



Performance Report for Quarter Ending 31 December 2020

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The fourth quarter continued to be dominated by developments around Covid and lockdown, and particularly by the appearance of a new, more contagious UK strain of the virus. Despite the broader uncertainty, markets enjoyed a buoyant quarter, partly on news of vaccines passing clinical trials. Early in the quarter, Brunel launched the £1.2 billion Diversifying Returns Fund, £300 million Global Small Cap Fund, and £1.2 billion Sustainable Equities Fund (all covered in the previous report).

In mid-November, we added the Cycle 2 Brunel Infrastructure Portfolio to their number. It employs two investment vehicles, a £470 million sub-fund that focuses on renewable energy, and a £370 million generalist sub-fund that invests in transport, telecoms, heating, power, and other sustainable infrastructure. The fund enables client funds to access infrastructure assets that are aligned with UN Sustainable Development goals. It also means clients benefit from two sources of scale advantage in fee and term negotiations.

David Vickers, our new CIO, says: *"Brunel has set out its stall as an investment manager by delivering a series of major fund launches across different asset classes, backed by rigorous due diligence in both fund design and manager selection. It has integrated our Responsible Investment principles into every step of the process, thus meeting the expectations and aspirations of our shareholders, members and clients."*

We continued to focus on developing our investment proposition in concert with our clients. We were delighted to hire David Vickers as our new CIO, as well as to open the search for a new Head of Product & Services Development. Meanwhile, for the first time we held our Investor Days online, hosted by James Russell-Stracey. David Cox and Richard Fanshawe provided a macro and markets overview and shared our enormous progress last year in delivering on clients' investment priorities across different asset classes, with a particular focus on property. Faith Ward presented on Brunel's engagement on sustainability issues, the impact of COVID on RI, progress around human capital, and moving towards Net Zero portfolios.

We did not cease to make our voice heard on Responsible Investment throughout the quarter, co-signing a letter to the prime minister that called for green gilts. In the days that followed, the chancellor duly made an announcement that the government had decided to proceed with green gilt issuance. We also saw some success from our co-filing of a shareholder action at Barclays.

Our role and standing within Responsible Investment received considerable recognition in the quarter. Faith Ward was appointed Chair of the Institutional Investors Group on Climate Change, which represents more than £35 trillion in assets. This fits with our broader goal of bringing change to the industry on climate; it was especially gratifying to see Faith begin her role in the crunch year of COP 26. We also received recognition across the Partnership at the IPE awards, winning the ESG and Climate-Related Risk Management categories, while the EAPF was named UK Pension Fund of the Year. Cornwall, the EAPF and Oxford also received significant recognition on ESG and investing at the LAPF Awards.

We will continue to keep clients and shareholders informed through newsletters, as well as continued engagement. In the current quarter, we will be launching our private debt and UK Affordable Housing vehicles. We are also putting the final touches to our fixed income proposition, ahead of fund launches in the coming months for Sterling Corporate Credit, Multi Asset Credit and Passive Bond funds. Meanwhile, transition of client assets continued apace through the quarter. We will be developing our role and focus, as that transition process now begins to approach its endgame. By working together as a partnership, we believe we will be able to build on our exceptional progress in the year ahead - and for the longer term.

Executive Summary

Performance of Pension Fund

The fund delivered absolute performance of 7.0% over the quarter in GBP terms. This was ahead of the benchmark return of 5.9%. Total fund return for 2020 was 3.0%, which was ahead of the benchmark return of 2.8%.

Key points from last quarter:

- 7.0% Absolute Net Performance Q4
- 1.1% Relative Net Performance vs Benchmark Q4
- 3.0% Absolute Net Performance 1Y
- 0.2% Relative Net Performance vs Benchmark 1Y

Fund-specific Events

- £180m was transitioned into the Global Sustainable Equities portfolio, funded by a disinvestment from Passive UK Equities.

The Brunel Diversifying Returns sub-fund performed strongly across the quarter, returning 3.3% ahead of its target in its first full quarter. It stood up well through the market drawdown suffered in the last two weeks of October. None of the underlying managers made notable changes to positioning.

The Brunel Emerging Markets Equity sub-fund benefited from both the broader emerging market recovery through the quarter and from a low weighting to China, although stock selection also mattered, as vaccine news aided such holdings as Jiangsu Yanghe Brewery and HDFC Bank.

The Brunel Global High Alpha sub-fund outperformed the benchmark, even as the vaccine announcement and US election outcome benefited the latter. Fourth-quarter outperformance was particularly driven by stockpicking in the consumer discretionary and IT sectors.

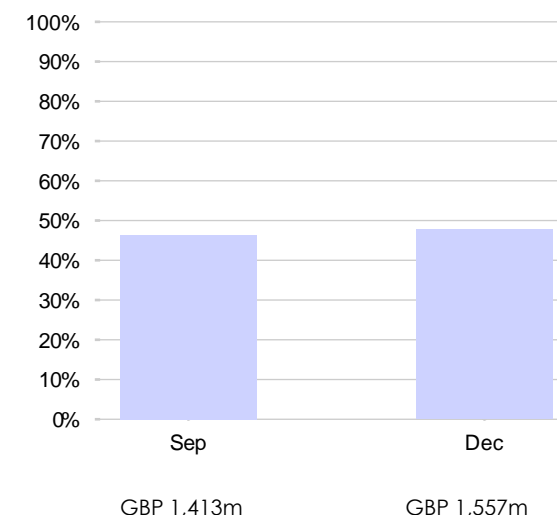
The Brunel Sustainable Equities sub-fund benefited from its growth and quality focus, outperforming the benchmark by more than 7%. It posted these returns despite its sustainability-driven underweight to the banking and energy sectors – both sectors benefited heavily from the mid-quarter rally.

The Brunel UK Active Equity Fund posted strong absolute returns over the quarter, despite lagging the benchmark – although it has outperformed since inception. Sub-benchmark performance in the quarter was driven by low oil and gas exposure and stock selection in consumer services.

Total Fund Valuation

	Total (GBPm)
30 Sep 2020	3,045
31 Dec 2020	3,260
Net cash inflow (outflow)	3

Assets Transitioned to Brunel



Market Summary – Listed Markets

Are the tides turning on Value/Growth, EM/DM and Active/Passive?

Q4 capped an extraordinarily volatile year across markets, politics and society. Markets weakened in late October as investors fretted over the growth of two waves - a second COVID wave and a "blue wave" that looked set to hand the US presidency, House and Senate to the Democrats. With no check on their electoral promises, the fear was they could unleash too much fiscal stimulus, upsetting the carefully-balanced Goldilocks scenario of non-inflationary economic growth. That shift might trigger a rise in inflation, hence in interest rates, hence in discount rates, hence a drop in value for most assets. "Growth" equities, whose net present values are heavily weighted to earnings far into the future, are particularly sensitive to such changes in discount rates. A move to introduce anti-trust legislation to loosen the oligopolistic power of the tech giants would also hit the handful of companies that have absorbed most of the stock market's oxygen over the last year or so.

Another wave, this time of euphoria, greeted the magnificent news in November that two separate vaccines had proved highly efficacious in trials. Coming on top of results that pointed to Republican control of the Senate by 50:48, markets all rallied back past February highs, ending 2020 in new territory, as though COVID had been but a blip.

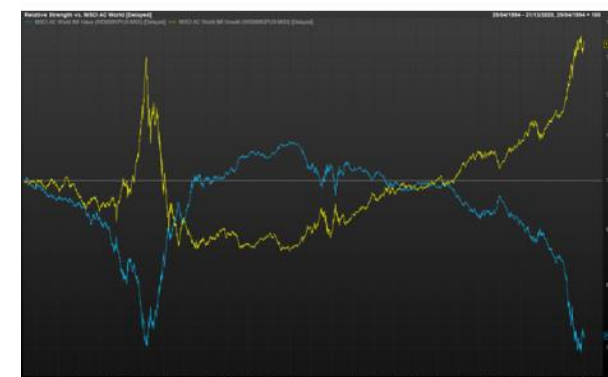
Yet beneath the surface, some seismic shifts have occurred. Lockdowns around the world have accelerated longstanding trends to warp speed. Online shopping, gaming and viewing, as well as "WFH", have changed our domestic and working lives, while, politically it seems we may at last be heeding demands for racial equity, social solidarity and urgent action to prevent climate catastrophe. The refrain, 'this time is different' has rarely seemed more apt. Where these social changes intersect with markets is in the likelihood investors attach to future growth of different sectors; and here, alas, the greater the certainty felt by the majority, the lower the chance of returns meeting expectations.

Taking a longer view, one overarching theme seems to have driven the fortunes of stocks, sectors and countries. The move to digitalisation, in combination with lax regulation, has permitted a "winner takes all" territorial grab of the data goldmine represented by cyberspace and the gateways to it, evidenced by the largest (non-state) companies in the world - by market capitalization - now being Apple, Microsoft, Amazon, Alphabet and Facebook, where in 2010 it was Wal-Mart, Exxon, Chevron, GE and Bank of America. These companies, acting as gatekeepers to the digital economy, have been able to extract rent on an extraordinary scale, and have been bid up by investors hungry for any reliable source of cashflow. These five alone contributed more than half of the MSCI World's 12.9% 2020 return. Thus the spectacular outperformance of "Growth" over "Value" that has been building since before the Global Financial Crisis, peaking the day before the first vaccine announcement.

MSCI World vs Emerging Markets



Value vs Growth



Market Summary – Listed Markets

It is possible that this time is so different to history that Growth and Value indices never cross again, but the reversal in direction may continue. Markets respond both to earnings and sentiment. Early moves anticipate the future earnings trajectory, then there's a plateau (broadly, 2011 - 2015) as earnings grow to match the stories told of them, then the level of conviction starts to build, new investors leap aboard and the narrative takes valuations into the stratosphere. It is hard to imagine what new information might convince the "marginal growth investor" to commit to the new economy now, if they have not jumped in over the course of 2020.

We should continue to assess what such a reversal might mean for our portfolios' prospects. Those that have a natural underweight to Growth - UK Equities, Smart Beta, Low Volatility - should benefit. Emerging Market (EM) Equities seem to offer brighter prospects than Developed Market Equities, partly on fundamental grounds, with lower government and household debt levels (albeit non-financial corporate indebtedness is similarly elevated to Developed Market peers); and partly because 10-year returns from current valuation levels have historically been significantly more rewarding.

However, careful selection will be particularly important as many of the major constituents of the EM indices have been as subject as the US to irrationally exuberant hopes for the future - among them, China and Taiwan.

And that raises the question over the last area in which a reversal of fortune may play out: the Active v Passive battle. The Growth trend has been in play for nearly 15 years now, so the hidden momentum factor within indices based on market capitalisation has offered a powerful boost to the credentials of passive managers. A turn in this tide might see a rise in active investing, or at least a pause in the relentless advance of flows into passive, as happened the last time Growth stocks sank, between 2000-2005.

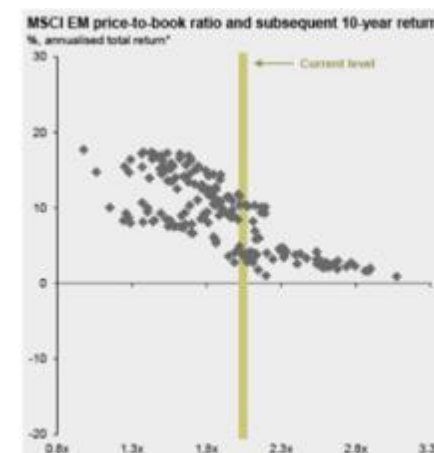
Global Developed Equities

- Developed Market equities, proxied by the MSCI World Index, increased by 7.8% in GBP terms over the quarter, producing a 12.9% return for 2020.
- The US lagged other MSCI-constituent markets in Q4, returning a relatively modest 6.1%, while the UK made up some ground with a 12.6% return. The opposite was the case over the year, with the US returning 17.5% and thus contributing more than the total return for the whole index. By contrast, the UK, down 13.1% for the year, dragged the MSCI World down by 1.4%.
- There was a similar snapback by companies and sectors that struggled most through 2020. Oil & Gas returned 20.9% (but, despite this, fell more than 30% over 2020 as a whole), and Financials 13.6% (-3.8% in 2020). Royal Dutch Shell rose over 35%, making it the largest contributor to returns in the Oil & Gas sector

JPM Guide to the Markets - UK, Dec 31st 2020



JPM Guide to the Markets - UK, Dec 31st 2020



Market Summary – Listed Markets

for the quarter, but it fell almost 40% over the year. JPMorgan's contribution to index returns was twice as large, even though it rose by a smaller 26%, because it is a much bigger index constituent; this was after having fallen "only" 8.4% in 2020.

- In a classic case of "buy the rumour, sell the fact", Healthcare was the least strong sector, returning just 0.8% over the quarter. Pfizer eked out a 1% return, but AstraZeneca fell 13.4%. Technology rose 6.5%, a relatively quiet end to 2020 except for Zoom, which fell nearly a third. The sector contributed 7.2% of the 9.6% (fully three quarters) of total returns for MSCI World over the year.

UK Equities

- UK Equities (this time represented by the FTSE All Share ex Investment Trusts Index) rose 12.4% in Q4 but still fell 11.2% over the year.

- Investors in UK-listed banks received some relief in Q4 after a torrid year, with the sector rising 34% but still finishing 33% lower than it started the year. Barclays rose 50%. Oil & Gas rose 28% in Q4 but fell 40% over 2020.

- Healthcare dropped 8.5% and Technology fell 4.5%, although it would have posted positive numbers were it not for Sage's dramatic fall.

Emerging Markets

- The MSCI Emerging Markets index continued its recovery, rising a further 13.3% in GBP terms, placing it well ahead of its Developed Markets counterpart at 18.7% (vs 11.4%) in H2 2020 and a little ahead for the whole year (15.0% vs 12.9%). There was enormous dispersion in 12-month returns: from 41% for Taiwan to -29% for Greece.

- China returned a modest 5% for Q4, far outpaced by Korea's 31% and Brazil's 29% but it still made the second-highest contribution to returns, even though this was nearly halved by Alibaba's fall (see below). Colombia returned 41% but, after its 22% fall over the year, it's so small it barely rippled the index. Egypt (-10%), Qatar (-3%) and Kuwait (-1%) were the only EM countries to fall in Q4.

- IT bucked the global trend to top the sector list, returning 27% in GBP terms. Not coincidentally, a Chinese cobalt and lithium miner rose 125%, boosting Materials, which includes controversial miners such as Vale (up 52%), to a 23% return for the quarter. Chinese Real Estate saw some big falls, reducing sector returns to just 0.3%, while the simmering conflict between Jack Ma and the Chinese state broke out, causing a fall of 25% to Alibaba's shares and dragging the Retail sector to a -7.5% return, despite Pinduoduo's 126% return for the quarter.

Market Summary – Head of Private Markets

Overview

The global economy improved rapidly from its partial paralysis in early Q2, when lockdowns meant that activity in certain sectors dropped to almost zero. The extreme pessimism of H1 then abated, and early indications are that Q3 and Q4 were record breaking quarters for deal activity in certain asset classes. Brunel's managers report huge volumes of opportunities coming to market but with a wide dispersion in terms of quality. In those sectors deemed most defensive through the ongoing troubles, the best assets are often very fully priced. This is where the managers must prove their sourcing capabilities, whilst maintaining price discipline.

However, optimism may once again fade with the emergence of the new, more virulent strain of Covid in late Q4. The strict "stay-at-home" orders of Lockdown 1 in early 2020 are now back, which hampers essential "physical" due diligence. Managers have coped with full virtual due diligence, but we wonder for how much longer.

Essential to the recovery in activity has been the vast amount of policy support both monetary and fiscal. Signs are that more global stimulus is on the way, not less.

Infrastructure

Two key, long-term UK policy documents were released in Q4 2020: the National Infrastructure Strategy in November (delayed since March), and the energy white paper, originally promised for delivery in 2019. Crucially, in both, there is increased recognition of the role infrastructure investment plays as a driver of economic growth. Large-scale capital investments provide short-run demand stimulus, in part from the labour intensity of construction works, as well as longer-run supply side benefits, reducing business costs and promoting trade both domestically and internationally.

The prime minister published the government's green 10-point plan, ahead of the energy white paper. Whilst it was more a list of ambitions, signaling the importance of a green recovery from the pandemic marked a sea change in the government's language towards climate and the environment. Green jobs are vital jobs in the aftermath of the pandemic's economic shock.

Likewise, in the rest of Europe and in the US, politicians are firmly in favour of a green recovery to tackle Covid and climate change.

Market Summary – Head of Private Markets

Both the cycle 1 and cycle 2 infrastructure portfolios will have significant exposure to the sectors set to benefit from these policy, regulatory and climate trends (~40% and 50% target exposures, respectively, to renewable energy infrastructure).

The non-renewable (general) infrastructure funds continued to perform solidly, but with few additional transactions during the period.

