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# Pension Fund Committee

**Date:** Tuesday, 9 September 2025
**Time:** 1.30 pm
**Venue:** Meeting Room 1, County Hall, Dorchester, DT1 1XJ

**Membership: (Quorum 3)**
Cllr Andy Canning (Chair), Cllr Andy Todd (Vice-Chair), Cllr David Brown, Cllr Patrick Canavan, Cllr Will Chakawhata, Adrian Felgate, Cllr Steve Murcer, Cllr Felicity Rice and Cllr Andy Skeats

**Chief Executive:** Catherine Howe, County Hall, Dorchester, Dorset DT1 1XJ

For more information about this agenda please contact Democratic Services
Meeting Contact joshua.kennedy@dorsetcouncil.gov.uk

Members of the public are welcome to attend this meeting, apart from any items listed in the exempt part of this agenda. If you would like to attend this meeting and have any specific requirements please contact the Democratic Services Officer named above.

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## Agenda

If required, further advice should be sought from the Monitoring Officer in advance of the meeting.

## 4. PUBLIC PARTICIPATION

Representatives of town or parish councils and members of the public who live, work, or represent an organisation within the Dorset Council area are welcome to submit either 1 question or 1 statement for each meeting. You are welcome to attend the meeting in person or via MS Teams to read out your question and to receive the response. If you submit a statement for the committee this will be circulated to all members of the committee in advance of the meeting as a supplement to the agenda and appended to the minutes for the formal record but will not be read out at the meeting. The **first 8 questions and the first 8 statements received from members of the public or organisations for each meeting will be accepted on a first come first served basis in accordance with the deadline set out below.** Further information read Public Participation - Dorset Council

All submissions must be emailed in full to Joshua.kennedy@dorsetcouncil.gov.uk by 08:00am on Thursday 04 September 2025.

When submitting your question(s) and/or statement(s) please note that:

- You can submit 1 question or 1 statement.
- A question may include a short pre-amble to set the context.
- It must be a single question and any sub-divided questions will not be permitted.
- Each question will consist of no more than 450 words, and you will be given up to 3 minutes to present your question.
- When submitting a question please indicate who the question is for (e.g., the name of the committee or Portfolio Holder).
- Include your name, address, and contact details. Only your name will be published but we may need your other details to contact you about your question or statement in advance of the meeting.
- Questions and statements received in line with the council's rules for public participation will be published as a supplement to the agenda.
- All questions, statements and responses will be published in full within the minutes of the meeting.

## 5. QUESTIONS FROM COUNCILLORS

To receive questions submitted by councillors.

Councillors can submit up to two valid questions at each meeting and sub divided questions count towards this total. Questions and statements received will be published as a supplement to the agenda and all questions, statements and responses will be published in full within the minutes of the meeting.

The submissions must be emailed in full to Joshua.kennedy@dorsetcouncil.gov.uk by 08:00 on Thursday 04 September 2025.

Dorset Council Constitution – Procedure Rule 13

**6. EXEMPT BUSINESS**

To move the exclusion of the press and the public for the following item in view of the likely disclosure of exempt information within the meaning of paragraph 3 of schedule 12 A to the Local Government Act 1972 (as amended).

The public and the press will be asked to leave the meeting whilst the item of business is considered.



To confirm the dates for the meetings of the Committee in 2025/26:

1.30 pm Tuesday 2 December 2025
1.30 pm Tuesday 17 March 2026

All meetings to be preceded by training for committee members 10am to 12.45pm.

**11. URGENT ITEMS**

To consider any items of business which the Chairman has had prior notification and considers to be urgent pursuant to section 100B (4) b) of the Local Government Act 1972. The reason for the urgency shall be recorded in the minutes.

Dorset Council

**PENSION FUND COMMITTEE**

**MINUTES OF MEETING HELD ON TUESDAY 24 JUNE 2025**

**Present:** Cllrs Andy Canning (Chair), Andy Todd (Vice-Chair), David Brown, Patrick Canavan, Will Chakawhata, Adrian Felgate, Steve Murcer, Felicity Rice and Andy Skeats

**Also present:** Steve Tyson (Independent Investment Adviser, Apex Group) and Tim Dixon (Head of Client Relationship, Brunel Pension Partnership)

**Officers present (for all or part of the meeting):**
Aidan Dunn (Executive Director - Corporate Development S151), Karen Gibson (Service Manager for Pensions) and David Wilkes (Service Manager for Treasury and Investments)

322. **Apologies**

There were no apologies for absence.

323. **Minutes**

The minutes of the meeting held on 18 March 2025 were confirmed and signed.

324. **Declarations of Interest**

No declarations of disclosable pecuniary interests were made at the meeting.

325. **Public Participation**

Three questions, together with their responses from the Chair of the Pension Fund Committee, are set out in the appendix to these minutes.

326. **Questions From Councillors**

Two questions, together with their responses from the Chair or the Pension Fund Committee, are set out in the appendix to these minutes.

327. **PUBLIC PARTICIPATION - DEPUTATION**

A deputation was received from the Dorset Palestine Solidarity Campaign, calling for a commitment to divest the pension fund from “companies complicit in Israel’s genocide in Gaza and violations of international law and human rights against Palestinians.”

328. **DEPUTATION FROM THE DORSET PALESTINE SOLIDARITY CAMPAIGN**

A report from officers responding to the actions called for in the deputation was considered.

The primary duty of the Committee was to ensure that contributions to the pension fund from scheme members and their employers were invested appropriately to make returns sufficient to pay pensions when they fell due, without the need for additional contributions in the future. Legal opinion commissioned by the Local Government Pension Scheme Advisory Board (SAB) was that decisions could be made for non-financial reasons if two conditions were met: (1) that there would be no significant risk of financial detriment to the pension fund resulting from the decision and (2) that any decision had the support of scheme beneficiaries.

The Committee were sympathetic to the case presented in the deputation and some Committee members supported action to divest. Other members wanted further details of the likely financial implications of divestment and evidence of scheme member support before further action could be considered. It was agreed to amend the report's recommendations to include an investigation into the financial implications of divestment in further detail. It was also agreed to write to all local Members of Parliament seeking stronger action from the UK government regarding the matters raised in the deputation.

<u>Decision</u>

That the Committee:

i. Continues with its current approach to responsible investment and to favour engagement with companies rather than divestment from them but investigates further the financial implications of divestment from companies engaged in the activities identified in the deputation.

ii. Continues to endorse Brunel Pension Partnership's exclusion of "controversial weapons" (such as anti-personnel mines, chemical and biological weapons) and companies non-compliant with Principle 2 of United Nations Global Compact on Human Rights (UNGC) from their actively managed equity and bond portfolios.

iii. Investigates the costs and benefits of a survey of scheme members' views on non-financial factors as part of the next review of the Investment Strategy Statement following the conclusion of the triennial actuarial valuation.

iv. Writes to all local Members of Parliament seeking stronger action from the UK government regarding the matters raised in the deputation.

329. **DRAFT PENSION FUND ACCOUNTS AND INDEPENDENT AUDITOR'S PLAN 2024/25**

The Pension Fund draft accounts for 2024/25 had been completed and were included in Dorset Council's full draft accounts. The Audit and Governance Committee were due to consider the draft accounts on 30 June 2025. The audit plan of the council's independent auditor, Grant Thornton, was due to be considered at the same meeting.

330. **PENSIONS ADMINISTRATION**

Performance against Key Performance Indicators (KPIs) continued to be positive and as expected.

Scheme employer financial penalties had significantly increased in the last year. The majority of penalties related to academy outsourced payroll functions and were a result of poor and/or late data submitted to the fund.

The Ministry of Housing, Communities and Local Government (MHCLG) had announced an 'Access and Fairness' consultation on changes to the LGPS. Topics covered by the consultation included addressing survivor pensions, death grants and the Gender Pension Gap in the LGPS. The consultation close date was 7 August 2025. Discussions had already taken place with scheme employers at a recent employers meeting.

The key proposals of the Government's 'Fit for the future' consultation were highlighted. These included the requirement for a governance and training strategy, a conflict-of-interest policy and a senior LGPS officer to be appointed within each administering authority.

An external Integrated Service Provider had been appointed to enable connection to the Pensions Dashboard by the October 2025 deadline.

The deadline of 31 August 2025 for completing the McCloud remedy work would not be met as the required software was still in the test environment and a number of errors had been flagged and delivery of the software into the live system would not yet go ahead.

Decision

That the provision of the McCloud data in Annual Benefit Illustrations was deferred until 2026.

331. **PENSION FUND INVESTMENTS**

The value of the pension fund's assets at 31 March 2025 was £4.1 billion. The total return from the pension fund's investments over the quarter to 31 March 2025 was -0.4%, compared to the combined benchmark return of -0.1%. The total return for the year to 31 March 2025 was 4.7% compared to the benchmark return of 7.4%.

Markets saw high levels of volatility over the quarter to 31 March 2025. This was due to growth fears that arose because of uncertainty around the US tariffs. Positive returns were achieved in Europe and the UK as investors switched out of US stocks.

The administering authorities of ACCESS and Brunel Pension Partnership had received a joint letter from the Minister for Pensions and Local Government advising the partner funds to join other pools by 30 September 2025. This was part of the government's pooling consolidation plan to reduce the number of LGPS pools.

332. **DATES OF FUTURE MEETINGS**

1.30 pm Tuesday 9 September 2025 – County Hall, Dorchester.
1.30 pm Tuesday 2 December 2025 – County Hall, Dorchester.
1.30 pm Tuesday 17 March 2026 – County Hall, Dorchester.

All meetings to be preceded by training for committee members 10am to 12.45pm.

333. **Urgent items**

There were no urgent items.

334. **Exempt Business**

<u>Decision</u>

That the press and the public be excluded for the following item(s) in view of the likely disclosure of exempt information within the meaning of paragraph 3 of schedule 12 A to the Local Government Act 1972 (as amended).

335. **LOCAL GOVERNMENT PENSION SCHEME (LGPS) INVESTMENT POOLING UPDATE**

Progress made to date in responding to government plans for the future of Local Government Pension Scheme (LGPS) investment pooling was discussed as was the Committee's representation on the Brunel Oversight Board.

<u>Decision</u>

That Cllr Andy Canning replaces Cllr John Beesley as the Committee's representative on the Brunel Oversight Board.

336. **INVESTMENT MANAGEMENT ARRANGEMENTS**

The transition from UK equities active to UK equities passive was now complete.

337. **INDEPENDENT INVESTMENT ADVICE**

<u>Decision</u>

That the option to extend the current contract for the provision of independent pension fund investment advice to 31 December 2026 be taken.

**Appendix 1 - Public Questions**
**Appendix 2 - Councillor Questions**

**Duration of meeting**: 1.30 - 3.20 pm

**Chairman**

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**Pension Fund Committee**

**24 June 2025**

**Questions Submitted by the Public**

**Question 1 – submitted by Lisa Lobo**

Does this committee agree that the Dorset County Pension Fund must not invest in companies enabling genocide, apartheid, and war crimes, nor those driving the climate emergency?

Both Dorset and BCP councils have recognised that the climate crisis is an emergency. However, over £75 million of the Dorset Pension Fund is invested in fossil fuel companies that are accelerating climate and ecological collapse. BCP Council states an intention to become carbon neutral by 2030, whilst Dorset Council has set a target for 2040. The threat posed by fossil fuel-led climate change is real and urgent. The UN has described us as being in a new era of global boiling with unprecedented extreme weather impacting every part of the globe with increasing frequency, and we are already seeing the impact of that within Dorset.

Meanwhile, the Dorset Pension Fund holds £173.9 million in companies complicit in Israel's multiple breaches of international law—including enforcing apartheid, maintaining the illegal occupation of Palestinian territories - as ruled by the ICJ last year, and carrying out a genocidal extermination campaign in Gaza that has seen over 55,000 Palestinians killed, over 18,000 of whom were children. Another 43,000 children have been orphaned. More and more people are now dying of starvation due to a deliberately enforced famine that the UK government calls "morally unjustifiable", whilst many of those that do try and access aid at the new militarized distribution centers are shot and killed whilst waiting for a bag of flour. Many more civilians continue to die from preventable causes due to the targeted destruction of Gaza's healthcare system, where every single hospital has now been bombed, and most are now completely out of service. Gaza has the highest number of child amputees in the world due to the indiscriminate bombing and the destruction of appropriate medical facilities and supplies, including even anaesthetic to relieve the pain of their limbs being torn apart. This Pension Fund invests directly in companies arming Israel - including BAE Systems, Elbit Systems, L3Harris, Leonardo and Lockheed Martin. There are many other investments in companies that are directly complicit in these atrocities and in the illegal settlements in occupied Palestinian territories - for which the ICJ urges sanctions and arms embargoes. It is not only morally unjustifiable for this Pension Fund to invest close to £174 million in companies complicit in these atrocities, but it may also be against International Law - facilitating the transfer of weapons and ammunition to Israel may constitute serious violations of human rights and international law.

So what concrete steps will this committee take to ensure public funds do not support these atrocities nor the destruction of our planet?

**Response by Cllr Andy Canning**

Thank you for taking the time to speak to this committee today on such an important and emotive subject. I am sure all members of the committee deplore the loss of life resulting from this conflict and all the many other conflicts currently happening around the world. We do not believe that the pension fund’s investments support Israel’s actions in Gaza nor are these investments accelerating climate change.

Later on today’s agenda the Committee will be considering our response to a deputation calling on divestment from companies who provide weapons and military technology to Israel. It should be noted that the companies identified in the deputation are also suppliers to the UK, NATO and/or other allies, including Ukraine.

In relation to climate change, in September 2020, the Committee agreed a strategy of decarbonisation meaning a reduction in allocations of investment to companies which are high carbon emitters and trying to influence the demand for fossil fuels, not just their supply.

Since then, significant decarbonisation has been achieved through the transition of assets to the management of Brunel Pension Partnership, the pension fund’s investment pooling manager, who are widely regarded as an industry leader in responsible investment. There have also been increased investments in renewables and ‘green’ technologies through Brunel’s infrastructure funds.

**Question 2 – submitted by Niaṁ Tickner**

In 2023, BCP Council voted to stop investing pensions in risky fossil fuels. A strategy of 'decarbonisation by percentage' and engagement with asset managers has been adopted. However, this can inadvertently support increased fossil fuel production, especially considering corporate growth. Given the urgency of the climate crisis and the rapid transition we need, will the pension committee reconsider its current strategy and seriously consider divestment from the industry who are responsible for approximately 89% of $CO_2$ emissions?

**Response by Cllr Andy Canning**

We believe that engagement with companies has more chance of achieving positive 'real world' impacts than divestment from those companies, which simply means a sale of ownership to other parties. As I said in my answer to the previous question, the Committee's current approach to the climate and ecological emergency was agreed nearly five years ago, so we should revisit our approach in more detail in the near future.

**Question 3 – submitted by Julie-Ann Booker**

Brunel Pension Partnership and ACCESS local government pension pools have been told to dissolve and their client authorities merge with one of the remaining six local government pension pools.

We understand the letter to local authority clients gave two main reasons for this decision. Namely a failure on the part of Brunel to consider a merger with another pool as a future option, and the lack of a plan to manage assets internally.

As you are aware, the government has asked both Brunel and ACCESS to provide an update by June, with an in-principle decision on future pooling arrangements expected by September. Given the huge implications of this the outlined timescale seems rather unreasonable and certainly a real challenge to achieve.

Once Dorset Council Pension Committee has analysed and assessed options for the future of our pension assets, hopefully the process and timetable for final decision making will be made public and members of the pension fund will be consulted with in some way.

No doubt you are having discussions with the other client authorities in the Brunel pool, with the option of all going to the same new pool being explored. The alternative being that some, or all, of the client authorities decide to move to different pools. Whichever option is chosen there will be significant costs involved in moving. It is unlikely that any new receiving pool will find it acceptable to pick up this cost. So you must be considering how this will be funded – hopefully not by the Dorset Council pension members.

We assume that one of the criteria you will need to use when assessing which new pool to go to will be how well their existing set-up and future plans align with the government's expectations.

Likewise that responsible investment will be a strong focus in your decision making process. Given the leading role Brunel has established on responsible investment you will no doubt want to seek for that to be continued in any future arrangement. Brunel's achievements being recently reflected by Faith Ward, Brunel Chief Responsible Investment Officer, recently being awarded an MBE for 'services to pensions and the environment'.

It also seems vital that Dorset Council and Bournemouth, Christchurch and Poole's Climate policies and/or transition plans will be preserved throughout this process.

Question: Given the above what are the key criteria you are going to use in assessing the suitability of alternative pools for Dorset Council's LGPS investments?

**Response by Cllr Andy Canning**

The criteria used to assess the suitability of alternative investment pools will include:

· Ability to meet the Government's requirements

· Range of investment products offered and performance

· Approach to responsible investment

· Proposed governance arrangements

· People and culture

· Transition plans and costs

Including this criteria in our assessment will seek to ensure that the new investment pool best serves the needs of Dorset County Pension Fund and all of its members, whilst also aligning to the Governments vision for pooling.

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**Pension Fund Committee**

**24 June 2025**

**Questions submitted by Councillors**

**Question 1 – submitted by Cllr Paul Kimber**

There is a great deal of concern from our constituents across Dorset regarding our Dorset Pension fund that has investment which includes arms manufacturers. Each day we hear the number of children being killed in Gaza.

Can we Disinvest from companies that produce arms manufacturing?

**Response from Cllr Andy Canning**

I also thank you for taking the time to speak to this committee today on such an important and emotive subject. As said in previous responses, I am sure all members of the committee deplore the loss of life resulting from this conflict and all the many other conflicts currently happening around the world.

This topic will be covered in more detail later in the meeting as part of the response to the deputation contained within today's agenda. It should be noted that the companies identified in the deputation are also suppliers to the UK, NATO and/or other allies, including Ukraine.

**Question 2 – submitted by Cllr Jon Orrell**

Money has become the measure of all things. Mammon is enthroned on high. The bottom line is the only one that counts apparently. Pension investment being a cold non moral calculation that risks being amoral or immoral. Should it be this way? Are there counterbalancing weights to the scales of values? I would like to suggest there is a triple bottom line. The missing two being people and planet. People are being killed directly by weapons used on innocent children in Gaza. Should we profit from this business? The planet is destabilised into climate chaos by spewing forth outdated fossil fuels. Should we profit from this business?

Will the council divest from fossil fuels and weapons firms that are used on civilians in Gaza?

**Response from Cllr Andy Canning**

I also thank you for taking the time to speak to this committee today on such an important and emotive subject. As said in previous responses, I am sure all members of the committee deplore the loss of life resulting from this conflict and all the many other conflicts currently happening around the world.

The pension fund's response to the events in Gaza will be considered in more detail by the Committee later in the meeting.

As set out in earlier responses, in September 2020 the Committee agreed a strategy of decarbonisation rather than divestment which seeks to influence the demand for fossil fuels, not just their supply.

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# Pension Fund Committee

# 9 September 2025

# Pension Fund Investments

## For Decision

**Local Councillor(s):** All

**Senior Leadership Team:** Sean Cremer, Corporate Director, S151 Officer

Report Author: David Wilkes
Job Title: Service Manager (Treasury and Investments)
Email: david.wilkes@dorsetcouncil.gov.uk

**Report Status:** Public

**Executive Summary**

The estimated value of the pension fund's assets at 30 June 2025 was £4,204m compared to £4,071m at the start of the financial year, an increase of £133m.

The total return from the pension fund's investments over the quarter to 30 June 2025 was 3.6%, compared to the combined benchmark return of 3.7%. The total return for the 12 months to 30 June 2025 was 7.3% compared to the benchmark return of 9.1%. Annualised returns for three years were 7.5% compared to the benchmark return of 9.1% and for five years were 7.2% compared to the benchmark of 8.1%.

Markets saw high levels of volatility over the quarter largely driven by uncertainty regarding US trade tariff policy, extensions of US tax relief measures ("one big beautiful bill") and increasing geopolitical uncertainty.

**Recommendation(s)**:

That the Committee review and comment upon the activity and overall performance of the pension fund's investments.

**Reason for the recommendation(s)**:

To ensure that the pension fund has the appropriate management and monitoring arrangements in place, and to ensure that asset allocation in line with agreed strategic targets.

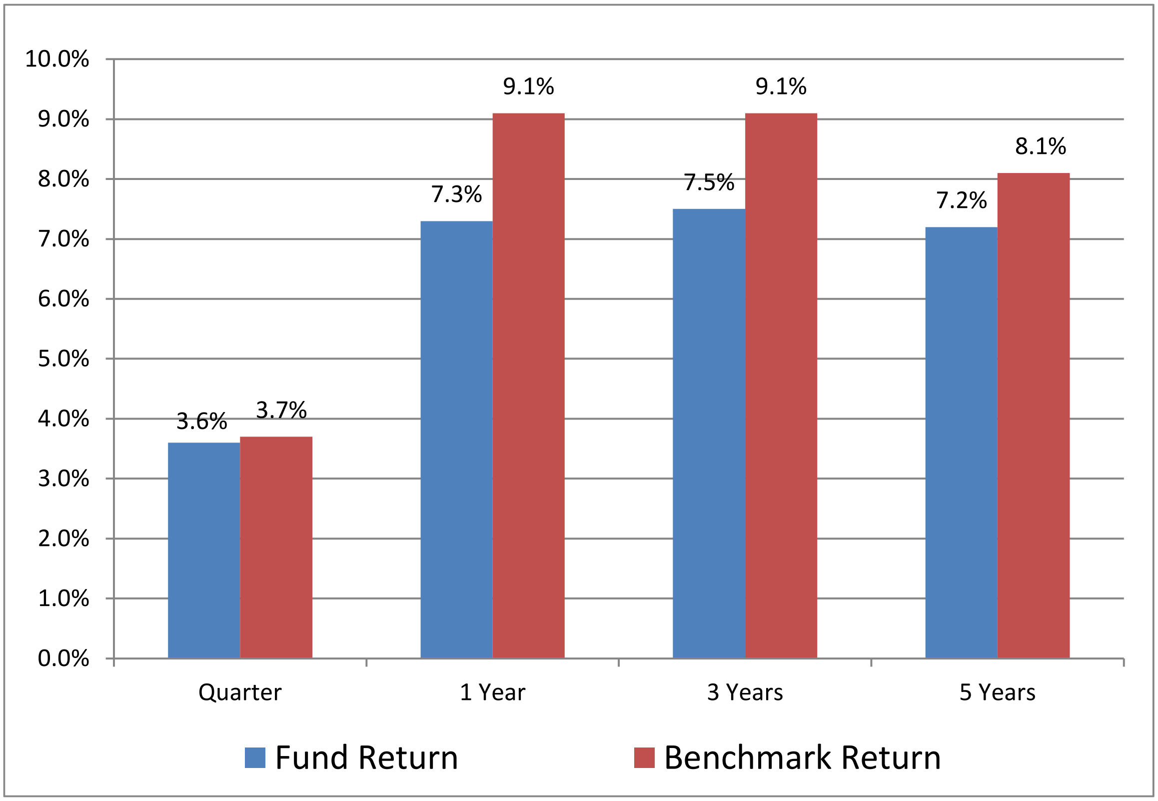
## 1. Asset Valuation Summary

1.1 The table below shows the pension fund's asset valuation by asset class at the beginning of the financial year and as at 30 June 2025, compared with the target allocation agreed by the Committee June 2023. There were no significant variances between actual and target allocations.

| | 31-Mar-25 | | 30-Jun-25 | | Target Allocation | |
|---|---|---|---|---|---|---|
| **Asset Class** | **£M** | **%** | **£M** | **%** | **£M** | **%** |
| UK Equities | 436.1 | 10.7% | 457.2 | 10.9% | 378.4 | 9.0% |
| Global Equities | 1,822.6 | 44.8% | 1,894.7 | 45.1% | 1,891.8 | 45.0% |
| Emerging Markets Equities | 157.2 | 3.9% | 167.8 | 4.0% | 168.2 | 4.0% |
| ***Total Listed Equities*** | ***2,415.9*** | ***59.3%*** | ***2,519.7*** | ***59.9%*** | ***2,438.3*** | ***58.0%*** |
| Corporate Bonds | 267.1 | 6.6% | 274.5 | 6.5% | 273.3 | 6.5% |
| Multi Asset Credit | 292.4 | 7.2% | 300.1 | 7.1% | 273.3 | 6.5% |
| Diversified Returns | 270.7 | 6.7% | 273.8 | 6.5% | 294.3 | 7.0% |
| Infrastructure | 312.7 | 7.7% | 314.8 | 7.5% | 336.3 | 8.0% |
| Private Equity | 137.2 | 3.4% | 135.8 | 3.2% | 210.2 | 5.0% |
| Property | 285.0 | 7.0% | 284.6 | 6.8% | 378.4 | 9.0% |
| Liability Driven Investment | 0.0 | 0.0% | - | 0.0% | - | 0.0% |
| Cash | 88.8 | 2.2% | 97.7 | 2.3% | - | 0.0% |
| F/X Hedging | 0.8 | 0.0% | 2.9 | 0.1% | - | 0.0% |
| **Total Asset Valuation** | **4,070.6** | **100.0%** | **4,203.9** | **100.0%** | **4,203.9** | **100.0%** |

## 2. Investment Performance Summary

2.1 The overall performance of the pension fund's investments to 30 June 2025 is summarised below (returns for three and five years are annualised figures).




2.2 Appendix 1 summarises by investment manager and investment vehicle the value of Assets Under Management (AUM) as at 30 June 2025 plus each investment's return compared to its benchmark for the quarter, one, three and five years, and 'Since Initial Investment' (SII). All percentages quoted for periods over one year are annualised returns

## 3. Economic and Market Background

3.1 The second quarter of 2025, like the first quarter, was extremely volatile largely driven by uncertainty regarding US trade tariff policy, extensions of US tax relief measures ("one big beautiful bill") and increasing geopolitical uncertainty.

3.2 Further information relating to the economic and market background relevant to the pension fund's investments can be found in the independent investment adviser's quarterly report (Appendix 2) and in Brunel's quarterly report (Appendix 3).

## 4. Investment Pooling

4.1 In accordance with the requirements of the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016, Dorset participates with nine other LGPS funds to pool investment assets through the Brunel Pension Partnership. Brunel is wholly owned in equal shares by the ten administering authorities that participate in the pool and is authorised by the Financial Conduct Authority (FCA).

4.2 As at 30 June 2025, approximately 85% of the pension fund's assets were under the management of Brunel.

4.3 Brunel's performance report for the quarter ending 30 June 2025 is included as Appendix 3 to this report. This report includes market summaries from Brunel's investment officers and an overall performance summary for the pension fund, together with more detailed information in relation to Dorset's assets under Brunel's management.

4.4 The administering authorities of two of the eight LGPS investment pools (Brunel Pension Partnership and ACCESS) received a joint letter from the ministers for Pensions and Local Government advising them that they would need to identify a new pool to work with by 30 September 2025. This is subject to a separate item on the agenda for this meeting.

## 5. Private Markets

5.1 The pension fund has investments in private equity funds managed by two external managers, HarbourVest and Patria (formerly managed by Aberdeen group), and Brunel.

5.2 Private Equity is an asset class that takes several years for commitments to be fully invested. The table below summarises the pension fund's commitments, drawdowns, distributions received and closing valuations by manager as at 30 June 2025.

| | Commitment | Drawdown | | Distributions | Valuation |
|---|---|---|---|---|---|
| | £m | £m | % | £m | £m |
| HarbourVest | 102.6 | 95.1 | 93% | 133.4 | 53.3 |
| Patria | 74.3 | 67.5 | 87% | 100.7 | 6.9 |
| Brunel | 160.4 | 64.2 | 40% | 3.8 | 75.5 |
| **Total** | **337.3** | **226.7** | **67%** | **237.9** | **135.7** |

5.3 The pension fund has two external infrastructure managers, Federated Hermes and IFM. The target for each manager is a 10% absolute annual return and this is used at the benchmark for these investments. In addition to the assets under the management of Federated Hermes and IFM, the pension fund also has holdings in infrastructure funds under the management of Brunel.

5.4 The performance of the pension fund's property investments managed by CBRE is detailed in Appendix 4. In addition to the assets under the management of CBRE, the pension fund also has holdings in secured long income property funds under the management of Brunel.

## 6. Legal considerations

6.1 None.

## 7. Financial implications

7.1 The Local Government Pension Scheme (LGPS) is a national pension scheme administered locally. Dorset Council is the administering authority for the LGPS in Dorset which provides pensions and other benefits for employees of the Council, other councils and a range of other organisations within the county.

7.2 The LGPS is a 'defined benefit' scheme which means that benefits for scheme members are calculated based on factors such as age, length of membership and salary. Member benefits are not calculated on the basis of investment performance as they would be in a 'defined contribution' scheme.

7.3 Administering authorities are required to maintain a pension fund for the payment of benefits to scheme members funded by contributions from scheme members and their employers, and from the returns on contributions invested prior to benefits becoming payable.

7.4 Contribution levels for scheme members are set nationally, and contribution levels for scheme employers are set locally by actuaries engaged by administering authorities. As scheme member rates cannot be changed locally and benefits are defined, the risk of investment underperformance is effectively borne by scheme employers.

7.5 In September 2024 the LGPS Scheme Advisory Board (SAB) published a statement making clear that that "when decision makers exercise their LGPS investment responsibilities, the primary purpose must be to achieve the required returns in an appropriately risk-managed way to pay pensions when they become due, minimising the need for additional funding in the future."

7.6 The pension fund's actuary, Barnett Waddingham, undertakes a full assessment of the funding position every three years. The results of the latest full assessment as at 31 March 2022 were that the pension fund had a funding level of 96% i.e. assets were estimated to be 96% of the value that they would have needed to be to pay for the expected benefits accrued to that date, based on the assumptions used, compared to 92% at the last valuation as at 31 March 2019.

**8. Natural environment, climate & ecology implications**

8.1 The pension fund's Investment Strategy Statement requires all external investment managers to consider and manage all financially material risks arising from environmental issues, including those associated with climate change.

8.2 At its meeting in September 2020, the Committee agreed to a strategy of decarbonisation meaning a reduction in allocations of investment to companies which are high carbon emitters and looking to influence the demand for fossil fuels and their financing, not just their supply.

