners Fund V, Cycle 3 is c.31% committed and c.15% deployed across 4 Primaries and 4 Tacitcals. One further Primary investment was approved in Q2, Blackstone Energy Transition Partners IV (BETP), a close is expected in August subject to final DD and side letter negotiations. BETP will be an Energy Transition Fund. The pipeline of primary funds is strong and we expect to be reviewing at least 2 more funds during Q3. A more challenging fundraising environment allows the team to be more selective and push negotiations harder with managers to ensure best possible outcomes for Brunel Clients.

Tactical investments include Project Appellation, a US forestry investment focused on income from carbon credits; Project Ardor, an investment in an operating Indian renewables portfolio and IPP; Suez, the international water and waste company; and Havfram, an offshore wind installation vessel company. The Tactical opportunity alongside Blackstone into a renewables developer in the US mentioned in Q1, failed to progress from final DD stages due to concerns over pipeline valuation.

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

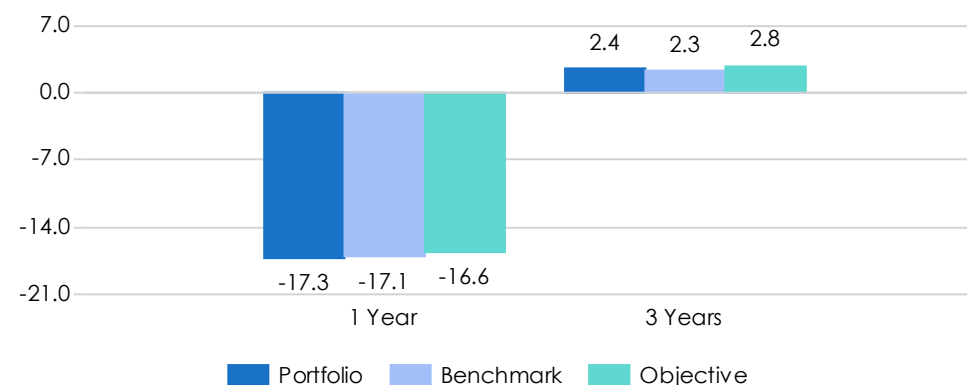
£210.0m

Amount Called

£224.0m

Number of portfolios

23



Performance commentary

Despite a weak start to 2023, UK commercial property performance recorded a marginally positive return in Q1 2023 of +0.2%. The first positive performance for eight months occurred in March, as the transactional market re-opened and valuers started to gain evidence of anticipated trends. Whereas, in 2022, declines affected interest rate-sensitive sectors with very little quality consideration, investors are now narrowly focused on best-in-class assets, particularly on prime industrial, retail park and supermarket assets.

However, in terms of volume, investment activity to April 2023 was still 57% lower than the volume transacted a year earlier, with Industrial assets accounting for 42% of all activity by value which is noteworthy given Industrial value declines

were the steepest of all sectors in the 2022 albeit from high levels.

The concern for the future of the retail sector has been overshadowed this year by investors' worries about the outlook for the UK office sector. Office occupiers continue to target accommodation which meets their ESG and Wellness requirements, both in London and in the regional cities. This space represents a small proportion of the market and is commanding rental value growth. However, overall occupational demand in the office sector appears to be falling, as the impact of less optimistic business sentiment and flexible working weighs on employer occupiers. Demand for

secondary office accommodation is expected to weaken further, with concomitant negative rental growth forecast.

Property holdings summary

| Holding | Cost (GBP millions) | Market value (GBP millions) | Perf. 3 month | Perf. FYTD | Perf. 1 year | Perf. 3 year | Perf. 5 year | Inception Date |
|--------------------|------------------------|--------------------------------|------------------|---------------|-----------------|-----------------|-----------------|-------------------|
| Brunel UK Property | 143.6 | 207.2 | 0.2% | 0.2% | -17.3% | 2.4% | - | Apr 2020 |

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

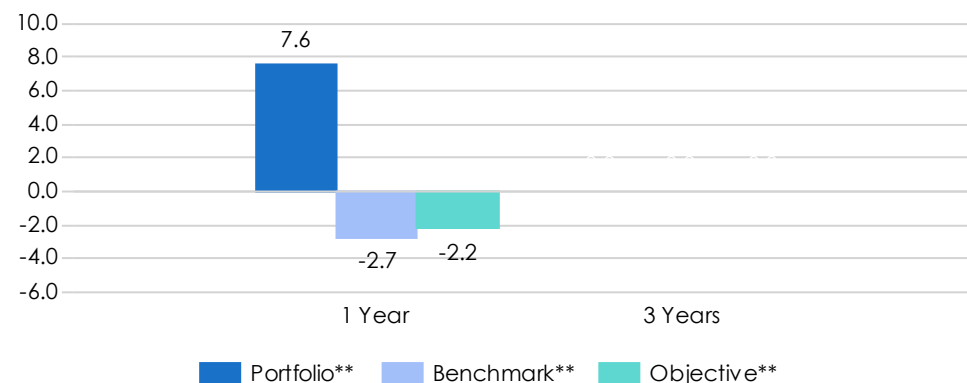
£64.2m

Amount Called

£53.3m

Number of portfolios

11



**Performance data shown up to 31 March 2023

Performance commentary

With global interest rates rising, the relative attraction of real estate has declined relative to fixed income. The resulting international repricing has been slower than in the UK. Markets are also facing higher financing and construction costs. Anecdotally, transaction volumes have fallen; previously strong sectors like industrial and residential have seen the sharpest declines, albeit from high levels.

The denominator effect reached further than just UK investors, resulting in large redemptions, particularly in the US. Mechanisms differ across jurisdictions; in the US there is often no deadline to return capital, which, while frustrating for redeemers, protects the interests of remaining investors.

The benchmark INREV GREFI index in Q1 fell -1.8%, a slight stabilisation from -4.2% in Q4. Asia Pacific was the only region to provide a positive return over the period in local currency. Core funds outperformed their riskier peers on average. Retail posted positive returns in the largest markets, while industrial showed signs of recovery. Fundamentals for industrial assets have remained strong.

Concerns are focused on offices in US and Europe. Remote and hybrid work models are threatening the viability of established office markets, which are seeing rising vacancy levels. Rents, particularly for secondary assets which will require high capital expenditure to keep up with ESG requirements, are coming under pressure. According to

CBRE, the Pacific and North-East US markets, with higher crime rates and lower amenities, are particularly vulnerable.

Property holdings summary

| Holding | Cost (GBP millions) | Market value (GBP millions) | Perf. 3 month** | Perf. FYTD** | Perf. 1 year** | Perf. 3 year** | Perf. 5 year** | Inception Date |
|-------------------------------|------------------------|--------------------------------|--------------------|-----------------|-------------------|-------------------|-------------------|-------------------|
| Brunel International Property | 9.6 | 60.1 | -3.5% | 7.6% | 7.6% | - | - | Apr 2020 |

**Performance data shown up to 31 March 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 CO2 equivalent per million GBP of investment exposure |
| yield to worst | Lowest possible yield on a bond portfolio assuming no defaults |

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