Private Equity

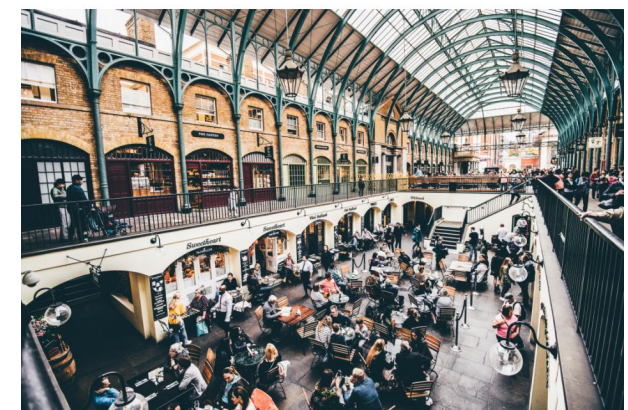
Improved sentiment and the pick-up in investment activity continued from Q3 through to Q4. The valuation of assets remained high. Hence, General Partners ("GPs") focused more on operational improvements to create value in their portfolio companies. In addition, some GPs are executing more add-on acquisitions at lower prices to bring down the acquisition multiple. The interest in technology companies remained strong and there is a trend towards GPs digitising their portfolio companies in order to improve efficiency and to achieve higher multiples as they position to exit.

The fundraising market is bifurcated between the "haves" and "have nots". Fundraising for established platforms is moving quickly, while less proven GPs struggle to get the attention of the investor community. In addition, sector expertise is becoming increasingly important for GPs as the market continues to evolve.

Property

The Q1 2021 lockdown has undermined optimism in the UK commercial property sector, which was prevalent in Q4 2020 following a recovery in annual transaction levels to £35bn by end-November, concentrated in the office and industrial sectors. With 52 companies having entered administration in 2020, affecting 5,000 retail outlets, further falls in rental levels and capital values are expected in that sector. This should be offset by positive, though limited, rental growth in the industrial sector, where demand for space continues to outpace supply, particularly in the south-east. Vacancy in the office market increased markedly in 2020 but supply for quality space remains tight, as development projects continue to be deferred. Residential property has shown resilience, despite the effect of UK lockdowns and concerns around the economic outlook, with capital values increasing over 6% last year.

Photo by David Sury on Unsplash



Responsible Investment & Stewardship Review

The quarter's focus was a comprehensive review of the Stewardship Policy and Voting Guidelines. After extensive research and input from clients, we concluded the policy review in December, publishing the updated policies in the [Stewardship](#) section of our website.

Climate Governance - Banks

Our engagement with banks continues. Brunel was one of 16 institutional investors, representing \$2.4 trillion, that co-filed a climate change resolution at HSBC, co-ordinated by ShareAction. It called on HSBC to publish a strategy and targets in order to reduce its exposure to fossil fuel assets on a timeline consistent with Paris climate goals. We will be engaging with HSBC in the run-up to their AGM in April. Our engagement with Barclays continues, following last year's co-filing of the first climate change resolution at a European bank. We have also joined a new banking sector workstream under the Institutional Investors Group on Climate Change. It will focus on developing a framework that banks can use to demonstrate alignment with the Paris goals as part of the [Net Zero Investor Framework](#).

Social Engagement

We increased our focus on the social component of ESG through 2020, and will continue to do so in 2021:

- Through the Good Work Coalition, we sent companies a second round of letters arguing for the importance of the living wage. More engagement meetings will take place in 2021
- Brunel was [one of 64 investors](#) to write to the boards of mining companies to seek assurances about how the sector obtains and maintains a social license for its operations among First Nations and Indigenous communities
- Rathbones' UK Modern Human Slavery initiative, shortlisted for PRI Stewardship project of the year, will in 2021 expand to the FTSE 350. Companies that failed to publish a modern slavery statement, in compliance with the UK's Modern Slavery Act 2015, could face shareholder dissent at their AGM. This is integrated into Brunel's voting guidelines.
- Brunel is co-leading an asset owner diversity working group to develop a pledge for asset owners to integrate D&I into manager selection and monitoring. A toolkit and diversity questionnaire are also in development - the latter will be road-tested in January.



Responsible Investment & Stewardship Review

Policy advocacy is a core component of our Responsible Investment and Stewardship work. As standard we respond to consultations, sign several letters and contribute to government inquiries. But we were still taken aback by the extent of the policy commitments from the UK, EU and beyond that came forth in last quarter of 2020.

In June 2019, the UK became the first major economy to commit to Net Zero. Whilst not comprehensive - we await further details - we broadly welcomed the announcements made. The key green finance elements were:

- **Issuance of first sovereign green bond**, subject to market conditions, later this year.
- **New green taxonomy**, which "will take the scientific metrics in the EU taxonomy as its basis".
- **Membership of the International Platform on Sustainable Finance.**
- Phased mandatory reporting against the **Task Force for Climate Related Finance Disclosures** (TCFD) by 2025.

Brunel has reported to the TCFD since its formation. The government's report, which sets out the [road map](#) for implementation, also committed the MHCLG to consulting in 2021 with a view to implementing the roadmap in LGPS by 2023.

Through the IIGCC we [signed a letter](#) calling for an ambitious UK 2030 Nationally Determined Contribution (NDC) in line with the UK's Net Zero 2050 target. The UK submitted its updated NDC to UNFCCC on 12th December, with an emissions reduction target of 68% below 1990 levels. Thus the UK is one of the first countries to set a domestic 2030 target in line with achieving the Paris Agreement's 1.5°C goal. As outlined in the Private Markets overview the government also set out its [Ten Point Plan for a Green Industrial Revolution](#). (An infographic that captures some of the main points is overleaf.)

Brunel was also a signatory to an [IIGCC letter to EU leaders](#) highlighting the importance of utilising the EU sustainable taxonomy for EU expenditure, and ensuring national recovery and resilience plans (RRPs) are aligned with the Europe's Net Zero 2050 target. The December meeting of the European Council agreed on a revised EU 2030 greenhouse gas emissions reduction target of at least 55% below 1990 levels.

In the US, the appointment of John Kerry, the former senator and secretary of state, as special envoy on the climate crisis under Joe Biden's administration, made a strong statement. Kerry, one of the key architects of the Paris climate agreement, pledged to 'fight climate change full time' as US Climate Envoy. The role will report directly to President Biden and will elevate the climate crisis in both international diplomacy and domestic policymaking. It will also hold a seat on the National Security Council.



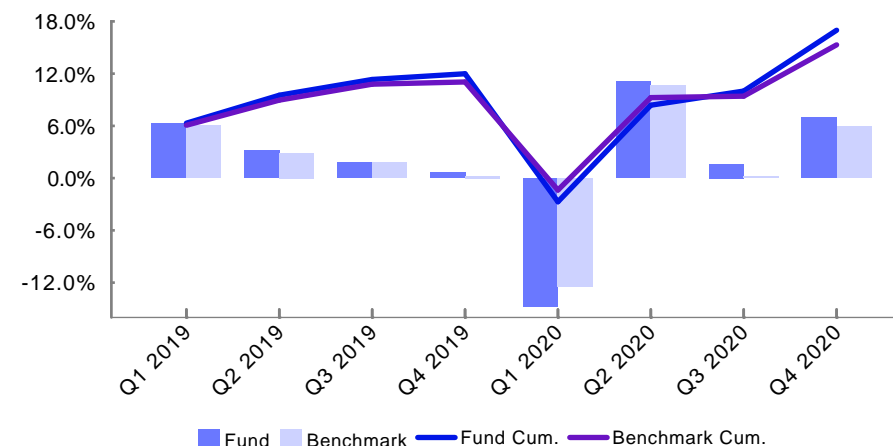


Summary of Pension Fund Performance

Performance of Fund Against Benchmark (Annualised Performance)

Period	Fund	Strategic BM	Excess
3 Month	7.0%	5.9%	1.1%
Fiscal YTD	20.8%	17.3%	3.5%
1 Year	3.0%	2.8%	0.3%
3 Years	3.9%	4.0%	-0.1%
5 Years	8.1%	8.3%	-0.2%
10 Years	8.3%	8.1%	0.2%
Since Inception	8.4%		

Rolling Quarter Total Fund (Net of Manager Fees)

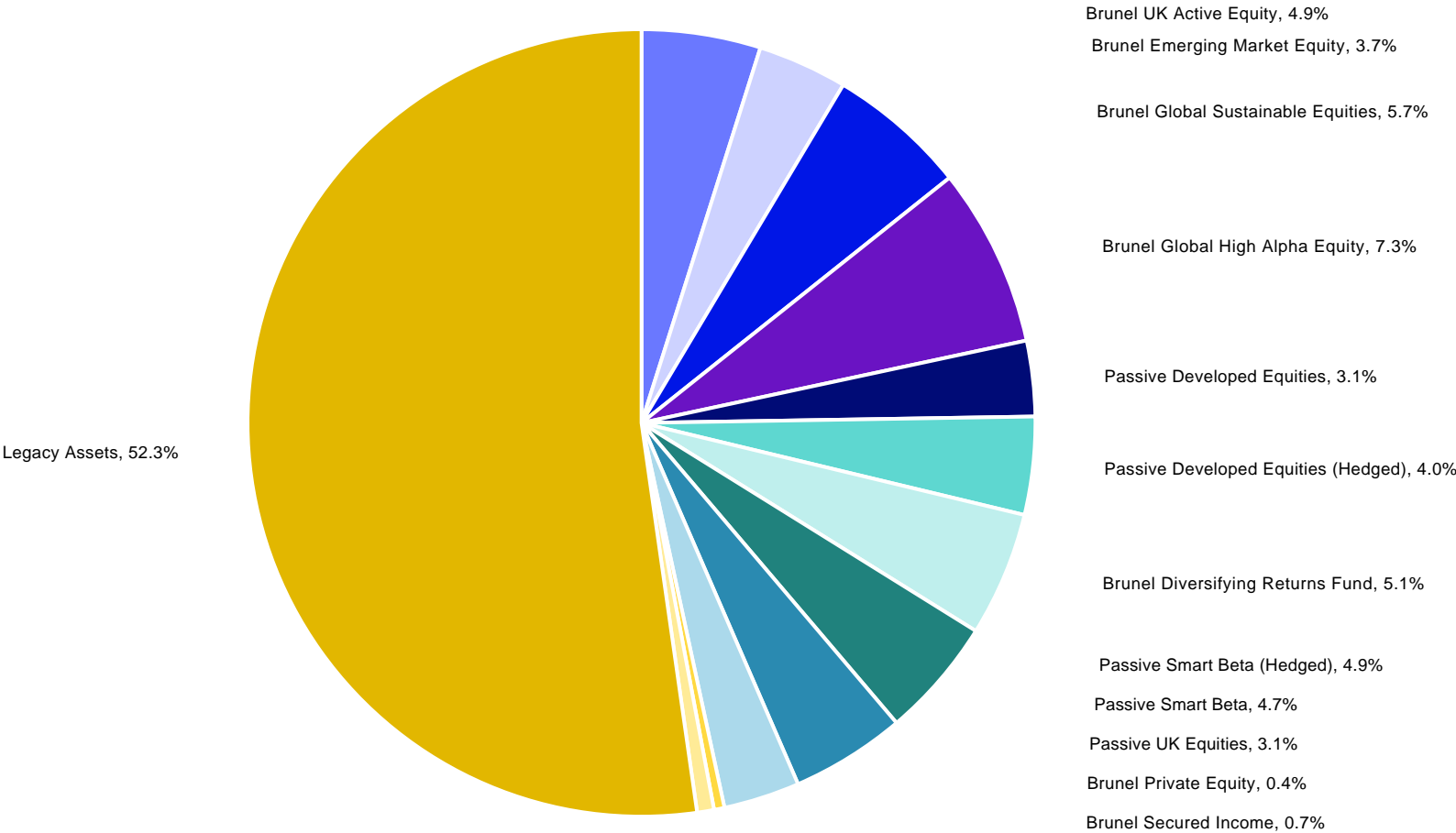


Key Drivers of Performance

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

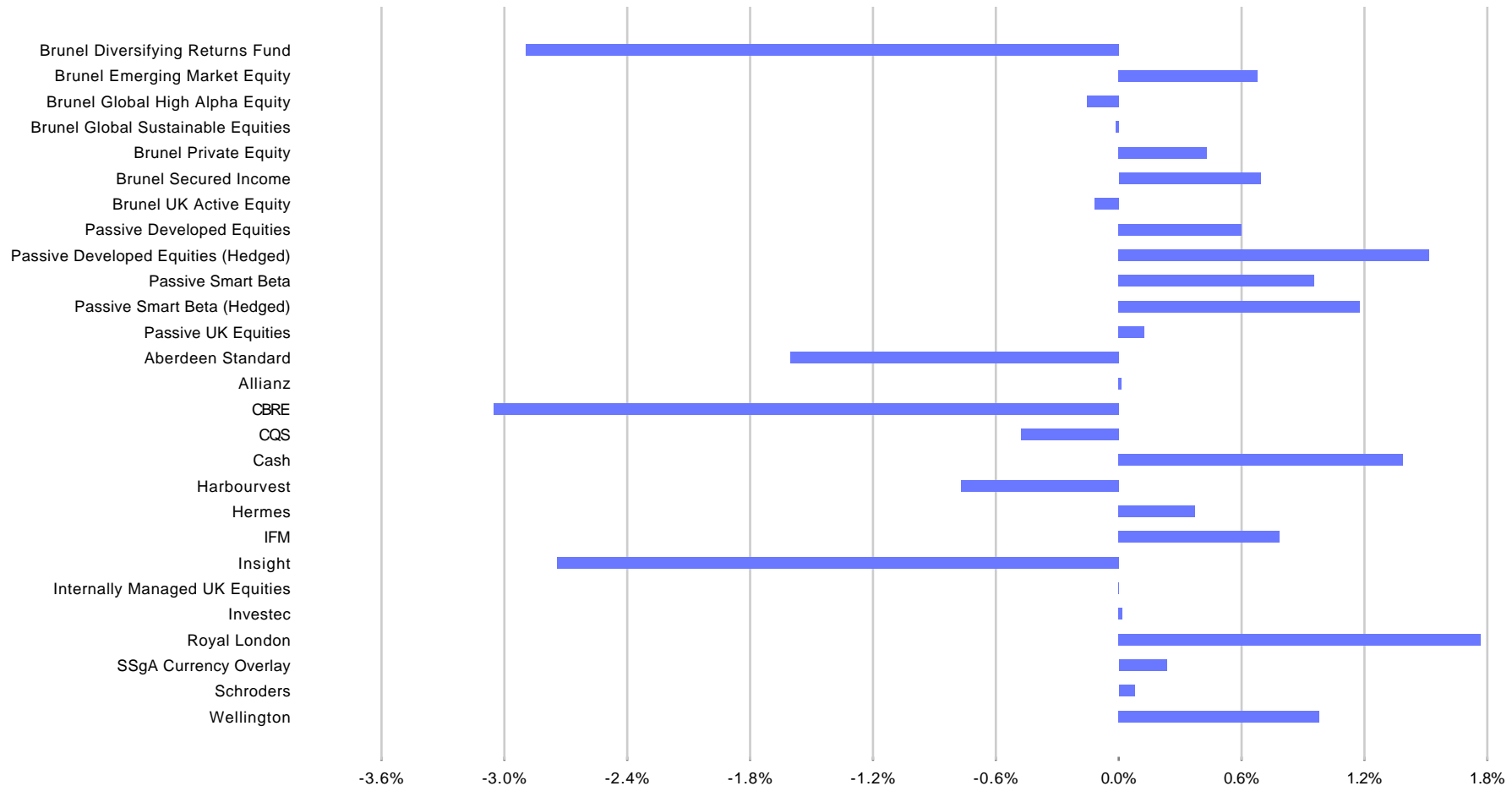
- Four out of five of the actively managed Brunel equity portfolios exceeded their benchmarks in the quarter.
- The key Brunel portfolio driver of performance in the quarter was Brunel Diversifying Returns Fund which returned 3.4%, beating the benchmark by more than 3%.