8.3 Significant decarbonisation has been and will continue to be achieved through the transition of assets to the management of Brunel. Approximately 10% of the pension fund's assets are invested in Brunel's global sustainable equities fund, with all other actively managed Brunel funds are committed to a policy of a 7% year on year reduction in their carbon footprint.

8.3 The pension fund no longer has any direct investments in individual companies, including 'fossil fuel' companies, but it does have indirect exposure to such companies through its holdings in pooled investment vehicles. As at 31 March 2025, the value of the pension fund's investments in companies primarily involved in the exploration, production, mining and/or refining of fossil fuels was estimated at approximately £75M (1.8% of total investment assets).

**9. Well-being and health implications**

9.1 None.

**10. Other implications**

10.1 None.

**11. Risk implications**

11.1 The risks associated with the pension fund's investments are assessed in detail and considered as part of the strategic asset allocation. The pension fund's Investment Strategy Statement requires all external investment managers to consider and manage all financially material risks.

## 12. Equalities

12.1 None.

## 13. Appendices

Appendix 1: Performance summary by investment manager
Appendix 2: Independent Investment Adviser's quarterly report
Appendix 3: Brunel's quarterly report
Appendix 4: CBRE Quarterly Investment Report

## 14. Background papers

Funding Strategy Statement (dorsetpensionfund.org)
Investment Strategy Statement | Dorset Pension Fund
Dorset County Pension Fund Holdings Report 31 March 2025 | Dorset Pension Fund
LGPS Scheme Advisory Board - Home

**Appendix 1**

**Performance by Investment Manager**

The following tables summarise by investment manager and investment vehicle the value of Assets Under Management (AUM) as at 30 June 2025 plus each investment's return compared to its benchmark for the quarter, one, three and five years, and 'Since Initial Investment' (SII). All percentages quoted for periods over one year are annualised returns.

**Brunel Pension Partnership**

| Investment | AUM £m | Qtr % | 1 Yr % | 3 Yr % | 5 Yr % | SII % |
|---|---|---|---|---|---|---|
| **Global Equities:** | | | | | | |
| **Brunel Global Sustainable Equities** | **396.1** | 3.4 | 1.2 | 7.8 | - | 5.1 |
| MSCI AC World GBP Index | | 5.2 | 7.6 | 13.3 | - | 10.1 |
| Excess | | -1.8 | -6.4 | -5.5 | - | -5.0 |
| **Brunel Global High Alpha Equity** | **282.8** | 4.4 | 4.0 | 12.4 | 10.9 | 11.7 |
| MSCI World TR Index | | 5.1 | 7.7 | 14.2 | 12.7 | 11.8 |
| Excess | | -0.7 | -3.7 | -1.8 | -1.8 | -0.1 |
| **Brunel Smaller Companies Equities** | **283.6** | 7.9 | 4.5 | 7.7 | - | 2.9 |
| MSCI World Small Cap | | 5.3 | 6.1 | 8.3 | - | 4.5 |
| Excess | | 2.6 | -1.6 | -0.6 | - | -1.6 |
| **Brunel Emerging Market Equity** | **167.4** | 6.5 | 7.1 | 5.5 | 4.0 | 3.1 |
| MSCI Emerging Markets | | 5.7 | 7.0 | 5.9 | 5.1 | 4.5 |
| Excess | | 0.8 | 0.1 | -0.4 | -1.1 | -1.4 |
| **LGIM Passive Developed Equities** | **117.2** | 5.3 | 7.8 | 13.8 | 12.4 | 11.0 |
| FTSE World Developed | | 5.4 | 7.9 | 14.0 | 12.5 | 11.1 |
| Excess | | -0.1 | -0.1 | -0.2 | -0.1 | -0.1 |
| **LGIM Passive Dev. Equities (Hedged)** | **129.3** | 9.7 | 14.6 | 17.7 | 14.5 | 12.1 |
| FTSE World Developed Hedged | | 9.8 | 14.8 | 17.9 | 14.7 | 12.3 |
| Excess | | -0.1 | -0.2 | -0.2 | -0.2 | -0.2 |
| **Low Volatility Global Equity** | **308.4** | 1.7 | - | - | - | 0.2 |
| MSCI AC World Index | | 5.2 | - | - | - | -0.3 |
| Excess | | -3.5 | - | - | - | 0.5 |

| Investment | AUM £m | Qtr % | 1 Yr % | 3 Yr % | 5 Yr % | SII % |
|---|---|---|---|---|---|---|
| **LGIM Passive Smart Beta** | **181.9** | -1.1 | 5.8 | 9.1 | 10.5 | 8.4 |
| SciBeta Multifactor Composite | | -1.2 | 5.3 | 8.5 | 9.9 | 8.0 |
| Excess | | 0.1 | 0.5 | 0.6 | 0.6 | 0.4 |
| **LGIM Passive Smart Beta (Hedged)** | **195.6** | 3.2 | 12.6 | 12.8 | 12.6 | 8.8 |
| SciBeta Multifactor Hedged Composite | | 3.1 | 12.0 | 12.3 | 12.1 | 8.4 |
| Excess | | 0.1 | 0.6 | 0.5 | 0.5 | 0.4 |
| **UK Equities:** | | | | | | |
| **LGIM Passive UK Equities** | **457.2** | 4.4 | 11.2 | 10.7 | 11.0 | 5.6 |
| FTSE All Share | | 4.4 | 11.2 | 10.7 | 10.8 | 5.5 |
| Excess | | 0.0 | 0.0 | 0.0 | 0.2 | 0.1 |
| **Fixed Income:** | | | | | | |
| **Brunel Multi Asset Credit** | **300.1** | 2.6 | 9.1 | 9.5 | - | 4.2 |
| SONIA + 4% | | 2.0 | 9.0 | 8.5 | - | 7.4 |
| Excess | | 0.6 | 0.1 | 1.0 | - | -3.2 |
| **Brunel Sterling Corporate Bonds** | **274.5** | 2.8 | 6.9 | - | - | 6.4 |
| iBoxx Sterling Non Gilts Overall Return | | 2.8 | 5.3 | - | - | 4.8 |
| Excess | | 0.0 | 1.6 | - | - | 1.6 |
| **Other:** | | | | | | |
| **Brunel Diversifying Returns Fund** | **273.8** | 1.2 | 4.9 | 5.0 | - | 4.1 |
| SONIA + 3% | | 1.8 | 7.9 | 7.5 | - | 5.8 |
| Excess | | -0.6 | -3.0 | -2.5 | - | -1.7 |
| **Private Markets:** | | | | | | |
| **Brunel Private Equity Cycle 1** | **59.6** | -1.4 | 4.2 | 4.5 | 15.1 | 17.5 |
| MSCI AC World Index | | 5.2 | 7.6 | 13.3 | 11.8 | 11.8 |
| Excess | | -6.6 | -3.4 | -8.8 | 3.3 | 5.7 |
| **Brunel Private Equity Cycle 3** | **13.2** | 6.3 | 2.9 | - | - | 9.3 |
| MSCI AC World Index | | 5.2 | 7.6 | - | - | 14.6 |
| Excess | | 1.1 | -4.7 | - | - | -5.3 |
| **Brunel Private Equity Cycle 4** | **2.7** | 10.7 | 18.8 | - | - | 17.1 |
| MSCI AC World Index | | 5.2 | 7.6 | - | - | 10.0 |
| Excess | | 5.5 | 11.2 | - | - | 7.1 |
| **Brunel Secured Income Cycle 1** | **53.8** | 0.7 | 4.6 | -4.9 | 0.6 | 1.2 |
| CPI | | 1.8 | 3.6 | 4.5 | 5.0 | 4.1 |
| Excess | | -1.1 | 1.0 | -9.4 | -4.4 | -2.9 |
| **Brunel Secured Income Cycle 3** | **30.9** | 1.8 | 3.8 | - | - | 3.6 |
| CPI | | 1.8 | 3.6 | - | - | 2.7 |
| Excess | | 0.0 | 0.2 | - | - | 0.9 |
| **Brunel Infrastructure Cycle 3** | **38.6** | 6.0 | 10.6 | - | - | 4.9 |
| CPI | | 1.8 | 3.6 | - | - | 4.3 |
| Excess | | 4.2 | 7.0 | - | - | 0.6 |

**Other Managers**

| Manager / Investment | AUM | Qtr | 1 Yr | 3 Yr | 5 Yr | SII |
|---|---|---|---|---|---|---|
| | £m | % | % | % | % | % |
| **CBRE / Property** | **226.8** | 1.4 | 4.9 | -2.6 | 3.2 | 6.5 |
| MSCI UK All Properties (Quarterly) | | 1.3 | 6.3 | -3.2 | 2.8 | 6.2 |
| Excess | | 0.1 | -1.4 | 0.6 | 0.4 | 0.3 |
| **HarbourVest / Private Equity** | **53.3** | -2.5 | -2.9 | -5.7 | 14.0 | 12.0 |
| FTSE All Share | | 4.4 | 11.2 | 10.7 | 10.8 | 6.1 |
| Excess | | -6.9 | -14.1 | -16.4 | 3.2 | 5.9 |
| **Patria / Private Equity** | **6.9** | -13.7 | -14.0 | -4.9 | 6.0 | 3.8 |
| FTSE All Share | | 4.4 | 11.2 | 10.7 | 10.8 | 6.4 |
| Excess | | -18.1 | -25.2 | -15.6 | -4.8 | -2.6 |
| **Federated Hermes / Infrastructure** | **77.9** | 1.0 | -1.3 | -1.2 | 0.8 | 4.8 |
| 10% Absolute Return | | 2.3 | 10.0 | 10.0 | 10.0 | 10.0 |
| Excess | | -1.3 | -11.3 | -11.2 | -9.2 | -5.2 |
| **IFM / Infrastructure** | **171.3** | 0.1 | 6.5 | 5.9 | 9.9 | 11.8 |
| 10% Absolute Return | | 2.3 | 10.0 | 10.0 | 10.0 | 10.0 |
| Excess | | -2.2 | -3.5 | -4.1 | -0.1 | 1.8 |

# Market Review

## Quarterly Report

Q2 2025

# Table of Contents



# Contacts

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Senior Adviser

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# Key Indicators at a Glance

| Index (Local Currency) | | Q2 | YTD |
|---|---|---|---|
| **Equities** | | Total Return | |
| UK Large-Cap Equities | FTSE 100 | 3.17% | 9.47% |
| UK All-Cap Equities | FTSE All-Share | 4.39% | 9.09% |
| US Equities | S&P 500 | 10.94% | 6.20% |
| European Equities | EURO STOXX 50 Price EUR | 2.66% | 10.40% |
| Japanese Equities | Nikkei 225 | 13.87% | 2.58% |
| EM Equities | MSCI Emerging Markets | 11.99% | 15.27% |
| Global Equities | MSCI World | 11.47% | 9.47% |
| **Government Bonds** | | | |
| UK Gilts | FTSE Actuaries UK Gilts TR All Stocks | 1.94% | 2.50% |
| UK Gilts Over 15 Years | FTSE Actuaries Uk Gilts Over 15 Yr | 1.35% | 0.45% |
| UK Index-Linked Gilts | FTSE Actuaries UK Index-Linked Gilts TR All Stocks | 0.86% | -0.57% |
| UK Index-Linked Gilts Over 15 Years | FTSE Actuaries UK Index-Linked Gilts TR Over 15 Yr | 0.14% | -3.23% |
| Euro Gov Bonds | Bloomberg EU Govt All Bonds TR | 1.86% | 0.51% |
| US Gov Bonds | Bloomberg US Treasuries TR Unhedged | 0.85% | 3.79% |
| EM Gov Bonds (Local) | JP. Morgan Government Bond Index Emerging Markets Core Index | 7.56% | 11.97% |
| EM Gov Bonds (Hard/USD) | JP. Morgan Emerging Markets Global Diversified Index | 3.33% | 5.64% |
| **Bond Indices** | | | |
| IBOXX Sterling Corporates | IBOXX Sterling Corporates Overall Total Return Index | 3.10% | 3.58% |
| European Corporate Investment Grade | Bloomberg Pan-European Aggregate Corporate TR Unhedged | 1.68% | 1.52% |
| European Corporate High Yield | Bloomberg Pan-European HY TR Unhedged | 1.74% | 2.30% |
| US Corporate Investment Grade | Bloomberg US Corporate Investment Grade TR Unhedged | 1.82% | 4.17% |
| US Corporate High Yield | Bloomberg US Corporate HY TR Unhedged | 3.53% | 4.57% |
| **Currencies** | | | |
| GBP/EUR | GBPEUR Exchange Rate | -2.45% | -3.59% |
| GBP/USD | GBPUSD Exchange Rate | 6.30% | 9.72% |
| EUR/USD | EURUSD Exchange Rate | 8.98% | 13.84% |
| USD/JPY | USDJPY Exchange Rate | -3.95% | -8.38% |
| Dollar Index | Dollar Index Spot | -7.04% | -10.70% |
| USD/CNY | USDCNY Exchange Rate | -1.28% | -1.86% |
| **Alternatives** | | | |
| Infrastructure | S&P Global Infrastructure Index | 10.41% | 15.52% |
| Private Equity | S&P Listed Private Equity Index | 8.48% | 2.68% |
| Hedge Funds | Hedge Fund Research HFRI Fund-Weighted Composite Index | -6.30% | -3.80% |
| Global Real Estate | FTSE EPRA Nareit Global Index TR GBP | -0.97% | -2.31% |
| **Volatility** | | Change in Volatility | |
| VIX | Chicago Board Options Exchange SPX Volatility Index | -24.91% | -3.57% |
| **Commodities** | | | |
| Brent Crude Oil | Generic 1st Crude Oil, Brent, USD/bbl | -9.54% | -9.42% |
| Natural Gas (US) | Generic 1st Natural Gas, USD/MMBtu | -16.10% | -4.87% |
| Gold | Generic 1st Gold, USD/toz | 5.92% | 25.24% |
| Copper | Generic 1st Copper, USD/lb | -0.08% | 24.92% |
| Gold | Spot gold price quoted in USD per troy ounce | 5.75% | 25.86% |
| S&P GSCI | Broad, production-weighted S&P GSCI commodity benchmark | -4.39% | -1.18% |
| Sugar Futures | Front-month ICE Sugar #11 raw-sugar futures contract | -17.92% | -19.63% |
| Arabica Coffee | Front-month ICE Coffee "C" Arabica futures contract | -19.22% | -4.07% |
| **Sector Indices** | | | |
| NASDAQ-100 Technology | Equal-weighted NASDAQ-100 Technology Sector | 22.90% | 13.34% |
| S&P500 Consumer Discretionary | S&P 500 Consumer Discretionary sector | 11.32% | -4.22% |
| S&P500 Consumer Staples | S&P 500 Consumer Staples sector | 0.49% | 5.09% |
| S&P 500 Health Care | S&P 500 Health Care sector | -7.62% | -2.01% |
| S&P 500 Financials | S&P 500 Financials sector | 5.12% | 8.39% |
| S&P 500 Energy | S&P 500 Energy sector | -9.37% | -0.94% |
| S&P 500 Industrials | S&P 500 Industrials sector | 12.56% | 11.96% |
| S&P 500 Utilities | S&P 500 Utilities sector | 3.49% | 7.75% |
| S&P 500 Communication Services | S&P 500 Communication Services sector | 18.20% | 10.62% |
| S&P 500 Real Estate | S&P 500 Real Estate sector | -0.99% | 1.71% |

Source: Bloomberg. All return figures quoted are total return, calculated with gross dividends/income reinvested.

# Executive Summary

- Dorset performance in the quarter was **in line with benchmark** at +3.6% (versus +3.7%) and over the longer time periods lags by 1-2 percentage points but are respectably above the discount rate of 5%. It is not uncommon for many funds to be behind benchmarks over recent years and indeed, Dorset's ranking in the PIRC LGPS Universe (data recently available for March 2025) places the fund in the best quartile over 1 year and around average over 3 years.
- **Unquestionably the focus of Dorset's attention currently is the application to join a new Pool** in the wake of the Government's decision to force both Brunel and Access clients to merge into one of the remaining Pools. This **decision will be the Committee's most important for years to come**, and is the subject of other reports for this meeting, and a great deal of hard work by officers and Pools over the summer months.
- Consequently this report is shorter than usual, as the Committee's focus should be elsewhere.
- That said, there is a great deal happening in World Markets, so it is worth being mindful of the change in geopolitical forces and what they might mean. At the point of writing in August, Trump has sacked and replaced the head of the Bureau of Labour Statistics – it seems the employment and inflation news did not please the President. **Worryingly, the Fed's independence is under threat** as Chairman Jay Powell nears the end of his term in 2026. Trade policy is chaotic. Yet the US stock market hits new highs driven by good corporate profits, and the tech sector is in an AI frenzy. We should be extremely cautious about these developments.
- What does this mean for Dorset? Expect volatility at some point in the next 12 months, trust our existing Pool and new Pool and their fund managers to navigate the treacherous waters with due care and attention.
- The Low Volatility Fund lagged the main capitalisation indices during Q2. This is not surprising and will outperform when the technology sector stumbles.

## Market Commentary on Q2

- Q2 2025 was dominated by volatility driven principally by rhetoric around US tariffs, concerns over the US fiscal deficit, and the Iran-Israel war, followed by a sustained recovery as tensions eased. "Liberation Day" triggered a >10% weekly decline across all major indices at the beginning of April, with the rebound thereafter occurring following tariff policy softening (possibly in response to market movements) leaving all major regions ending the quarter up (notably the US, Japan, and EM). Growth stocks led the rally on the back of strong earnings and renewed optimism following weaker sentiment in Q1 (with the "Magnificent 7" up 21% in Q2 and c.5% YTD). Defence stocks also outperformed, driven by geopolitical tension, continued momentum from Germany's fiscal loosening, and increased NATO commitments. Eurozone rates were cut by 25bps twice in the quarter and stand at 2%, by contrast, the Fed Funds rate is unchanged YTD at 4.25-4.5%, whereas the BoE made one 25bps cut to 4.25% in May. US CPI remained stable at 2.3-2.4% versus the UK, which saw 3.5% / 3.4% in April / May and the Eurozone averaging 2% through the quarter, with the latter helped by lower energy costs. The dollar index fell 7% (-11% YTD) mainly due to a deteriorating fiscal position, long-term strength and tariff concerns. The pound fell 2.5% against the euro, itself up 9% on the dollar amid its increasing attraction as a 'safe haven' alternative to the dollar. US Q1 GDP growth slowed to 2% on policy uncertainty, with the UK declining 0.2% to 1.3%, versus a 0.3% increase to 1.5% in the Eurozone. Japan grew 1.7% in Q1 compared to 1.3% in Q4. Composite PMIs improved outside the US), driven by manufacturing.

- Global equities experienced significant volatility in April, with all major indices falling by >10% in the aftermath of the "Liberation Day" tariff announcements. This was followed by a sharp rebound driven by tariff de-escalation, renewed enthusiasm for AI and Big Tech, strategic dip-buying, strong earnings (especially for the "Magnificent 7", with average earnings up 32% YoY). Global equities finished the quarter +11.5%, led by the Nikkei (+13.9%, +2.6% YTD), emerging markets (+12.0%, +15.3% YTD), and the US (+10.9%, +6.2% YTD). The UK and Europe had more modest gains (+3.2% and +2.7%) on the back of a stronger Q1. We note that as at the time of writing, tariff uncertainty remains, with the market pricing in a softer approach from the Trump administration reflective of previous climbdowns. European bonds outperformed in the quarter following rate cuts and concerns about the US's ability to deliver a balanced budget, notably amplified by Trump's "Big, Beautiful Bill" that has exacerbated concerns over US fiscal stability. Government bonds recovered from April weakness (although curves steepened) and ended the quarter in positive territory across all regions, most notably emerging markets (+3.3% in dollar terms) followed by the UK and Eurozone (+1.9% each). High yield outperformed, driven by the improving tariff outlook. Bitcoin finished +33% (+16% YTD).

**We highlight the following themes impacting investment markets:**

- **Trump's Tariffs:** "Liberation Day" in early April delivered a blanket 10% tariff on all non-North American imports, a 25% levy on autos and 50% on steel / aluminium. This triggered a weekly >10% drop across all major indices and marked the largest recorded single-day point loss for the Nasdaq. The Trump Administration then froze country-specific "reciprocal" tariffs later in April and, in May, backtracked on headline rates for China from as high as c.135% to c.50%, thereafter starting a clemency period originally ending on the 9th of July (including 50% tariffs on EU imports). The backtracking catalysed a 25% rebound in the S&P 500 to quarter-end, led by growth stocks, Big Tech and cyclical sectors.
- **Big Tech Recovers:** After logging their worst quarter in over two years in Q1, the "Magnificent 7" rebounded strongly in Q2 with a price gain of 21.1%, outperforming the rest of the S&P 500 by 15%. There was early interest in dip-buying from retail investors, with institutional investors following suit later in the quarter. The "Magnificent 7" drove two-thirds of the S&P's gain. Earnings underpinned the

surge, up 32% on average and well ahead of consensus estimates. The rally contrasted with Q1, when tariff uncertainty and valuation concerns left the "Magnificent 7" down c.15%, underpinning how quickly momentum can shift in these companies.

- **Fiscal Spending and Budgetary Concerns:** Momentum from Germany's March fiscal reform (including €500bn in new infrastructure spending and an exemption for defence spending from the debt brake) continued into Q2 and was supported by higher spending commitments from NATO which led to continued strong performance in European industrial / defence names. In the US, the Senate passed President Trump's "Big, Beautiful Bill" just after quarter-end (on 1st July), adding $3.3tn to its deficit over ten years, raising further concerns over fiscal sustainability, steepening the bond curve, and likely continuing the steady erosion of dollar dominance. The UK government continues to face fiscal pressure, with tax rises now more likely given concessions to Labour's proposed welfare reforms. Bond markets remain highly sensitive.

# Charts and Data

## Economic Indicators

Table 1: Quarterly Real GDP Growth and Monthly CPI

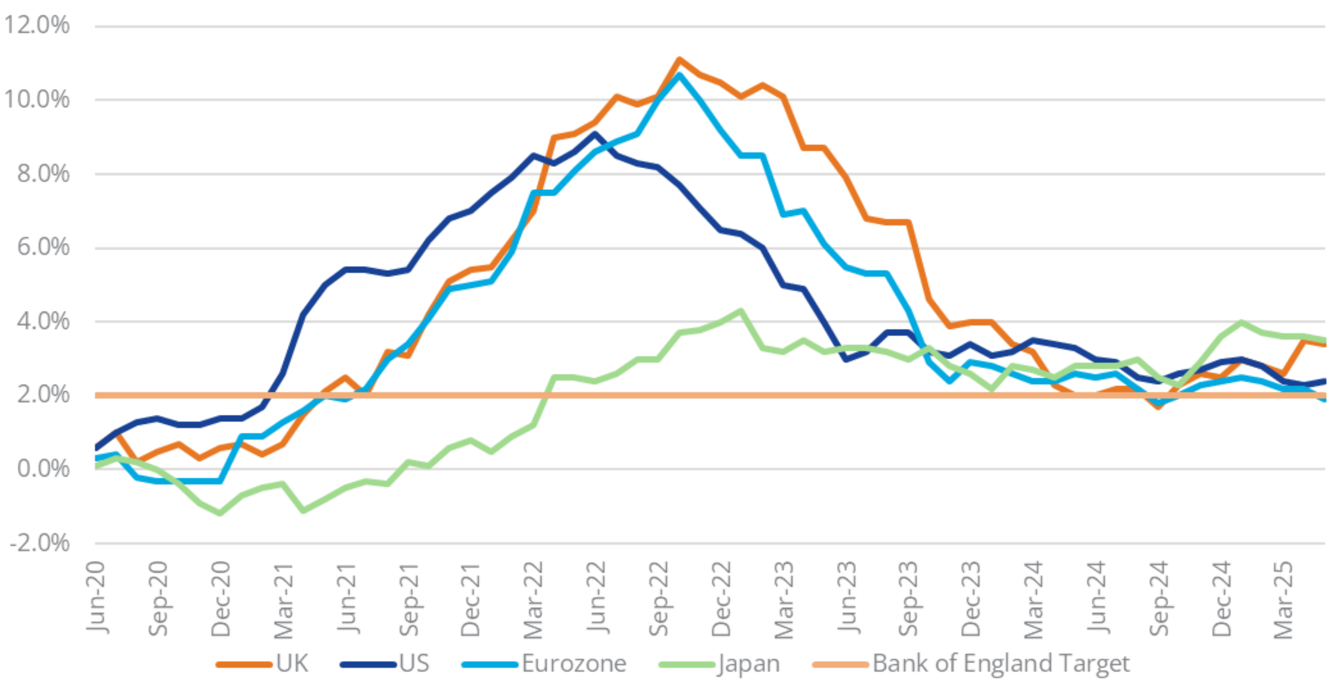
| % | GDP | | CPI | | |
|---|---|---|---|---|---|
| | **Q1 2025** | **Q2 2025** | Apr | May | June |
| UK | 0.7 | - | 3.5 | 3.4 | - |
| US | -0.1 | - | 2.3 | 2.4 | - |
| Eurozone | 0.6 | - | 2.2 | 1.9 | 2.0 |
| Japan | 0 | - | 3.6 | 3.5 | - |

Source: Bloomberg; Trading Economics.

CPI: UK: UK CPI EU Harmonised YoY NSA (Ticker: UKRPCJYR Index); US: US CPI Urban Consumer YoY NSA (Ticker: CPI YOY Index); Eurozone: Eurostat Eurozone MUICP All Items YoY Flash Estimate (Ticker: ECCPEST Index); Japan: Japan CPI Nationwide YOY (Ticker: JNCPIYOY Index)

GDP: UK Real GDP (Ticker: UKGRABIQ Index), US Real GDP (Ticker: GDP CQOQ Index) de-annualised, Eurozone Real GDP (Ticker: EUGNEMUQ Index), Japan Real GDP (Ticker: JGDPQGDP)

Chart 1: CPI – Annual rate of Inflation - Five Years to May 2025

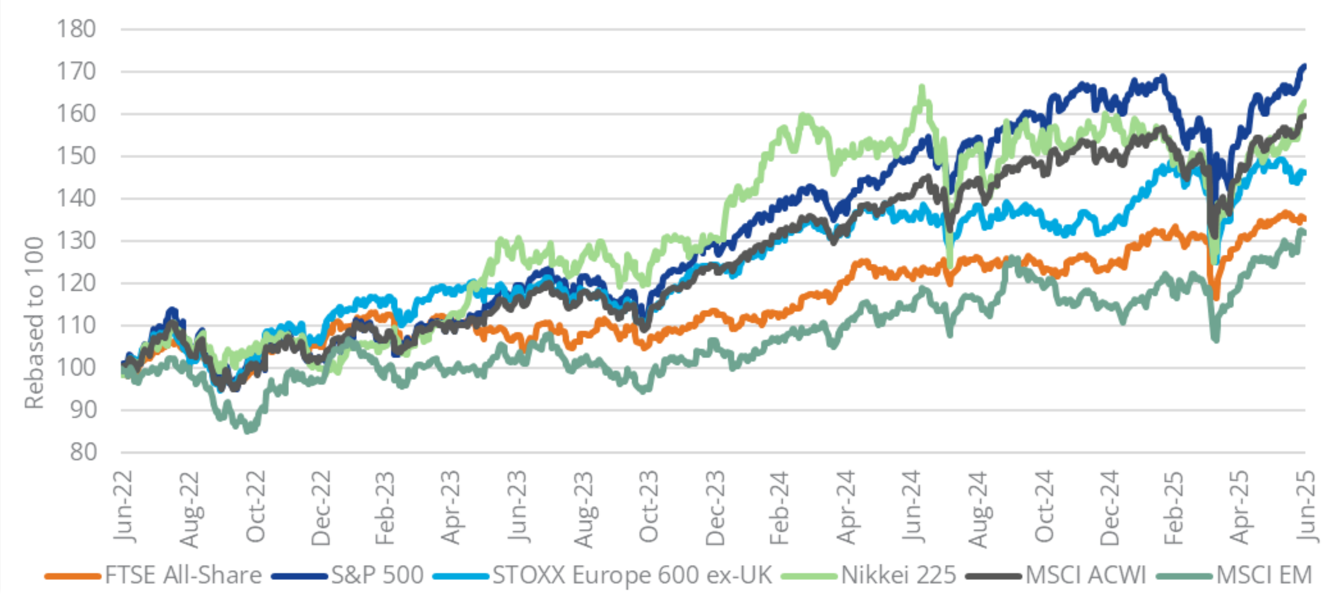



Source: Bloomberg

Notes: UK: UK CPI EU Harmonised YoY NSA (Ticker: UKRPCJYR Index); US: US CPI Urban Consumer YoY NSA (Ticker: CPI YOY Index); Eurozone: Eurostat Eurozone MUICP All Items YoY Flash Estimate (Ticker: ECCPEST Index); Japan: Japan CPI Nationwide YOY (Ticker: JNCPIYOY Index)

## Equities

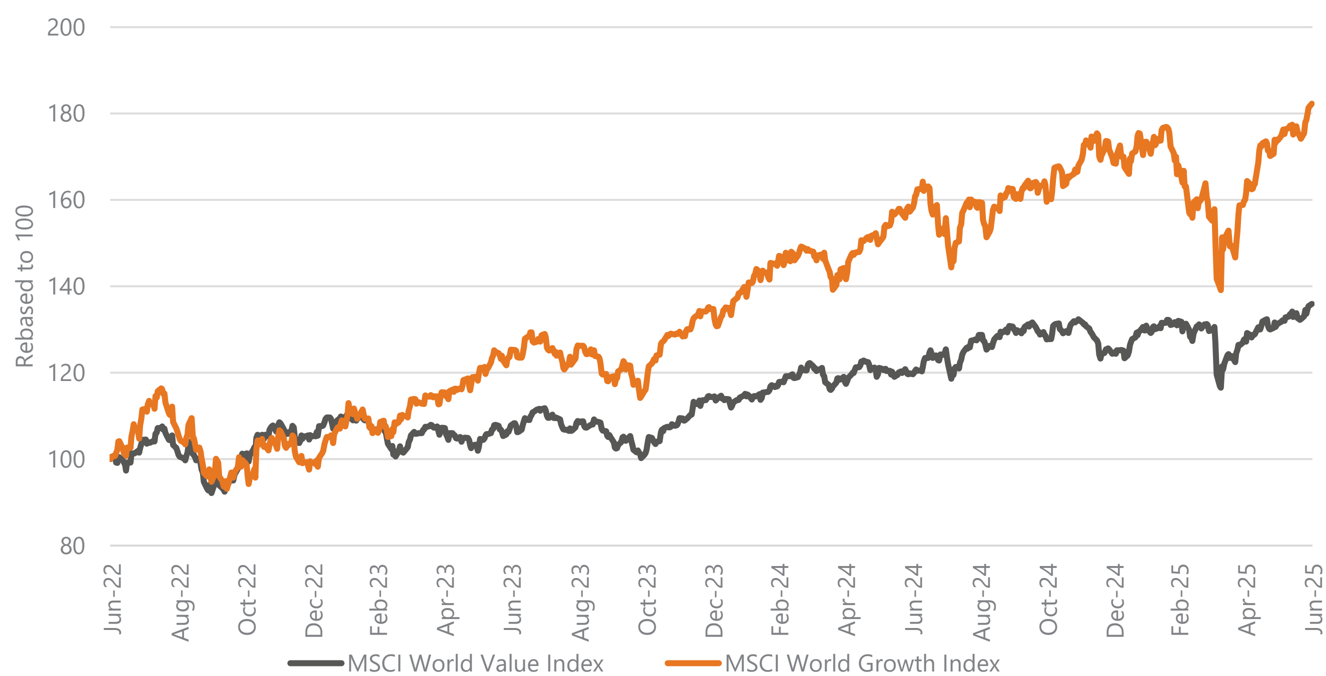
Chart 2: Global Equity Markets Performance




Source: Bloomberg. All in local currencies

Notes: FTSE All-Share Index (Ticker: ASXTR Index); S&P 500 Index (Ticker: SPXT Index); STOXX Europe 600 (Ticker: SXXG Index); Nikkei 225 Index (Ticker: NKYTR Index); MSCI World Index (Ticker: DLEACWF Index); MSCI Emerging Markets (Ticker: M1EF Index)

Chart 3: Global Equity Markets, Growth vs Value




Source: Bloomberg

Notes: MSCI World Value Index (Ticker: MXWO000V Index); MSCI World Growth Index (Ticker: MXWO000G Index)

Table 2: MSCI ACWI Composition

| Region | Q1 2025 (%) | Q2 2025 (%) |
|---|---|---|
| US | 63.7 | 64.7 |
| UK | 3.6 | 3.3 |
| Europe (ex-UK) | 12.1 | 11.7 |
| Japan | 5.1 | 4.9 |
| Developed Asia-Pacific | 2.5 | 2.5 |
| Emerging Markets | 10.1 | 9.8 |
| Other | 3.0 | 3.1 |

Source: iShares MSCI ACWI ETF

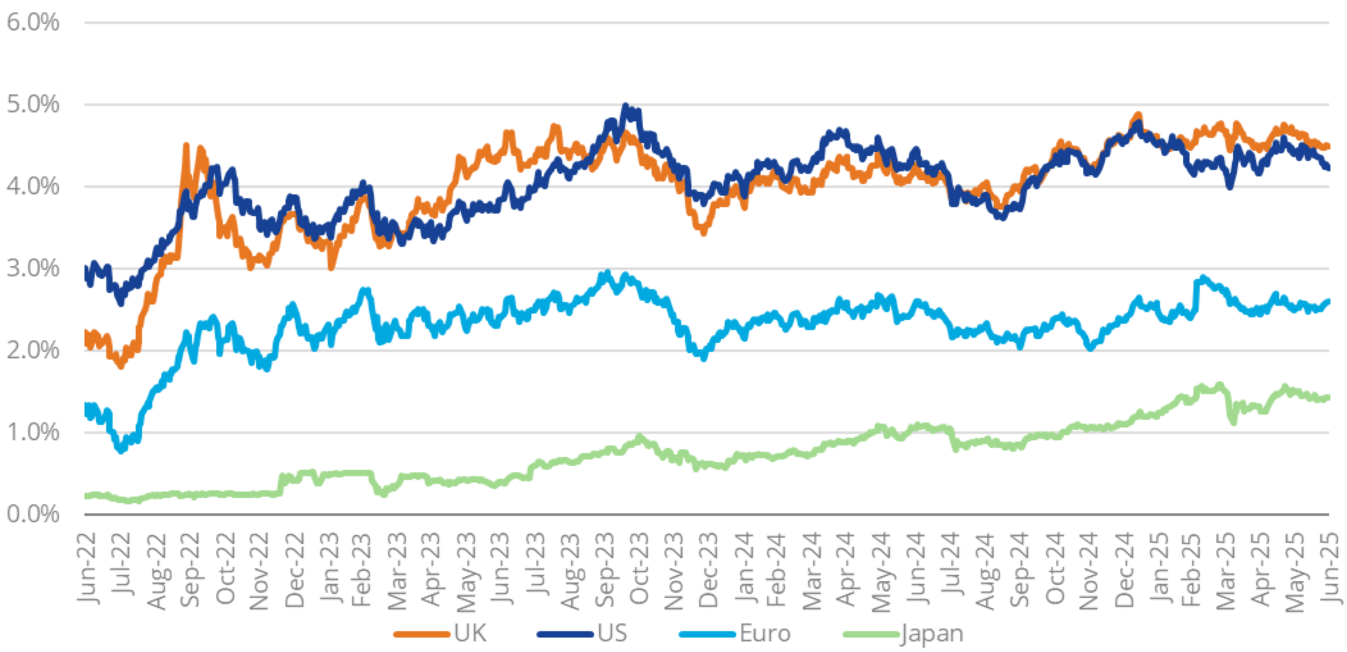
## Fixed Income

Chart 4: US Corporate Bond Spreads


Source: Bloomberg

Notes: Bloomberg Barclays US Corporate Option Adjusted Spread (Ticker: LUACSTAT Index); Option-Adjusted Spreads (OAS) represent the difference between the index yield and the yield of a comparable maturity treasury

Chart 5: Government Bond Yields

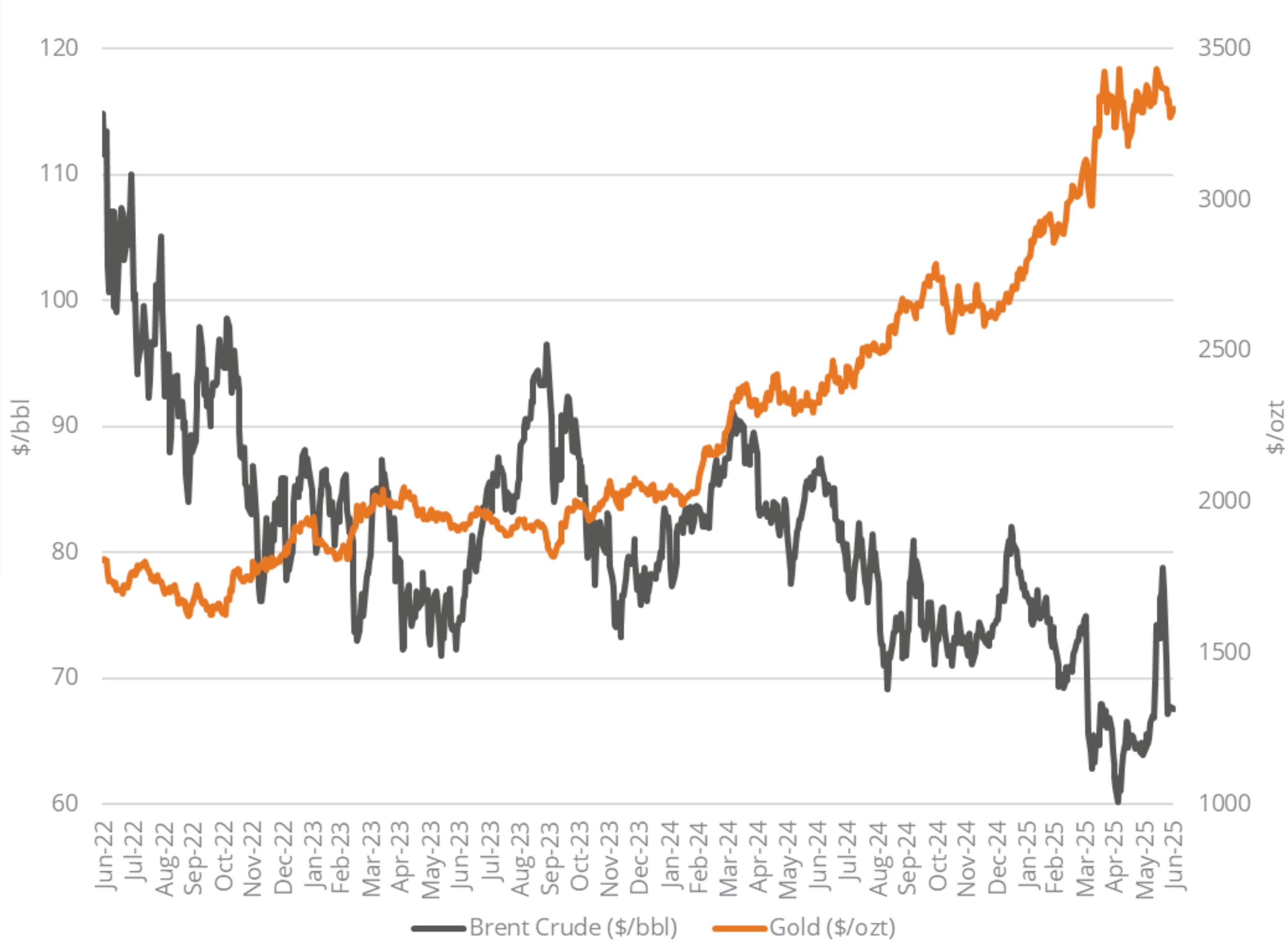



Source: Bloomberg

Notes: US Generic Govt 10 Year Yield (Ticker: USGG10YR Index); UK Govt Bonds 10 Year Note Generic Bid Yield (Ticker: GUKG10 Index); Euro Generic Govt Bond 10 Year (Ticker: GECU10YR Index); Japan Generic Govt Bond 10 Year Yield (Ticker: GJGB10 Index)

## Commodities

Chart 6: Gold and Brent Crude Oil Prices

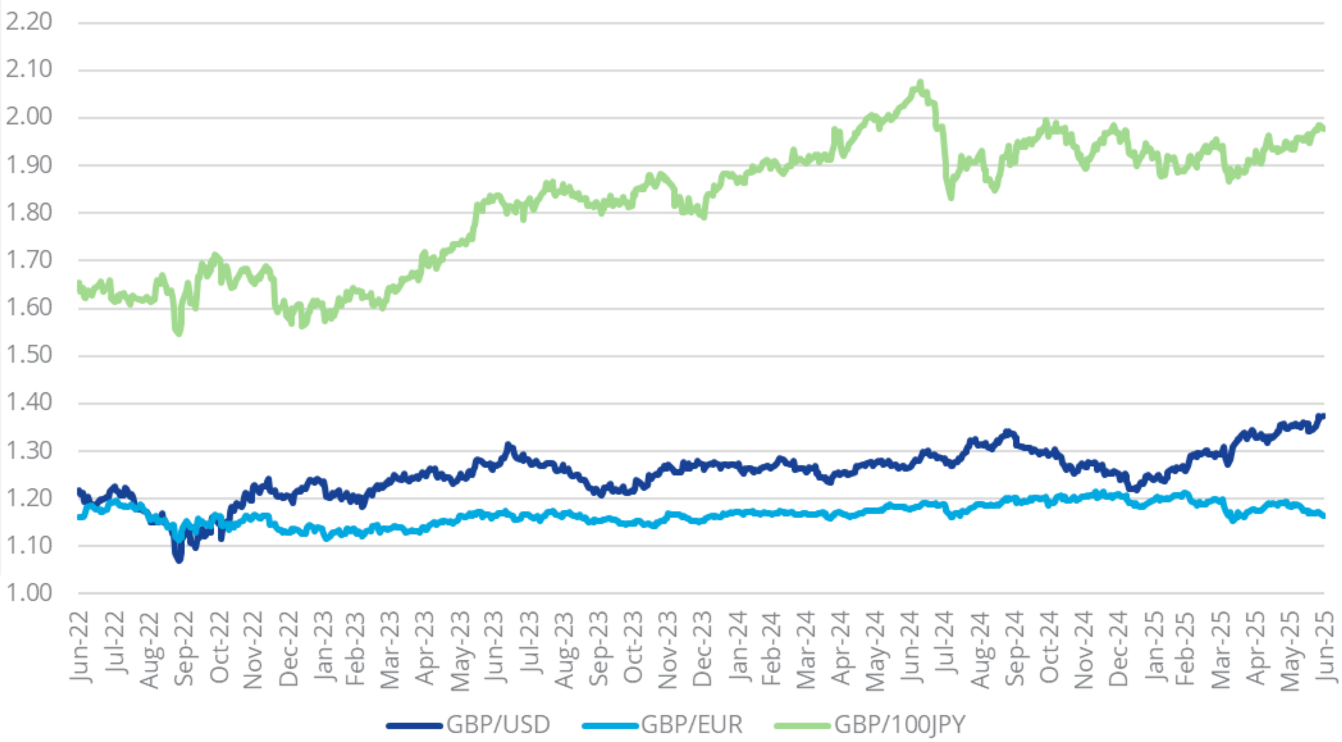



Source: Bloomberg

Notes: Gold USD Spot (Ticker: XAU Currency); Generic 1st Brent Crude Oil (Ticker: CO1 Commodity)

## Currencies

Chart 7: Three-Year Currency Rates of Major Currencies vs Pound Sterling




Source: Bloomberg
Notes: GBPEUR Spot Exchange Rate (Ticker: GBPEUR Currency); GBPUSD Spot Exchange Rate (Ticker: GBPUSD Currency); GBPJPY Spot Exchange Rate (Ticker: GBPJPY Currency)

Table 3: Currency Rates as of 30 June 2025

| Pair | Q2 Value | % Change Over Quarter |
|---|---|---|
| GBP/EUR | 1.1651 | -2.45% |
| GBP/USD | 1.3732 | 6.30% |
| EUR/USD | 1.1787 | 8.98% |
| USD/JPY | 144.03 | -3.95% |

Source: Bloomberg
Notes: GBPEUR Spot Exchange Rate (Ticker: GBPEUR Currency); GBPUSD Spot Exchange Rate (Ticker: GBPUSD Currency); EURUSD Spot Exchange Rate (Ticker: EURUSD Currency); USDJPY Spot Exchange Rate (Ticker: USDJPY Currency)

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# Dorset County Pension Fund Performance Report

Quarter ending 30 June 2025

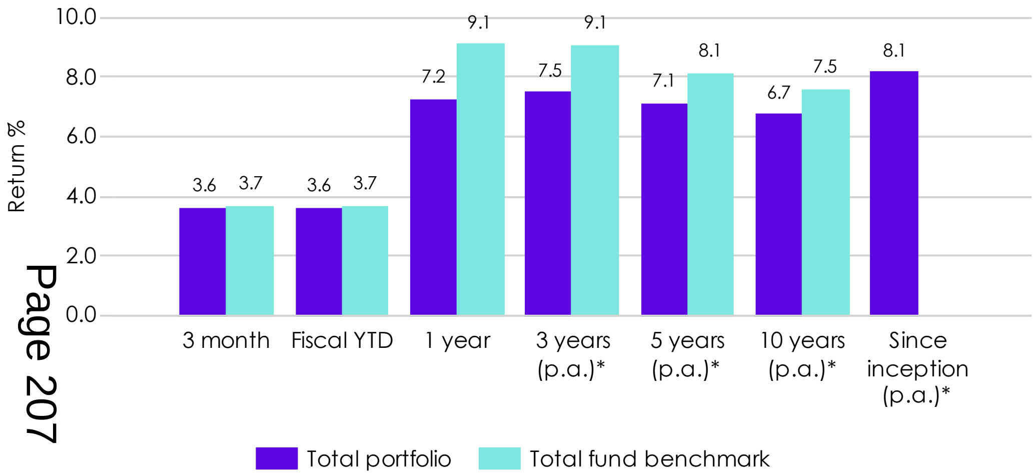
Dorset County Pension Fund
administered by Dorset Council

Brunel Pension Partnership

# Contents

# Pension Fund performance

## Performance (annualised)

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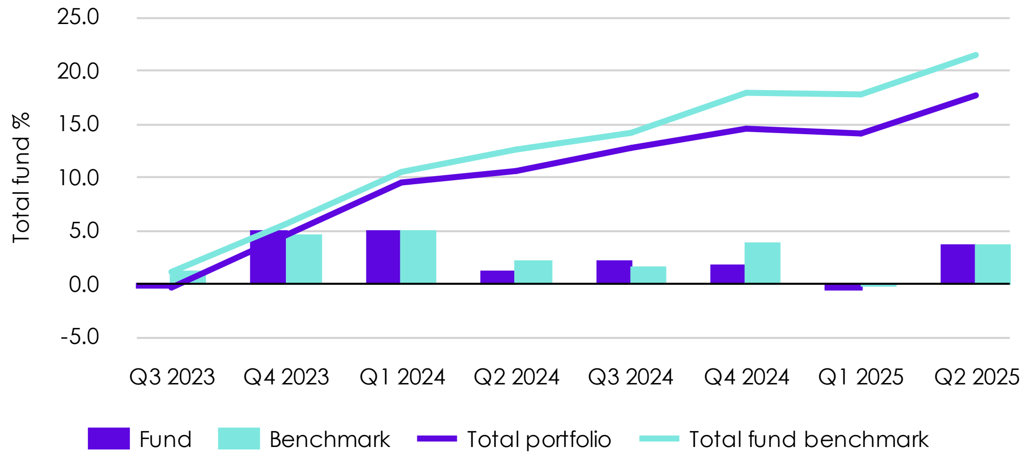
Source: State Street Global Services
*per annum. Net of all fees.

## Quarterly performance




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

## Key events

In the second quarter, markets again saw significant volatility as investors grappled with US tariff policy uncertainty and war in the Middle East. In both cases, investors' worst fears ultimately proved unfounded and most major asset classes delivered positive returns over the quarter.

The Trump administration unveiled tariffs on every major US trading partner on so-called 'Liberation Day'. This took the announced tariff rate to a post-war high of nearly 30%, up from 2% before Trump took office. The tariffs were quickly moderated following a period of intense market volatility which had seen global equities sharply down. By the end of the quarter, equities had staged a powerful comeback, returning over 5%

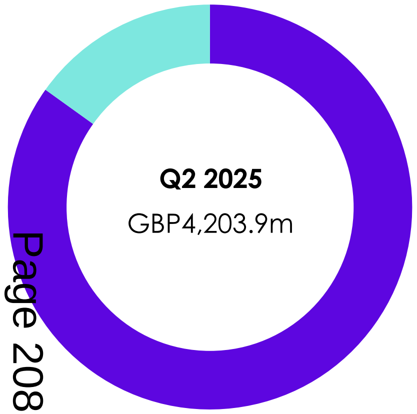
Towards the end of May, market attention turned to fiscal policy as the House of Representatives passed an extension of Trump's 2017 tax relief measures ('One Big Beautiful Bill Act') prompting a brief sell-off in Treasuries, which was exacerbated by a US credit rating downgrade by Moody's. While US stocks and bonds recovered from April's volatility, the US dollar saw continued weakness, ending the quarter down 7%.

After a strong first quarter, European equities delivered returns of 6.2% (in GBP terms). UK equities faced headwinds from high exposure to the energy and healthcare sectors which were the only negative equity sectors at a global level over the quarter. Nevertheless, the FTSE All-Share delivered healthy returns of 4.4%.

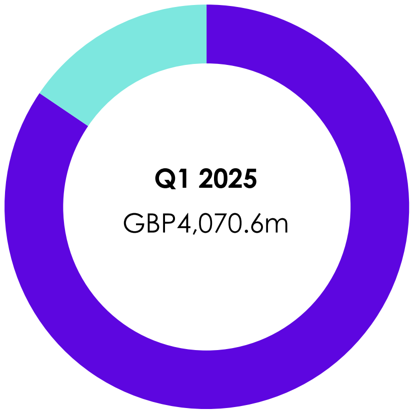
Looking ahead, US policy remains the key source of volatility. Markets remain focused on the outcome of US tariffs. Geopolitical uncertainty continues to increase with Israel and Iran adding further uncertainty to the US approach to Ukraine, Russia and, increasingly, China..

# Asset summary

## Assets transitioned to Brunel




| | |
|---|---|
| Transitioned | 84.84% |
| Non-pooled assets | 15.16% |




| | |
|---|---|
| Transitioned | 84.50% |
| Non-pooled assets | 15.50% |

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

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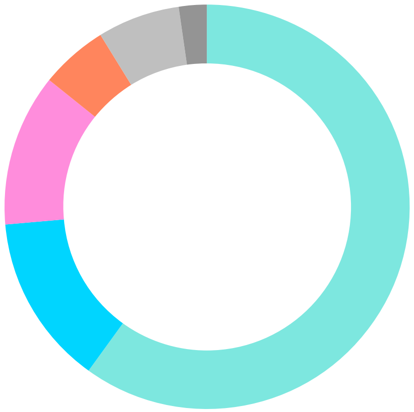
## Asset allocation breakdown



Key:

| | |
|---|---|
| Equities | 59.94% |
| Fixed income | 13.67% |
| Private markets | 12.17% |
| Property | 5.40% |
| Other | 6.59% |
| Cash | 2.24% |

Source: State Street Global Services. Net of all fees.
Data includes non-pooled assets

# Overview of assets

## Detailed asset allocation

| Equities | £2,519.83m | 59.94% |
|---|---|---|
| Passive UK Equities | £457.17m | 10.88% |
| Global Sustainable Equities | £396.06m | 9.42% |
| Low Volatility Global Equities | £308.41m | 7.34% |
| Global Small Cap Equities | £283.59m | 6.75% |
| Global High Alpha Equities | £282.75m | 6.73% |
| Passive Smart Beta (Hedged) | £195.56m | 4.65% |
| Passive Smart Beta | £181.86m | 4.33% |
| Emerging Markets Equities | £167.38m | 3.98% |
| Passive Developed Equities (Hedged) | £129.26m | 3.07% |
| Passive Developed Equities | £117.17m | 2.79% |
| Non-pooled Assets | £0.62m | 0.01% |

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| Fixed income | £574.60m | 13.67% |
|---|---|---|
| Multi-Asset Credit | £300.14m | 7.14% |
| Sterling Corporate Bonds | £274.46m | 6.53% |

| Private markets (incl. property) | £738.42m | 17.57% |
|---|---|---|
| Private Equity Cycle 1 | £59.59m | 1.42% |
| Secured Income Cycle 1 | £53.83m | 1.28% |
| Infrastructure Cycle 3 | £38.59m | 0.92% |
| Secured Income Cycle 3 | £30.93m | 0.74% |
| Private Equity Cycle 3 | £13.20m | 0.31% |
| Private Equity Cycle 4 | £2.74m | 0.07% |
| Non-pooled Assets | £539.54m | 12.83% |

| Other | £276.95m | 6.59% |
|---|---|---|
| Diversifying Returns Fund | £273.85m | 6.51% |
| Non-pooled Assets | £3.10m | 0.07% |

Cash not included

# Overview of assets

## Top 10 Equity Holdings at Pension Fund

| ISIN | Security Name | Sector | Sub-sector | Country | Market Value (£) | % of Pension fund | ESG Score |
|---|---|---|---|---|---|---|---|
| US5949181045 | MICROSOFT CORP | Information Technology | Systems Software | UNITED STATES | 53,268,340.62 | 1.27% | 17.39 |
| US67066G1040 | NVIDIA CORP | Information Technology | Semiconductors | UNITED STATES | 33,571,887.05 | 0.80% | 12.46 |
| GB00BP6MXD84 | SHELL PLC | Energy | Integrated Oil & Gas | UNITED KINGDOM | 31,060,327.49 | 0.74% | 36.06 |
| GB0005405286 | HSBC HOLDINGS PLC | Financials | Diversified Banks | UNITED KINGDOM | 30,007,752.15 | 0.71% | 17.74 |
| GB0009895292 | ASTRAZENECA PLC | Health Care | Pharmaceuticals | UNITED KINGDOM | 29,252,941.21 | 0.70% | 23.13 |
| US0231351067 | AMAZON.COM INC | Consumer Discretionary | Broadline Retail | UNITED STATES | 29,013,812.55 | 0.69% | 25.82 |
| GB00B10RZP78 | UNILEVER PLC | Consumer Staples | Personal Care Products | UNITED KINGDOM | 25,058,764.75 | 0.60% | 21.18 |
| US57636Q1040 | MASTERCARD INC - A | Financials | Transaction & Payment | UNITED STATES | 24,545,566.11 | 0.58% | 14.25 |
| TW0002330008 | TAIWAN SEMICONDUCTOR | Information Technology | Semiconductors | TAIWAN | 23,188,879.59 | 0.55% | 14.67 |
| US02079K3059 | ALPHABET INC-CL A | Communication Services | Interactive Media & | UNITED STATES | 19,769,936.87 | 0.47% | 24.89 |

Table excludes cash and non-pooled assets. This is an estimated aggregate position using Brunel Portfolios.

# Performance attribution

## Pension fund performance attribution - to quarter end

| | End market value £'000 | Actual % allocation at end of quarter | Strategic asset allocation (%) | Difference (%) | Fund return (%): 3 months | Contribution to return: 3 month |
|---|---|---|---|---|---|---|
| Aberdeen Standard | 6,928 | 0.2% | 1.50% | -1.3% | -13.7% | -0.0% |
| Brunel PM Cash (DPDLCASH) | 3,262 | 0.1% | - | 0.1% | -0.0% | -0.0% |
| Cash | 93,703 | 2.2% | - | 2.2% | -0.6% | -0.0% |
| CBRE | 226,818 | 5.4% | 8.00% | -2.6% | 1.6% | 0.1% |
| Harbourvest | 53,291 | 1.3% | 2.50% | -1.2% | -2.5% | -0.0% |
| Hermes | 77,936 | 1.9% | 2.00% | -0.1% | 1.0% | 0.0% |
| IFM | 171,300 | 4.1% | 4.00% | 0.1% | 0.1% | -0.0% |
| Insight | 168 | 0.0% | - | 0.0% | 0.1% | 0.0% |
| Investec | 362 | 0.0% | - | 0.0% | 2.9% | 0.0% |
| SSgA Currency Overlay | 2,936 | 0.1% | - | 0.1% | -638,598.1% | 0.5% |
| Wellington | 230 | 0.0% | - | 0.0% | 0.6% | 0.0% |
| Dorset Transition Acc - Brunel (DPDP) | 344 | 0.0% | - | 0.0% | - | 0.1% |
| Brunel - Cash (DPDGCASH) | 24 | 0.0% | - | 0.0% | - | - |
| Global High Alpha Equities | 282,752 | 6.7% | 6.00% | 0.7% | 4.4% | 0.3% |
| Global Sustainable Equities | 396,061 | 9.4% | 10.00% | -0.6% | 3.4% | 0.3% |
| Emerging Markets Equities | 167,383 | 4.0% | 4.00% | -0.0% | 6.5% | 0.2% |

# Performance attribution

## Pension fund performance attribution - to quarter end

| | End market value £'000 | Actual % allocation at end of quarter | Strategic asset allocation (%) | Difference (%) | Fund return (%): 3 months | Contribution to return: 3 month |
|---|---|---|---|---|---|---|
| Global Small Cap Equities | 283,591 | 6.7% | 7.00% | -0.3% | 7.9% | 0.5% |
| Diversifying Returns Fund | 273,847 | 6.5% | 7.00% | -0.5% | 1.2% | 0.1% |
| Low Volatility Global Equities | 308,408 | 7.3% | 7.50% | -0.2% | 1.7% | 0.1% |
| Multi-Asset Credit | 300,143 | 7.1% | 6.50% | 0.6% | 2.6% | 0.2% |
| Sterling Corporate Bonds | 274,455 | 6.5% | 6.50% | 0.0% | 2.8% | 0.2% |
| Passive Developed Equities | 117,172 | 2.8% | 1.75% | 1.0% | 5.3% | 0.1% |
| Passive Developed Equities (Hedged) | 129,264 | 3.1% | 1.75% | 1.3% | 9.7% | 0.3% |
| Passive UK Equities | 457,169 | 10.9% | 11.00% | -0.1% | 4.4% | 0.2% |
| Passive Smart Beta | 181,859 | 4.3% | 4.50% | -0.2% | -1.1% | -0.1% |
| Passive Smart Beta (Hedged) | 195,557 | 4.7% | 4.50% | 0.2% | 3.2% | 0.1% |
| Private Equity Cycle 1 | 59,587 | 1.4% | 2.00% | -0.6% | N/M | N/M |
| Private Equity Cycle 3 | 13,204 | 0.3% | - | 0.3% | N/M | N/M |
| Private Equity Cycle 4 | 2,740 | 0.1% | - | 0.1% | N/M | N/M |
| Infrastructure Cycle 3 | 38,593 | 0.9% | 1.00% | -0.1% | N/M | N/M |
| Secured Income Cycle 1 | 53,832 | 1.3% | 1.00% | 0.3% | N/M | N/M |
| Secured Income Cycle 3 | 30,931 | 0.7% | - | 0.7% | N/M | N/M |

# Performance attribution

## Pension fund performance attribution - to quarter end

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

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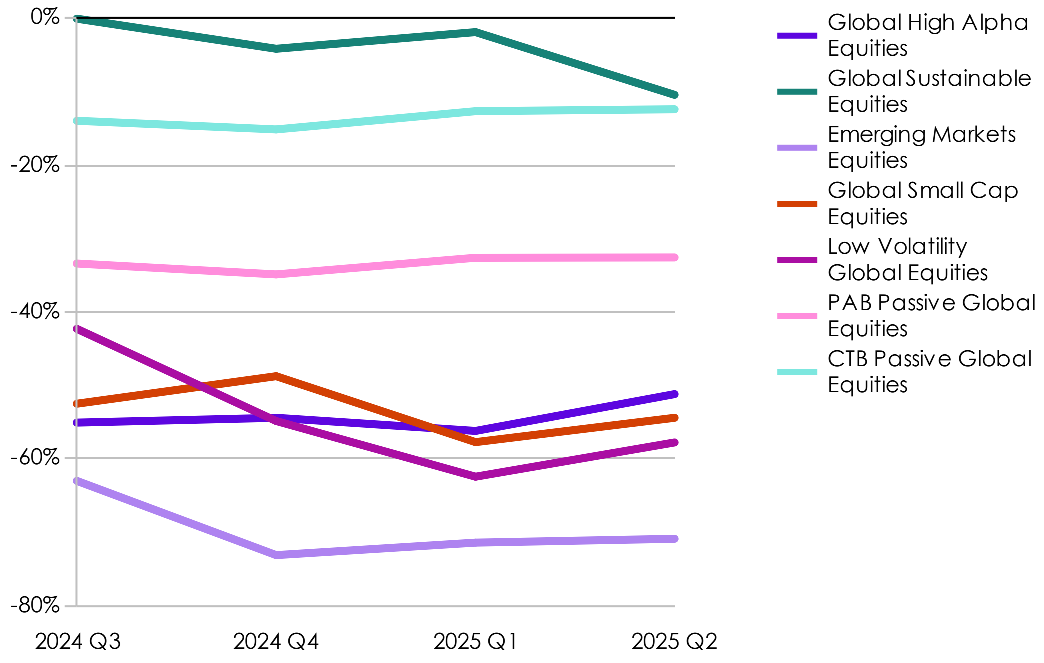
# Stewardship and climate metrics

| Portfolio | WACI | | Total Extractive Exposure[1] | | Extractive Industries (VOH)[2] | |
|---|---|---|---|---|---|---|
| | 2025 Q1 | 2025 Q2 | 2025 Q1 | 2025 Q2 | 2025 Q1 | 2025 Q2 |
| **Global High Alpha Equities** | **58** | **65** | **1.2** | **1.4** | **2.0** | **1.8** |
| MSCI World* | 132 | 133 | 3.1 | 3.1 | 8.1 | 7.3 |
| **Global Sustainable Equities** | **156** | **143** | **1.6** | **1.4** | **8.2** | **6.9** |
| MSCI ACWI* | 159 | 160 | 3.2 | 3.2 | 8.0 | 7.3 |
| **Emerging Markets Equities** | **116** | **117** | **0.1** | **0.1** | **2.0** | **2.1** |
| MSCI Emerging Markets* | 405 | 400 | 5.7 | 5.5 | 7.2 | 6.8 |
| **Global Small Cap Equities** | **82** | **83** | **1.7** | **1.4** | **1.3** | **1.5** |
| MSCI Small Cap World* | 195 | 182 | 3.2 | 3.1 | 5.7 | 5.1 |
| **Low Volatility Global Equities** | **60** | **68** | **1.4** | **1.1** | **2.7** | **2.7** |
| MSCI ACWI* | 159 | 160 | 3.2 | 3.2 | 8.0 | 7.3 |
| **PAB Passive Global Equities** | **90** | **91** | **0.8** | **0.8** | **3.5** | **3.3** |
| FTSE Dev World TR UKPD* | 134 | 135 | 3.1 | 3.1 | 8.4 | 7.5 |
| **PAB Passive Global Equities (Hedged)** | **90** | **91** | **0.8** | **0.8** | **3.5** | **3.3** |
| **CTB Passive Global Equities** | **117** | **118** | **1.4** | **1.4** | **5.1** | **4.7** |
| **CTB Passive Global Equities (Hedged)** | **117** | **118** | **1.4** | **1.4** | **5.1** | **4.7** |
| FTSE Dev World TR UKPD* | 134 | 135 | 3.1 | 3.1 | 8.4 | 7.5 |
| **Passive Developed Equities** | **134** | **135** | **2.9** | **2.9** | **8.4** | **7.5** |
| **Passive Developed Equities (Hedged)** | **134** | **135** | **2.9** | **2.9** | **8.4** | **7.5** |
| **Passive UK Equities** | **103** | **104** | **5.6** | **6.0** | **16.6** | **15.0** |
| **Passive Smart Beta** | **272** | **274** | **2.6** | **2.9** | **12.1** | **12.1** |
| **Passive Smart Beta (Hedged)** | **272** | **274** | **2.6** | **2.9** | **12.1** | **12.1** |

*Benchmark. [1] Extractive revenue exposure as share (%) of total revenue. [2] Value of holdings (VOH) - companies who derive revenues from extractives. Source: Trucost. Changes between quarters may reflect improved data quality and coverage.