Asset Allocation Split



Asset Allocation of Pension Fund

Allocation Against Strategic Benchmark



Legacy Manager Performance

Legacy Manager Performance – 3 Year

	Annualised Return	Risk (Standard Deviation)	Benchmark Return	Benchmark Standard Deviation
Aberdeen Standard	10.9%	15.2%	-0.9%	16.5%
Barings	-0.0%	10.9%	4.7%	0.1%
CBRE	2.1%	4.1%	2.0%	2.4%
CQS	2.9%	11.0%	4.6%	0.1%
Harbourvest	18.2%	15.7%	-0.9%	16.5%
Hermes	2.7%	6.3%	10.0%	0.1%
IFM	11.1%	8.6%	10.0%	0.1%
Insight	-1.7%	14.4%	-2.0%	14.5%
Royal London	7.0%	6.8%	6.5%	7.4%
Schroders	5.8%	23.2%	0.6%	23.5%
Wellington	12.3%	14.9%	10.2%	14.8%

Legacy Manager Performance

	Annualised Return	Risk (Standard Deviation)	Benchmark Return	Benchmark Standard Deviation
Dorset County Pension Fund	3.9%	9.9%	4.0%	8.7%

Brunel Portfolios Overview

Portfolio	Benchmark	AUM (GBPm)	Perf. 3 Month	Excess 3 Month	Perf. 1 Year	Excess 1 Year	Perf. 3 Year	Excess 3 Year	Perf. 5 Year	Excess 5 Year	Perf. SII*	Excess SII*	Initial Investment
Brunel Diversifying Returns Fund	SONIA Benchmark	166	3.4%	3.4%							2.2%	2.2%	31 Jul 2020
Brunel Emerging Market Equity	MSCI EM TR Gross	120	13.9%	0.6%	13.9%	-1.1%					14.6%	-1.0%	09 Oct 2019
Brunel Global High Alpha Equity	MSCI World TR Gross	240	9.2%	1.3%	28.3%	15.4%					26.3%	13.7%	15 Nov 2019
Brunel Global Sustainable Equities	MSCI AC World Index	187									2.5%	2.7%	01 Dec 2020
Brunel UK Active Equity	FTSE All Share ex Investment Trusts	159	11.0%	-0.8%	-10.5%	1.3%					1.6%	0.8%	21 Nov 2018
Passive Developed Equities	FTSE World Developed	101	8.2%	-0.0%							9.7%	-0.1%	24 Jan 2020
Passive Developed Equities (Hedged)	FTSE World Developed Hedged	131	12.2%	-0.0%							12.5%	-0.3%	31 Jan 2020
Passive Smart Beta	SciBeta Multifactor Composite	153	7.6%	-0.1%	3.1%	-0.3%					6.3%	-0.3%	25 Jul 2018

*Since Initial Investment

Performance based on tradeable NAV

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

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

Brunel Portfolios Overview

Portfolio	Benchmark	AUM (GBPm)	Perf. 3 Month	Excess 3 Month	Perf. 1 Year	Excess 1 Year	Perf. 3 Year	Excess 3 Year	Perf. 5 Year	Excess 5 Year	Perf. SII*	Excess SII*	Initial Investment
Passive Smart Beta (Hedged)	SciBeta Multifactor Hedged Composite	161	11.8%	-0.0%	2.6%	-0.3%					6.2%	-0.5%	25 Jul 2018
Passive UK Equities	FTSE All Share	102	12.7%	0.1%	-9.7%	0.1%					-2.0%	0.0%	11 Jul 2018

*Since Initial Investment

Performance based on tradeable NAV

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Passive Developed Equities

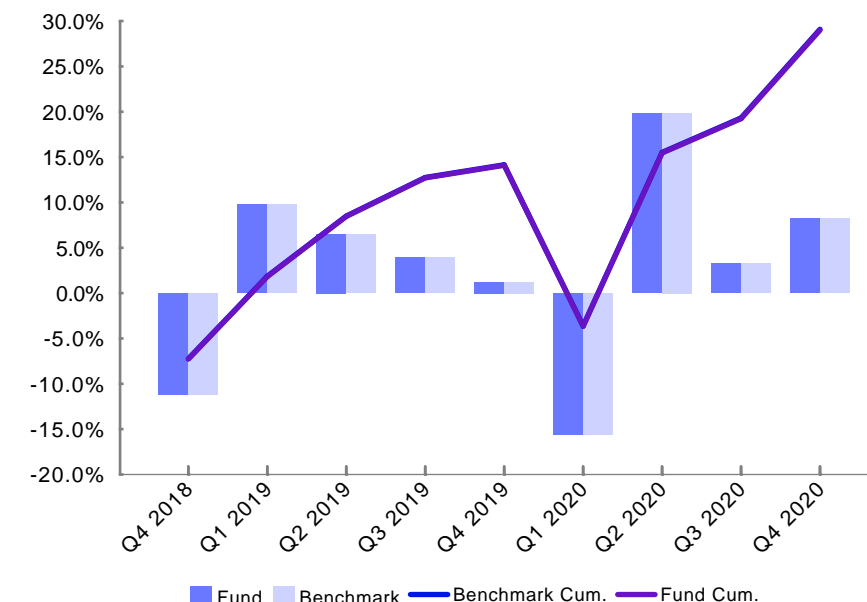
Overview

	Description
Portfolio Objective:	Provide exposure to FTSE Developed World using a low cost highly liquid approach.
Investment Strategy & Key Drivers:	Geographically diversified range of equities.
Liquidity:	High
Risk/Volatility:	High absolute risk with very low tracking error.
Total Fund Value:	£2,112,376,928

Performance to Quarter End

	Ann. Performance	Fund	BM	Excess
3 Month		8.2%	8.2%	0.0%
Fiscal YTD		33.9%	33.9%	0.0%
1 Year		13.1%	13.1%	0.0%
3 Years				
5 Years				
10 Years				
Since Inception		10.8%	10.9%	0.0%

Rolling Performance*



* Partial returns shown in first quarter

- In Q4 2020, given positive news regarding Covid-19 vaccines, global equity markets rebounded at a greater rate than in previous quarters, with the benchmark FTSE Developed World Index up 8.2%. The index also delivered strong positive performance over the 12-month period, ending on 31 December, up 13.1% in absolute terms. The Passive Developed Equities product closely replicated the performance of the benchmark over both periods.
- GBP appreciated in value against the the US dollar over the quarter, up 5.7%. As a consequence, the GBP hedged product outperformed the unhedged product, returning 12.2% over the quarter.
- In sterling terms, all sectors performed positively over the quarter. Positive vaccine news combined with subsequent vaccine approvals by regulators in the US, UK and other developed markets, was a significant tailwind for the FTSE Developed World Index. This was especially true for sectors that have experienced the greatest disruption from the pandemic. Leading the positive performance were the oil and gas sector, financials, industrials, and basic materials.

Passive Developed Equities (Hedged)

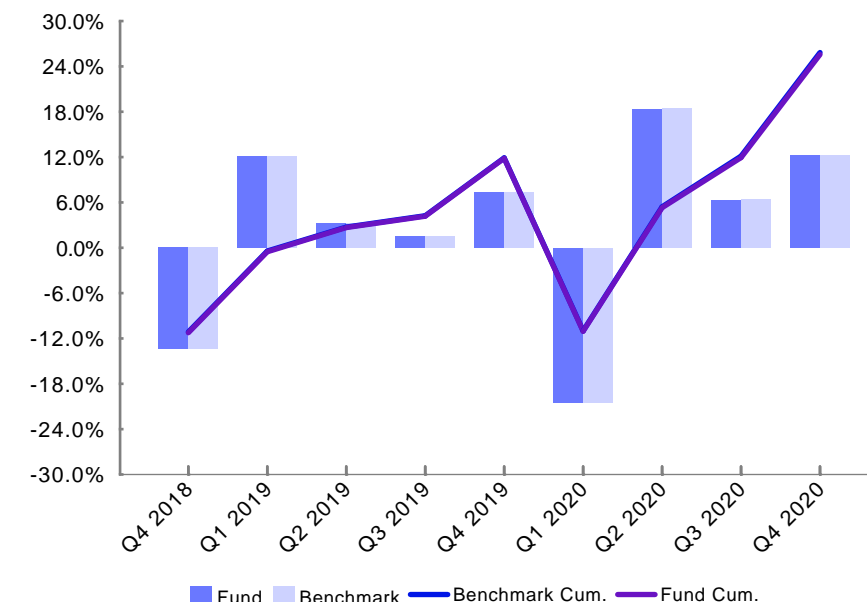
Overview

	Description
Portfolio Objective:	Provide exposure to FTSE Developed World using a low cost highly liquid approach.
Investment Strategy & Key Drivers:	Geographically diversified range of equities.
Liquidity:	High
Risk/Volatility:	High absolute risk with very low tracking error.
Total Fund Value:	£865,705,288

Performance to Quarter End

Ann. Performance	Fund	BM	Excess
3 Month	12.2%	12.2%	0.0%
Fiscal YTD	41.2%	41.4%	-0.2%
1 Year	12.3%	12.5%	-0.2%
3 Years			
5 Years			
10 Years			
Since Inception	9.7%	9.8%	-0.1%

Rolling Performance*



* Partial returns shown in first quarter

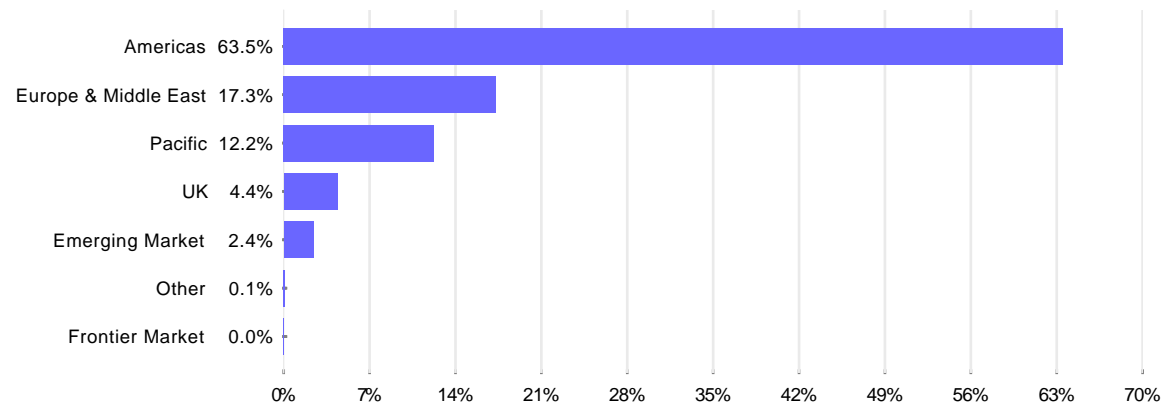
- In Q4 2020, given positive news regarding Covid-19 vaccines, global equity markets rebounded at a greater rate than in previous quarters, with the benchmark FTSE Developed World Index up 8.2%. The index also delivered strong positive performance over the 12-month period, ending on 31 December, up 13.1% in absolute terms. The Passive Developed Equities product closely replicated the performance of the benchmark over both periods.
- GBP appreciated in value against the the US dollar over the quarter, up 5.7%. As a consequence, the GBP hedged product outperformed the unhedged product, returning 12.2% over the quarter.
- In sterling terms, all sectors performed positively over the quarter. Positive vaccine news combined with subsequent vaccine approvals by regulators in the US, UK and other developed markets, was a significant tailwind for the FTSE Developed World Index. This was especially true for sectors that have experienced the greatest disruption from the pandemic. Leading the positive performance were the oil and gas sector, financials, industrials, and basic materials.

Passive Developed Equities – Region & Sector Exposure

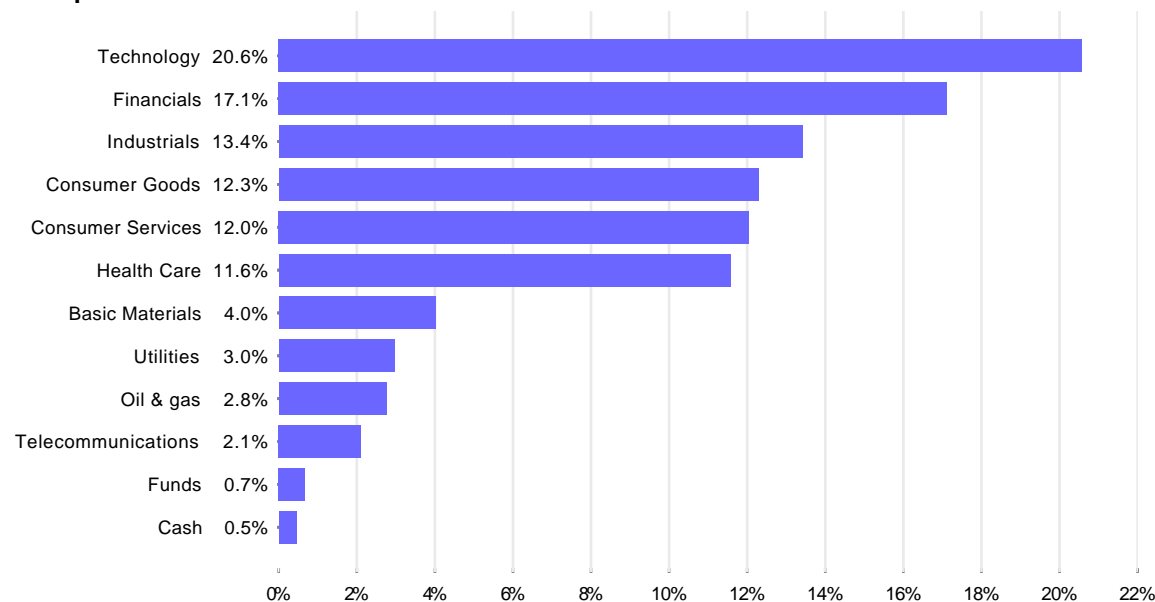
Top 20 Holdings

	Mkt. Val.(GBP)
APPLE INC	120,478,485
MICROSOFT CORP	93,709,802
AMAZON.COM INC	77,700,391
FACEBOOK INC-CLASS A	36,904,844
TESLA INC	30,021,980
ALPHABET INC-CL A	29,622,641
ALPHABET INC-CL C	28,637,477
JOHNSON & JOHNSON	23,348,224
JPMORGAN CHASE & CO	21,655,652
VISA INC-CLASS A SHARES	20,777,651
SAMSUNG ELECTRONICS CO LTD	19,549,934
PROCTER & GAMBLE CO/THE	19,077,327
UNITEDHEALTH GROUP INC	18,625,082
WALT DISNEY CO/THE	18,421,852
NESTLE SA-REG	18,147,071
MASTERCARD INC - A	17,716,468
NVIDIA CORP	17,344,161
BERKSHIRE HATHAWAY INC-CL B	16,061,406
HOME DEPOT INC	16,051,340
PAYPAL HOLDINGS INC	15,474,136

Regional Exposure



Sector Exposure



Passive Developed Equities – Responsible Investment

Top 10 ESG Contributors to Overall Score

	Insight	Momentum
1. NEXTERA ENERGY INC	69.8	30.0
2. NESTLE SA	59.6	57.0
3. ASML HOLDING NV	62.8	87.5
4. SAP SE	65.0	31.4
5. NVIDIA CORP	58.5	60.5
6. TOYOTA MOTOR CORP	61.2	35.3
7. ENEL SPA	71.8	27.3
8. ACCENTURE PLC	61.7	45.9
9. SCHNEIDER ELECTRIC SE	71.8	50.6
10. IBERDROLA SA	69.6	60.9

Bottom 10 ESG Detractors to Overall Score

	Insight	Momentum
1. SAMSUNG ELECTRONICS CO LTD	48.2	72.1
2. AT&T INC	43.0	36.1
3. NETFLIX INC	42.9	68.8
4. JPMORGAN CHASE & CO	46.6	62.5
5. JOHNSON & JOHNSON	41.5	84.3
6. AMAZON.COM INC	49.6	58.1
7. MICROSOFT CORP	49.5	47.0
8. FACEBOOK INC	41.1	54.9
9. ALPHABET INC	44.6	62.2
10. APPLE INC	46.4	62.4

*From Q4 onwards we have moved to the latest and enhanced version of TruValue Labs data. Please see supplementary note on the Client portal for more detail.

Weighted Average ESG Score	2020 Q3	2020 Q4
Portfolio	58.5	58.7
Passive Dev Equities	58.5	58.7

TruValue Labs & SASB

Brunel Assessment:

- Facebook & Google (Big Tech) regulatory scrutiny continues to grow worldwide of tech giants and their power. The EU is presenting rules which require providers to do more to tackle illegal content, misuse and political advertising. Anticompetition fines could be introduced of up to 10% of annual turnover.
- Samsung Electronics (Technology) chief Lee Jae-yong faced a retrial over bribery charges. In September prosecutors separately indicted Lee for alleged stock price manipulation, breach of trust and auditing violations relating to a 2015 merger.
- Enel Spa (Utilities and Generation) has begun wind power construction in Brazil, secured Hydrogen production from the US and signed a 10 year agreement to supply global medicines company Novartis with 78 MW of renewable power..
- Nvidia (Semiconductors) were subject to the SolarWinds data hack by cybercriminals. U.S. lawmakers are making enquiries into sale of tech to China used against Uighurs and the UK Competition and Markets Authority has launched an investigation into the acquisition of ARM..

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

The carbon intensity of the benchmark (and index tracking Portfolio) remained largely unchanged this quarter.