## Weighted Average Carbon Intensity relative to benchmark




## Stewardship reporting links

**Engagement records**
www.brunelpensionpartnership.org/stewardship/engagement-records/
**Holdings records**
www.brunelpensionpartnership.org/stewardship/holdings-records/
**Voting records**
www.brunelpensionpartnership.org/stewardship/voting-records/

# Risk and return summary

## Brunel portfolio performance - 3 year

| | Annualised return | Risk (standard deviation) | Benchmark return | Benchmark standard deviation |
|---|---|---|---|---|
| **Equities** | | | | |
| Global High Alpha Equities | 12.4% | 13.0% | 14.2% | 11.6% |
| Global Sustainable Equities | 7.8% | 12.6% | 13.3% | 11.1% |
| Emerging Markets Equities | 5.5% | 13.6% | 5.9% | 13.7% |
| Global Small Cap Equities | 7.7% | 15.4% | 8.3% | 15.3% |
| Passive Developed Equities | 13.8% | 11.4% | 14.0% | 11.4% |
| Passive Developed Equities (Hedged) | 17.7% | 13.9% | 17.9% | 13.8% |
| Passive UK Equities | 10.7% | 10.7% | 10.7% | 10.7% |
| Passive Smart Beta | 9.0% | 10.1% | 8.5% | 10.1% |
| Passive Smart Beta (Hedged) | 12.8% | 12.6% | 12.3% | 12.6% |
| **Fixed income** | | | | |
| Multi-Asset Credit | 9.5% | 4.7% | 8.5% | 0.3% |
| **Other** | | | | |
| Diversifying Returns Fund | 5.0% | 3.6% | 7.5% | 0.3% |

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# Risk and return summary

## Brunel portfolio performance - 3 year

| | Annualised return | Risk (standard deviation) | Benchmark return | Benchmark standard deviation |
|---|---|---|---|---|
| **Private markets (incl. property)** | | | | |
| Private Equity Cycle 1 | 2.8% | 6.9% | 13.3% | 11.1% |
| Secured Income Cycle 1 | -5.1% | 12.0% | 4.5% | 1.8% |

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# Risk and return summary

## Non-pooled manager performance - 3 year

| | Annualised return | Risk (standard deviation) | Benchmark return | Benchmark standard deviation |
|---|---|---|---|---|
| Aberdeen Standard | -4.9% | 12.0% | 10.7% | 10.7% |
| Brunel PM Cash | 238.0% | - | - | - |
| Cash | 0.7% | - | - | - |
| CBRE | -2.4% | 11.0% | -2.9% | 7.8% |
| Harbourvest | -5.7% | 8.5% | 10.7% | 10.7% |
| Hermes | -1.4% | 5.1% | 10.0% | 0.1% |
| IFM | 5.9% | 5.7% | 10.0% | 0.1% |
| Insight | 71.0% | 271.9% | 71.1% | 271.9% |
| Dorset County Pension Fund | 7.5% | 7.6% | 9.1% | 6.8% |

# Portfolio overview

| Portfolio | Benchmark | Outperformance target | AUM (GBPm) | Perf. 3 month | Excess+ 3 month | Perf. 1 year | Excess+ 1 year | Perf. 3 year | Excess+ 3 year | Perf. SII* | Excess+ SII* | Initial investment |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Equities (59.93%)** | | | **2,519.22** | | | | | | | | | |
| Global High Alpha Equities | MSCI World | +2-3% | 282.75 | 4.4% | -0.8% | 4.0% | -3.7% | 12.4% | -1.8% | 11.7% | -0.1% | 15 Nov 2019 |
| Global Sustainable Equities | MSCI ACWI | +2% | 396.06 | 3.4% | -1.8% | 1.2% | -6.5% | 7.8% | -5.4% | 5.1% | -5.0% | 01 Dec 2020 |
| Emerging Markets Equities | MSCI Emerging Markets | +2-3% | 167.38 | 6.5% | 0.8% | 7.1% | 0.2% | 5.5% | -0.4% | 3.1% | -1.4% | 09 Oct 2019 |
| Global Small Cap Equities | MSCI Small Cap World | +2% | 283.59 | 7.9% | 2.6% | 4.5% | -1.6% | 7.7% | -0.6% | 2.9% | -1.6% | 03 Mar 2021 |
| Low Volatility Global Equities | MSCI ACWI | > Benchmark | 308.41 | 1.7% | -3.5% | - | - | - | - | 0.2% | 0.5% | 11 Dec 2024 |
| Passive Developed Equities | FTSE Developed | Match | 117.17 | 5.3% | - | 7.8% | -0.1% | 13.8% | -0.2% | 10.9% | -0.2% | 24 Jan 2020 |
| Passive Developed Equities (Hedged) | FTSE Developed | Match | 129.26 | 9.7% | -0.1% | 14.6% | -0.2% | 17.7% | -0.3% | 12.1% | -0.2% | 31 Jan 2020 |
| Passive UK Equities | FTSE All Share | Match | 457.17 | 4.4% | - | 11.2% | - | 10.7% | - | 5.6% | 0.1% | 11 Jul 2018 |
| Passive Smart Beta | SciBeta Multifactor Composite | +0.5-1% | 181.86 | -1.1% | 0.1% | 5.8% | 0.5% | 9.0% | 0.5% | 8.3% | 0.3% | 25 Jul 2018 |
| Passive Smart Beta (Hedged) | SciBeta Multifactor Hedged Composite | +0.5-1% | 195.56 | 3.2% | 0.1% | 12.4% | 0.4% | 12.8% | 0.5% | 8.7% | 0.3% | 25 Jul 2018 |
| **Fixed income (13.67%)** | | | **574.60** | | | | | | | | | |
| Multi-Asset Credit | SONIA +4% | 0% to +1.0% | 300.14 | 2.6% | 0.6% | 9.1% | 0.2% | 9.5% | 1.0% | 4.2% | -3.2% | 01 Jun 2021 |
| Sterling Corporate Bonds | iBoxx Sterling Non Gilt x | +1% | 274.46 | 2.8% | - | 6.9% | 1.6% | - | - | 6.4% | 1.6% | 14 Dec 2022 |
| **Private markets (incl. property) (4.73%)** | | | **198.89** | | | | | | | | | |
| Private Equity Cycle 1 | MSCI ACWI | +3% | 59.59 | N/M | N/M | 2.4% | -5.3% | 2.8% | -10.4% | 10.8% | -1.1% | 26 Mar 2019 |

# Portfolio overview

| Portfolio | Benchmark | Outperformance target | AUM (GBPm) | Perf. 3 month | Excess⁺ 3 month | Perf. 1 year | Excess⁺ 1 year | Perf. 3 year | Excess⁺ 3 year | Perf. SII* | Excess⁺ SII* | Initial investment |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Private markets (incl. property) (4.73%)** | | | **198.89** | | | | | | | | | |
| Private Equity Cycle 3 | MSCI ACWI | +3% | 13.20 | N/M | N/M | 1.8% | -5.9% | - | - | 0.4% | -14.1% | 28 Apr 2023 |
| Private Equity Cycle 4 | MSCI ACWI | +3% | 2.74 | N/M | N/M | 14.2% | 6.5% | - | - | - | -10.0% | 30 May 2024 |
| Infrastructure Cycle 3 | n/a - absolute return target | net 8% IRR | 38.59 | N/M | N/M | 9.8% | 6.2% | - | - | 5.7% | 1.4% | 13 Oct 2022 |
| Secured Income Cycle 1 | CPI | +2% | 53.83 | N/M | N/M | 4.7% | 1.1% | -5.1% | -9.6% | 0.1% | -4.0% | 15 Jan 2019 |
| Secured Income Cycle 3 | CPI | +2% | 30.93 | N/M | N/M | 3.8% | 0.3% | - | - | - | -2.7% | 01 Jun 2023 |
| **Other (6.51%)** | | | **273.85** | | | | | | | | | |
| Diversifying Returns Fund | SONIA +3% | 0% to +2.0% | 273.85 | 1.2% | -0.6% | 4.9% | -3.0% | 5.0% | -2.4% | 4.1% | -1.7% | 31 Jul 2020 |
| **Total Brunel assets (excl. cash) (84.84%)** | | | **3,566.55** | | | | | | | | | |

*Since initial investment
⁺ Excess to benchmark, may not include outperformance
Private Markets 3 month performance is not material. Private Markets interim period performance is calculated using NAVs provided on business day 8. Later revisions to these NAVs are not captured in the calculations so please use caution when using this data.

# Portfolio overview

## Non-pooled assets

| Portfolio | AUM (GBPm) | Perf. 3 month | Excess[+] 3 month | Perf. 1 year | Excess[+] 1 year | Perf. 3 year | Excess[+] 3 year | Perf. SII* | Excess[+] SII* | Initial investment |
|---|---|---|---|---|---|---|---|---|---|---|
| **Private markets (incl. property) (12.83%)** | | | **539.54** | | | | | | | |
| Aberdeen Standard | 6.93 | -13.7% | -18.1% | -14.1% | -25.2% | -4.9% | -15.5% | 3.8% | -2.6% | 01 Jun 2006 |
| Brunel PM Cash (DPDLCASH) | 3.26 | - | - | 0.6% | 0.6% | 238.0% | 238.0% | 106.8% | - | 01 Jun 2020 |
| CBRE | 226.82 | 1.6% | 0.1% | 4.3% | -2.0% | -2.4% | 0.5% | 6.4% | 0.2% | 01 Jan 2000 |
| Harbourvest | 53.29 | -2.5% | -6.8% | -2.9% | -14.0% | -5.7% | -16.3% | 12.0% | 5.9% | 01 May 2006 |
| Hermes | 77.94 | 1.0% | -1.3% | -1.6% | -11.6% | -1.4% | -11.4% | 4.2% | -5.8% | 01 Feb 2015 |
| IFM | 171.30 | 0.1% | -2.2% | 6.5% | -3.5% | 5.9% | -4.0% | 11.8% | 1.8% | 01 Apr 2016 |
| **Other (2.23%)** | | | **93.87** | | | | | | | |
| Cash | 93.70 | -0.6% | -0.6% | 0.4% | 0.4% | 0.7% | 0.7% | 0.5% | - | 01 Jan 2009 |
| Insight | 0.17 | 0.1% | - | 472.6% | - | 71.0% | -0.1% | 17.4% | 0.5% | 01 Jul 2012 |
| **Total non-pooled assets (excl. cash) (15.07%)** | **633.41** | | | | | | | | | |

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

# Chief Investment Officer commentary

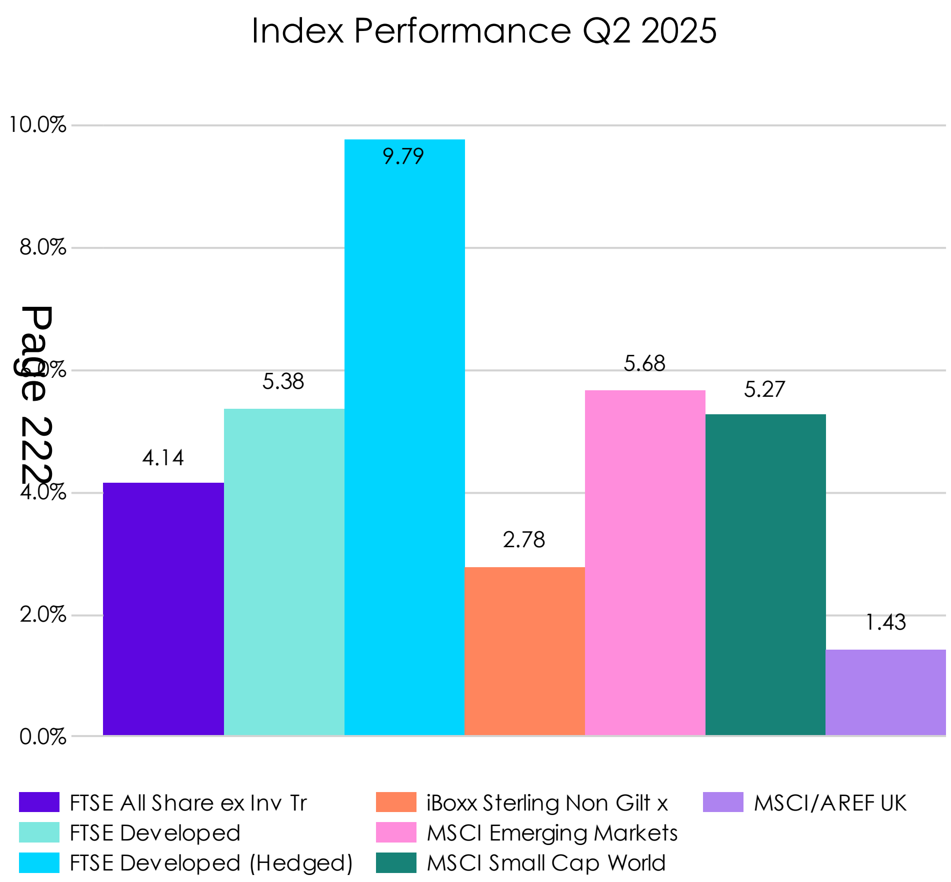
The second quarter of 2025 saw significant volatility across markets as investors grappled with tariff policy uncertainty and war in the Middle East. In both cases, investors' worst fears ultimately proved unfounded and most major asset classes delivered positive returns over the quarter. The Trump administration unveiled tariffs on every major US trading partner on so-called "Liberation Day". This took the announced tariff rate to a post-war high of nearly 30%, up from 2% before Trump took office. The tariffs were quickly moderated following a period of intense market volatility which had seen global equities sharply down. By the end of the quarter, equities had staged a powerful comeback, returning over 5%.

Towards the end of May, market attention turned to fiscal policy as the House of Representatives passed an extension of Trump's 2017 tax relief measures the One Big Beautiful Bill Act (OBBA) prompting a brief sell-off in Treasuries, which was exacerbated by a US credit rating downgrade by Moody's. The bill extends tax cuts passed in 2017, increases defence spending, and cuts spending on programmes such as Medicaid. While US stocks and bonds recovered from April's volatility, the US dollar saw continued weakness, with the dollar ending the quarter down 7%. Major central banks were either on hold – such as the US Federal Reserve, the Bank of Japan, or easing monetary conditions modestly. The Bank of England retained its quarterly pattern of rate cuts, lowering the base rate to 4.25% while the European Central Bank (ECB) cut its main policy rate twice leaving it at 2%.

US shares advanced in Q2. Gains were led by the information technology and communication services sectors as investor appetite for some of the Magnificent 7 stocks reignited, while stocks with exposure to artificial intelligence staged a strong recovery after some weakness earlier in the year. US shares were also supported by corporate earnings for Q1, which were generally robust. After a strong first quarter of the year, European equities delivered returns of 6.2% in Sterling. However, again dollar weakness against the euro meant that in dollar terms, European equities are the key recipient for flows from investors looking to diversify away from the US. UK equities faced headwinds from high exposure to the energy and healthcare sectors which were the only negative equity sectors at a global level over the quarter. Despite this, the FTSE All-Share still delivered healthy returns of 4.4%.

Looking ahead, US policy remains the key source of volatility. Markets remain focused on the outcome of US tariffs. Geopolitical uncertainty has increased with Israel and Iran adding further uncertainty to the US approach to Ukraine, Russia and increasingly China.

# Chief Investment Officer commentary




Source: State Street

# Global High Alpha Equities

**Launch date**
6 December 2019

**Investment strategy & key drivers**
High conviction, unconstrained global equity portfolio

**Liquidity**
Managed

**Benchmark**
MSCI World

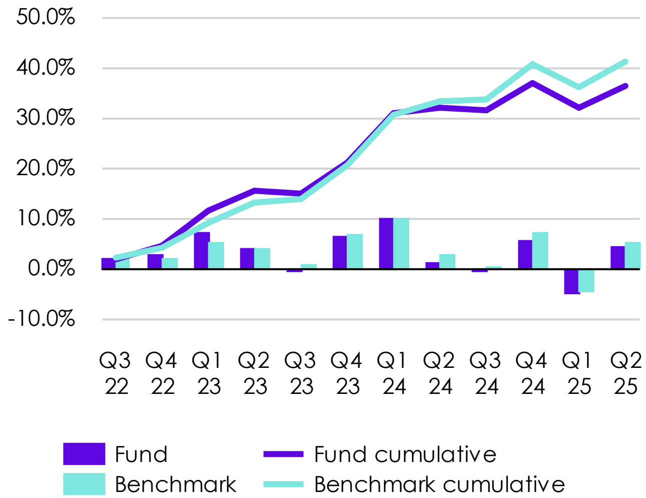
**Outperformance target**
+2-3%

**Total fund value**
£4,523m

**Risk profile**
High

**Dorset's Holding:**
GBP283m

## Rolling 3yr performance




## Performance to quarter end

| Performance | 3 month | 1 year | 3 year* | Since inception* |
|---|---|---|---|---|
| Fund | 4.4 | 4.1 | 12.4 | 12.1 |
| MSCI World | 5.1 | 7.7 | 14.2 | 12.2 |
| Excess | -0.8 | -3.7 | -1.8 | -0.1 |

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

## Performance commentary

Global developed equities (as proxied by the MSCI World index) returned 5.1% in GBP terms over the quarter as equity markets rebounded from the negative performance in Q1 2025 despite continuing geopolitical and economic uncertainties. The quarter experienced a strong risk-on sentiment driven by easing inflation, push back of US tariffs, and resilient corporate earnings. This environment favoured growth stocks over value, further driven by continued enthusiasm around AI and technology, which dominate growth indices. Cyclical sectors significantly outperformed defensive sectors in general. IT and Communication Services were the best performing sectors whilst Energy was the worst performing sector as oil prices fell, and concerns rose over slowing global demand. Broad style indices showed growth outperformed, whilst both quality and value underperformed.

The portfolio returned 4.4%, underperforming the index by 0.8% as weak selection in aggregate more than offset the benefits from sector allocation. Positive allocation was driven by underweights in Energy and Consumer Staples. Selection was strong in IT where the underweight in Apple and overweight in TSMC were the largest contributors, the latter's exposure to AI-related demand making it a key beneficiary of the broader tech sector's focus on AI and advanced computing. Underweight holdings in the two largest semiconductor names in the index (NVidia and Broadcom, which both performed strongly) were two of the largest detractors. Selection was weakest in Financials where the largest detractors were overweight holdings in Mastercard and two insurance related names (Brown & Brown and Progressive Corporation) which were both impacted as investors became increasingly concerned about a broader pullback in the insurance sector. Another large detractor was United Health Group after the company announced that its CEO stepped down, suspended earnings guidance and was then revealed to be under federal investigation for possible fraud linked to Medicare schemes. Both managers who held the company have significantly reduced their holding.

Manager performance was mixed, reflecting the marked differential between investment styles. MSCI World Growth index outperformed MSCI World Value by 10% in GBP terms, and the risk-on environment led to underperformance of quality and defensive strategies. Baillie Gifford with a strong growth bias outperformed (+9.6%) whereas Harris (a value manager) delivered the weakest relative performance (-5%).

# Global High Alpha Equities

## Top 5 holdings

| | Weight % | B'mark weight % | Client value (GBP)* |
|---|---|---|---|
| MICROSOFT CORP | 6.12 | 4.66 | 17,312,406 |
| AMAZON.COM INC | 4.39 | 2.78 | 12,423,883 |
| TAIWAN SEMICONDUCTOR | 3.78 | - | 10,692,510 |
| ALPHABET INC | 3.03 | 2.53 | 8,559,120 |
| MASTERCARD INC | 2.86 | 0.61 | 8,072,872 |

*Estimated client value

## Top 5 active overweights

| | Weight % | Benchmark weight % |
|---|---|---|
| TAIWAN SEMICONDUCTOR | 3.78 | - |
| MASTERCARD INC | 2.86 | 0.61 |
| AMAZON.COM INC | 4.39 | 2.78 |
| MOODY'S CORP | 1.61 | 0.11 |
| MICROSOFT CORP | 6.12 | 4.66 |

## Top 5 active underweights

| | Weight % | Benchmark weight % |
|---|---|---|
| APPLE INC | 0.81 | 4.09 |
| NVIDIA CORP | 2.83 | 5.12 |
| META PLATFORMS INC | - | 2.15 |
| TESLA INC | - | 1.22 |
| JPMORGAN CHASE & CO | - | 1.08 |

## Largest contributors to ESG risk

| | ESG risk score* Q1 2025 | ESG risk score* Q2 2025 |
|---|---|---|
| AMAZON.COM INC | 26.10 | 25.82 |
| MICROSOFT CORP | 13.65 | 17.39 |
| ALPHABET INC-CL A | 24.89 | 24.89 |
| TAIWAN SEMICONDUCTOR-SP | 15.19 | 14.67 |
| MASTERCARD INC - A | 14.25 | 14.25 |

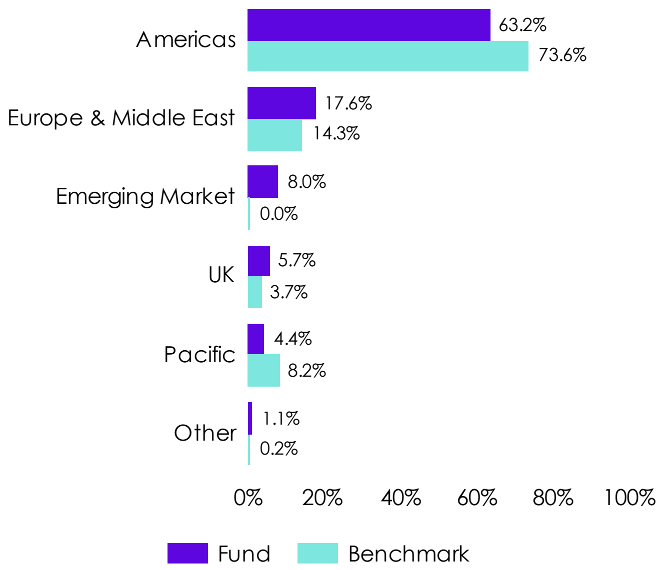
*Source: Sustainalytics. The table is ordered by negative overall ESG impact on the portfolio, with the most impactful at the top. ESG Risk Score reference: 0-10 is Negligible, 10-20 is Low, 20-30 is Medium, 30-40 is High, 40+ is Severe.

## Carbon metrics

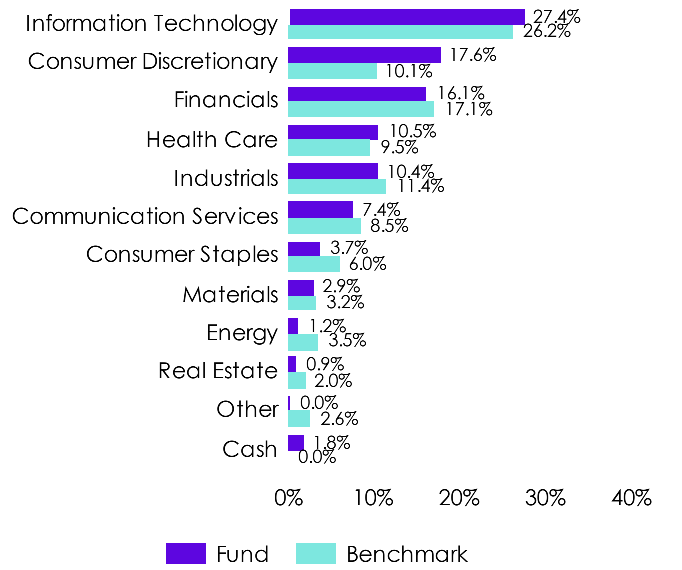
| Portfolio | WACI 2025 Q1 | WACI 2025 Q2 | Total Extractive Exposure[1] 2025 Q1 | Total Extractive Exposure[1] 2025 Q2 | Extractive Industries (VOH)[2] 2025 Q1 | Extractive Industries (VOH)[2] 2025 Q2 |
|---|---|---|---|---|---|---|
| **Global High Alpha** | 58 | 65 | 1.20 | 1.44 | 1.98 | 1.84 |
| **MSCI World*** | 132 | 133 | 3.12 | 3.13 | 8.13 | 7.31 |

*Benchmark. [1] Extractive revenue exposure as share (%) of total revenue. [2] Value of holdings (VOH) - companies who derive revenues from extractives. Source: Trucost. Changes between quarters may reflect improved data quality and coverage.

## Regional exposure




## Sector exposure



# Global Sustainable Equities

**Launch date**
20 October 2020

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

**Liquidity**
Managed

**Benchmark**
MSCI ACWI

**Outperformance target**
+2%

**Total fund value**
£3,781m

**Risk profile**
High

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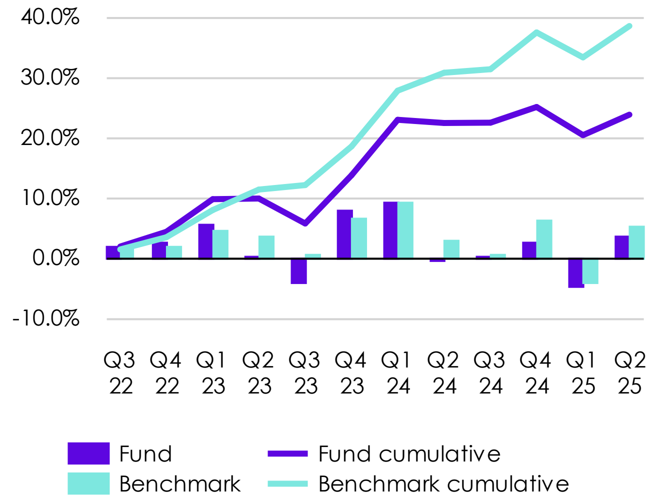
**Dorset's Holding:**
GBP396m

## Rolling 3yr performance




## Performance to quarter end

| Performance | 3 month | 1 year | 3 year* | Since inception* |
|---|---|---|---|---|
| Fund | 3.4 | 1.2 | 7.8 | 5.9 |
| MSCI ACWI | 5.2 | 7.6 | 13.3 | 11.4 |
| Excess | -1.8 | -6.5 | -5.4 | -5.5 |

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

## Performance commentary

The portfolio returned a healthy 3.4% during Q2 2025. The broad MSCI ACWI index, which accounts for every stock in the world, good and bad, returned 5.2% over the quarter.