Weighted Average Carbon Intensity (WACI)



Source: Trucost

Extractive Exposure

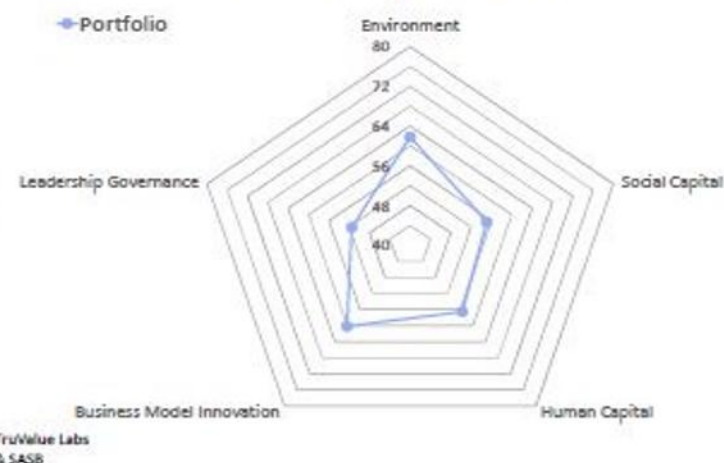
	Total Extractive Exposure ¹		Extractive Industries (VOH) ²	
	Q3	Q4	Q3	Q4
Portfolio	3.1	3.0	7.5	7.5
Passive Dev EQ	3.1	3.0	7.5	7.5

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

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

Source: Trucost

Absolute Weighted ESG Scores



TruValue Labs & SASB

Passive Smart Beta

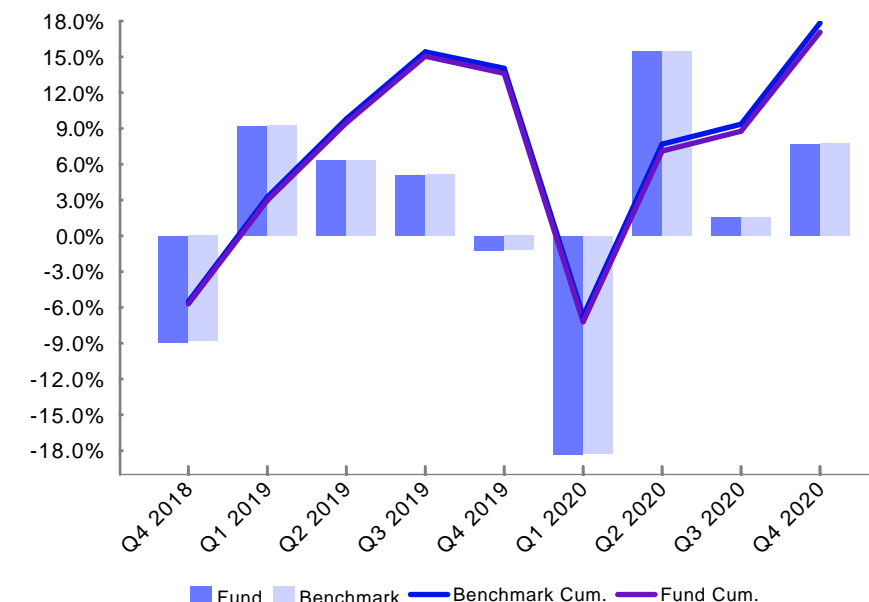
Overview

	Description
Portfolio Objective:	Exposure to equity markets and a combination of smart beta factors to outperform market cap indices.
Investment Strategy & Key Drivers:	Invest passively in equities via alternative indices.
Liquidity:	High
Risk/Volatility:	Absolute: High Relative: V.Low
Total Fund Value:	£808,703,978

Performance to Quarter End

Ann. Performance	Fund	BM	Excess
3 Month	7.6%	7.8%	-0.1%
Fiscal YTD	26.2%	26.3%	-0.2%
1 Year	3.0%	3.3%	-0.3%
3 Years			
5 Years			
10 Years			
Since Inception	6.6%	6.9%	-0.3%

Rolling Performance*



* Partial returns shown in first quarter

Passive Smart Beta recorded a return of 7.6% during Q4 2020, narrowly underperforming the broader MSCI World index by 0.3%.

- The announcement of a potential Pfizer vaccine brought renewed hope to the parts of the market that had underperformed through most of the year. The rally in high beta value stocks through November supported the value exposure within the portfolio, as it provided a return of 8.5% for the month alone.
- Through October, prior to the vaccine announcement, the MSCI World index returned -3%. This was largely driven by IT names such as Apple, Microsoft and Mastercard, which returned -6%, -3% and -14.5% respectively. However, these names did recover by the end of the quarter. The portfolio benefitted from the underweight to large-cap technology positions in October and outperformed the index by 1% in a downward market.
- The hedged Smart Beta Fund outperformed the unhedged fund due to the long exposure of GBP. The hedged fund returned 11.8%. Its outperformance can be attributed to the sliding dollar, which has weakened from the highs seen earlier in the year, as declining interest rates, a risk-on environment and the prospect of the vaccine caused the dollar to return -5.4% against GBP over the quarter.

Passive Smart Beta (Hedged)

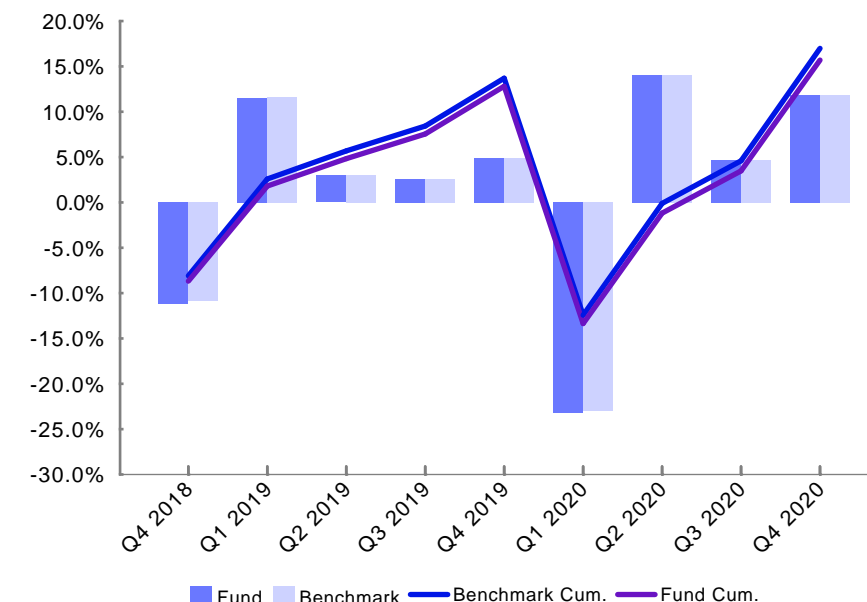
Overview

	Description
Portfolio Objective:	Exposure to equity markets and a combination of smart beta factors to outperform market cap indices.
Investment Strategy & Key Drivers:	Invest passively in equities via alternative indices.
Liquidity:	High
Risk/Volatility:	Absolute: High Relative: V.Low
Total Fund Value:	£160,626,127

Performance to Quarter End

Ann. Performance	Fund	BM	Excess
3 Month	11.8%	11.9%	0.0%
Fiscal YTD	33.5%	33.6%	-0.1%
1 Year	2.6%	2.9%	-0.3%
3 Years			
5 Years			
10 Years			
Since Inception	6.2%	6.6%	-0.5%

Rolling Performance*



* Partial returns shown in first quarter

Passive Smart Beta recorded a return of 7.6% during Q4 2020, narrowly underperforming the broader MSCI World index by 0.3%.

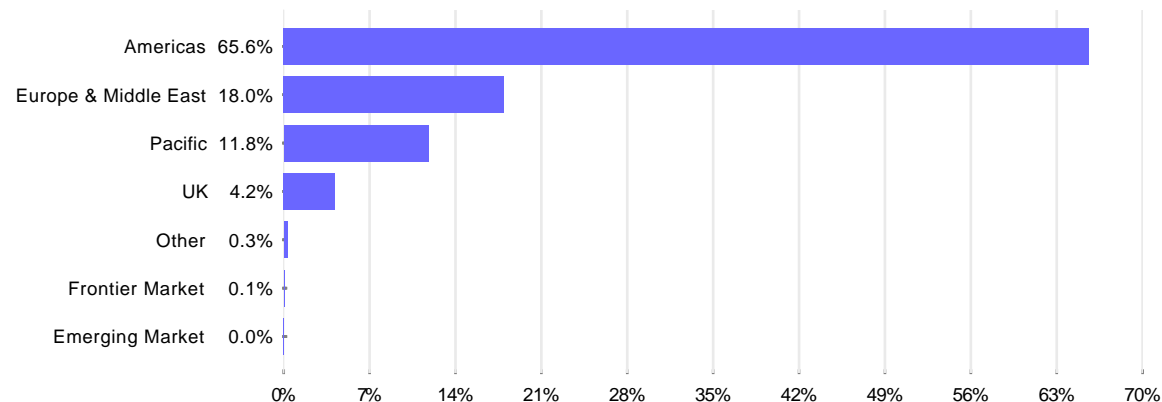
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Passive Smart Beta – Region & Sector Exposure

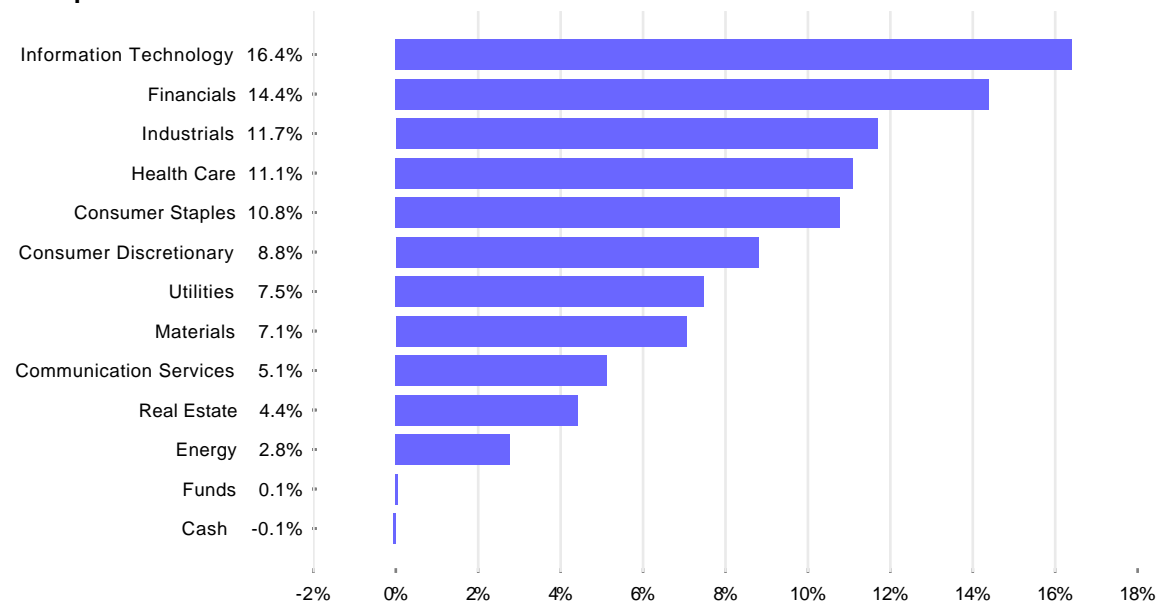
Top 20 Holdings

	Mkt. Val.(GBP)
WALMART INC	6,233,622
TRANE TECHNOLOGIES PLC	6,166,492
COGNIZANT TECH SOLUTIONS-A	6,126,793
VERIZON COMMUNICATIONS INC	5,901,462
SYNOPSYS INC	5,899,196
XILINX INC	5,802,505
APPLE INC	5,583,811
ABBOTT LABORATORIES	5,465,774
PFIZER INC	5,419,826
CUMMINS INC	5,353,218
COMCAST CORP-CLASS A	5,289,683
BERKSHIRE HATHAWAY INC-CL B	5,269,239
MERCK & CO. INC.	5,246,438
COSTCO WHOLESALE CORP	5,198,560
TE CONNECTIVITY LTD	5,087,004
CADENCE DESIGN SYS INC	5,013,781
ALPHABET INC-CL A	4,857,600
EATON CORP PLC	4,802,778
ALLSTATE CORP	4,784,686
MEDTRONIC PLC	4,760,634

Regional Exposure



Sector Exposure



Passive Smart Beta – Responsible Investment

Top 10 ESG Contributors to Overall Score

	Insight	Momentum
1. EATON CORP PLC	69.5	20.1
2. CUMMINS INC	67.1	36.8
3. TRANE TECHNOLOGIES PLC	65.0	42.2
4. TERADYNE INC	75.2	77.1
5. CADENCE DESIGN SYSTEMS INC	65.6	24.9
6. ECOLAB INC	71.4	62.4
7. DIGITAL REALTY TRUST INC	70.3	79.3
8. EMERSON ELECTRIC CO	66.6	72.9
9. AIR PRODUCTS AND CHEMICALS INC	66.8	50.0
10. PUBLIC SERVICE ENTERPRISE GROUP INC	67.9	43.1

*From Q4 onwards we have moved to the latest and enhanced version of TruValue Labs data. Please see supplementary note on the Client portal for more detail.

Weighted Average ESG Score	2020 Q3	2020 Q4
Portfolio	61.0	61.0
Passive Smart Beta	61.0	61.0

TruValue Labs & SASB

Brunel Assessment:

- Ecolab (Services) has been named in CDP's climate and water security "A List", recognising the company as a global leader in corporate environmental ambition, action, and transparency.
- Digital Reality Trust (Infrastructure) subsidiary, Intexion, announced it is on target to be carbon neutral for its existing French data centres by the end of 2020. This milestone supports Digital Reality's global sustainability commitment for a 68% reduction in direct emissions and a 24% reduction in indirect emissions by 2030, in line with a 1.5-degree climate warming scenario.
- Cincinnati and Hartford Financial (Insurance) have seen a suite of Covid-19 disruption claims. The cases have been taken to court to determine whether the company is required to pay out.
- Chubb Ltd (Insurance) The UK Supreme Court unanimously dismissed the appeal in Halliburton Company v Chubb Bermuda Insurance Ltd, ruling in favor of the insurer in the high-profile Deepwater Horizon oil spill arbitration case.

70% of the bottom 10 ESG detractors are covered by engagement or specific voting activities.

Smart Beta remains a high-carbon Portfolio, and active dialogue continues with the providers to find potential solutions. A marginal drop in carbon intensity this quarter resulted from market movements as companies in extractives industries fell.

Bottom 10 ESG Detractors to Overall Score

	Insight	Momentum
1. JOHNSON & JOHNSON	41.5	84.3
2. MARKEL CORP	31.5	29.1
3. ALPHABET INC	44.6	62.2
4. WALGREENS BOOTS ALLIANCE INC	41.8	73.8
5. TRAVELERS COS INC/THE	41.0	12.4
6. CINCINNATI FINANCIAL CORP	24.7	77.4
7. HARTFORD FINANCIAL SERVICES GROUP INC	33.6	50.0
8. ALLSTATE CORP/THE	37.2	26.6
9. CHUBB LTD	33.2	32.8
10. COGNIZANT TECHNOLOGY SOLUTIONS CORP	34.1	40.0

* Position 1 is the top contributor/detractor.



Weighted Average Carbon Intensity (WACI)



Source: Trucost

Extractive Exposure

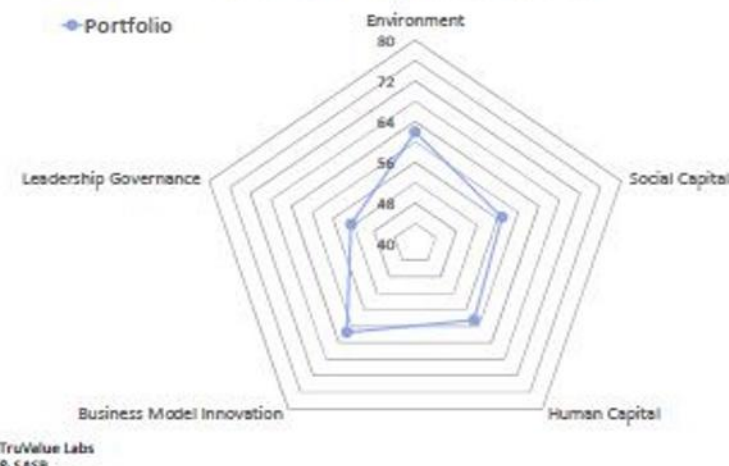
	Total Extractive Exposure ¹		Extractive Industries (VOH) ²	
	Q3	Q4	Q3	Q4
Portfolio	4.1	4.0	11.7	11.3
Pass. Smart Beta	4.1	4.0	11.7	11.3

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

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

Source: Trucost

Absolute Weighted ESG Scores



TruValue Labs & SASB

Passive UK Equities

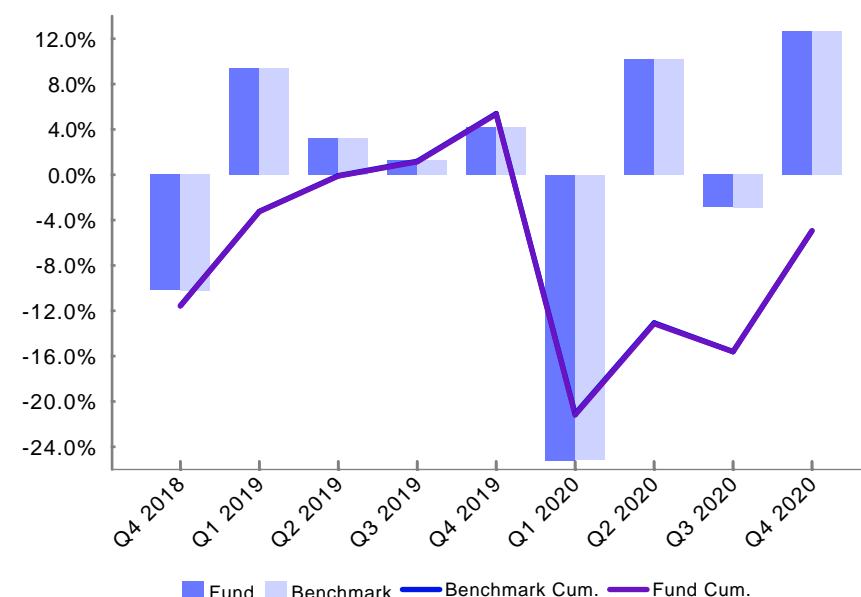
Overview

	Description
Portfolio Objective:	Provide exposure to FTSE All Share using a low cost highly liquid approach.
Investment Strategy & Key Drivers:	Invest passively in securities underlying the FTSE All Share. Provide long term growth
Liquidity:	High
Risk/Volatility:	High absolute risk with very low tracking error.
Total Fund Value:	£782,195,472