The quarter started off with Trump's "liberation day", where the US laid out plans for heavy trade tariffs across the globe. Global markets did not take kindly to these proposals and had subsequently dropped to -9% by the 8th of April. However, from this trough onwards, the markets saw a sense of optimism coined by the phrase "Trump always chickens out" or the "TACO" trade for short. The subsequent 12 weeks, saw concessions made on various different tariffs on several different goods. The MSCI ACWI eventually saw a swing of 14% to the upside, finishing the quarter 5% up.

This quarter we also witnessed escalating tensions in the middle east between Israel and Iran, the US ultimately assisting Israel in strikes on Iran's nuclear sites. Whilst there are broader implications for US involvement in middle eastern tensions, from a markets perspective we saw a little volatility but the market continued on it's upward trend towards the end of the quarter.

The macro volatility we have witnessed YTD, does leave the US in a precarious position. YTD the MSCI AC Europe index has returned 13.25%, whilst the MSCI USA index has returned -2.8%. Whilst we have seen positive returns over Q2, there are still some potential headwinds out there, tariffs have been momentarily put on pause, however we may see them reinforced, which may feed into inflation numbers later in the year, as well as an increasing US budgetary deficit and a potential impact on company margins.

In terms of the underlying managers, we were pleased to see outperformance from both RBC and Nordea during this quarter. However, this has been balanced by the underperformance of both Mirova and Jupiter. This is a reversal from what we witnessed in Q1. The difference in performance this quarter can be attributed to positioning within the healthcare sector, those managers with greater exposure to the life-science sub-sector underperformed over the quarter.

Ownership capital also underperformed during the quarter, we will re-allocate capital away from Ownership over Q3.

# Global Sustainable Equities

## Top 5 holdings

| | Weight % | B'mark weight % | Client value (GBP)* |
|---|---|---|---|
| MICROSOFT CORP | 3.32 | 4.18 | 13,160,820 |
| NVIDIA CORP | 2.95 | 4.58 | 11,681,533 |
| MASTERCARD INC | 2.28 | 0.54 | 9,048,878 |
| TAIWAN SEMICONDUCTOR | 2.07 | 1.06 | 8,183,406 |
| WASTE MANAGEMENT INC | 1.90 | 0.11 | 7,531,490 |

*Estimated client value

## Top 5 active overweights

| | Weight % | Benchmark weight % |
|---|---|---|
| WASTE MANAGEMENT INC | 1.90 | 0.11 |
| MASTERCARD INC | 2.28 | 0.54 |
| ECOLAB INC | 1.64 | 0.08 |
| AMERICAN WATER WORKS CO INC | 1.56 | 0.03 |
| ACCENTURE PLC | 1.64 | 0.22 |

## Top 5 active underweights

| | Weight % | Benchmark weight % |
|---|---|---|
| APPLE INC | - | 3.67 |
| ALPHABET INC | - | 2.27 |
| META PLATFORMS INC | - | 1.92 |
| NVIDIA CORP | 2.95 | 4.58 |
| AMAZON.COM INC | 1.25 | 2.49 |

## Largest contributors to ESG risk

| | ESG risk score* Q1 2025 | ESG risk score* Q2 2025 |
|---|---|---|
| MICROSOFT CORP | 13.65 | 17.39 |
| ECOLAB INC | 23.86 | 23.56 |
| NVIDIA CORP | - | 12.46 |
| WASTE MANAGEMENT INC | 18.74 | 17.85 |
| MASTERCARD INC - A | 14.25 | 14.25 |

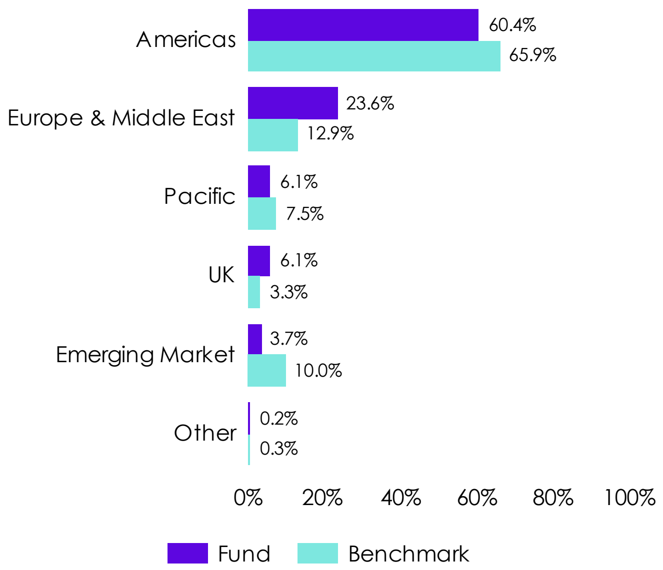
*Source: Sustainalytics. The table is ordered by negative overall ESG impact on the portfolio, with the most impactful at the top. ESG Risk Score reference: 0-10 is Negligible, 10-20 is Low, 20-30 is Medium, 30-40 is High, 40+ is Severe.

## Carbon metrics

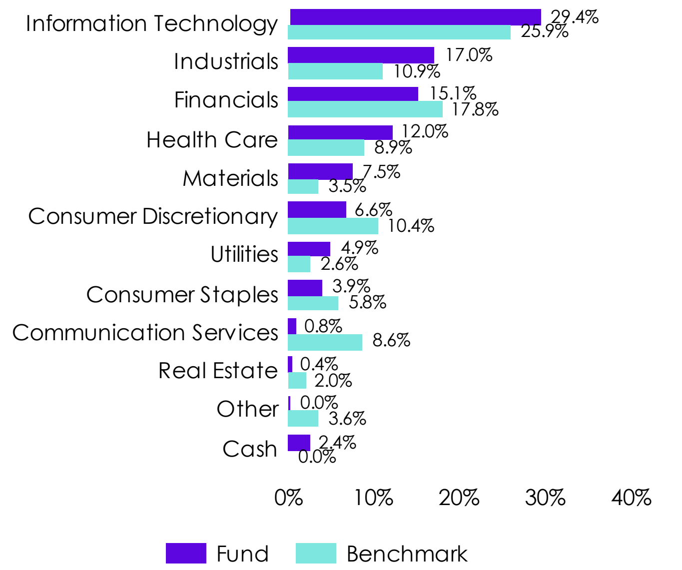
| Portfolio | WACI 2025 Q1 | WACI 2025 Q2 | Total Extractive Exposure[1] 2025 Q1 | Total Extractive Exposure[1] 2025 Q2 | Extractive Industries (VOH)[2] 2025 Q1 | Extractive Industries (VOH)[2] 2025 Q2 |
|---|---|---|---|---|---|---|
| Global Sustainable | 156 | 143 | 1.59 | 1.41 | 8.25 | 6.92 |
| MSCI ACWI* | 159 | 160 | 3.17 | 3.18 | 8.03 | 7.26 |

*Benchmark. [1] Extractive revenue exposure as share (%) of total revenue. [2] Value of holdings (VOH) - companies who derive revenues from extractives. Source: Trucost. Changes between quarters may reflect improved data quality and coverage.

## Regional exposure




## Sector exposure



# Emerging Markets Equities

**Launch date**
8 November 2019

**Investment strategy & key drivers**
Equity exposure to emerging markets

**Liquidity**
Managed

**Benchmark**
MSCI Emerging Markets

**Outperformance target**
+2-3%

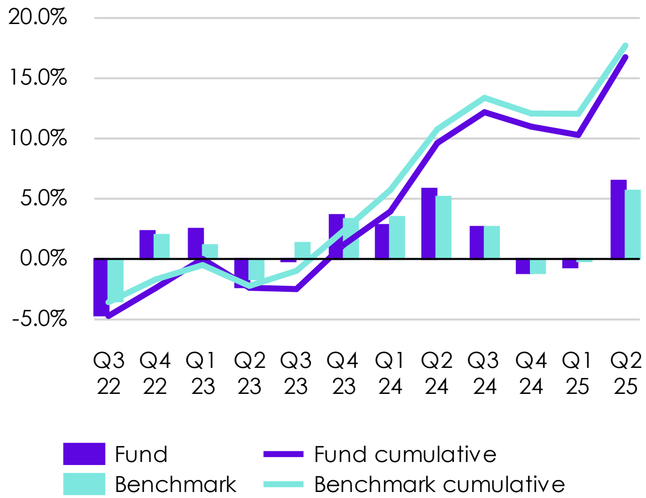
**Total fund value**
£[illegible]65m

**Risk profile**
High

**Dorset's Holding:**
GBP167m



## Rolling 3yr performance




## Performance to quarter end

| Performance | 3 month | 1 year | 3 year* | Since inception* |
|---|---|---|---|---|
| Fund | 6.4 | 7.1 | 5.5 | 2.7 |
| MSCI Emerging Markets | 5.7 | 7.0 | 5.9 | 4.0 |
| Excess | 0.8 | 0.1 | -0.4 | -1.4 |

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

## Performance commentary

Emerging Markets (EM) experienced a solid quarter, returning +5.7% when measured by MSCI Emerging Markets. The quarter began in chaotic fashion as the United States (US) announced global tariffs, which surprised financial markets given the impact on worldwide trade. EM companies were down as much as 9% after tariffs were announced in early April. Markets subsequently rebounded as extensions were granted to tariff negotiations. The Brunel Emerging Markets portfolio outperformed the benchmark by +0.8% net of fees.

A number of overweight positions had stellar returns last quarter. SK Square and Hana Financial Group – two Korean positions in the portfolio – returned +101.5% and 50.6% respectively. SK Square showed strong operational performance last quarter whilst Hana Financial produced record net profits. Both positions were held by Robeco, who have significant exposure to Korea given the attractive valuations vs other EM countries.

Country allocation was very significant last quarter. The portfolios positioning with respect to countries arguably drove all relative performance. The key drivers were the underweight positions in China and Saudi Arabia, which returned -10.6% and -3.9% respectively.

Sector allocation proved harmful to relative performance. Consumer Discretionary companies fell 8.3%, the portfolio is 4% overweight vs benchmark. Stewart were harmed by this given their consumer bias.

Styles showed divergence last quarter. Enhanced Value – a measure of the very cheapest companies – outperformed broader EM by over 3%, which benefitted Robeco's value approach. Conversely, Defensives were the worst performer, underperforming broader EM by almost 5%. This has been hugely detrimental to Stewart's relative performance.

Investors should be mindful of potential volatility in EM from ongoing tariff discussions with the US. Despite this, valuations remain compelling vs Developed markets (DM) and in an absolute sense. EM has a 12-month forward price to earnings ratio of 12.7x vs 19.7x for DM.

# Emerging Markets Equities

## Top 5 holdings

| | Weight % | B'mark weight % | Client value (GBP)* |
|---|---|---|---|
| TAIWAN SEMICONDUCTOR | 11.19 | 10.20 | 18,736,995 |
| SAMSUNG ELECTRONICS CO LTD | 4.14 | 2.74 | 6,926,366 |
| TENCENT HOLDINGS LTD | 3.59 | 4.71 | 6,012,490 |
| HDFC BANK LTD | 3.39 | 1.51 | 5,668,886 |
| ALIBABA GROUP HOLDING LTD | 3.36 | 2.74 | 5,617,500 |

*Estimated client value

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## Top 5 active overweights

| | Weight % | Benchmark weight % |
|---|---|---|
| HDFC BANK LTD | 3.39 | 1.51 |
| SAMSUNG ELECTRONICS CO LTD | 4.14 | 2.74 |
| MAHINDRA & MAHINDRA LTD | 1.77 | 0.39 |
| CONTEMPORARY AMPEREX | 1.38 | 0.15 |
| ERSTE GROUP BANK AG | 1.04 | - |

## Top 5 active underweights

| | Weight % | Benchmark weight % |
|---|---|---|
| TENCENT HOLDINGS LTD | 3.59 | 4.71 |
| MEITUAN | - | 0.91 |
| PDD HOLDINGS INC | - | 0.83 |
| HON HAI PRECISION INDUSTRY CO | - | 0.79 |
| BYD CO LTD | - | 0.71 |

## Largest contributors to ESG risk

| | ESG risk score* | |
|---|---|---|
| | Q1 2025 | Q2 2025 |
| TAIWAN SEMICONDUCTOR | 15.19 | 14.67 |
| TENCENT HOLDINGS LTD | 18.76 | 18.94 |
| HDFC BANK LIMITED | 24.91 | 24.34 |
| ALIBABA GROUP HOLDING LTD | 17.99 | 17.99 |
| SAMSUNG ELECTRONICS CO LTD | 15.12 | 15.12 |

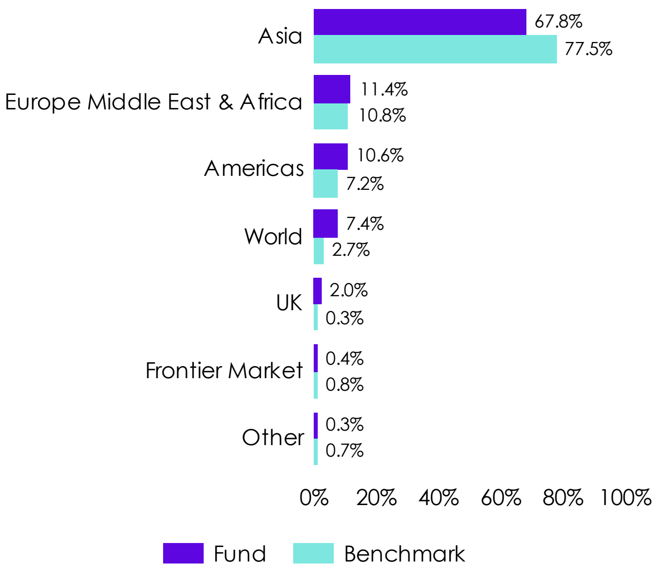
*Source: Sustainalytics. The table is ordered by negative overall ESG impact on the portfolio, with the most impactful at the top. ESG Risk Score reference: 0-10 is Negligible, 10-20 is Low, 20-30 is Medium, 30-40 is High, 40+ is Severe.

## Carbon metrics

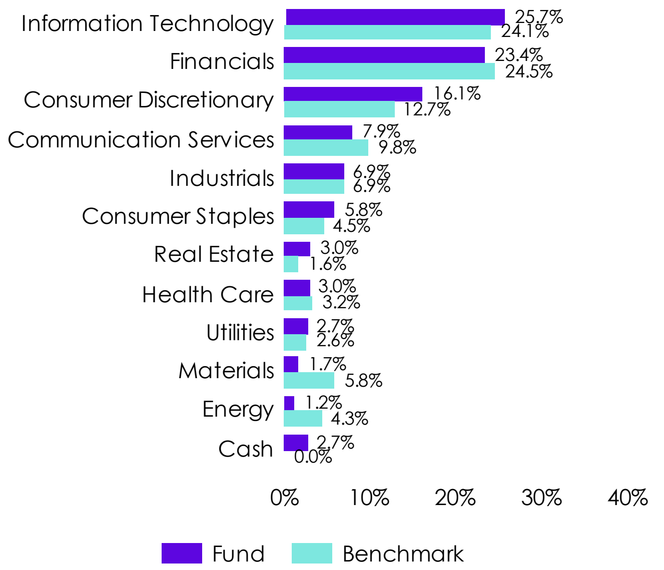
| Portfolio | WACI | | Total Extractive Exposure[1] | | Extractive Industries (VOH)[2] | |
|---|---|---|---|---|---|---|
| | 2025 Q1 | 2025 Q2 | 2025 Q1 | 2025 Q2 | 2025 Q1 | 2025 Q2 |
| **Emerging Markets** | 116 | 117 | 0.09 | 0.10 | 2.03 | 2.11 |
| **MSCI Emerging** | 405 | 400 | 5.71 | 5.53 | 7.16 | 6.80 |

*Benchmark. [1] Extractive revenue exposure as share (%) of total revenue. [2] Value of holdings (VOH) - companies who derive revenues from extractives. Source: Trucost. Changes between quarters may reflect improved data quality and coverage.

## Regional exposure




## Sector exposure



# Global Small Cap Equities

**Launch date**
2 October 2020

**Investment strategy & key drivers**
Global equity exposure to smaller capitalisation companies

**Liquidity**
Managed

**Benchmark**
MSCI Small Cap World

**Outperformance target**
+2%

**Total fund value**
£1025m

**Risk profile**
High

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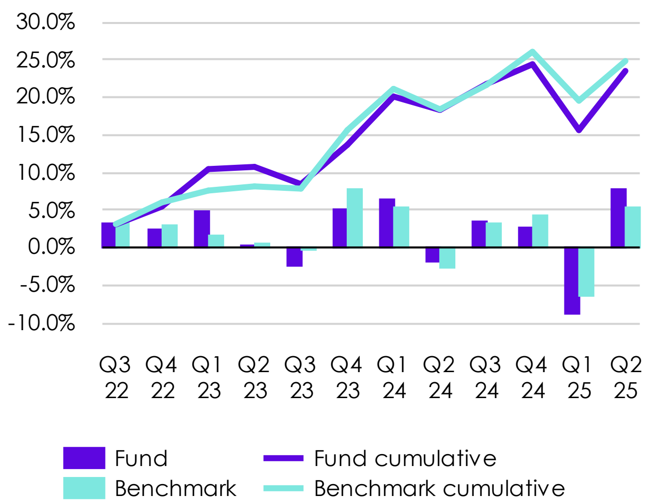
**Dorset's Holding:**
GBP284m

## Rolling 3yr performance




## Performance to quarter end

| Performance | 3 month | 1 year | 3 year* | Since inception* |
|---|---|---|---|---|
| Fund | 7.9 | 4.5 | 7.7 | 6.9 |
| MSCI Small Cap World | 5.3 | 6.1 | 8.3 | 8.7 |
| Excess | 2.6 | -1.6 | -0.6 | -1.8 |

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

## Performance commentary

Smaller companies outperformed larger companies by a small amount over the quarter. Small caps staged a strong recovery after volatility in early April around President Trump's tariff announcements. The recovery in small caps was broader, due to more domestically focussed supply chains and geographic revenue exposures, whereas the large cap rally was more concentrated in mega-cap tech stocks.

The Global Smaller Companies Equity portfolio returned 7.9% over the period, outperforming the benchmark, which returned 5.3%, by 2.6%. The fund's quality/growth tilt aided relative returns. Overweight exposure to IT and Industrials, the two best performing sectors over the quarter, and underweight exposure to Energy and Real Estate, along with strong stock selection, made positive contributions to relative performance.

American Century returned 11.5%. Stock selection in the Financials and Consumer Discretionary sectors was positive as American Century's investment process identified companies experiencing strong earnings growth, such as Dave Inc. and Ryokin Keikaku.

Kempen generated a return of 4.3%. Kempen's value style proved a headwind versus the benchmark, but they did outperform the MSCI Small Cap Value index over the period. Kempen's overweight allocation to Europe and to the Information Technology sector made positive contributions to relative returns but this effect was overwhelmed by weak stock selection, particularly in the Capital Goods sub-industry.

Montanaro returned 9.7%. Montanaro's quality driven approach leads to below benchmark allocations to Energy, Utilities and Real Estate and this helped relative returns, along with overweight exposure to Industrials and Information Technology. Montanaro also have an overweight exposure to Europe and underweight allocation to the US on valuation grounds, and this also contributed to their outperformance of the benchmark index.

# Global Small Cap Equities

## Top 5 holdings

| | Weight % | B'mark weight % | Client value (GBP)* |
|---|---|---|---|
| MTU AERO ENGINES AG | 1.58 | - | 4,476,567 |
| FUJITEC CO LTD | 1.31 | 0.03 | 3,704,945 |
| BAWAG GROUP AG | 1.28 | 0.11 | 3,640,173 |
| QUEST DIAGNOSTICS INC | 1.27 | - | 3,588,672 |
| NOVA LTD | 1.22 | 0.09 | 3,465,594 |

*Estimated client value

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## Top 5 active overweights

| | Weight % | Benchmark weight % |
|---|---|---|
| MTU AERO ENGINES AG | 1.58 | - |
| FUJITEC CO LTD | 1.31 | 0.03 |
| QUEST DIAGNOSTICS INC | 1.27 | - |
| BAWAG GROUP AG | 1.28 | 0.11 |
| NOVA LTD | 1.22 | 0.09 |

## Top 5 active underweights

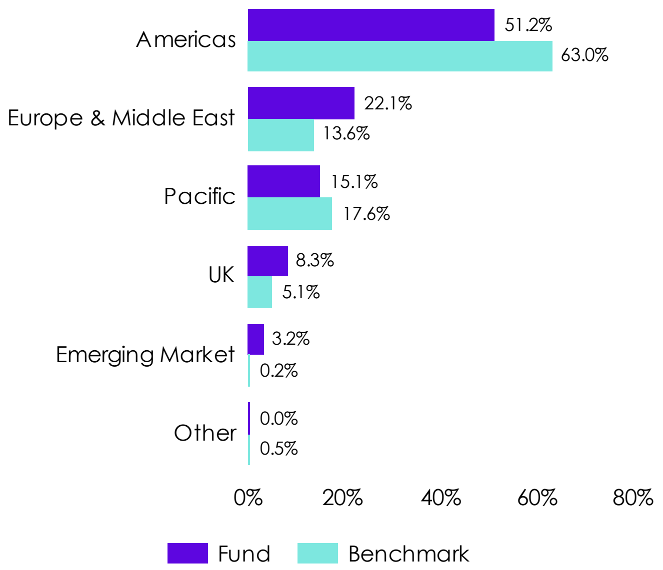
| | Weight % | Benchmark weight % |
|---|---|---|
| FLEX LTD | - | 0.22 |
| SOFI TECHNOLOGIES INC | - | 0.22 |
| COMFORT SYSTEMS USA INC | - | 0.21 |
| CASEY'S GENERAL STORES INC | - | 0.21 |
| CURTISS-WRIGHT CORP | - | 0.21 |

## Largest contributors to ESG risk

| | ESG risk score* Q1 2025 | ESG risk score* Q2 2025 |
|---|---|---|
| FUJITEC CO LTD | 29.88 | 39.76 |
| MTU AERO ENGINES AG | 28.26 | 28.89 |
| NOVA LTD | - | 28.30 |
| WINTRUST FINANCIAL CORP | 28.27 | 28.27 |
| ENCOMPASS HEALTH CORP | 30.21 | 30.21 |

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

## Regional exposure

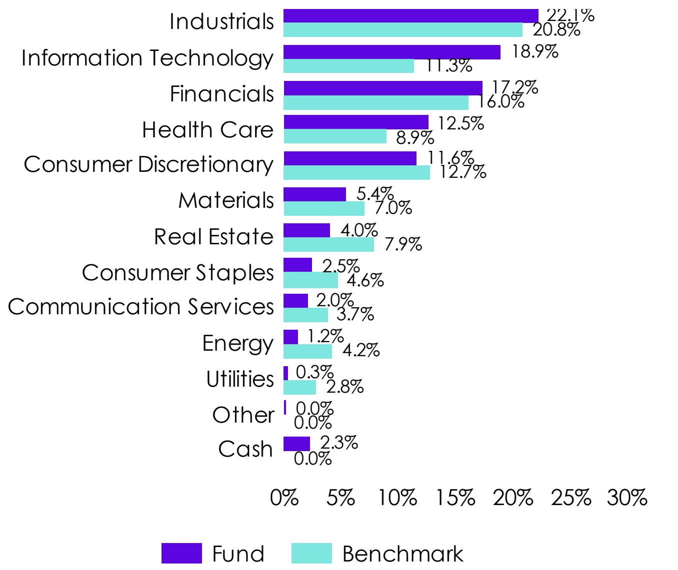



## Carbon metrics

| Portfolio | WACI 2025 Q1 | WACI 2025 Q2 | Total Extractive Exposure[1] 2025 Q1 | Total Extractive Exposure[1] 2025 Q2 | Extractive Industries (VOH)[2] 2025 Q1 | Extractive Industries (VOH)[2] 2025 Q2 |
|---|---|---|---|---|---|---|
| **Global Small Cap** | 82 | 83 | 1.65 | 1.39 | 1.35 | 1.49 |
| **MSCI Small Cap** | 195 | 182 | 3.17 | 3.11 | 5.72 | 5.14 |

*Benchmark. [1] Extractive revenue exposure as share (%) of total revenue. [2] Value of holdings (VOH) - companies who derive revenues from extractives. Source: Trucost. Changes between quarters may reflect improved data quality and coverage.

## Sector exposure



# Diversifying Returns Fund

**Launch date**
12 August 2020

**Investment strategy & key drivers**
Strategy utilising currencies, credit, rates and equities

**Liquidity**
Managed

**Benchmark**
SONIA +3%

**Outperformance target**
0% to +2.0%

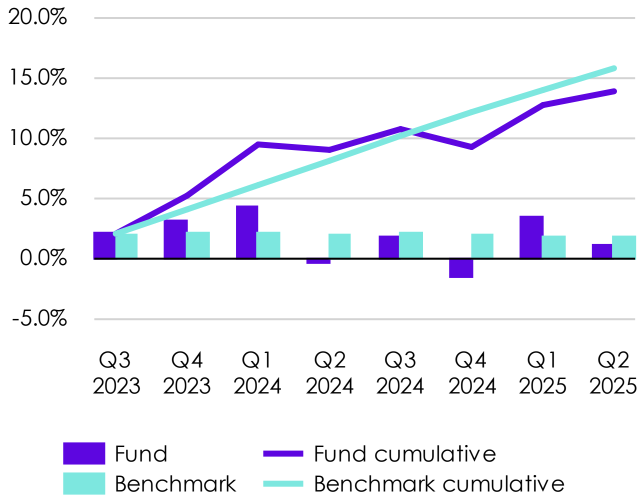
**Total fund value**
£834m

**Risk profile**
Moderate

**Dorset's Holding:**
GBP274m



## Rolling 2yr performance




## Performance to quarter end

| Performance | 3 month | 1 year | 3 year* | Since inception* |
|---|---|---|---|---|
| Fund | 1.1 | 4.9 | 5.0 | 4.1 |
| SONIA +3% | 1.8 | 7.9 | 7.5 | 5.8 |
| Excess | -0.7 | -3.0 | -2.5 | -1.8 |

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

## Performance commentary

The Diversifying Returns Fund returned 1.1% over the second quarter of 2025. SONIA +3% returned 1.8%. The sterling hedged 50/50 equity/bond index we monitor returned 5.6% over the quarter.

Over the period, traditional asset classes rebounded after a weak Q1, but not before a sharp equity market fall in early April. Global equities returned -16.5% on a sterling hedged basis during the draw down that lasted from 18 February to 8 April. The DRF fund returned -2.9% over the same period, highlighting the fund's defensive properties.

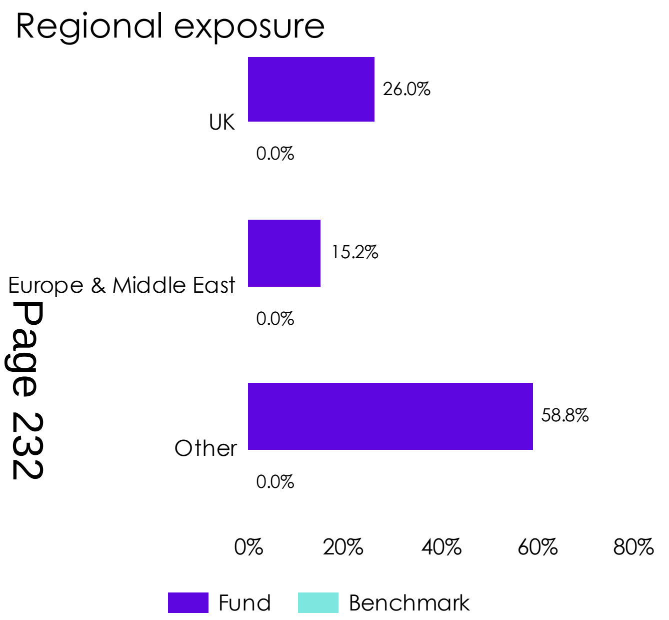
It was a strong quarter for Fulcrum who returned 4.4%, benefiting from positive returns to both equities and fixed income in the asset allocation sleeve of their fund. They were also able to generate positive returns through relative value and macro positioning, and from convexity in portfolio hedging which paid off in April and generated positive returns over the period.

JPM returned -1.7%. The quarter saw strong performance for growth equities and this proved a major headwind for the Equity Value signal which made the largest negative contribution to returns. Equity trend was also weak due to high levels of volatility. Some factors, including Relative Value Equity Momentum, FX Momentum and Credit Carry all performed well, but did not generate sufficiently strong returns to offset losses from other factors.

Lombard Odier returned 1.3% over the quarter as sovereign bond and DM equity exposure both made positive contributions to returns. Commodity exposure was a detractor. The fund lagged more traditional asset allocators due to its defensive nature, deleveraging during bouts of volatility, and leading to a higher exposure to sovereign bonds than equities, the latter being the better performing of the two asset classes over the period.

UBS continued to see positive returns from the US dollar short position, as they returned 0.4%. Short positions in the Chinese Renminbi and Sterling also made positive contributions to returns, but these were somewhat offset by a short position in the Japanese Yen and long position in the Norwegian Kroner.

# Diversifying Returns Fund



# Low Volatility Global Equities

**Launch date**
14 March 2019

**Investment strategy & key drivers**
Active global equity exposure with reduced risk and return volatility

**Liquidity**
Reasonable

**Benchmark**
MSCI ACWI

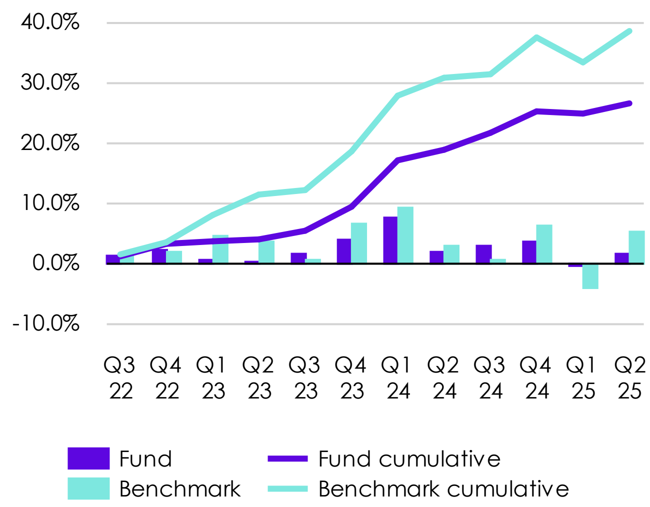
**Outperformance target**
> Benchmark

**Total fund value**
£[illegible]2m

**Risk profile**
High

**Dorset's Holding:**
GBP308m

## Rolling 3yr performance




## Performance to quarter end

| Performance | 3 month | 1 year | 3 year* | Since inception* |
|---|---|---|---|---|
| Fund | 1.7 | 7.9 | 9.1 | 8.4 |
| MSCI ACWI | 5.2 | 7.6 | 13.3 | 11.7 |
| Excess | -3.5 | 0.3 | -4.2 | -3.3 |
| MSCI ACWI Min Vol | -2.2 | 8.3 | 6.6 | 7.0 |

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

## Performance commentary

During Q2, the portfolio returned 1.7% on a net basis, which compensated for the -0.3% return in Q1. Year to date (YTD), the fund has returned 1.6%, outperforming both the broad MSCI ACWI Index (0.8%) and the strategy level MSCI ACWI Minimum Volatility index (0.9%). The fund underperformed the broad MSCI ACWI over Q2 by 3.4%, however, the significant downside protection in Q1 means that the fund has outperformed YTD. The fund significantly outperformed the strategy level Min Vol index over Q2, which returned -2.2%.

This quarter can once again be characterised by exhibiting an exceptional amount of volatility. The quarter started off with Trump's "liberation day", where the US laid out plans for heavy trade tariffs across the globe. Global markets did not take kindly to these proposals and had subsequently dropped to -9% by the 8th of April. However, from this trough onwards, the markets saw a sense of optimism coined by the phrase "Trump always chickens out" or the "TACO" trade. The subsequent 12 weeks, saw concessions made on various different trade tariffs. The MSCI ACWI eventually saw a swing of 14% to the upside, finishing the quarter 5% up. Naturally, the fund provided a level of protection during the initial periods of the quarter, however, failed to keep pace through the second half of May and into June.

The macro volatility we have witnessed YTD, does leave the US in a precarious position. YTD the MSCI AC Europe index has returned 13.25%, whilst the MSCI USA index has returned -2.8%. The Low Volatility fund has a significant underweight position in the US, which has been a positive in terms of relative performance. Whilst we have seen positive returns in the US over Q2, there are still some potential future headwinds, tariffs are not completely off the table and we may see their impact later in the year.

During times of so much macro uncertainty, we are pleased that the fund continues to exhibit downside protection and provides an exposure to the equity market with significantly reduced levels of risk.

Over the 3 years, 5 years and since inception the fund sits comfortably in the second quartile relative to peers and has significantly outperformed the MSCI ACWI Minimum Volatility Index. The fund also demonstrates an attractive return/risk ratio when compared to the MSCI ACWI over these time periods.

# Low Volatility Global Equities

## Top 5 holdings

| | Weight % | B'mark weight % | Client value (GBP)* |
|---|---|---|---|
| QUONIAM FUNDS SELECTION | 6.17 | - | 19,017,441 |
| ROBECO CAPITAL GROWTH | 5.21 | - | 16,056,413 |
| MICROSOFT CORP | 3.19 | 4.18 | 9,833,660 |
| ALPHABET INC | 2.53 | 2.27 | 7,801,773 |
| APPLE INC | 1.86 | 3.67 | 5,728,684 |

*Estimated client value

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## Top 5 active overweights

| | Weight % | Benchmark weight % |
|---|---|---|
| QUONIAM FUNDS SELECTION SICAV | 6.17 | - |
| ROBECO CAPITAL GROWTH FUNDS - | 5.21 | - |
| NOVARTIS AG | 1.45 | 0.27 |
| TJX COS INC/THE | 1.19 | 0.16 |
| MASTERCARD INC | 1.52 | 0.54 |

## Top 5 active underweights

| | Weight % | Benchmark weight % |
|---|---|---|
| NVIDIA CORP | 0.71 | 4.58 |
| APPLE INC | 1.86 | 3.67 |
| BROADCOM INC | - | 1.46 |
| META PLATFORMS INC | 0.64 | 1.92 |
| AMAZON.COM INC | 1.23 | 2.49 |

## Largest contributors to ESG risk

| | ESG risk score* Q1 2025 | ESG risk score* Q2 2025 |
|---|---|---|
| MICROSOFT CORP | 13.65 | 17.39 |
| ALPHABET INC-CL A | 24.89 | 24.89 |
| APPLE INC | 18.75 | 18.99 |
| AMAZON.COM INC | 26.10 | 25.82 |
| JOHNSON & JOHNSON | 19.93 | 22.45 |

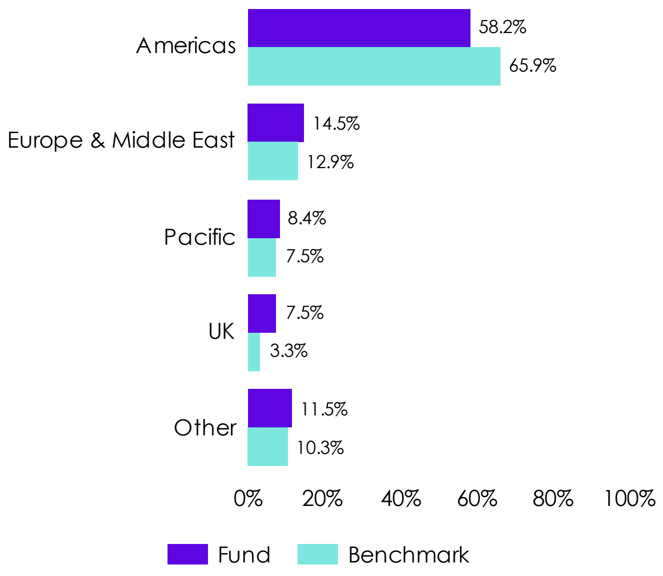
*Source: Sustainalytics. The table is ordered by negative overall ESG impact on the portfolio, with the most impactful at the top. ESG Risk Score reference: 0-10 is Negligible, 10-20 is Low, 20-30 is Medium, 30-40 is High, 40+ is Severe.

## Carbon metrics

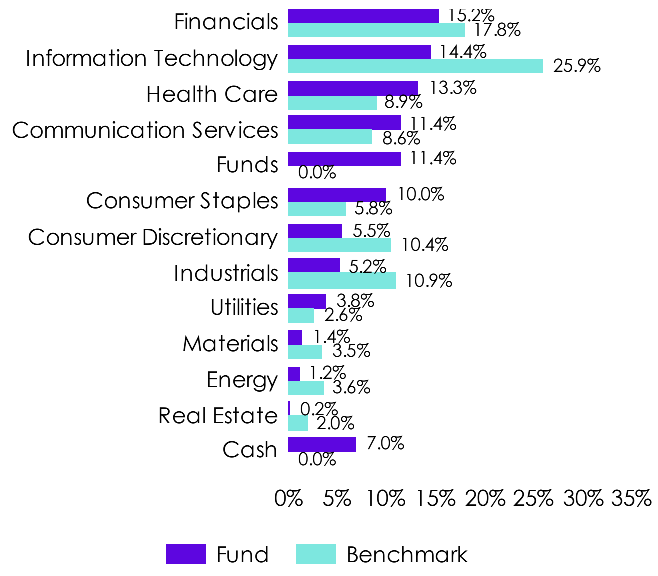
| Portfolio | WACI 2025 Q1 | WACI 2025 Q2 | Total Extractive Exposure[1] 2025 Q1 | Total Extractive Exposure[1] 2025 Q2 | Extractive Industries (VOH)[2] 2025 Q1 | Extractive Industries (VOH)[2] 2025 Q2 |
|---|---|---|---|---|---|---|
| **Low Volatility** | **60** | **68** | 1.44 | 1.08 | 2.67 | 2.68 |
| **MSCI ACWI*** | **159** | **160** | 3.17 | 3.18 | 8.03 | 7.26 |

*Benchmark. [1] Extractive revenue exposure as share (%) of total revenue. [2] Value of holdings (VOH) - companies who derive revenues from extractives. Source: Trucost. Changes between quarters may reflect improved data quality and coverage.

## Regional exposure




## Sector exposure



# Multi-Asset Credit

**Launch date**
7 July 2021

**Investment strategy & key drivers**
Exposure to higher yield bonds with moderate credit risk

**Liquidity**
Managed

**Benchmark**
SONIA +4%

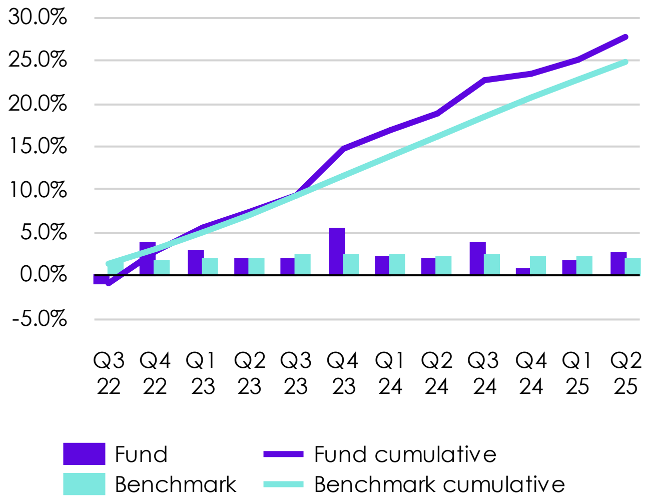
**Outperformance target**
0% to +1.0%

**Total fund value**
£303m

**Risk profile**
Moderate

**Dorset's Holding:**
GBP300m

## Rolling 3yr performance




## Performance to quarter end

| Performance | 3 month | 1 year | 3 year* | Since inception* |
|---|---|---|---|---|
| Fund | 2.6 | 9.1 | 9.5 | 4.3 |
| SONIA +4% | 2.0 | 9.0 | 8.5 | 7.5 |
| Excess | 0.6 | 0.2 | 1.0 | -3.3 |
| Bloomberg Global High Yield Index | 3.4 | 11.4 | 10.6 | 3.2 |
| Morningstar LSTA US Leveraged Loan Index | 2.3 | 7.3 | 9.2 | 6.0 |

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

## Performance commentary

The second quarter of 2025 was volatile but ultimately a positive one for leveraged finance. April was the most volatile period as the United States (US) announced global tariffs that caught financial markets off guard. Risk assets sold off globally but ultimately recovered as tariffs were rolled back with deadlines extended.

US government yields fell slightly over the period, with the 2-year yield falling from 3.89% to 3.71%. Rate volatility was extremely high given the tariff uncertainty, with 2-year yields going as low as 3.6% in April. Credit spreads initially rose in April by over 90bps to 470bps, ultimately falling to 332bps at quarter end.

The lower rates and spreads benefitted fixed rate securities more than floating. High Yield bonds – fixed rate instruments - returned almost 5% in local terms. Whereas Leveraged Loans – floating rate instruments – returned just over 2% in local terms. Convertible Bonds were the best performers, rising over 8%; conversely, Collateralised Loan Obligations were the lowest performer with many sub-investment grade tranches returning in the region of 1%.

The Multi-Asset Credit portfolio returned +2.6%; this was ahead of the primary target (SONIA+4%) but behind the composite secondary benchmark. These benchmarks returned +2.0% and +3.1% respectively. All three managers experienced similar levels of performance.

Spreads are once again tight and moving nearer to all-time lows following a rally last quarter. Investors should be mindful of the mark to market impact from widening but should take comfort with a yield to worst of 6.9%.

# Sterling Corporate Bonds

**Launch date**
2 July 2021

**Investment strategy & key drivers**
Managed credit selection to generate excess sterling yield returns

**Liquidity**
Managed

**Benchmark**
iBoxx Sterling Non Gilt x

**Outperformance target**
+1%

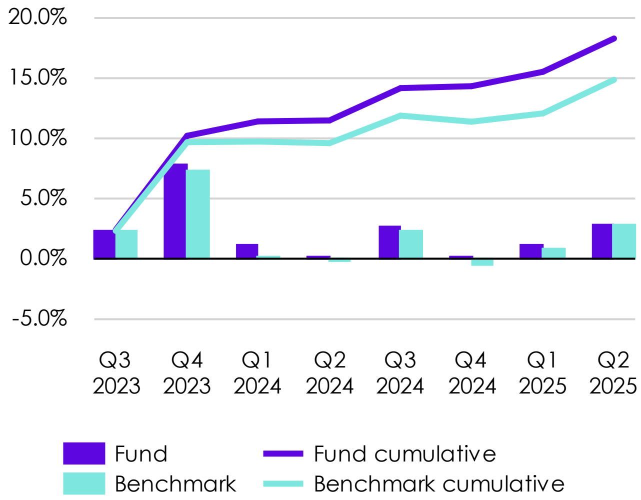
**Total fund value**
£2,799m

**Risk profile**
Moderate

**Dorset's Holding:**
GBP274m



## Rolling 2yr performance




## Performance to quarter end

| Performance | 3 month | 1 year | 3 year* | Since inception* |
|---|---|---|---|---|
| Fund | 2.8 | 6.9 | 4.1 | -0.6 |
| iBoxx Sterling Non Gilt x | 2.8 | 5.3 | 2.5 | -1.7 |
| Excess | -0.0 | 1.6 | 1.7 | 1.1 |

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

## Performance commentary

The second quarter of 2025 was once again strong for sterling investment grade markets. The Brunel Sterling Corporate Bond portfolio returned +2.8% net of fees, which was almost exactly in line with the benchmark return.

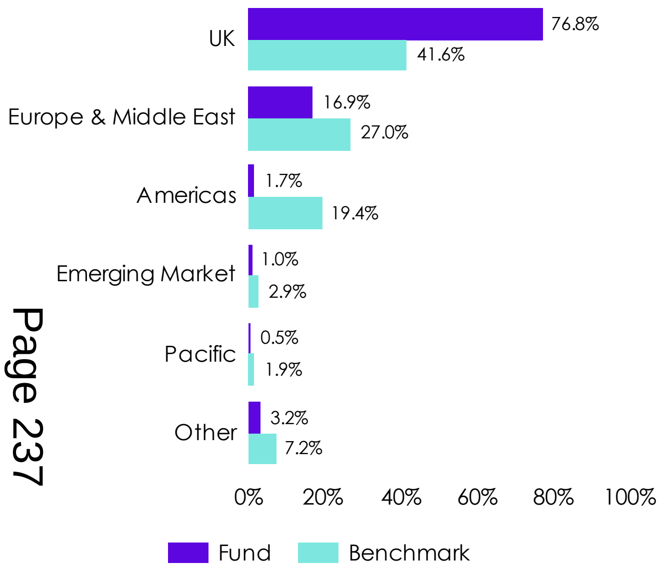
The strong performance was driven by a fall in both government bond yields and credit spreads. Shorter term government bond yields fell sharply, with the 1-year gilt yield falling over 30bps to 3.74%. Longer term yields generally stayed flat or increased on the quarter. Credit Spreads were volatile. The threat of tariffs from the United States caused risk assets to sell off globally in April. Investment grade credit was not immune from this, spreads in the sterling corporate market increased by almost 25bps at the height of the sell off. However, the market rallied as tariffs appear to be rolled back. Spreads ultimately - and somewhat surprisingly - ended the quarter around 15bps lower than the start of the period.

Relative performance was driven by sector allocation and stock selection. Positive effects from sector selection were offset by negative impacts from stock selection. Royal London Asset Management's (RLAM) bias towards insurance bonds was helpful as the sector performed strongly, as was RLAM's longstanding underweight in supranational bonds. The lower perceived risk of the supranational sector contributed to it lagging the wider market.

Stock selection effects were negative. There were positive effects from holdings in the insurance sector, where exposure to long-dated bonds from Legal & General, Prudential and Aviva supported returns. However, these positive impacts were offset by the negative impact of holdings in the structured sector. Many bonds in this area saw positive returns, but in a market of falling yields and tighter spreads, these often lag the broad market. In addition, there was a negative impact from Thames Water – the bonds falling after US private equity firm KKR pulled out of a potential takeover on 3 June. RLAM's holding in global transport operator Mobico was also a drag on performance. Here the bonds traded weaker on the lower-than-expected proceeds from sale of its US school bus business and a subsequent downgrade from Moody's towards the end of the quarter. RLAM continue to see these latter two names as reasonable risk reward opportunities within the context of a diversified portfolio.

# Sterling Corporate Bonds

## Regional exposure

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# Passive Developed Equities

**Launch date**
11 July 2018

**Investment strategy & key drivers**
Passive global equity exposure

**Liquidity**
High

**Benchmark**
FTSE Developed

**Outperformance target**
Match

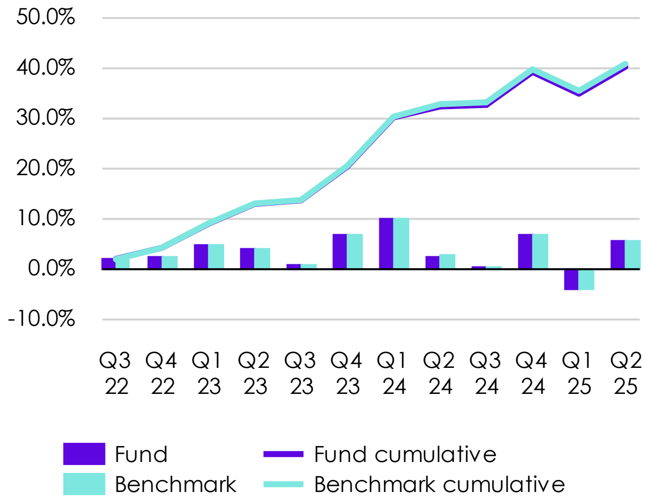
**Total fund value**
£771m

**Risk profile**
High

**Dorset's Holding:**
GBP117m



## Rolling 3yr performance




## Performance to quarter end

| Performance | 3 month | 1 year | 3 year* | Since inception* |
|---|---|---|---|---|
| Fund | 5.3 | 7.8 | 13.8 | 11.0 |
| FTSE Developed | 5.4 | 7.9 | 14.0 | 11.1 |
| Excess | -0.0 | -0.1 | -0.2 | -0.1 |

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

## Performance commentary

Passive Developed Equities returned 5.3% in the second quarter of 2025, tracking the benchmark index in line with expectations. Over the 12 months to quarter-end, the fund returned 7.8%.

The quarter started with high levels of volatility as President Trump announced 'Liberation Day' tariffs. After a tariff escalation with China, a larger element of US tariffs were delayed, somewhat calming markets before a stock market rally. European nations committed to increase defence spending with Germany announcing a large fiscal spending package, and the ECB cut interest rates twice.

Investors showed a preference for European over US stocks, with Europe outperforming for GBP investors, and both outperforming the UK and Japan.

Technology was the strongest-performing sector as AI infrastructure stocks shrugged off the 1st quarter revelation that DeepSeek had trained a high-powered, low-cost AI model. Over the quarter, Nvidia returned 37%, Broadcom 55% and Oracle 48%. Energy was a weak performer, as was Health Care, as the US administration moved forward plans to lower drug prices. Generally, Growth stocks were favoured over the quarter.

The largest individual contributors to returns, unsurprisingly, came from the Tech sector: Nvidia, Microsoft and Broadcom. Among key detractors were United Health Group and Berkshire Hathaway as Warren Buffett retired. Apple was also a weak performer due to high levels of exposure to any US-China trade policy escalation, along with investors' belief that Apple is less well-positioned to capitalise on AI technology than other tech companies.

# Passive Developed Equities

## Top 5 holdings

| | Weight % | Client value (GBP)* |
|---|---|---|
| NVIDIA CORP | 4.75 | 5,570,502 |
| MICROSOFT CORP | 4.74 | 5,557,543 |
| APPLE INC | 3.89 | 4,556,300 |
| AMAZON.COM INC | 2.71 | 3,170,476 |
| ALPHABET INC | 2.40 | 2,808,088 |

*Estimated client value

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## Largest contributors to ESG risk

| | ESG risk score* Q1 2025 | ESG risk score* Q2 2025 |
|---|---|---|
| MICROSOFT CORP | 13.65 | 17.39 |
| APPLE INC | 18.75 | 18.99 |
| AMAZON.COM INC | 26.10 | 25.82 |
| META PLATFORMS INC-CLASS A | 32.73 | 32.73 |
| NVIDIA CORP | 12.46 | 12.46 |

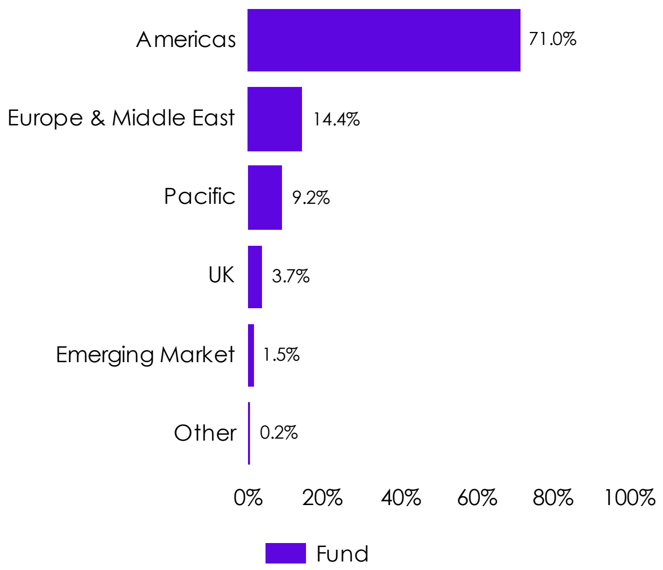
*Source: Sustainanalytics. The table is ordered by negative overall ESG impact on the portfolio, with the most impactful at the top. ESG Risk Score reference: 0-10 is Negligible, 10-20 is Low, 20-30 is Medium, 30-40 is High, 40+ is Severe.

## Carbon metrics

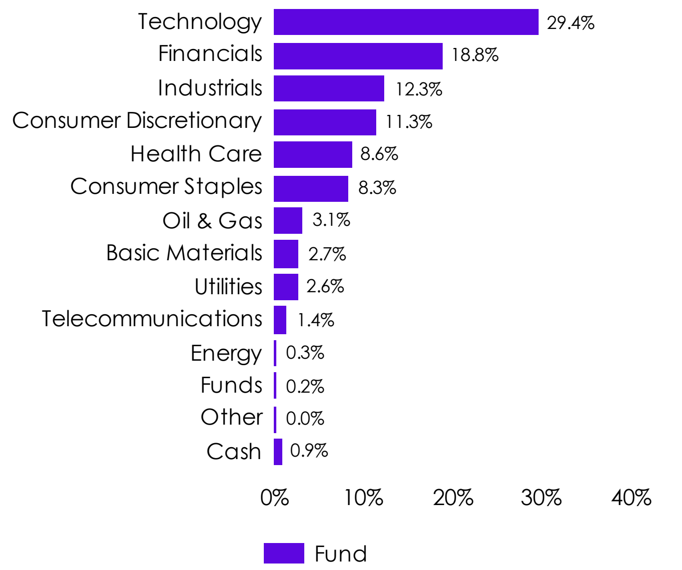
| Portfolio | WACI 2025 Q1 | WACI 2025 Q2 | Total Extractive Exposure[1] 2025 Q1 | Total Extractive Exposure[1] 2025 Q2 | Extractive Industries (VOH)[2] 2025 Q1 | Extractive Industries (VOH)[2] 2025 Q2 |
|---|---|---|---|---|---|---|
| Passive Developed | 134 | 135 | 2.94 | 2.92 | 8.42 | 7.49 |

*Benchmark. [1] Extractive revenue exposure as share (%) of total revenue. [2] Value of holdings (VOH) - companies who derive revenues from extractives. Source: Trucost. Changes between quarters may reflect improved data quality and coverage.

## Regional exposure




## Sector exposure

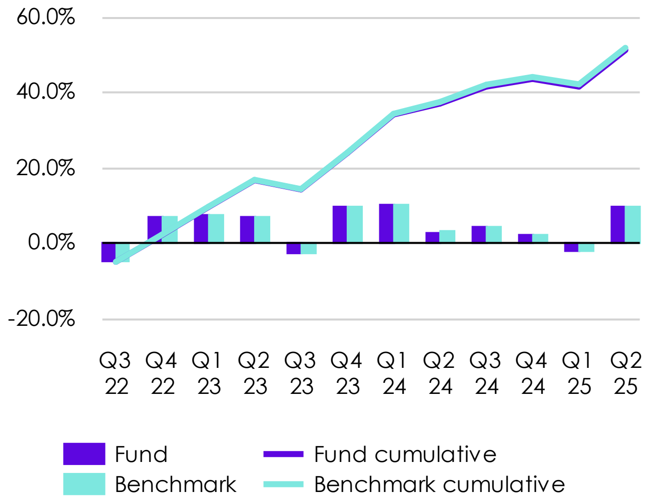


# Passive Developed Equities (Hedged)

**Launch date**
11 July 2018
**Investment strategy & key drivers**
Passive global equity exposure - hedged
**Liquidity**
High
**Benchmark**
FTSE Developed
**Outperformance target**
Match
**Total fund value**
£129m
**Risk profile**
High

**Dorset's Holding:**
GBP129m

## Rolling 3yr performance




## Performance to quarter end

| Performance | 3 month | 1 year | 3 year* | Since inception* |
|---|---|---|---|---|
| Fund | 9.7 | 14.6 | 17.7 | 11.0 |
| FTSE Developed | 9.8 | 14.8 | 17.9 | 11.2 |
| Excess | -0.1 | -0.2 | -0.3 | -0.2 |

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

## Performance commentary

Passive Developed Equities (GBP Hedged) returned 9.7% in the second quarter of 2025, tracking the benchmark index in line with expectations. The fund returned 14.6% over the 12 months to quarter-end.

The quarter started with high levels of volatility as President Trump announced 'Liberation Day' tariffs. After a tariff escalation with China, a larger element of US tariffs were delayed, somewhat calming markets before a stock market rally. European nations committed to increase defence spending, Germany announced a large fiscal spending package, and the ECB cut interest rates twice.

The dollar weakened significantly over the period, in part because of the evolving trade policy situation, but also due to investor concerns over the sustainability of US government debt. A proposed tax-and-spending bill that will increase the US deficit is due to be voted on early in Q3. Part of the underperformance of US stocks for GBP investors was a result of the dollar's decline. Dollar losses were offset in the GBP-hedged product, leading it to outperform the unhedged fund.

Technology was the strongest performing sector as AI infrastructure stocks shrugged off the 1st quarter revelation that DeepSeek had trained a high-powered, low-cost AI model. Over the quarter, Nvidia returned 46%, Broadcom 65% and Oracle 57%. Energy was a weak performer, as was Health Care, as the US administration moved forward plans to lower drug prices. Generally, Growth stocks were favoured over the quarter.

The largest individual contributors to returns, unsurprisingly, came from the Tech sector: Nvidia, Microsoft and Broadcom. Among key detractors were, UnitedHealth Group and Berkshire Hathaway - the latter as Warren Buffett retired. Apple was also a weak performer due to high levels of exposure to any US-China trade escalation, along with investors' belief that Apple is less well-positioned to capitalise on AI technology than other tech companies.

# Passive Developed Equities (Hedged)

## Top 5 holdings

| | Weight % | Client value (GBP)* |
|---|---|---|
| NVIDIA CORP | **4.75** | **6,145,414** |
| MICROSOFT CORP | **4.74** | **6,131,118** |
| APPLE INC | **3.89** | **5,026,540** |
| AMAZON.COM INC | **2.71** | **3,497,690** |
| ALPHABET INC | **2.40** | **3,097,901** |

*Estimated client value

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## Largest contributors to ESG risk

| | ESG risk score* Q1 2025 | ESG risk score* Q2 2025 |
|---|---|---|
| MICROSOFT CORP | **13.65** | **17.39** |
| APPLE INC | **18.75** | **18.99** |
| AMAZON.COM INC | **26.10** | **25.82** |
| META PLATFORMS INC-CLASS A | **32.73** | **32.73** |
| NVIDIA CORP | **12.46** | **12.46** |

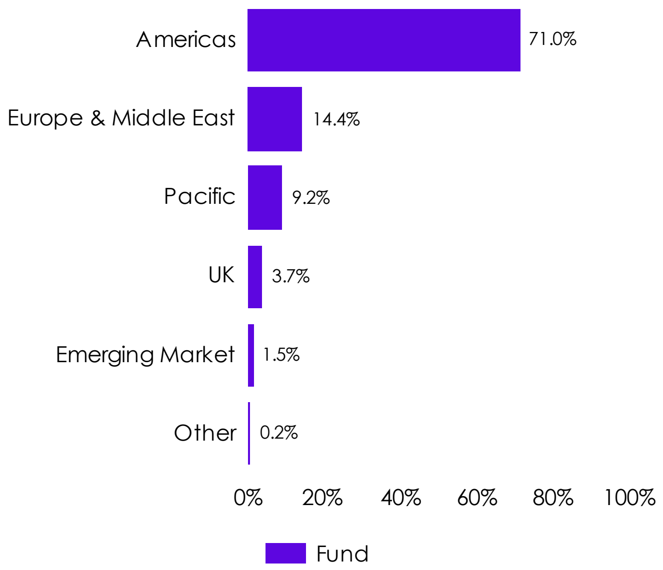
*Source: Sustainanalytics. The table is ordered by negative overall ESG impact on the portfolio, with the most impactful at the top. ESG Risk Score reference: 0-10 is Negligible, 10-20 is Low, 20-30 is Medium, 30-40 is High, 40+ is Severe.