Performance to Quarter End

	Ann. Performance	Fund	BM	Excess
3 Month		12.7%	12.6%	0.0%
Fiscal YTD		20.6%	20.5%	0.2%
1 Year		-9.7%	-9.8%	0.1%
3 Years				
5 Years				
10 Years				
Since Inception		-2.0%	-2.0%	0.0%

Rolling Performance*



* Partial returns shown in first quarter

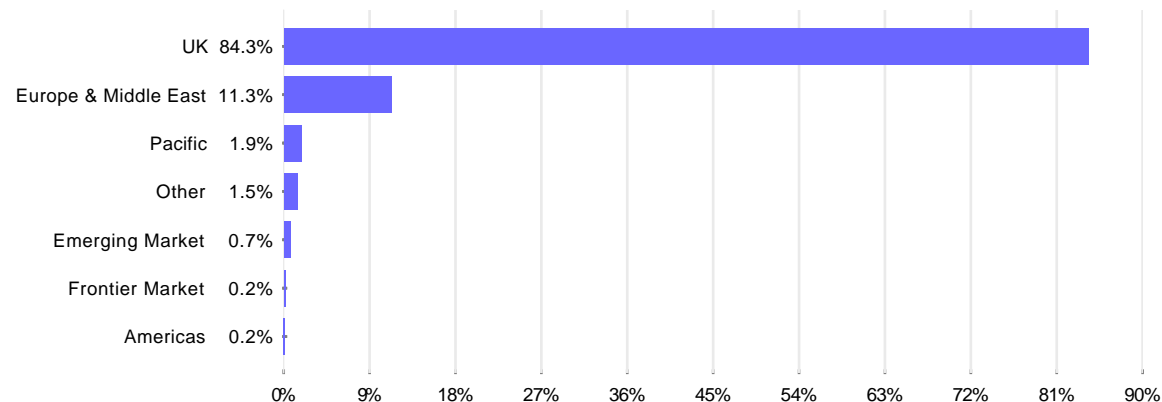
- The UK stock market performed well in Q4 2020, with the benchmark FTSE All-Share Index returning 12.6% through the period. The Brunel Passive UK Equities Fund performed in line with the benchmark, returning 12.7%.
- Most sectors performed positively over the period. Leading the rally in the UK market were sectors that have been most affected by Covid-19 and its implications, including oil and gas, financials and basic materials. Healthcare and technology, which previously experienced a tailwind from Covid concerns and restrictions, were the only negative-performing sectors over the quarter.
- The composition of the FTSE All-Share, with significant constituents in mining, energy, and financials, provided a considerable boost to performance, when comparing the performance of the index against its US and European peers. Whilst limited exposure to technology companies in the UK market has not benefitted the FTSE All-Share for much of the year, it proved advantageous when market sentiment changed in Q4.

Passive UK Equities – Region & Sector Exposure

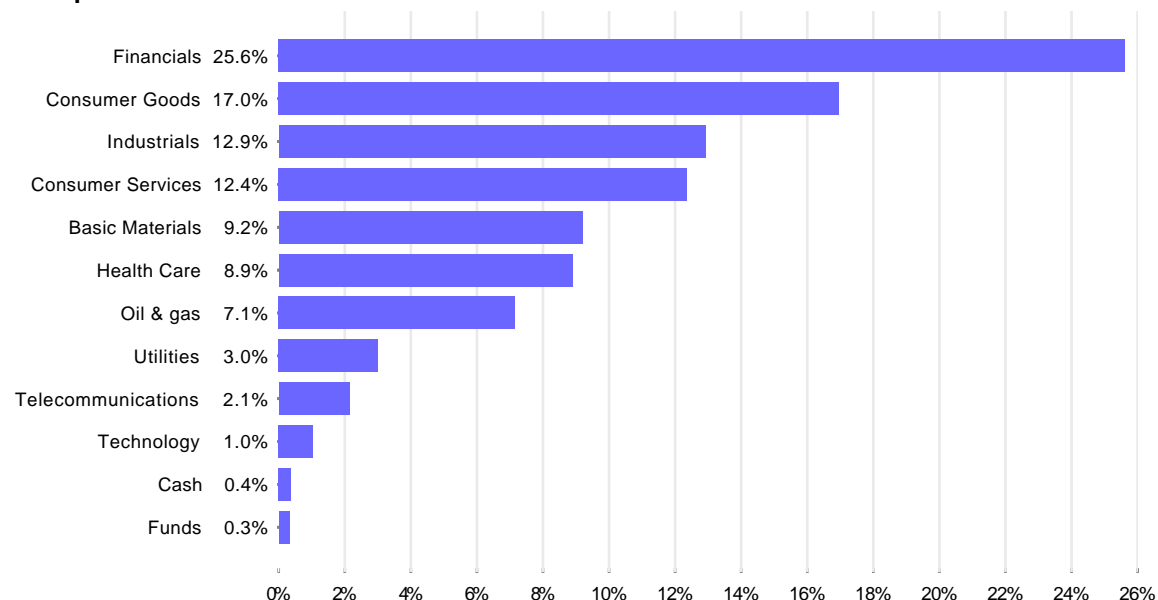
Top 20 Holdings

	Mkt. Val.(GBP)
UNILEVER PLC	39,933,296
ASTRAZENECA PLC	34,151,092
HSBC HOLDINGS PLC	27,492,266
GLAXOSMITHKLINE PLC	23,513,858
DIAGEO PLC	23,503,403
BRITISH AMERICAN TOBACCO PLC	21,916,829
RIO TINTO PLC	21,142,143
ROYAL DUTCH SHELL PLC-A SHS	19,004,565
BP PLC	18,032,047
ROYAL DUTCH SHELL PLC-B SHS	16,651,605
RECKITT BENCKISER GROUP PLC	14,689,555
BHP GROUP PLC	14,248,538
PRUDENTIAL PLC	12,506,592
RELX PLC	11,857,634
VODAFONE GROUP PLC	11,533,739
NATIONAL GRID PLC	10,800,878
ANGLO AMERICAN PLC	10,614,913
LONDON STOCK EXCHANGE GROUP	10,097,229
LLOYDS BANKING GROUP PLC	9,123,683
BARCLAYS PLC	9,024,583

Regional Exposure



Sector Exposure



Passive UK Equities – Responsible Investment

Top 10 ESG Contributors to Overall Score

	Insight	Momentum
1. NATIONAL GRID PLC	65.7	61.1
2. UNILEVER PLC	57.4	39.8
3. DIAGEO PLC	58.5	33.4
4. ROYAL DUTCH SHELL PLC	57.0	67.6
5. BP PLC	58.8	69.0
6. SSE PLC	67.3	63.4
7. CRH PLC	61.9	61.3
8. 3i GROUP PLC	69.8	62.5
9. ADMIRAL GROUP PLC	78.7	19.9
10. CRODA INTERNATIONAL PLC	70.3	21.3

*From Q4 onwards we have moved to the latest and enhanced version of Truvalue Labs data. Please see supplementary note on the Client portal for more detail.

Weighted Average ESG Score	2020 Q3	2020 Q4
Portfolio	58.4	58.9
Passive UK Equities	58.4	58.9

TruValue Labs & SASB

Brunel Assessment:

- HSBC (Bank) comes under pressure from shareholders on its climate ambitions. Investors, including Brunel, are calling on Europe's largest bank to set short and medium targets on fossil fuel lending that are in line with the goals of the Paris Agreement.
- Unilever (Consumer goods) have ramped up its sustainability efforts, setting \$1.2 billion sales target for meat and dairy alternatives and putting climate change plans to shareholder votes. The consumer goods giant has also said that by 2030 it will refuse to do business with any firm not paying at least the living wage to all staff.
- SSE (Utilities) network business has become the first Distribution and Network Operator in the UK to set science-based targets to meet the goals of the Paris Agreement. SSE has also reached an agreement to sell all of its gas exploration assets as the company focuses on its renewables businesses.

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

The carbon intensity of the benchmark (and index tracking Portfolio) remained largely unchanged this quarter.

Bottom 10 ESG Detractors to Overall Score

	Insight	Momentum
1. RSA INSURANCE GROUP PLC	32.2	22.7
2. FLUTTER ENTERTAINMENT PLC	45.1	66.2
3. PRUDENTIAL PLC	48.4	21.6
4. BARCLAYS PLC	45.5	73.1
5. RECKITT BENCKISER GROUP PLC	46.1	83.3
6. EXPERIAN PLC	39.6	61.5
7. BRITISH AMERICAN TOBACCO PLC	48.3	50.0
8. ASTRAZENECA PLC	50.0	50.0
9. GLAXOSMITHKLINE PLC	45.7	51.2
10. HSBC HOLDINGS PLC	44.5	38.5

* Position 1 is the top contributor/detractor.



Weighted Average Carbon Intensity (WACI)



Source: Trucost

Extractive Exposure

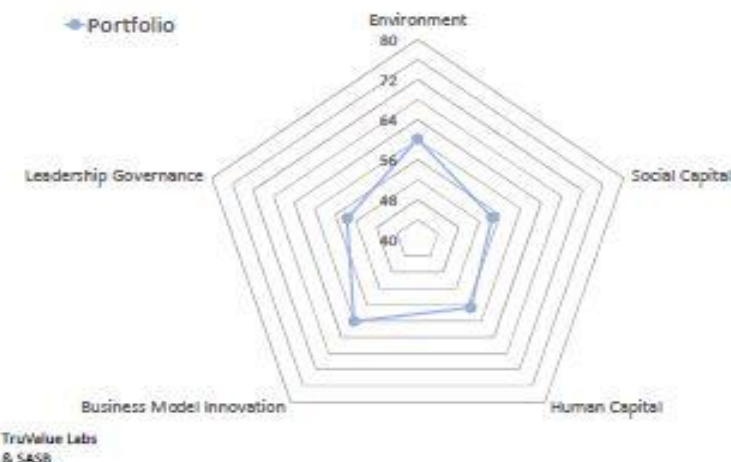
	Total Extractive Exposure ¹		Extractive Industries (VOH) ²	
	Q3	Q4	Q3	Q4
Portfolio	5.6	5.5	17.6	19.2
Passive UK EQ	5.6	5.5	17.6	19.2

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

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

Source: Trucost

Absolute Weighted ESG Scores



TruValue Labs & SASB

Brunel Diversifying Returns Fund

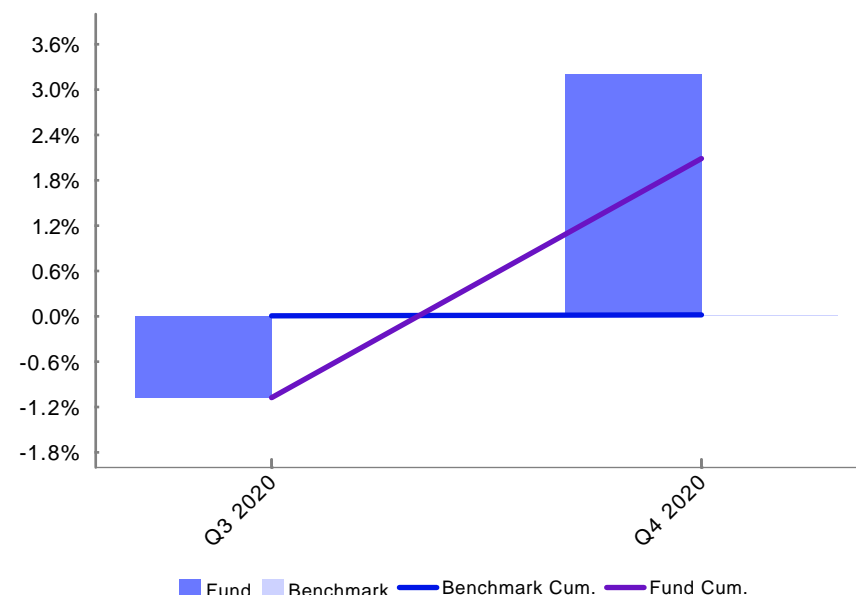
Overview

	Description
Portfolio Objective:	Provide exposure to a range of alternative return drivers and a degree of downside protection from equity risk.
Investment Strategy & Key Drivers:	Actively managed to achieve growth at moderate absolute risk, diversified between asset classes and by geography.
Liquidity:	Managed Liquidity.
Risk/Volatility:	Moderate absolute risk against cash.
Total Fund Value:	£1,241,943,040

Performance to Quarter End

Ann. Performance	Fund	BM	Excess
3 Month	3.2%	0.0%	3.2%
Fiscal YTD			
1 Year			
3 Years			
5 Years			
10 Years			
Since Inception	2.1%	0.0%	2.1%

Rolling Performance*



* Partial returns shown in first quarter

This was the Diversifying Returns Fund's first full quarter since launch. For the quarter, the fund returned 3.3%, ahead of its cash +3-5% target. Pleasingly, it stood up well to the drawdown test in the last two weeks of October, when MSCI World, as measured in GBP, fell 6.5% – the ninth largest market sell-off since the 2013 “Taper Tantrum”. The Diversifying Returns Fund fell just 2.0% over the same period.

Markets swiftly recovered and moved to new highs by year-end. The DRF portfolio should not be expected to keep pace with such strong upward moves – it is designed to provide returns in the cash +3-5% zone. Between its mid-August performance inception date and year-end, it returned 2.2%, right on target.

The manager allocations remained within their strategic ranges throughout the period and there were no notable changes to positioning by the managers of the underlying strategies.

Continued Commentary

- Lombard Odier captured some of the upward swing in markets, as their model moved up swiftly from neutral to positive. The indicators they monitor were strong for all markets bar government bonds, which are neutral but on a falling trend. While overall risk is similar to where it was at the start of 2020, there is a higher allocation to defensive assets.
- JPMorgan fell slightly. Its value factor failed to capture the surge following November's vaccine announcement. This appears to be due to an overlap with the quality factor, where the team avoids the stocks most likely to become insolvent, but these "junk" stocks rallied most strongly, particularly in the US.
- William Blair increased its equity risk to its long-run average and has higher-than-normal exposure to emerging market currencies. They see these risks as likely to be rewarded as the world rolls out vaccinations.
- UBS had a particularly strong quarter, as markets moved to a "risk on" footing and drove up the value of many of the positions that had caused it to underperform in the previous quarter.

Brunel Emerging Market Equity

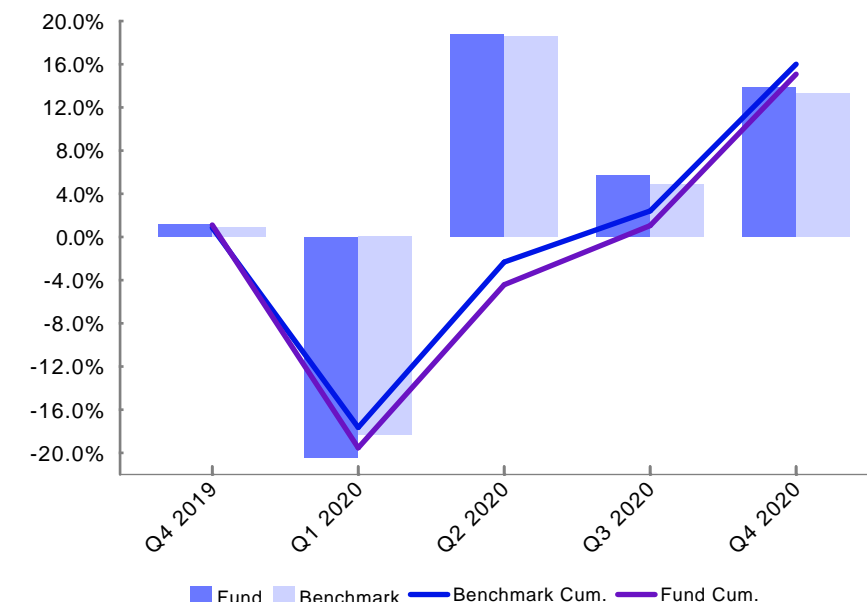
Overview

	Description
Portfolio Objective:	Provide exposure to emerging market equities, targeting excess returns and enhanced risk control from leading managers.
Investment Strategy & Key Drivers:	A geographically diverse portfolio, typically expected to achieve higher long-term growth rates than developed economies.
Liquidity:	Managed liquidity. Less exposure to more illiquid assets
Risk/Volatility:	High absolute risk with moderate to high relative risk, around 5% tracking error.
Total Fund Value:	£1,455,385,013

Performance to Quarter End

	Ann. Performance	Fund	BM	Excess
3 Month		13.9%	13.3%	0.6%
Fiscal YTD		43.0%	40.9%	2.2%
1 Year		13.8%	15.0%	-1.2%
3 Years				
5 Years				
10 Years				
Since Inception		13.0%	13.8%	-0.8%

Rolling Performance*



* Partial returns shown in first quarter

Emerging market equities saw a significant recovery in Q4 2020, no different to developed market counterparts. The vaccine news, announced on 9 November, caused a significant re-rating in equity markets, most notably in banks and distressed consumer franchises worldwide. The technology-orientated winners from the earlier stages of the pandemic, such as Tencent and Alibaba, saw a reversal in fortunes and significantly lagged the broader market. Levels of stock market recovery were observed broadly across emerging market countries; 25 out of the 28 country constituents in MSCI Emerging Markets – a proxy for emerging market equities – managed to make a positive return. 19 of these countries returned over 10% in GBP terms, which is very significant compared to history.