## Carbon metrics

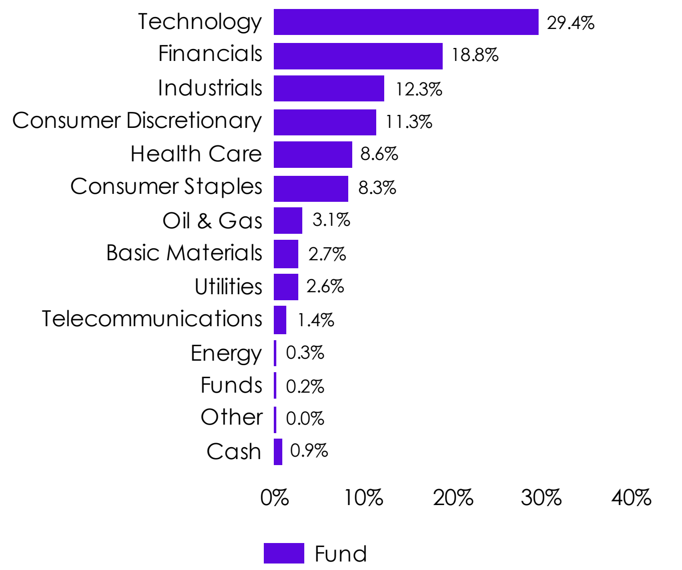
| Portfolio | WACI 2025 Q1 | WACI 2025 Q2 | Total Extractive Exposure[1] 2025 Q1 | Total Extractive Exposure[1] 2025 Q2 | Extractive Industries (VOH)[2] 2025 Q1 | Extractive Industries (VOH)[2] 2025 Q2 |
|---|---|---|---|---|---|---|
| **Passive Developed** | **134** | **135** | 2.94 | 2.92 | 8.42 | 7.49 |

*Benchmark. [1] Extractive revenue exposure as share (%) of total revenue. [2] Value of holdings (VOH) - companies who derive revenues from extractives. Source: Trucost. Changes between quarters may reflect improved data quality and coverage.

## Regional exposure




## Sector exposure



# Passive UK Equities

**Launch date**
11 July 2018

**Investment strategy & key drivers**
Passive UK equity exposure

**Liquidity**
High

**Benchmark**
FTSE All Share

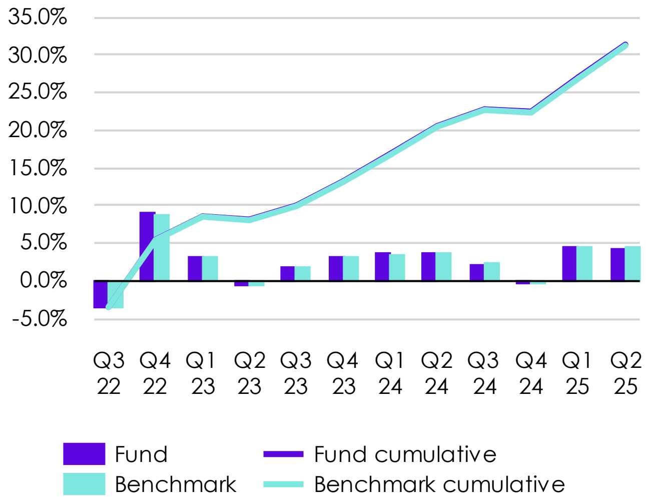
**Outperformance target**
Match

**Total fund value**
£457m

**Risk profile**
High

**Dorset's Holding:**
GBP457m

## Rolling 3yr performance




## Performance to quarter end

| Performance | 3 month | 1 year | 3 year* | Since inception* |
|---|---|---|---|---|
| Fund | 4.4 | 11.2 | 10.7 | 5.6 |
| FTSE All Share | 4.4 | 11.2 | 10.7 | 5.5 |
| Excess | -0.0 | 0.0 | 0.0 | 0.1 |

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

## Performance commentary

In the second quarter of 2025, Passive UK Equities returned 4.4%. Over the year to quarter-end, the return was 11.2%. The product tracked the FTSE All-Share Index in line with expectations.

The Bank of England made one 25bps rate cut in the period, reducing its headline rate to 4.25%, and sentiment to non-US stocks was strong. However, Growth and Technology outperformed Value, which was a headwind for the Value-orientated UK market - the UK has limited exposure to the Technology sector. The UK underperformed the global market by 1%.

The UK market was also held back by a high level of exposure to Energy and Healthcare, the only sectors to generate negative returns in the period - the two sectors account for close to a fifth of the UK stock market. The Industrials sector provided the strongest performance, supported by Europe's increased commitment to defence and infrastructure spending. The Utilities, Real Estate and Consumer Discretionary sectors also performed well.

Rolls-Royce and BAE Systems made the largest contributions to returns, benefiting from the positive momentum behind stocks with exposure to defence.

AstraZeneca made the largest negative contribution to returns as the company guided a 60-70bps decline in gross margin for financial year 2025, in part due to expected changes to US Medicare funding. BP and Shell were also large negative contributors to return, as oil prices declined.

# Passive UK Equities

## Top 5 holdings

| | Weight % | Client value (GBP)* |
|---|---|---|
| HSBC HOLDINGS PLC | **6.18** | **28,230,306** |
| SHELL PLC | **6.08** | **27,778,759** |
| ASTRAZENECA PLC | **6.02** | **27,529,648** |
| UNILEVER PLC | **4.31** | **19,719,593** |
| ROLLS-ROYCE HOLDINGS PLC | **3.24** | **14,834,280** |

*Estimated client value



## Largest contributors to ESG risk

| | ESG risk score* Q1 2025 | ESG risk score* Q2 2025 |
|---|---|---|
| SHELL PLC | **36.76** | **36.06** |
| ASTRAZENECA PLC | **21.75** | **23.13** |
| HSBC HOLDINGS PLC | **22.38** | **17.74** |
| UNILEVER PLC | **21.55** | **21.18** |
| ROLLS-ROYCE HOLDINGS PLC | **27.11** | **27.11** |

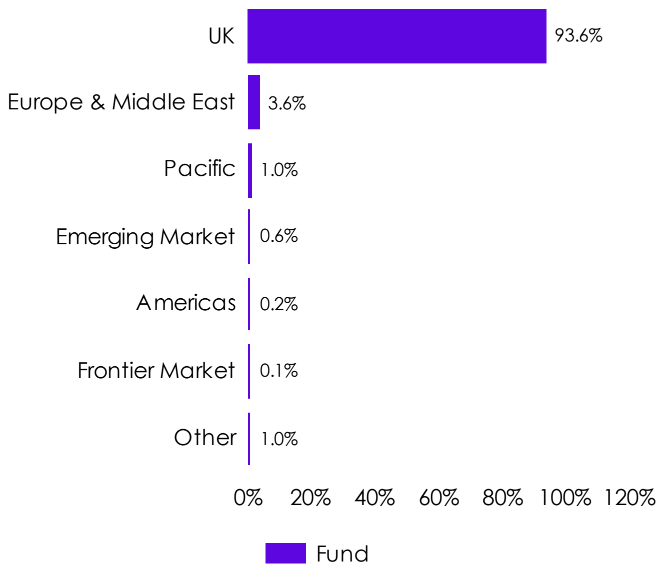
*Source: Sustainalytics. The table is ordered by negative overall ESG impact on the portfolio, with the most impactful at the top. ESG Risk Score reference: 0-10 is Negligible, 10-20 is Low, 20-30 is Medium, 30-40 is High, 40+ is Severe.

## Carbon metrics

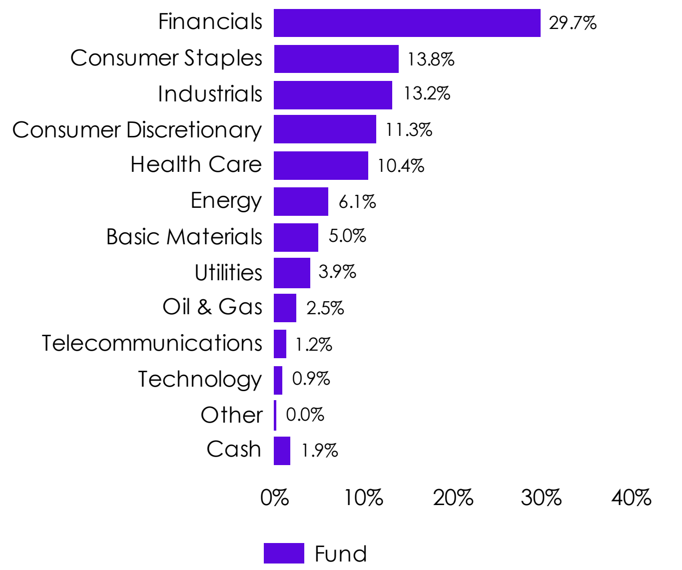
| Portfolio | WACI | | Total Extractive Exposure[1] | | Extractive Industries (VOH)[2] | |
|---|---|---|---|---|---|---|
| | 2025 Q1 | 2025 Q2 | 2025 Q1 | 2025 Q2 | 2025 Q1 | 2025 Q2 |
| **Passive UK Equities** | **103** | **104** | 5.59 | 5.95 | 16.65 | 15.01 |

*Benchmark. [1] Extractive revenue exposure as share (%) of total revenue. [2] Value of holdings (VOH) - companies who derive revenues from extractives. Source: Trucost. Changes between quarters may reflect improved data quality and coverage.

## Regional exposure




## Sector exposure



# Passive Smart Beta

**Launch date**
18 July 2018

**Investment strategy & key drivers**
Passive equity exposure utilising alternative smart beta indices

**Liquidity**
Reasonable

**Benchmark**
SciBeta Multifactor Composite

**Outperformance target**
+0.5-1%

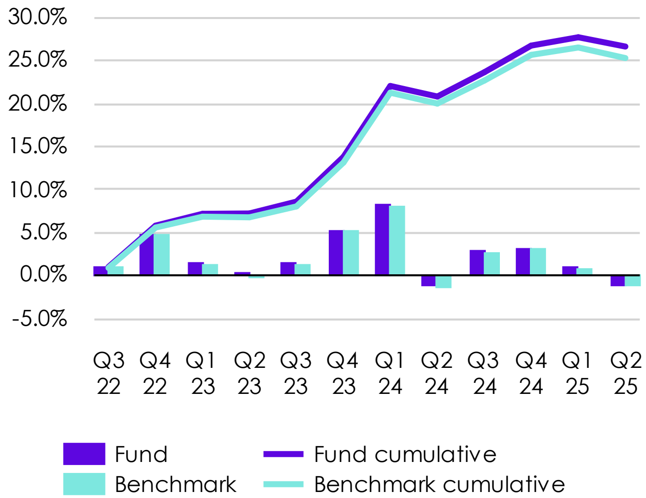
**Total fund value**
£182m

**Risk profile**
High

**Dorset's Holding:**
GBP182m



## Rolling 3yr performance




## Performance to quarter end

| Performance | 3 month | 1 year | 3 year* | Since inception* |
|---|---|---|---|---|
| Fund | -1.1 | 5.8 | 9.0 | 8.3 |
| SciBeta Multifactor Composite | -1.2 | 5.3 | 8.5 | 8.0 |
| Excess | 0.1 | 0.5 | 0.5 | 0.3 |

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

## Performance commentary

In the second quarter of 2025 Passive Smart Beta Equities returned -1.1%, underperforming the MSCI World Index which returned 5.1%. The fund tracked the Scientific Beta Index in line with expectations. Over the prior 12 months the product returned 5.7%. For the same period the MSCI World Index returned 7.7%.

The global market saw strong performance from growth and momentum factors in Q2 2025, not a favourable environment for this product, which does not target exposure to either. The product's targeted factors: value, low volatility and quality, all made negative contributions to returns relative to the market capitalisation index.

Further, the broad market saw strong performance from the large Technology companies that account for a high portion of the market cap index. These companies are held at a lower weight in this product due to the 'deconcentration' diversification scheme of the Scientific Beta index, which aims to increase diversification and avoid having high levels of exposure to a small number of companies.

The largest positive contributions to returns came from Spotify, who's increase in premium subscribers beat analyst's expectations, and Broadcom which benefitted from renewed enthusiasm for AI exposed stocks following a price decline in Q1.

Amongst the largest detractors from returns, were Bristol-Myers Squibb, as the US administration sought to make changes to Medicare funding, and Berkshire Hathaway as Warren Buffett announced his retirement.

# Passive Smart Beta

## Top 5 holdings

| | Weight % | Client value (GBP)* |
|---|---|---|
| JOHNSON & JOHNSON | **0.70** | **1,272,303** |
| TJX COS INC/THE | **0.68** | **1,243,665** |
| COMCAST CORP | **0.65** | **1,187,705** |
| CHEVRON CORP | **0.65** | **1,181,840** |
| MERCK & CO INC | **0.64** | **1,167,322** |

*Estimated client value

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## Largest contributors to ESG risk

| | ESG risk score* Q1 2025 | ESG risk score* Q2 2025 |
|---|---|---|
| CHEVRON CORP | **-** | **36.96** |
| EXXON MOBIL CORP | **-** | **42.89** |
| SOUTHERN CO/THE | **28.24** | **28.24** |
| WALMART INC | **25.33** | **25.16** |
| JOHNSON & JOHNSON | **-** | **22.45** |

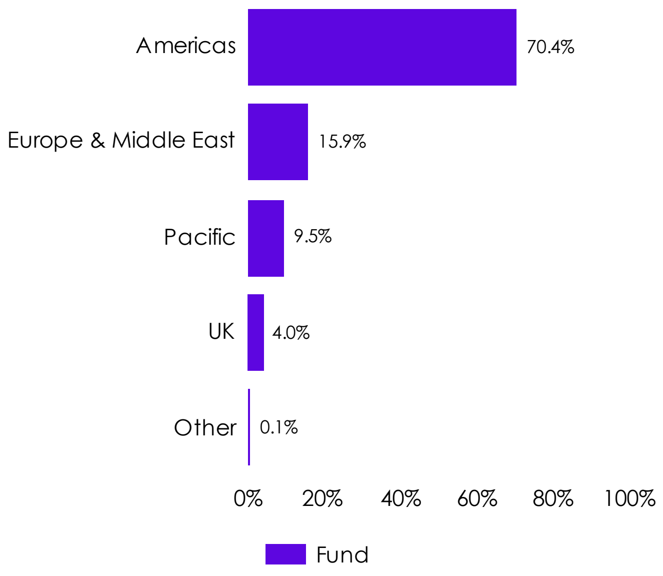
*Source: Sustainanalytics. The table is ordered by negative overall ESG impact on the portfolio, with the most impactful at the top. ESG Risk Score reference: 0-10 is Negligible, 10-20 is Low, 20-30 is Medium, 30-40 is High, 40+ is Severe.

## Carbon metrics

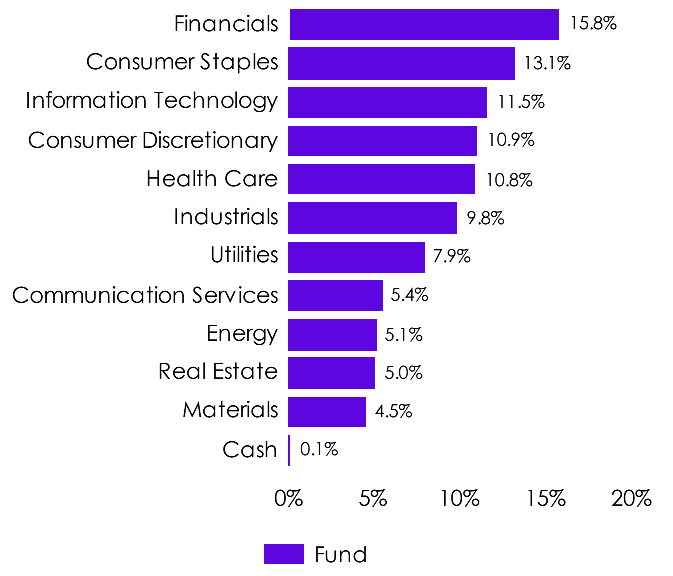
| Portfolio | WACI | | Total Extractive Exposure[1] | | Extractive Industries (VOH)[2] | |
|---|---|---|---|---|---|---|
| | 2025 Q1 | 2025 Q2 | 2025 Q1 | 2025 Q2 | 2025 Q1 | 2025 Q2 |
| **Passive Smart Beta** | **272** | **274** | 2.59 | 2.94 | 12.08 | 12.08 |

*Benchmark. [1] Extractive revenue exposure as share (%) of total revenue. [2] Value of holdings (VOH) - companies who derive revenues from extractives. Source: Trucost. Changes between quarters may reflect improved data quality and coverage.

## Regional exposure




## Sector exposure



# Passive Smart Beta (Hedged)

**Launch date**
25 July 2018

**Investment strategy & key drivers**
Passive equity exposure utilising alternative smart beta indices - hedged

**Liquidity**
Reasonable

**Benchmark**
SciBeta Multifactor Hedged Composite

**Outperformance target**
+0.5-1%

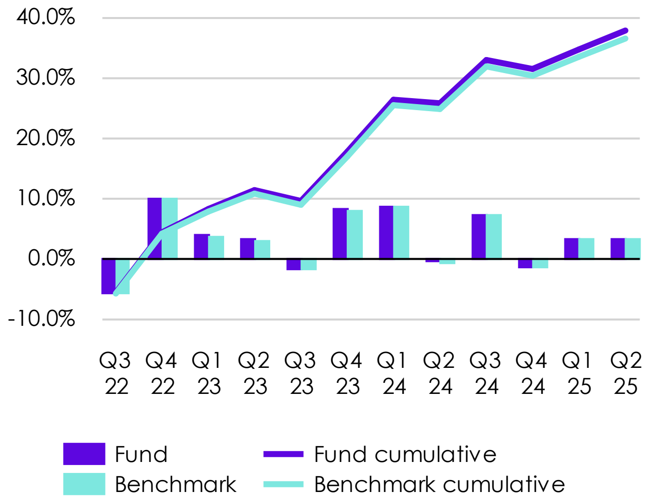
**Total fund value**
£196m

**Risk profile**
High

**Dorset's Holding:**
GBP196m



## Rolling 3yr performance




## Performance to quarter end

| Performance | 3 month | 1 year | 3 year* | Since inception* |
|---|---|---|---|---|
| Fund | 3.2 | 12.4 | 12.8 | 8.7 |
| SciBeta Multifactor Hedged Composite | 3.1 | 12.0 | 12.3 | 8.4 |
| Excess | 0.1 | 0.4 | 0.5 | 0.3 |

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

## Performance commentary

In the second quarter of 2025 Passive Smart Beta Equities GBP Hedged returned 3.2%, outperforming the unhedged Smart Beta product, with the US dollar weak over the period.

The product tracked the Scientific Beta index in line with expectations but underperformed the market cap based Passive Developed Equities GBP Hedged product which returned 9.7%. Over the prior 12 months the Smart Beta product returned 12.4%. For the same period, the Passive Developed Equities GBP Hedged product returned 14.6%.

The global market saw strong performance from growth and momentum factors in Q2 2025, not a favourable environment for this product, which does not target exposure to either. The product's targeted factors: value, low volatility and quality, all made negative contributions to returns relative to the market capitalisation index.

Further, the broad market saw strong performance from the large Technology companies that account for a high portion of the market cap index. These companies are held at a lower weight in this product due to the 'deconcentrated' diversification scheme of the Scientific Beta index, which aims to increase diversification and avoid having high levels of exposure to a small number of companies.

The largest positive contributions to returns came from Spotify, who's increase in premium subscribers beat analyst's expectations, and Broadcom which benefitted from renewed enthusiasm for AI exposed stocks following a price decline in Q1.

Amongst the largest detractors from returns, were Bristol-Myers Squibb, as the US administration sought to make changes to Medicare funding, and Berkshire Hathaway as Warren Buffett announced his retirement.

# Passive Smart Beta (Hedged)

## Top 5 holdings

| | Weight % | Client value (GBP)* |
|---|---|---|
| JOHNSON & JOHNSON | **0.70** | **1,368,132** |
| TJX COS INC/THE | **0.68** | **1,337,338** |
| COMCAST CORP | **0.65** | **1,277,163** |
| CHEVRON CORP | **0.65** | **1,270,856** |
| MERCK & CO INC | **0.64** | **1,255,245** |

*Estimated client value

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## Largest contributors to ESG risk

| | ESG risk score* Q1 2025 | ESG risk score* Q2 2025 |
|---|---|---|
| CHEVRON CORP | **-** | **36.96** |
| EXXON MOBIL CORP | **-** | **42.89** |
| SOUTHERN CO/THE | **28.24** | **28.24** |
| WALMART INC | **25.33** | **25.16** |
| JOHNSON & JOHNSON | **-** | **22.45** |

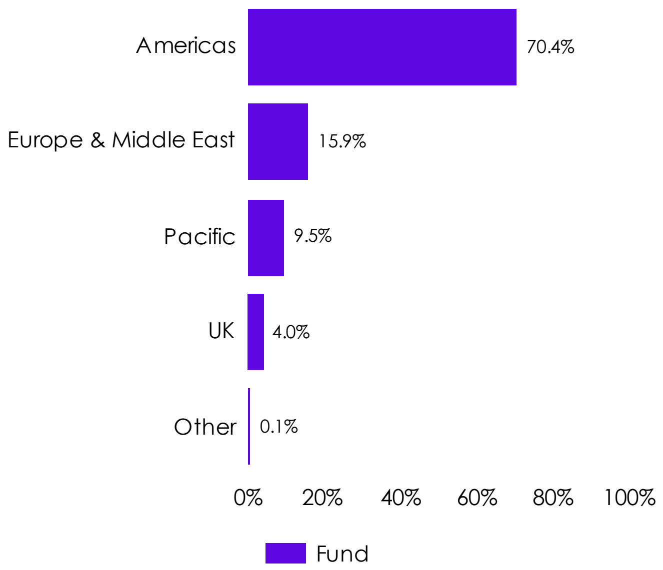
*Source: Sustainanalytics. The table is ordered by negative overall ESG impact on the portfolio, with the most impactful at the top. ESG Risk Score reference: 0-10 is Negligible, 10-20 is Low, 20-30 is Medium, 30-40 is High, 40+ is Severe.

## Carbon metrics

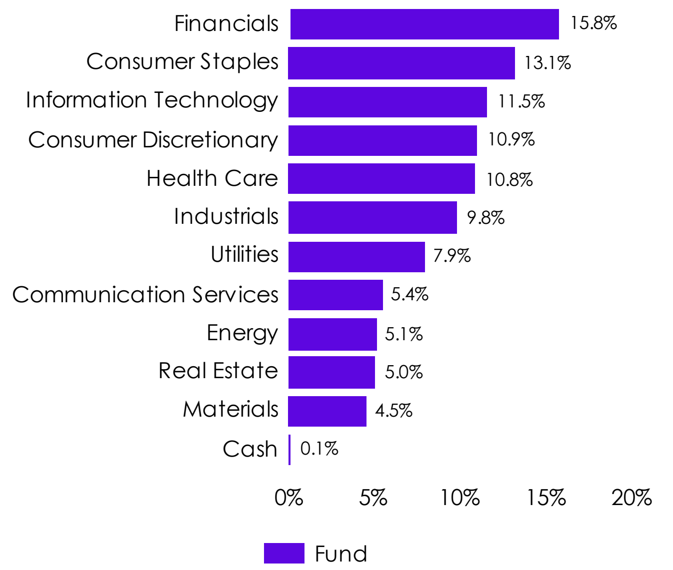
| Portfolio | WACI 2025 Q1 | WACI 2025 Q2 | Total Extractive Exposure[1] 2025 Q1 | Total Extractive Exposure[1] 2025 Q2 | Extractive Industries (VOH)[2] 2025 Q1 | Extractive Industries (VOH)[2] 2025 Q2 |
|---|---|---|---|---|---|---|
| **Passive Smart Beta** | **272** | **274** | 2.59 | 2.94 | 12.08 | 12.08 |

*Benchmark. [1] Extractive revenue exposure as share (%) of total revenue. [2] Value of holdings (VOH) - companies who derive revenues from extractives. Source: Trucost. Changes between quarters may reflect improved data quality and coverage.

## Regional exposure




## Sector exposure



# Private Equity Cycle 1

**Investment objective**
Global portfolio of private equity investments

**Benchmark**
MSCI ACWI

**Outperformance target**
+3%

**Launch date**
1 October 2018

**Commitment to portfolio**
£60.00m

**The fund is denominated in GBP**

**Commitment to Investment**
£60.43m

**Amount Called**
£50.84m

**% called to date**
84.13

**Number of underlying funds**
7

**Dorset's Holding:**
GBP59.59m

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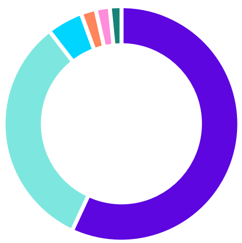
## Country

### Invested in underlying investments

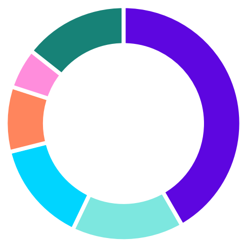


| | |
|---|---|
| North America | 56.9% |
| Western Europe | 32.6% |
| Asia Pacific | 4.9% |
| South America | 2.1% |
| Global | 1.9% |
| Other | 1.6% |

Source: Colmore
Country data is lagged by one quarter

## Sector

### GICs level 1



| | |
|---|---|
| Financials | 41.7% |
| Health Care | 15.4% |
| Information Technology | 14.0% |
| Industrials | 9.0% |
| Telecommunication | 5.5% |
| Other | 14.4% |

Source: Colmore
Sector data is lagged by one quarter

## Performance commentary

Portfolio development now stands at ~85% invested and is fully committed across 3 primary funds, 2 secondaries funds, 1 co-investment fund and an impact fund of funds (60% coinvest, 40% primaries) as at the end of Q2 2025. Portfolio performance remains positive and is largely flat vs the prior quarter, demonstrating pleasing relative performance to the target which is very demanding.

The year kicked off with optimism around a potential deal surge under President Trump, but Q1 ultimately fell short of expectations. In contrast, Q2 began in chaos, markets reeled after Trump's surprise announcement of sweeping global tariffs in April, but it ended with dealmakers regaining confidence. It's a reversal of momentum that fits the unpredictable tone of 2025 so far.

According to Bloomberg, global deal value reached $1.8 trillion by midyear, up almost 20% compared to the same point in 2024 - a strong showing considering deal volumes were lagging until mid-March. Much of the uplift came from large-cap private deals that helped carry the market through the turbulence.

Since April, there's been a surge in large private transactions. Charter Communications agreed to merge with Cox in a deal valued around $30 billion (including debt), while Alphabet's purchase of cybersecurity firm Wiz and Constellation Energy's acquisition of Calpine added to Q1 momentum. Meta also invested over $14 billion in Scale AI. These, along with Elon Musk's merger of xAI with X, meant that more than half of the year's 10 largest deals involved private company targets.

Most of these private transactions are taking place in tech, healthcare and other industries shielded from tariffs. PE funds

## Portfolio summary

| Market value (GBP millions) | 1 Year MWR* | Since Inception MWR* | Inflows latest quarter | Outflows latest quarter | Net cash flow latest quarter | Value added latest quarter | TVPI | Contribution to return: 1 year | Contribution to return: since inception |
|---|---|---|---|---|---|---|---|---|---|
| 59.6 | 2.4% | 10.8% | 466,019 | 509,868 | -43,849 | -898,613 | 1.37 | 0.0% | 0.0% |

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

# Private Equity Cycle 1

are sitting on near record levels of dry powder (capital which has been raised to fund deals but has not yet been called from investors) was $1.2tn at the end of 2024, according to Bain & Co. Of this total dry powder, almost a quarter is at least four years old. On the other hand, PE funds are also sitting on record portfolios of unrealised assets, some 28,000 companies with average hold periods of 6 years. PE distributions have been around 10% of beginning NAV for the last 3 years vs, historical averages over 20%. Continuation vehicles and portfolio NAV loans have rapidly grown but are not enough to provide the liquidity required by LPs. For both sides, transacting is still a question of valuation, timing and certainty about future economic conditions. Trade (or strategic) buyers have been notably absent until Q2, as have IPOs.

Pipeline

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

# Private Equity Cycle 3

**Investment objective**
Global portfolio of private equity investments

**Benchmark**
MSCI ACWI

**Outperformance target**
+3%

**Launch date**
1 April 2022

**Commitment to portfolio**
£70.00m

**The fund is denominated in GBP**

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**Commitment to Investment**
£70.00m

**Amount Called**
£11.99m

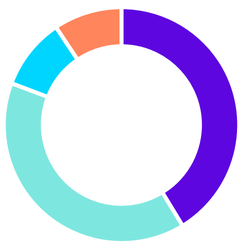
**% called to date**
17.13

**Number of underlying funds**
1

**Dorset's Holding:**
GBP13.20m

## Country

### Invested in underlying investments

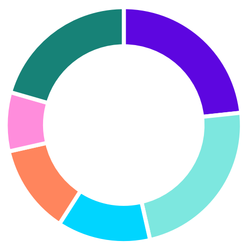


| | |
|---|---|
| North America | 41.3% |
| Europe | 39.5% |
| Rest of the World | 9.8% |
| Global | 9.4% |

Source: Colmore
Country data is lagged by two quarters

## Sector

### GICs level 1



| | |
|---|---|
| Industrials | 23.3% |
| Information Technology | 23.1% |
| Health Care | 12.8% |
| Consumer Discretionary | 12.2% |
| Financials | 8.1% |
| Other | 20.5% |

Source: Colmore
Sector data is lagged by two quarters

## Performance commentary

The portfolio is 19% invested (excluding assets held on the NB credit line) at Q2 25 quarter-end. Performance will become more meaningful over time. The portfolio is fully committed across 13 primary funds, 1 secondary fund, 1 co-investment fund (NB CIP 5), and 1 impact fund of funds (70%+ coinvest, 30% primary funds – NB PE Impact Fund 2).

The year kicked off with optimism around a potential deal surge under President Trump, but Q1 ultimately fell short of expectations. In contrast, Q2 began in chaos, markets reeled after Trump's surprise announcement of sweeping global tariffs in April, but it ended with dealmakers regaining confidence. It's a reversal of momentum that fits the unpredictable tone of 2025 so far.