Despite the significant reduction in economic activity, and the subsequent hit to company earnings worldwide, emerging market equities returned an impressive +15% over the calendar year in GBP terms.

The portfolio had a strong quarter in both absolute and relative terms. Total return over the quarter was +13.9% in GBP terms, which was +0.6% ahead of MSCI Emerging Markets. Wellington significantly outperformed the benchmark, returning +15.4% over the quarter, 2.1% ahead of benchmark. Ninety One

Brunel Emerging Market Equity

Continued Commentary

and Genesis remained closer to benchmark, returning +13.3% and +13.6% respectively.

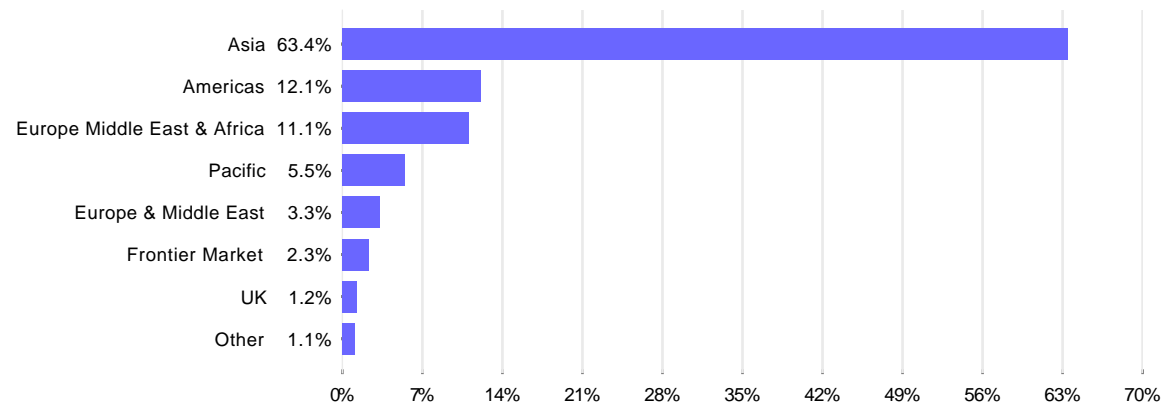
- Country allocation proved favourable for the portfolio over the last quarter. China was one of the benchmark laggards, returning +5% over the period, significantly less than the +13.9% index level return. Hence, the 4% underweight position in China – predominantly driven by Genesis – contributed positively to relative performance. The overall country allocation impact remains negative on a since-inception basis, mostly due to the significant outperformance of China vs the rest of emerging markets. China has returned roughly +28% since inception vs a benchmark return of +16%.
- Stock selection remained strong for the second successive quarter and was a significant contributor to relative performance. The November vaccine announcement caused a re-rating in many distressed consumer, energy and financial franchises. Examples of this within the portfolio include Jjangsu Yanghe Brewery, HDFC Bank and China Longyuan Power, which appreciated by 86%, 37% and 52% respectively.
- Style had a limited impact on portfolio performance in Q4 2020, since the slight overweight positioning in higher quality names did not materially impact relative performance. Quality names, proxied by the MSCI Emerging Markets Quality Index, underperformed by roughly 1% over the quarter. As observed in developed markets, value securities also outperformed other styles in emerging markets. Value stocks outperformed the benchmark by 3%, which detracted from relative performance, given the slight underweight positioning vs benchmark.
- The portfolio has now outperformed the benchmark for 3 consecutive quarters; however, since-inception performance remains behind benchmark on a net-of-fees basis. The portfolio was 75bps behind MSCI Emerging Markets as at December 2020.

Brunel Emerging Market Equity – Region & Sector Exposure

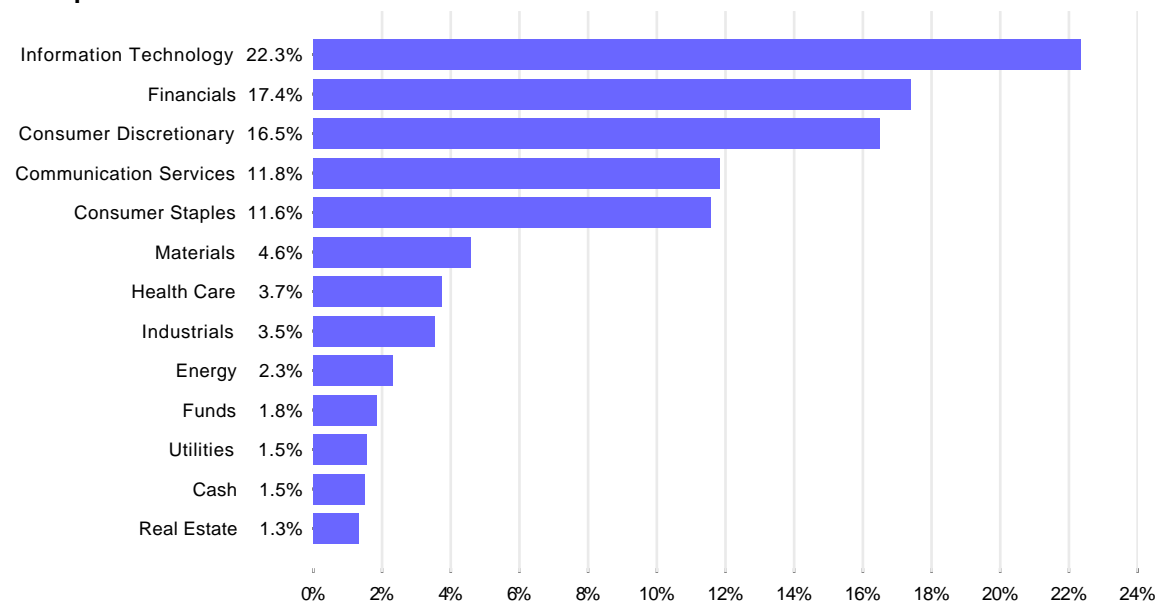
Top 20 Holdings

	Mkt. Val.(GBP)
TAIWAN SEMICONDUCTOR MANUFAC	89,297,687
TENCENT HOLDINGS LTD	76,826,423
SAMSUNG ELECTRONICS CO LTD	55,730,304
ALIBABA GROUP HOLDING-SP ADR	39,587,891
ALIBABA GROUP HOLDING LTD	29,299,648
AIA GROUP LTD	26,601,209
SBERBANK PJSC -SPONSORED ADR	23,945,960
HDFC BANK LTD-ADR	18,606,234
WULIANGYE YIBIN CO LTD-A	17,909,559
ISHARES MSCI INDIA ETF	17,047,711
INFOSYS LTD-SP ADR	16,744,584
PING AN INSURANCE GROUP CO-H	15,403,375
SAMSUNG ELECTRONICS-PREF	14,668,798
MEDIATEK INC	13,882,994
NASPERS LTD-N SHS	13,795,543
CHINA CONSTRUCTION BANK-H	12,134,280
YANDEX NV-A	11,970,524
BID CORP LTD	10,949,038
NEW ORIENTAL EDUCATIO-SP ADR	10,515,580
BANK CENTRAL ASIA TBK PT	9,994,163

Regional Exposure



Sector Exposure



Brunel Emerging Market Equity – Responsible Investment

Top 10 ESG Contributors to Overall Score

	Insight	Momentum
1. TAIWAN SEMICONDUCTOR MANUFACTURING	64.2	40.8
2. DELTA ELECTRONICS INC	77.4	50.0
3. CHINA LONGYUAN POWER GROUP CORP LTD	69.8	50.0
4. OPAP SA	68.6	86.9
5. SINO-AMERICAN SILICON PRODUCTS INC	73.3	26.9
6. HANON SYSTEMS	71.0	84.0
7. MEDIATEK INC	59.8	36.4
8. GRUMA SAB DE CV	65.0	86.2
9. SBERBANK OF RUSSIA PISC	56.6	71.4
10. GLOBALWAFERS CO LTD	66.7	84.7

* From Q4 onwards we have moved to the latest and enhanced version of TruValue Labs data.
Please see supplementary note on the Client portal for more detail.

Weighted Average ESG Score	2020 Q3	2020 Q4
Portfolio	58.3	59.3
MSCI EM	57.5	59.0

TruValue Labs & SASB

Bottom 10 ESG Detractors to Overall Score

	Insight	Momentum
1. WAL-MART DE MEXICO SAB DE CV	42.6	73.1
2. TAL EDUCATION GROUP	42.0	13.4
3. GRUPO MEXICO SAB DE CV	43.3	33.0
4. COGNIZANT TECHNOLOGY SOLUTIONS CORP	34.1	40.0
5. NETEASE INC	40.6	70.4
6. PETROLEO BRASILEIRO SA	38.1	72.4
7. ALIBABA GROUP HOLDING LTD	51.0	29.5
8. WULIANGYE YIBIN CO LTD	40.9	89.2
9. SAMSUNG ELECTRONICS CO LTD	48.2	72.1
10. TENCENT HOLDINGS LTD	47.6	39.5

* Position 1 is the top contributor/detractor.



Weighted Average Carbon Intensity (WACI)



Source: Trucost

Extractive Exposure

	Total Extractive Exposure ¹		Extractive Industries (VOH) ²	
	Q3	Q4	Q3	Q4
Portfolio	3.0	2.5	3.1	4.0
MSCI EM	3.2	2.9	8.0	8.0

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

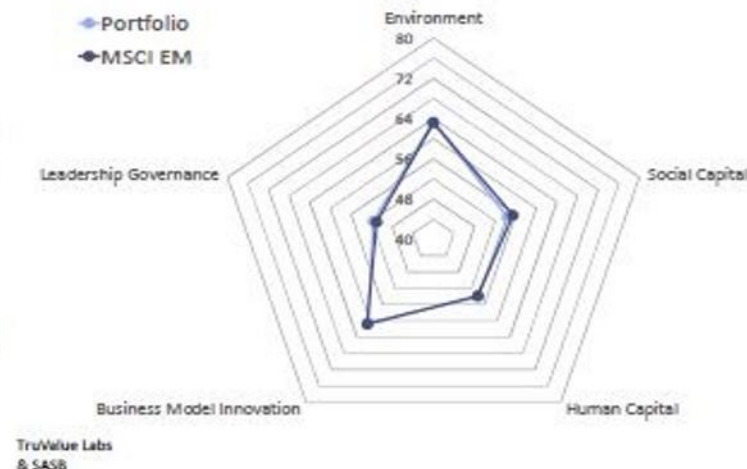
Brunel Assessment:

- TAL Education Group (Education), China's biggest e-learning company, is under investigation by The United States Court of Appeals as a securities suit against the company is revived. Investors have come forward to support US claims that TAL are secretly controlling two companies in which they invest.
- Regulators in China have warned the country's tech giants that they face closer scrutiny as both Tencent and Alibaba are fined for failing to report past deals for anti-trust reviews. An investigation is underway by Chinese regulators who accuse Alibaba of 'suspected monopolist conduct'.
- MediaTek (Semiconductors) are launching a new line of smartphone chips and processors that will help bring more competition to affordable devices. The new chips are 28% more energy efficient, helping to reduce battery drain when using 5G, whilst the new processors should help to increase the supply of lower-cost laptops.

80% of the bottom 10 ESG detractors are covered by engagement or specific voting activities.

The carbon intensity of the Portfolio and its benchmark increased over the quarter, following market movements. This was a result of falling revenues in the energy sector, causing the Weighted Average Carbon Intensity (WACI) measure (Tonnes CO2eq/\$m sales) to increase for certain companies. We continue to monitor the longer term WACI trend, alongside other carbon metrics.

Absolute Weighted ESG Scores



TruValue Labs & SASB

Brunel Global High Alpha Equity

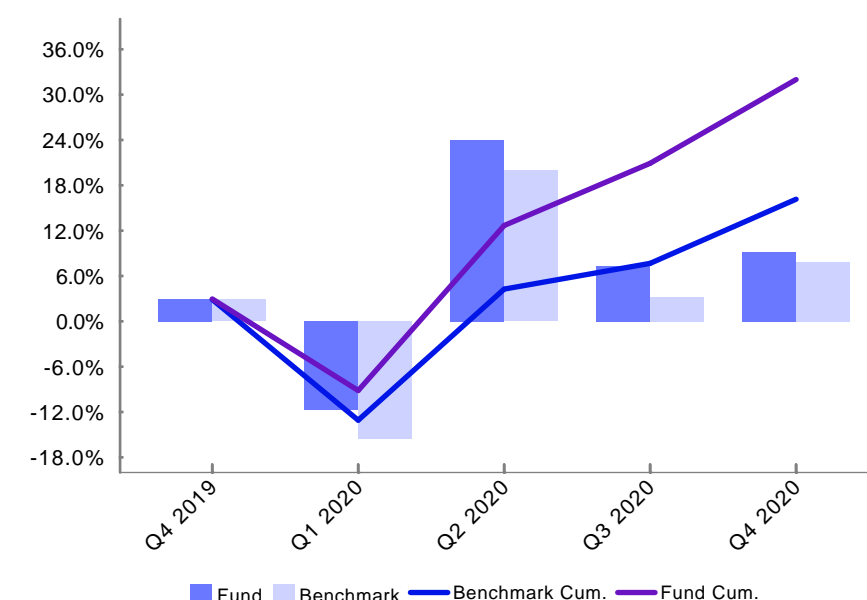
Overview

	Description
Portfolio Objective:	Provide global equity market exposure together with excess returns from accessing leading managers.
Investment Strategy & Key Drivers:	High conviction, concentrated portfolios with strong style/factor biases invested in a unconstrained manner.
Liquidity:	Managed liquidity. Less exposure to more illiquid assets.
Risk/Volatility:	High absolute risk with moderate to high relative risk, around 5-6% tracking error.
Total Fund Value:	£3,405,020,471

Performance to Quarter End

	Ann. Performance	Fund	BM	Excess
3 Month		9.2%	7.9%	1.3%
Fiscal YTD		45.3%	33.6%	11.6%
1 Year		28.2%	12.9%	15.3%
3 Years				
5 Years				
10 Years				
Since Inception		29.6%	15.0%	14.6%

Rolling Performance*



* Partial returns shown in first quarter

Over the quarter, global equity markets were driven by the announcement of an effective COVID-19 vaccine in November and, to a lesser extent, the US election in the same month. The market reacted positively, and developed market equities (proxied by MSCI World) delivered a return of 7.9% (in GBP terms) for the quarter. Within that aggregate performance, a significant market rotation occurred on the vaccine news, out of stocks deemed to have prospered from the COVID-19-induced slowdown, and into those stocks most hurt by the pandemic. The two best-performing sectors by far were energy and financials.

Against this backdrop, the sub-fund returned 9.2% over the quarter, outperforming the benchmark by 1.3%. Added to the strong relative returns since launch in December 2019, this amounted to an outperformance of 14.6% above benchmark since inception (on an annualised basis).

Over the reporting period, the outperformance was largely driven by stock selection, with particularly strong performance in the consumer discretionary and information technology sectors. On an allocation basis, the negative impact of being underweight the energy and financial sectors was offset by being underweight in poor-performing sectors such as consumer staples and utilities. On a country allocation basis, the sub-fund's underweight to the US and

Continued Commentary

overweight to China did not drive performance during the quarter.

Manager performance continues to reflect the different investment styles of the managers. It was pleasing to see Harris perform strongly in market conditions that rewarded its value-driven approach.

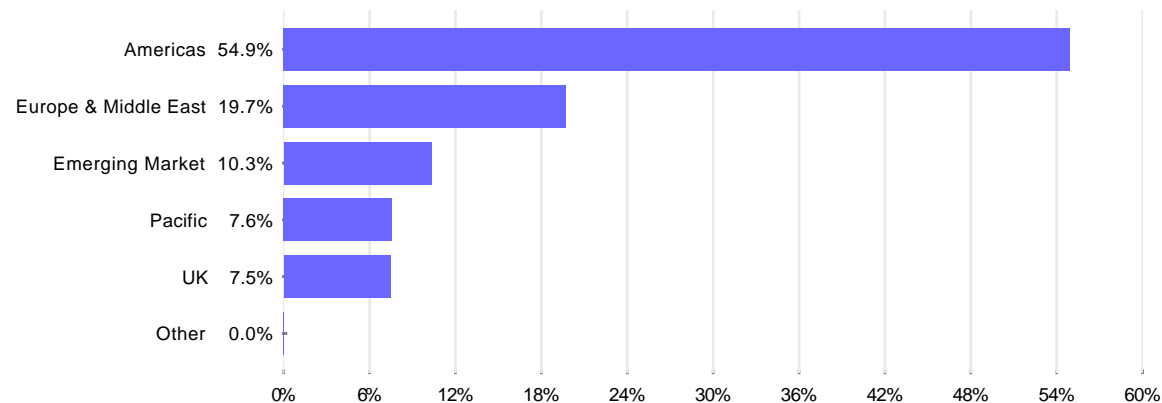
During the quarter, £45m was redeemed from the portfolio to help fund client investments in the Brunel Small Cap Global Equity Fund launch. The outflow was used to rebalance the manager allocations back towards target.

Brunel Global High Alpha Equity – Region & Sector Exposure

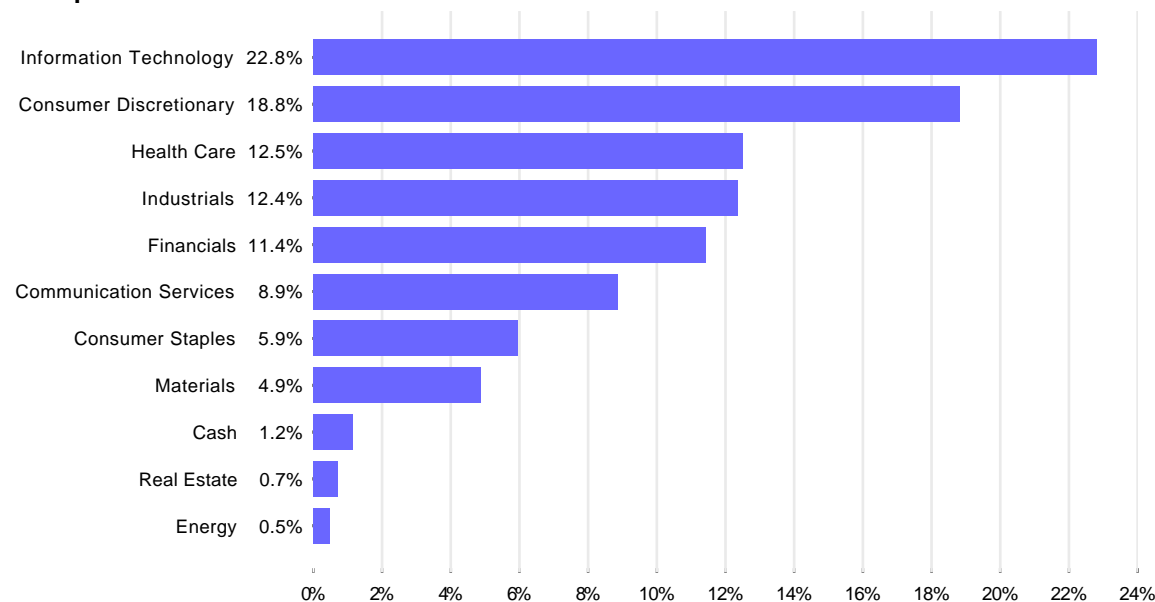
Top 20 Holdings

	Mkt. Val.(GBP)
MICROSOFT CORP	120,589,293
MASTERCARD INC - A	99,931,678
KEYENCE CORP	81,569,128
ALPHABET INC-CL A	75,838,734
TAIWAN SEMICONDUCTOR-SP ADR	70,347,376
MOODY'S CORP	69,897,567
NESTLE SA-REG	63,101,900
TJX COMPANIES INC	61,940,713
TESLA INC	52,410,824
AMAZON.COM INC	51,938,485
ALIBABA GROUP HOLDING-SP ADR	50,346,388
SCHWAB (CHARLES) CORP	50,033,507
TENCENT HOLDINGS LTD	49,915,314
NIKE INC -CL B	49,584,863
JOHNSON & JOHNSON	49,391,837
FACEBOOK INC-CLASS A	45,725,708
ASML HOLDING NV	45,508,181
NIDEC CORP	43,333,153
APTIV PLC	37,846,732
MSCI INC	37,736,365

Regional Exposure



Sector Exposure



Brunel Global High Alpha Equity – Responsible Investment

Top 10 ESG Contributors to Overall Score

	Insight	Momentum
1. TAIWAN SEMICONDUCTOR MANUFACTURING	64.2	40.8
2. NIDECC CORP	64.3	29.4
3. ASML HOLDING NV	62.8	87.5
4. MIURATA MANUFACTURING CO LTD	66.1	86.3
5. NESTLE SA	59.6	57.0
6. EUROFINS SCIENTIFIC SE	68.8	91.5
7. ADMIRAL GROUP PLC	78.7	19.9
8. WORKDAY INC	73.7	28.5
9. RECRUIT HOLDINGS CO LTD	64.9	18.8
10. SPIRAX-SARCO ENGINEERING PLC	68.2	64.4

*From Q4 onwards we have moved to the latest and enhanced version of Truvalue Labs data.
Please see supplementary note on the Client portal for more detail.

Weighted Average ESG Score	2020 Q3	2020 Q4
Portfolio	58.6	58.6
MSCI World	58.4	58.6

TruValue Labs & SASB

Bottom 10 ESG Detractors to Overall Score

	Insight	Momentum
1. TENCENT HOLDINGS LTD	47.6	39.5
2. BECTON DICKINSON AND CO	42.7	73.8
3. NIKE INC	46.5	65.2
4. TJX COS INC/THE	47.4	31.3
5. MICROSOFT CORP	49.5	47.0
6. AUTOZONE INC	32.6	80.8
7. FACEBOOK INC	41.1	54.9
8. JOHNSON & JOHNSON	41.5	84.3
9. VERISK ANALYTICS INC	34.9	28.1
10. ALPHABET INC	44.6	62.2

* Position 1 is the top contributor/detractor.



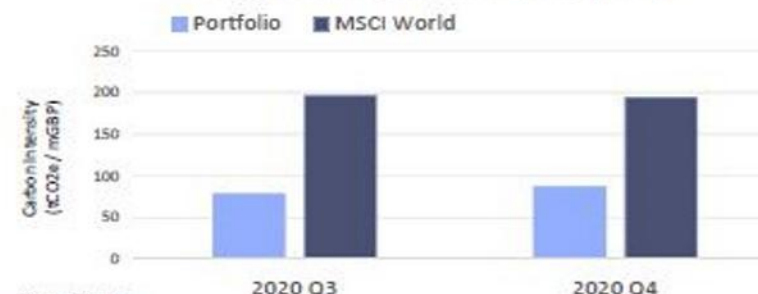
Brunel Assessment:

- Verisk Analytics (Data Services)** services the insurance industry which was hit by Hurricane Laura. Verisk is focused on nurturing an inclusive environment with diverse perspectives, backgrounds, and people, with programs tailored to those who are starting or re-starting their careers. It has achieved 'Great Place to Work-Certified™' for the fifth time.
- Workday Inc (Software & IT Services)** has launched new VIBE™ Solutions to equip HR leaders to advance belonging and diversity. The VIBE index measures talent acquisition, development, promotion, employee experience and workplace culture.
- Recruit Holdings Co (Services)** provides platforms for job searching such as Indeed and Glassdoor. Glassdoor rolled out a new diversity and inclusion feature for jobseekers.
- Becton Dickinson and Co (Medical Equipment)** settled a \$60 million lawsuit over faulty surgical mesh. Positive momentum driven by the roll out of rapid covid detection tests.

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

The Portfolio continues to have a carbon intensity significantly lower than its benchmark. Revenues from extractive activity are half that of its benchmark.

Weighted Average Carbon Intensity (WACI)



Source: Trucost

Extractive Exposure

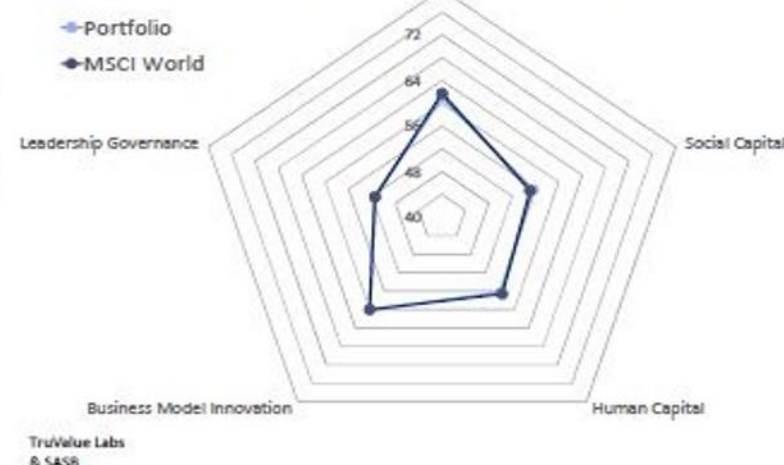
	Total Extractive Exposure ¹		Extractive Industries (VOH) ²	
	Q3	Q4	Q3	Q4
Portfolio	1.8	1.6	2.8	3.3
MSCI World	3.3	3.2	7.4	7.5

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

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

Source: Trucost

Absolute Weighted ESG Scores



TruValue Labs & SASB

Brunel Global Sustainable Equities

Overview

Performance to Quarter End

	Description	Ann. Performance	Fund	BM	Excess
Portfolio Objective:	To provide exposure to global sustainable equities markets, including excess returns from manager skill and ESG considerations.	3 Month			
		Fiscal YTD			
Investment Strategy & Key Drivers:	Actively managed, diversified by sector and geography. Consideration for a companies Environmental & Social sustainability.	1 Year			
		3 Years			
Liquidity:	Managed Liquidity.	5 Years			
		10 Years			
Risk/Volatility:	High, representing an equity portfolio.	Since Inception	6.9%	6.5%	0.4%
Total Fund Value:	£1,551,616,399				

The Global Sustainable Equity Fund launched on 19 October. Since the inception of the fund, the MSCI ACWI index has returned 6.5%, whilst the portfolio has returned 6.9% on a net-of-fees basis.

- On 9 November, Pfizer/BioNTech announced a Covid-19 vaccine, with 90% efficacy, that brought renewed hope to the cyclical value parts of the market that had largely underperformed in the year to date. In November, we also saw Joe Biden become president-elect and the Democrats come close to a "clean sweep" of the US House of Representatives and Senate, a result which was confirmed in January. This brought the potential for further stimulus to the US economy. The best-performing sectors since inception were energy and banks, returning 19% and 18% respectively. The portfolio is underweight to both sectors, as they are commonly represented by companies with weak sustainability characteristics.
- Given the headwinds faced by the portfolio, and on the back of a value rally, we are pleased that the fund has provided a level out performance, given that it is primarily growth/quality-focused. Nordea and RBC outperformed the benchmark and returned 7.4% and 7.3% respectively, with Ownership

Continued Commentary

performing in line with the index, with returns of 6.5%.

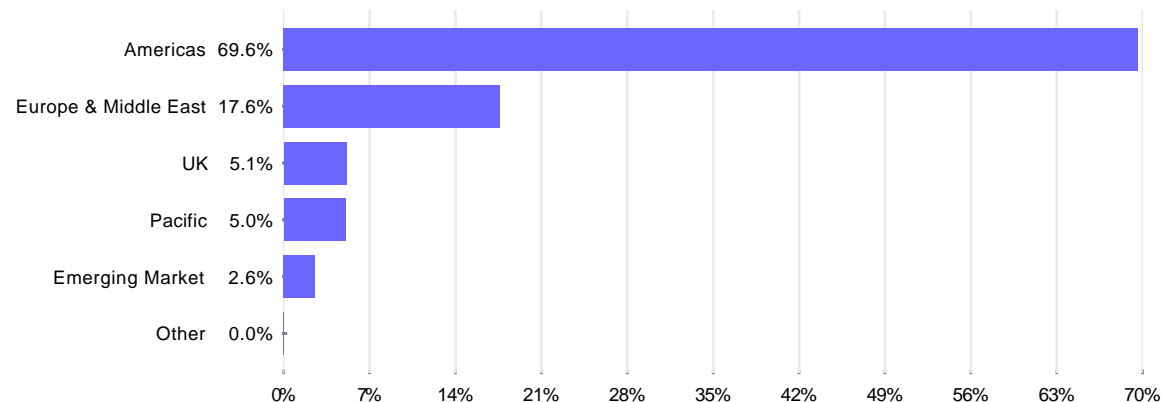
- We also take comfort that the three managers were able to generate alpha from different parts of the market through their stock selection, and that they therefore continue to provide diversification.
- Whilst it is still very early in this portfolio's journey, we are pleased with the performance shown so far. We are also pleased that the portfolio's sustainable characteristics are aligned with those expressed during the construction phase. The fund exhibits a carbon reduction outcome relative to the MSCI ACWI of ~40%, as well as demonstrating an ESG score that is superior to the benchmark, as measured by our ESG data provider.

Brunel Global Sustainable Equities – Region & Sector Exposure

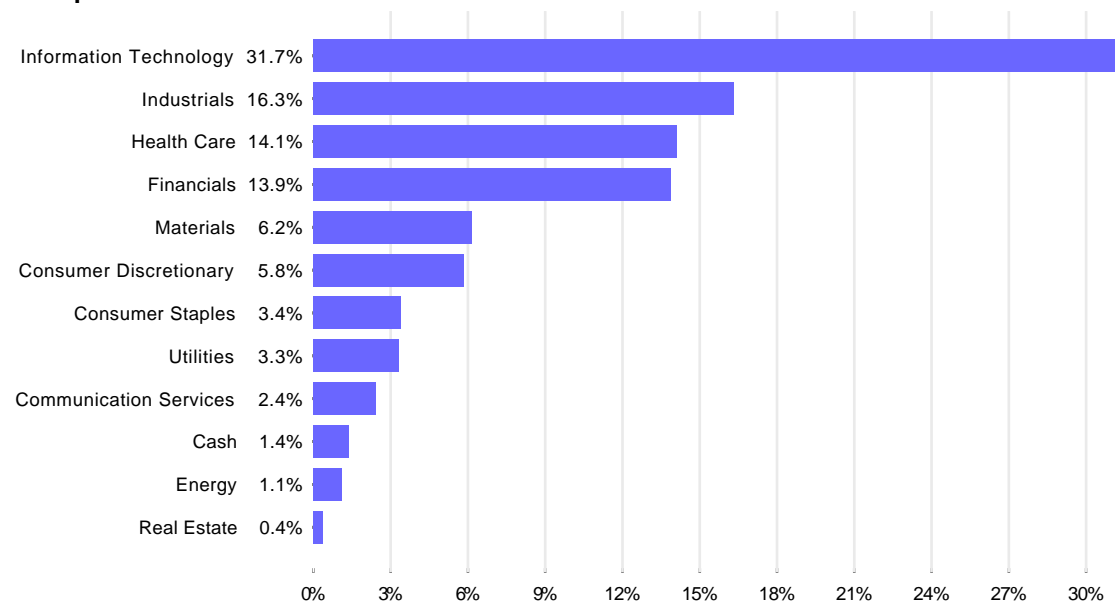
Top 20 Holdings

	Mkt. Val.(GBP)
MARKETAXESS HOLDINGS INC	46,045,692
MASTERCARD INC - A	36,973,002
ANSYS INC	36,103,133
ADYEN NV	35,747,853
WORKDAY INC-CLASS A	28,021,492
PTC INC	27,648,779
MASIMO CORP	27,278,593
ECOLAB INC	22,881,179
INTUIT INC	22,112,893
EDWARDS LIFESCIENCES CORP	22,074,743
MICROSOFT CORP	21,974,819
INTERCONTINENTAL EXCHANGE IN	21,617,587
PAYPAL HOLDINGS INC	21,517,520
VERISK ANALYTICS INC	21,272,367
TRADEWEB MARKETS INC-CLASS A	20,597,786
ROCHE HOLDING AG-GENUSSCHEIN	20,149,116
TYLER TECHNOLOGIES INC	18,802,714
ALPHABET INC-CL A	18,322,893
UNITEDHEALTH GROUP INC	18,184,037
BIO-TECHNE CORP	18,096,331

Regional Exposure



Sector Exposure



Brunel Global Sustainable Equities – Responsible Investment

Top 10 ESG Contributors to Overall Score

	Insight	Momentum
1. WORKDAY INC	73.7	28.5
2. ECOLAB INC	71.4	62.4
3. ORSTED AS	72.3	34.8
4. ANSYS INC	65.1	67.9
5. PTC INC	65.5	71.8
6. MASIMO CORP	64.6	83.8
7. FORTIVE CORP	70.2	27.6
8. MARKETAXESS HOLDINGS INC	61.5	33.9
9. CRODA INTERNATIONAL PLC	70.3	21.3
10. TERADYNE INC	75.2	77.1

*From Q4 onwards we have moved to the latest and enhanced version of TruValue Labs data. Please see supplementary note on the Client portal for more detail.

Weighted Average ESG Score	2020 Q3	2020 Q4
Portfolio		62.9
MSCI ACWI		58.7

TruValue Labs & SASB

Brunel Assessment:

- Verisk Analytics (Data Services) services the insurance industry which was hit by Hurricane Laura. Verisk is focused on nurturing an inclusive environment with diverse perspectives, backgrounds, and people, with programs tailored to those who are starting or re-starting their careers. It has achieved 'Great Place to Work-Certified™' for the fifth time.
- Workday Inc (Software & IT Services) has launched new VIBE™ Solutions to equip HR leaders with advancing belonging and diversity. The VIBE index measures talent acquisition, development, promotion, employee experience and workplace culture.
- Ecolab (Services) has been named in CDP's climate and water security "A List", recognising the company as a global leader in corporate environmental ambition, action, and transparency.
- Alphabet (Big Tech) regulatory scrutiny continues to grow worldwide for tech giants. The EU is presenting rules that require providers to do more to tackle illegal content, misuse and political advertising. Anti-competition fines of up to 10% of annual turnover could be introduced.

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

As expected from this Sustainable Portfolio, the carbon intensity and exposure to extractive industries are significantly below benchmark. The Portfolio has considerably higher ESG scores compared to its Benchmark across Environment, Social and Human Capital categories.

Bottom 10 ESG Detractors to Overall Score

	Insight	Momentum
1. CME GROUP INC	44.9	32.1
2. AMAZON.COM INC	49.6	58.1
3. ROCHE HOLDING AG	50.5	38.1
4. VISA INC	48.3	45.1
5. TJX COS INC/THE	47.4	31.3
6. MICROSOFT CORP	49.5	47.0
7. PAYPAL HOLDINGS INC	49.0	70.5
8. INTERCONTINENTAL EXCHANGE INC	47.3	71.1
9. ALPHABET INC	44.6	62.2
10. VERISK ANALYTICS INC	34.9	28.1

* Position 1 is the top contributor/detractor.



Weighted Average Carbon Intensity (WACI)



Source: Trucost

Extractive Exposure

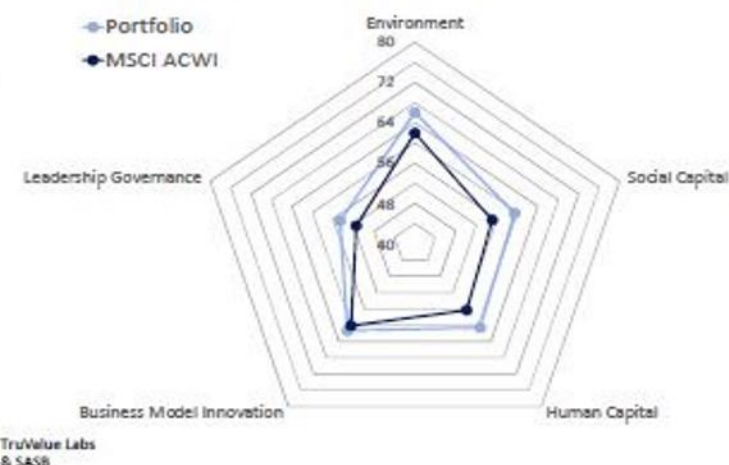
	Total Extractive Exposure ¹		Extractive Industries (VOH) ²	
	Q3	Q4	Q3	Q4
Portfolio		1.7		3.4
MSCI ACWI		3.1		7.5

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

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

Source: Trucost

Absolute Weighted ESG Scores



TruValue Labs & SASB

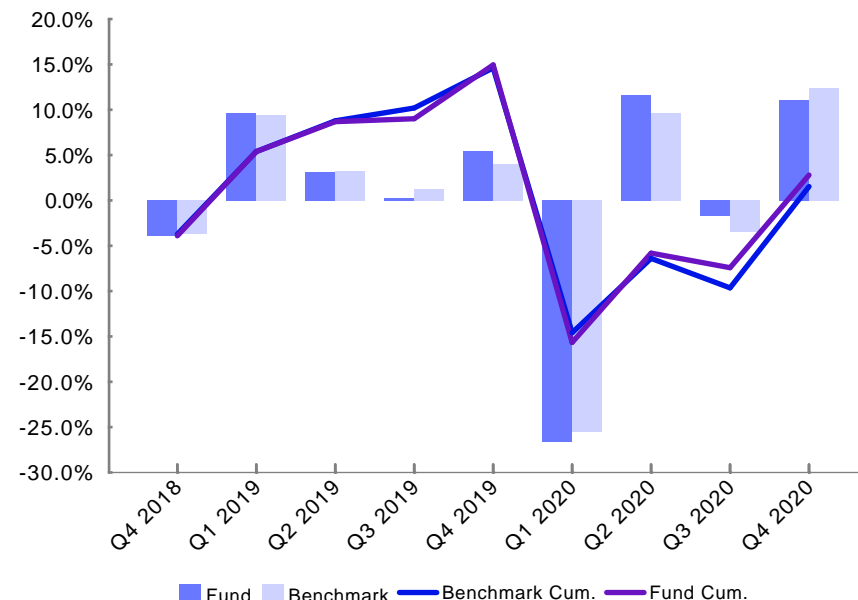
Overview

	Description
Portfolio Objective:	Provide exposure to UK Equities, together with enhanced returns from manager skill.
Investment Strategy & Key Drivers:	Skilled managers will create opportunities to add long term value through stock selection and portfolio construction.
Liquidity:	Managed level of liquidity. Less exposure to more illiquid assets.
Risk/Volatility:	High absolute risk with moderate relative risk, around 4% tracking error.
Total Fund Value:	£1,375,034,922

Performance to Quarter End

	Ann. Performance	Fund	BM	Excess
3 Month		11.0%	12.4%	-1.3%
Fiscal YTD		21.9%	18.9%	3.0%
1 Year		-10.6%	-11.4%	0.8%
3 Years				
5 Years				
10 Years				
Since Inception		1.3%	0.7%	0.6%

Rolling Performance*



* Partial returns shown in first quarter

News flow continued to impact UK equities in the fourth quarter. Growth forecasts improved as Covid-19 vaccines were approved and the US election outcome became clear. The UK struck a trade deal on goods with the EU, addressing another point of uncertainty. In light of these events, exposure to cyclical sectors helped drive strong performance in the UK stock market.

Despite strong performance in the fourth quarter, 2020 was challenging for UK equities, which underperformed global markets over the year.

With a more virulent form of the Covid-19 virus sending the UK back into lockdowns, and a trade deal on services still to be agreed with the EU, we expect volatility to remain elevated in the near term.

- The fund provided an absolute return of 11.0% in the quarter, underperforming the benchmark FTSE All-Share ex Investment Trust Index by 1.3%. Since inception, the fund has returned 1.3%, which is 0.6% more than the benchmark index.

Continued Commentary

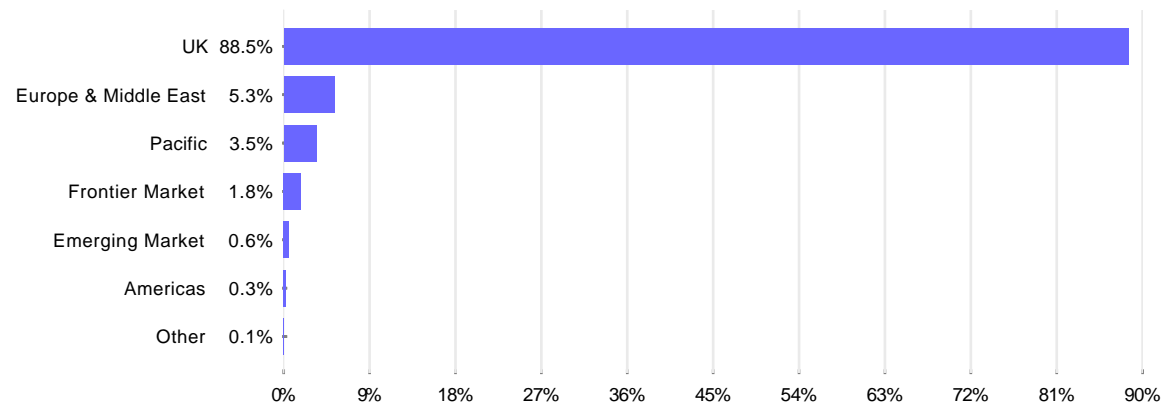
- The fund's underweight position to larger healthcare companies made a positive contribution to relative performance, offsetting the negative impact arising from the underweight to the oil and gas sector, which performed strongly. Stock selection in the consumer services sector detracted from relative returns.
- Baillie Gifford outperformed the benchmark over the quarter. Stock selection was very strong in the industrial sector, which itself performed well. Invesco's performance was behind the benchmark for the period. Exposure to the value factor made a positive contribution to relative performance, but was more than offset by the cumulative contribution of other factor exposures.

Brunel UK Active Equity – Region & Sector Exposure

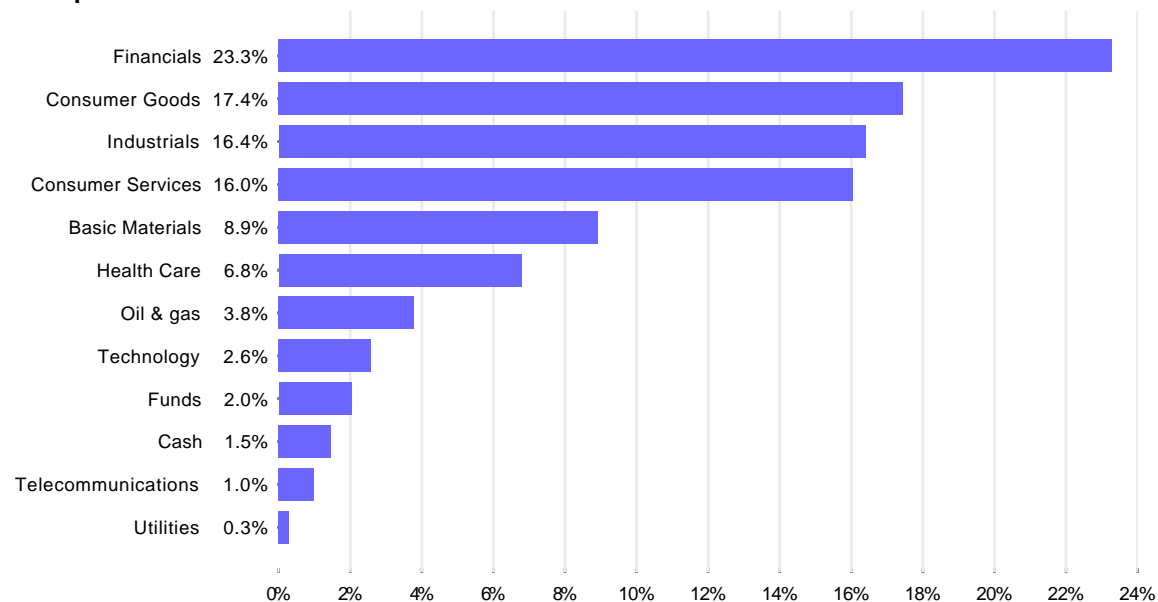
Top 20 Holdings

	Mkt. Val.(GBP)
RIO TINTO PLC	54,998,516
UNILEVER PLC	53,310,813
BRITISH AMERICAN TOBACCO PLC	49,200,564
BHP GROUP PLC	47,553,155
PRUDENTIAL PLC	42,677,309
RELX PLC	39,053,862
ASTRAZENECA PLC	37,578,678
DIAGEO PLC	35,840,882
LEGAL & GENERAL GROUP PLC	32,630,338
BAILLIE GIFFORD BR SM-C-ACC	28,045,381
BUNZL PLC	27,386,381
RIGHTMOVE PLC	26,963,800
AUTO TRADER GROUP PLC	25,182,334
HIKMA PHARMACEUTICALS PLC	25,116,256
HSBC HOLDINGS PLC	24,502,959
ST JAMES'S PLACE PLC	23,124,287
BARCLAYS PLC	22,030,862
EXPERIAN PLC	21,547,816
ROYAL DUTCH SHELL PLC-A SHS	20,504,689
FERGUSON PLC	18,996,262

Regional Exposure



Sector Exposure



Brunel UK Active Equity – Responsible Investment

Top 10 ESG Contributors to Overall Score

	Insight	Momentum
1. AUTO TRADER GROUP PLC	70.4	16.3
2. 3I GROUP PLC	69.8	62.5
3. LEGAL & GENERAL GROUP PLC	61.5	65.0
4. INTERMEDIATE CAPITAL GROUP PLC	65.6	69.9
5. TATE & LYLE PLC	71.1	32.4
6. RIGHTMOVE PLC	60.1	28.5
7. UNILEVER PLC	57.4	39.8
8. BUNZL PLC	59.9	24.0
9. DIAGEO PLC	58.5	33.4
10. MONDI PLC	66.5	57.2

*From Q4 onwards we have moved to the latest and enhanced version of Truvalue Labs data.
Please see supplementary note on the Client portal for more detail.

Weighted Average ESG Score	2020 Q3	2020 Q4
Portfolio	58.6	59.5
FTSE All Share (ex. Inv.)	58.4	58.8

TruValue Labs & SASB

Brunel Assessment:

- HSBC (Bank) comes under pressure from shareholders on its climate ambitions. Investors, including Brunel, are calling on Europe's largest bank to set short and medium targets on fossil fuel lending that are in line with the goals of the Paris Agreement.
- Unilever (Consumer goods) have ramped up its sustainability efforts, setting \$1.2 billion sales target for meat and dairy alternatives and putting climate change plans to shareholder votes. The consumer goods giant has also said that by 2030 it will refuse to do business with any firm not paying at least the living wage to all staff.
- Mondi (Packaging) has introduced new innovative logistics solutions for its larger paper reels that reduce transit times, waste and carbon emissions. The company produces 100% recycled specialty paper for shopping bags and has been trialling new digital watermarking technology for sorting waste at scale.

80% of the bottom 10 ESG detractors are covered by engagement or specific voting activities.

Brunel has engaged extensively to improve the carbon intensity of this Portfolio. There was strong commitment from the quantitative manager to manage climate risk in the investment process. The outcome has been to deliver a Portfolio with carbon intensity significantly below its benchmark. Since inception, carbon intensity has fallen from 210 to below 120 tCO₂e/£m.

Bottom 10 ESG Detractors to Overall Score

	Insight	Momentum
1. GLAXOSMITHKLINE PLC	45.7	51.2
2. INCHCAPE PLC	43.7	28.5
3. HISCOX LTD	30.2	23.0
4. ASTRAZENECA PLC	50.0	50.0
5. BARCLAYS PLC	45.5	73.1
6. HSBC HOLDINGS PLC	44.5	38.5
7. PRUDENTIAL PLC	48.4	21.6
8. BRITISH AMERICAN TOBACCO PLC	48.3	50.0
9. EXPERIAN PLC	39.6	61.5
10. LANCASHIRE HOLDINGS LTD	19.3	22.5

* Position 1 is the top contributor/detractor.



Weighted Average Carbon Intensity (WACI)



Source: Trucost

Extractive Exposure

	Total Extractive Exposure ¹		Extractive Industries (VOH) ²	
	Q3	Q4	Q3	Q4
Portfolio	3.9	3.8	12.4	13.0
FTSE All Sh. (ex. Inv.)	5.6	5.5	17.7	19.3

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

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

Source: Trucost

Absolute Weighted ESG Scores



TruValue Labs & SASB

Glossary of Terms

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

Glossary of Terms

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

Glossary of Terms

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

Glossary of Terms

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

Glossary of Terms

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

Glossary of Terms

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

Brunel Committees and Groups

Full name	Abbreviation	Chair	Purpose
Audit, Risk & Compliance Committee	ARC	Patrick Newberry, NED	To oversee key functions of the Regulated Company, including: <ul style="list-style-type: none"> - Financial and Annual reporting - Internal controls - Compliance and whistleblowing - External audit function
Brunel Investment Committee	BIC	CIO	Formal meeting of the Brunel Investment Team, covering: <ul style="list-style-type: none"> - Economic and Markets update - Responsible Investment update - Stakeholder input (from Client Relations Team) - Investment proposals (private and listed markets) - Procedures - Forward look
Brunel Investment Risk Committee	BIRC	CIO	To provide challenge and insight in respect of investment risks and exposures. This will include oversight of portfolio guidelines and monitoring.
Brunel Oversight Board	BOB	Ray Theodolou (Glos)	The Oversight Board has been established by the administering authorities participating in the Brunel Pension Partnership. Acting for the administering authorities in their capacity as shareholders in, and clients of, Brunel, the Oversight Board will have responsibility for ensuring that Brunel delivers the services required to achieve investment pooling across the 10 LGPS funds comprising the Brunel Pension Partnership. The Oversight Board shall comprise of one individual appointee of each administering authority participating in the Brunel Pension Partnership. In addition to the individuals appointed by each of the administering authorities, two members representing Fund members shall be entitled to attend and contribute to meetings of the Oversight Board.
Brunel Operations Committee	BOC	COO	To review the detailed elements of Brunel's operations, including: <ul style="list-style-type: none"> - Technology and infrastructure - HR policies

Brunel Committees and Groups

Full name	Abbreviation	Chair	Purpose
Brunel Operations Committee	BOC	COO	<ul style="list-style-type: none"> - Regulatory change (and compliance with) - Finance - Managing supplier relationships - ICAPP oversight
Brunel Risk and Compliance Committee	BRCC	DoR & GC	Second line review overseeing the Compliance and Risk function
Client Group	CG	Sean Collins	Client Group has been established by the administering authorities participating in the Brunel Pension Partnership. Acting for the administering authorities in their capacity as shareholders in, and clients of, Brunel, the Client Group will provide practical and technical support, guidance and assistance to the Oversight Board in its strategic role of ensuring that Brunel delivers the services required to achieve investment pooling across the 10 LGPS funds comprising the Brunel Pension Partnership. Client Group shall comprise of at least one individual appointee of each administering authority participating in the Brunel Pension Partnership.
The Executive Committee	ExCo	CEO	<p>The core responsibility of ExCo is to oversee delivery of the Brunel objectives. The Executive Committee comprises:</p> <ul style="list-style-type: none"> - Chief Executive Officer - Chief Investment Officer - Chief Operations Officer - Client Relationship Director
Remuneration Committee	RemCo	Mike Clark, NED	In line with the Shareholders Agreement, to set and monitor remuneration policy including that for senior management remuneration.

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