According to Bloomberg, global deal value reached $1.8 trillion by midyear, up almost 20% compared to the same point in 2024, a strong showing considering deal volumes were lagging until mid-March. Much of the uplift came from large-cap private deals that helped carry the market through the turbulence.

Since April, there's been a surge in large private transactions. Charter Communications agreed to merge with Cox in a deal valued around $30 billion (including debt), while Alphabet's purchase of cybersecurity firm Wiz and Constellation Energy's acquisition of Calpine added to Q1 momentum. Meta also invested over $14 billion in Scale AI. These, along with Elon Musk's merger of xAI with X, meant that more than half of the year's 10 largest deals involved private company targets.

Most of these private transactions are taking place in tech, healthcare and other industries shielded from tariffs. PE funds are sitting on near record levels of dry powder (capital which

## Portfolio summary

| Market value (GBP millions) | 1 Year MWR* | Since Inception MWR* | Inflows latest quarter | Outflows latest quarter | Net cash flow latest quarter | Value added latest quarter | TVPI | Contribution to return: 1 year | Contribution to return: since inception |
|---|---|---|---|---|---|---|---|---|---|
| 13.2 | 1.8% | 0.4% | 1,565,495 | 0 | 1,565,495 | 600,008 | 1.00 | 0.0% | -0.0% |

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

# Private Equity Cycle 3

has been raised to fund deals but has not yet been called from investors) totalling $1.2tn at the end of 2024, according to Bain & Co. Of this total dry powder, almost a quarter is at least four years old. On the other hand, PE funds are also sitting on record portfolios of unrealised assets, some 28,000 companies with average hold periods of 6 years. PE distributions have been around 10% of beginning NAV for the last 3 years vs, historical averages over 20%. Continuation vehicles and portfolio NAV loans have rapidly grown but are not enough to provide the liquidity required by LPs. For both sides, transacting is still a question of valuation, timing and certainty about future economic conditions. Trade (or strategic) buyers have been notably absent until Q2, as have IPOs.

Pipeline

The Cycle 3 PE portfolio is now fully committed, so no new investments are required.

# Private Equity Cycle 4

**Investment objective**
Global portfolio of private equity investments
**Benchmark**
MSCI ACWI
**Outperformance target**
+3%
**Launch date**
1 April 2024
**Commitment to portfolio**
£30.00m
**The fund is denominated in GBP**

**Commitment to Investment**
£30.00m
**Amount Called**
£1.33m
**% called to date**
4.43
**Number of underlying funds**
1
**Dorset's Holding:**
GBP2.74m

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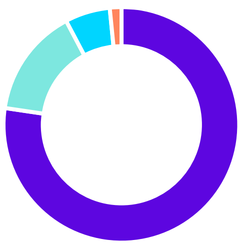
## Country

**Invested in underlying investments**

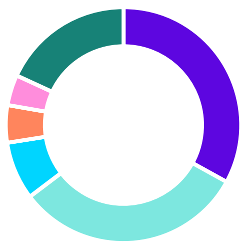


| | |
|---|---|
| North America | 77.3% |
| Europe | 14.9% |
| Rest of the World | 6.2% |
| Global | 1.6% |

Source: Colmore
Country data is lagged by two quarters

## Sector

**GICs level 1**



| | |
|---|---|
| Information Technology | 33.0% |
| Industrials | 31.6% |
| Communication Services | 8.0% |
| Tech-enabled Services | 5.1% |
| Financial Services | 4.2% |
| Other | 18.1% |

Source: Colmore
Sector data is lagged by two quarters

## Performance commentary

Since the NB Clifton IV inception in April 2024, seven primary commitments had been made by quarterpend. This includes: (i) three European funds; (ii) two North American funds; (iii) one pan-Asian fund; (iv) one global large cap fund. Further commitments currently comprise one global impact fund of funds (70% co-invest and 30% primaries); and one global, GP-led secondaries fund. This includes recent commitments to a very seasoned and seeded (~52% invested) primary North American growth strategy and a highly oversubscribed European IT mid-cap buyout strategy. In addition to the primary fund commitments, the portfolio includes a co-investment mini portfolio in Cycle IV, whereby NB will selectively source and transact co-investments on behalf of Brunel. NB has already begun deploying capital where opportunities arise, having closed six investments to date. Outside of NB fees, the co-investments are typically offered on a fee-free basis, which helps blend down the overall fee rate of the portfolio, provides early deployment and supports J-curve mitigation in the portfolio.

The year kicked off with optimism around a potential deal surge under President Trump, but Q1 ultimately fell short of expectations. In contrast, Q2 began in chaos, as markets reeled after Trump's surprise announcement of sweeping global tariffs in April, but it ended with dealmakers regaining confidence. It was a reversal of momentum that fitted the unpredictable tone of the year thus far.

According to Bloomberg, global deal value reached $1.8 trillion by midyear, up almost 20% compared to the same point in 2024, a strong showing considering deal volumes were lagging until mid-March. Much of the uplift came from

## Portfolio summary

| Market value (GBP millions) | 1 Year MWR* | Since Inception MWR* | Inflows latest quarter | Outflows latest quarter | Net cash flow latest quarter | Value added latest quarter | TVPI | Contribution to return: 1 year | Contribution to return: since inception |
|---|---|---|---|---|---|---|---|---|---|
| 2.7 | 14.2% | - | 1,306,931 | 0 | 1,306,931 | 87,494 | 1.04 | 0.0% | 0.0% |

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

# Private Equity Cycle 4

large-cap private deals that helped carry the market through the turbulence.

From April, there was a surge in large private transactions. Charter Communications agreed to merge with Cox in a deal valued around $30 billion (including debt), while Alphabet's purchase of cybersecurity firm Wiz and Constellation Energy's acquisition of Calpine added to Q1 momentum. Meta also invested over $14 billion in Scale AI. These, along with Elon Musk's merger of xAI with X, meant that more than half of the year's 10 largest deals involved private company targets.

Most of these private transactions are taking place in tech, healthcare and other industries shielded from tariffs. PE funds are sitting on near record levels of dry powder (capital which has been raised to fund deals but has not yet been called from investors) was $1.2tn at the end of 2024, according to Bain & Co. Of this total dry powder, almost a quarter is at least four years old. On the other hand, PE funds are also sitting on record portfolios of unrealised assets - some 28,000 companies, with average hold periods of 6 years. PE distributions have been around 10% of starting NAV for the last 3 years vs, historical averages of over 20%. Continuation vehicles and portfolio NAV loans have grown rapidly but are not enough to provide the liquidity required by LPs. For both sides, transacting is still a question of valuation, timing and certainty about future economic conditions. Trade (or strategic) buyers have been notably absent until Q2, as have IPOs.

Pipeline

NB and Brunel continue to review the market for investment opportunities. Market mapping is expected to focus on European (especially UK small and mid-cap funds) and Asian opportunities in Q3 and Q4 2025, ahead of the March 2026 commitment deadline.

# Infrastructure Cycle 3

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

**Benchmark**
n/a - absolute return target

**Outperformance target**
net 8% IRR

**Launch date**
1 April 2022

**Commitment to portfolio**
£80.00m

**The fund is denominated in GBP**

**Commitment to Investment**
£80.00m

**Amount Called**
£36.74m

**% called to date**
45.93

**Number of underlying funds**
1

**Dorset's Holding:**
GBP38.59m

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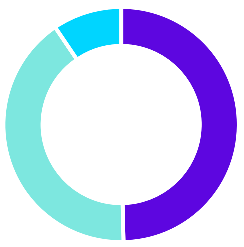
## Country

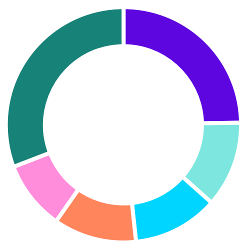
**Commitment in underlying investments**



| | |
|---|---|
| Europe (incl. UK) | 49.7% |
| North America | 40.8% |
| Rest Of World | 9.5% |

Source: Stepstone
Country data is lagged by one quarter

## Sector



| | |
|---|---|
| Diversified Renewables | 24.7% |
| Agriculture | 11.8% |
| Wind | 11.8% |
| Fibre | 11.4% |
| Timber | 9.5% |
| Other | 30.8% |

Source: Stepstone.
Sector data is lagged by one quarter

## Performance commentary

At the end of Q2 2025, Cycle 3 was ~80% committed and ~50% invested across ten primary funds, one secondary fund, eight tactical coinvests and a tactical, mini-secondaries portfolio of 6 investments. One tactical coinvest that had been agreed has since been removed. Therefore ~4 co-investments remain to be sourced to complete the commitment of Cycle 3 Infrastructure. (The deadline is September 2025, so an extension will be required by mutual agreement between StepStone and Brunel). UK opportunities in particular are being targeted, given improvement in deal flow.

Q2 2025 saw US policy uncertainty surge to crisis-era levels, driven by Trump's aggressive tariff agenda and shifting fiscal priorities. The Baker-Bloom-Davis Policy Uncertainty Index hit levels last seen during COVID and the 2008 crisis. Inflation expectations rose to 30-year highs, constraining the Fed and increasing stagflation risks. Outside of Tariffs, there was Trump's "One Big Beautiful Bill Act" (OBBBA) of which Section 899 created huge consternation for foreign investors in US assets and the broader energy transition respectively. Despite Section 899 being dropped from the tax bill post quarter end, as the US was exempted from G7 Global Minimum Tax Regulations that the previous Trump administration had agreed to, it emphasises the heightened risks posed to non-US investors in the President's 'new America'.

Europe is moving in the opposite direction. Germany's €1 trillion defence and infrastructure stimulus and proposed EU-wide initiatives could total €1.7 trillion (about 10% of EU GDP). The question remains whether countries other than Germany have the fiscal headroom to provide the finance. Germany appears overly focused on subsidies to reduce energy costs,

## Portfolio summary

| Market value (GBP millions) | 1 Year MWR* | Since Inception MWR* | Inflows latest quarter | Outflows latest quarter | Net cash flow latest quarter | Value added latest quarter | TVPI | Contribution to return: 1 year | Contribution to return: since inception |
|---|---|---|---|---|---|---|---|---|---|
| 38.6 | 9.8% | 5.7% | 3,157,581 | 3,301,948 | -144,367 | 2,240,330 | 1.08 | 0.1% | 0.0% |

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

# Infrastructure Cycle 3

as opposed to reconsidering significant prior policy mistakes - in particular, the total phase-out of nuclear power. Attractive new investment opportunities are presenting themselves, especially in transport, energy transition, and digital connectivity.

During the quarter, Aurora Sustainable Lands announced a 10-year agreement with Microsoft to deliver 4.8 million nature-based carbon removal credits, protecting the forests generating the carbon removal for more than 100 years and surpassing the minimum 40-year agreements for carbon projects. At 425,000 acres, this is (to Aurora's knowledge) the largest-ever permanent conservation project in the eastern US. The deal will provide investments and jobs across timberland communities, and it is ground-breaking in three crucial respects. Firstly, it starts delivering credits immediately. Secondly, it uses the new Improved Forestry Management v2.1 protocol, which incorporates dynamic baselines, enhanced additionality and monitoring requirements, improved quantification accuracy, and increased transparency. Thirdly, it unifies carbon capture and forest permanency requirements, which until now had been generally dissociated.

In further good news, the proceeds from Havfram were distributed in May. Over the past two years, as vessel construction progressed on-schedule, the company built a contract backlog in excess of $800 million. This represented approximately 11GW of new offshore wind generation capacity across 11 projects. While the timing of this exit is early relative to expectations at entry, we see it as a prudent derisking in the current volatile renewables environment. Brunel and StepStone will look to recycle the proceeds given we are still in the investment period of Cycle 3 tacticals, hence the increase in required new deals - from two last quarter to four this quarter.

Cycle 3 Infrastructure is progressing well, with pro-forma portfolio construction indicating that 73% of client capital will be invested in Sustainable Infrastructure (as defined by Brunel and Stepstone's agreed LPA definitions). The portfolio will comprise: 14% Natural Capital, 26% Renewable Energy, 25% Energy-Transition/Efficiency, 28% Generalist, and 7% reserved for FX and costs.

By agreement per the specification, the portfolio will again be skewed to Core/Core+ assets at c.60%, with Value-add making more than 30%, which is higher than previous cycles.

Pipeline

Work continues reviewing new tactical opportunities that are currently in the pipeline. Four tactical coinvests are now required to complete Cycle 3 deployment. Stepstone presented a US RNG opportunity to Brunel for veto during the quarter, which was rejected by Brunel due to heightened US risks and uncertainties, as described above.

# Secured Income Cycle 1

**Investment objective**
Portfolio of long-dated income streams, a majority of which are UK inflation-linked

**Benchmark**
CPI

**Outperformance target**
+2%

**Launch date**
1 October 2018

**Commitment to portfolio**
£60.00m

**The fund is denominated in GBP**

**Commitment to Investment**
£60.00m

**Amount Called**
£59.91m

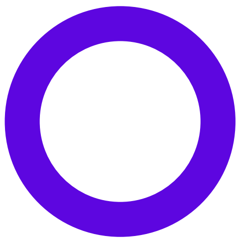
**% called to date**
99.84

**Number of underlying funds**
3

**Dorset's Holding:**
GBP53.83m

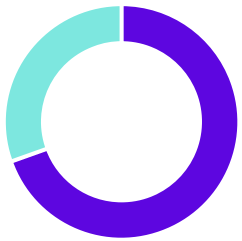
## Country

**Invested in underlying investments**




Source: Colmore
Country data is lagged by one quarter

## Strategy




Source: Colmore
Strategy data is lagged by one quarter

## Performance commentary

Performance remained positive during the reporting period. The Bank of England cut short-term interest rates to 4.25% in May, and the resulting benefits on performance should be seen in coming quarters. Performance throughout 2025 has been driven by income. As anticipated there has been a lack of yield compression across the UK Real Estate market so capital values remain challenged amid macro uncertainty, especially around tariff impacts, and muted investment volumes. However, both long lease property funds maintain attractive return forecasts.

Open-ended long lease property funds, including M&G Secured Property Income Fund (SPIF) and Aberdeen's Long Lease Property (LLP), continue to make progress with paying down redemption queues. SPIF has seen inflows continue into 2025, with meaningful commitments received during Q1, and verbal confirmation of a large commitment post-quarter end which would largely offset the remaining redemption queue. LLP has an active sales pipeline and expects to sell several assets over the next 12 months to meet redemption requests. SPIF outperformed the MSCI UK Long Income Property Fund Index on an annual basis, as well as on a longer-term basis. Both funds continue to see strong distribution yields above 5% and a high degree of inflation-linkage in cashflows (albeit collared).

During the reporting period, Aberdeen concluded the process to bring the Aberdeen Long Lease Property fund over to abrdn Life Limited from Phoenix Life. This will allow the manager to review other vehicle structures for the fund, with the ultimate goal of broadening the investor base and securing inflows, thus improving the viability of the product.

## Portfolio summary

| Market value (GBP millions) | 1 Year MWR* | Since Inception MWR* | Inflows latest quarter | Outflows latest quarter | Net cash flow latest quarter | Value added latest quarter | TVPI | Contribution to return: 1 year | Contribution to return: since inception |
|---|---|---|---|---|---|---|---|---|---|
| 53.8 | 4.7% | 0.1% | 18,807,777 | 18,813,812 | -6,035 | 376,860 | 1.01 | 0.1% | -0.0% |

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

# Secured Income Cycle 1

Schroders Greencoat UK (f.k.a GRI) has now called 90.4% of total investor commitments as of Q1 2025, after a small investment into Stokeford Solar. The fund experienced a slight decrease in NAV in Q1, mainly due to changes in power price assumptions, operational assumptions, and Speyside (Scottish bioenergy asset) enduring longer-than-planned outages, which subsequently impacted the DCF valuation. However, the fund saw strong asset-level performance. Solar assets, including Toucan 3 (the non-Cornwall, non-Wessex Gardens assets from the original Toucan transaction), saw improved performance due to high irradiance over the period. It is anticipated that strong solar returns should continue into Q2, given one of the driest, sunniest Springs on record. The portfolio also benefits from contracted power price agreements while maintaining some merchant exposure, allowing Greencoat to take advantage of power price increases. The Toucan 3 assets are expected to begin distributing cash back to investors in July 2025. The most recent investment, Tiln battery and solar, is performing very well. It was marked at a 26% gross IRR in Q1 and has performed as well as standalone sites in country-wide battery leaderboards. Gross hold-to-life returns remain above fund target at 7.4% in the reporting period, and annual cash yield remained high at 6.3%.

Despite the headwinds of macro uncertainty and the geopolitical shifts experienced following the inauguration of President Trump, the UK renewables market is supported by structural tailwinds, including increased demand arising from the electrification of transport, heating, green hydrogen, and the advancements in artificial intelligence and data centres. Furthermore, companies are increasingly entering into Power Purchase Agreements to meet their and their supply chain's global decarbonisation targets. Some uncertainty has dissipated over the summer, as post quarter end the UK government announced its rejection of Zonal Pricing and laid out the Reformed National Pricing package, though these impacts remain to be seen. We believe this is a sensible decision, if overdue.

Pipeline

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

# Secured Income Cycle 3

**Investment objective**
Portfolio of long-dated income streams, a majority of which are UK inflation-linked

**Benchmark**
CPI

**Outperformance target**
+2%

**Launch date**
1 April 2022

**Commitment to portfolio**
£30.00m

**The fund is denominated in GBP**

**Commitment to Investment**
£30.00m

**Amount Called**
£29.98m

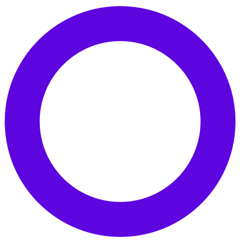
**% called to date**
99.95

**Number of underlying funds**
3

**Dorset's Holding:**
GBP30.93m

## Country

**Invested in underlying investments**



| | |
|---|---|
| United Kingdom | 100.0% |

Source: Colmore
Country data is lagged by one quarter

## Strategy

| | |
|---|---|
| Long Lease Property | 61.2% |
| Operational | 38.8% |

Source: Colmore
Strategy data is lagged by one quarter

## Performance commentary

Performance remained positive during the reporting period. The Bank of England cut short-term interest rates to 4.25% in May, and the resulting benefits on performance should be seen in coming quarters. Performance throughout 2025 has been driven by income. As anticipated there has been a lack of yield compression across the UK Real Estate market so capital values remain challenged amid macro uncertainty, especially around tariff impacts, and muted investment volumes. However, both long lease property funds maintain attractive return forecasts.

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|---|---|---|---|---|---|---|---|---|---|
| 30.9 | 3.8% | - | 9,594,920 | 10,015,327 | -420,407 | 552,746 | 1.06 | 0.0% | 0.0% |

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

# Secured Income Cycle 3

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Despite the headwinds of macro uncertainty and the geopolitical shifts experienced following the inauguration of President Trump, the UK renewables market is supported by structural tailwinds, including increased demand arising from the electrification of transport, heating, green hydrogen, and the advancements in artificial intelligence and data centres. Furthermore, companies are increasingly entering into Power Purchase Agreements to meet their and their supply chain's global decarbonisation targets. Some uncertainty has dissipated over the summer, as post quarter end the UK government announced its rejection of Zonal Pricing and laid out the Reformed National Pricing package, though these impacts remain to be seen. We believe this is a sensible decision, if overdue.

Pipeline

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

# Glossary

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

| Term | Comment |
|---|---|
| **EBITDA margin** | An EBITDA margin is a profitability ratio that measures how much in Earnings a company is generating Before Interest, Taxes, Depreciation, and Amortization, as a percentage of revenue. |
| **ESG** | ESG is an umbrella term to capture the various environmental, social and governance risks investors factor into their assessment of a company's sustainability profile. Brunel views assessing ESG factors as a central part of our fiduciary duty |
| **ESG Score** | The Morningstar Sustainalytics ESG Risk Ratings are based on an assessment of a company's exposure to risk and how well it manages those risks, resulting in a single score that indicates the company's overall ESG risk level. The rating is comprised of three central building blocks: corporate governance, Material ESG Issues (MEIs), and idiosyncratic issues. The scores are categorized across five risk levels: negligible, low, medium, high, and severe. |
| **extractive exposures VOH** | Value of Holdings of invested companies which derive revenues from extractive industries |
| **GP or general partner** | In Private Equity, the GP is usually the firm that manages the fund |
| **gross performance** | Performance before deduction of fees |
| **Growth** | Growth stocks typically exhibit faster long term growth prospects and are often valued at higher price multiples |
| **IRR** | Internal Rate of Return - a return that takes account of actual money invested |
| **legacy assets** | Client assets not managed via the Brunel Pension Partnership |
| **Low Volatility** | Low Volatility is a strategy that attempts to minimise the return volatility. |
| **LP or limited partner** | In private equity, an LP is usually a third party investor in the fund |

# Glossary

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



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

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Dorset County Pension Fund
administered by Dorset Council
Environment Agency Pension Fund
Somerset Council
Avon Pension Fund
Cornwall Pension Fund
Devon County Council
Wiltshire Pension Fund
Oxfordshire Pension Fund
www.oxfordshire.gov.uk/pensions
Buckinghamshire Council
Buckinghamshire Pension Fund
Gloucestershire Pension Fund
Brunel
Pension
Partnership

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Units C1-C4, Woolborough Lane IE, Crawley

# Q2 Report

Dorset County Pension Fund

2025

# Executive summary

Dorset County Pension Fund ("DCPF") provides diversified exposure to good quality real estate located throughout the UK, across a range of sectors including offices, industrial, retail, and other. The allocation to property reflects 5.8% of DCPF's total assets,[1] which currently represents approximately £227m.

## OVERVIEW

**£226.8m**
Capital value (Combined DCPF portfolio)

**27**
Assets

| | Conventional | SLI |
|---|---|---|
| Mandate | Commenced 1993 | Commenced 2017 |
| Performance objective | MSCI Quarterly Universe over five years | LPI +2.0% per annum |
| Capital Value (Q2 2025) | £184.6m (81%) | £42.2m (19%) |
| Number of assets | 17 | 10 |
| Purchases during quarter | - | - |
| Value of sales during quarter | £2.2m | - |
| Direct net initial yield (p.a.) | 4.9% | 5.3% |
| Average unexpired lease term (to break) | 10.0 years (8.6 years) | 60.2 years (17.1 years) |

| Combined Valuation | |
|---|---|
| Direct Property (Q2 2025) | £212.9m |
| Indirect Assets (Q2 2025) | £13.9m |
| **TOTAL PORTFOLIO VALUATION** | **£226.8m** |

## CONVENTIONAL PORTFOLIO PERFORMANCE

| | Q2 2025 | 12 months (%) p.a. | 3 years (%) p.a. | 5 years (%) p.a. | 7 years (%) p.a. | 10 years (%) p.a. |
|---|---|---|---|---|---|---|
| **Capital return** | 0.3 | 0.5 | -6.4 | -0.5 | -1.4 | 0.1 |
| **Income return** | 1.1 | 4.4 | 4.0 | 3.7 | 3.9 | 4.2 |
| **Total return** | 1.4 | 4.9 | -2.6 | 3.2 | 2.5 | 4.3 |
| **MSCI Quarterly Property Index** | 1.3 | 6.3 | -3.2 | 2.8 | 2.1 | 3.8 |
| **Relative** | 0.1 | -1.4 | 0.6 | 0.4 | 0.4 | 0.4 |

[1] Based on Dorset County Pension Fund's total asset value as at the end of March 2024 (£3.9bn).

## SLI PORTFOLIO PERFORMANCE

| | Q2 2025 | 12 months (%) p.a. | 3 years (%) p.a. | 5 years (%) p.a. | 7 years (%) p.a. |
|---|---|---|---|---|---|
| **Capital return** | 0.8 | -1.1 | -6.9 | -3.1 | -2.1 |
| **Income return** | 1.4 | 5.8 | 5.2 | 4.8 | 4.6 |
| **Total return** | 2.2 | 4.6 | -2.0 | 1.6 | 2.4 |
| **Target (LPI + 2.0% p.a.)** | 2.8 | 6.4 | 6.1 | 6.2 | 5.6 |
| **Relative** | -0.6 | -1.9 | -8.1 | -4.7 | -3.1 |

# Economic and property update

- The global trade uncertainty since 'Liberation Day' in early April is feeding into weaker UK GDP growth. Monthly real GDP growth declined by 0.1% in May, following a 0.4% fall in April. Q2 GDP growth is still likely to be positive, but only just. This has to be taken alongside the 0.7% jump in Q1 GDP, as the softer Q2 growth is driven by activity being pulled forward in Q1 to avoid the US import tariffs and higher UK stamp duty charges imposed from the 1st April 2025. The true underlying pace of economic growth is somewhere in between the Q1 and Q2 numbers. There are also some green shoots appearing in the data to suggest momentum could pick up in Q3 and Q4. Firstly, UK exports to the US have started to rise again after a significant fall in April. In addition, the housing market looks to be coming back to life after the post-stamp duty hike lull, based on the spike in new buyer enquiries recorded in the latest RICS Housing Market Survey.

- We do need to temper expectations, as although UK trade with the US will likely swiftly recover, the indirect impact of a slowdown in global GDP growth will be a drag on UK growth in H2 2025. The full impact of April's tax hikes on businesses in terms of investment and hiring is still feeding through to domestic demand.

- Turning to prices, the headline CPI index edged up in June, from 3.4% to 3.6%. Transport made the largest upward contribution to the monthly change in CPI annual rates. Our latest forecast has reduced the number of interest rate cuts from four to three by the Bank of England's Monetary Policy Committee in 2025 on the back of continued upward price pressures.
- The labour market continues to soften, with payrolled employees falling by 109,000 in May, taking the 12 month fall to 274,000. Sentiment looks to be stabilising, with the June PMI employment balance intentions pointing to an easing in employment decline. The weaker labour market isn't having a material impact on wage growth. Total pay growth remains above 5.0%, increasing by 5.3% in the three months to May, slightly down from the previous reading of 5.6%. Looking ahead, we expect annual GDP growth of 1.0% in 2025, and 1.3% in 2026.

# Conventional portfolio

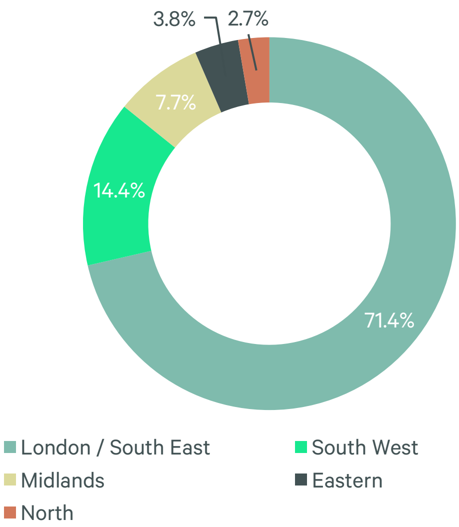
## Portfolio information

### KEY STATISTICS

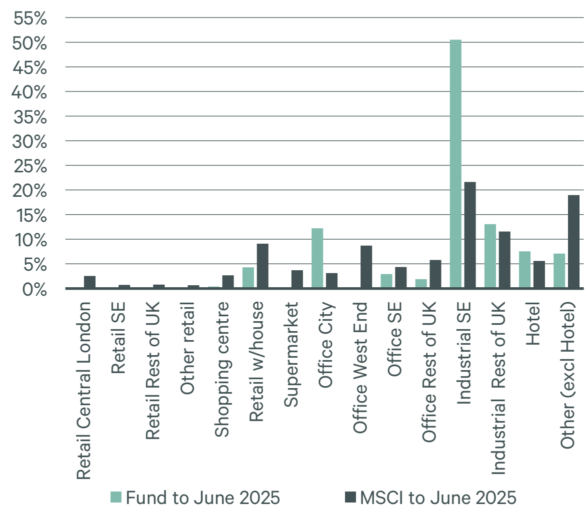
| | | |
|---|---|---|
| **£170.7m**<br>Direct market value | **£13.9m**<br>Indirect market value | **£184.6m**<br>Total Conventional portfolio market value |
| **16 (£11.5m)**<br>No. of direct assets (avg. value) | **69 (£2.5m)**<br>No. of direct lettable units (avg. value) | **1**<br>No. of indirect holdings |
| **2.9% (8.9%)**<br>Vacancy rate (MSCI Quarterly Universe) | **10.0 yrs (8.6 yrs)**<br>Avg. unexpired direct lease term (to break) | **4.9% / 6.5%**<br>Direct net initial yield / reversionary yield (p.a.) |
| **5.8%**<br>% of income direct RPI / index linked | **22.3%**<br>Rent with +10 years remaining (% of direct rent) | **10.4%**<br>Rent with +15 years remaining (% of direct rent) |

### GEOGRAPHICAL AND SECTOR EXPOSURE

**Geographical breakdown**




**Sector breakdown**



# Secure long income portfolio (SLI)

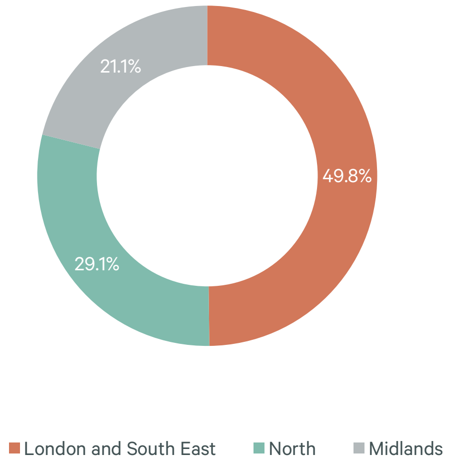
## Portfolio information

### KEY STATISTICS

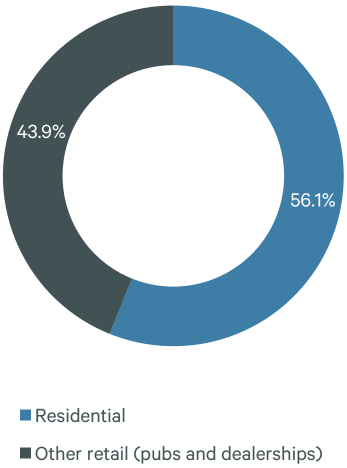
| | | |
|---|---|---|
| **£42.2m**<br>Direct market value | **£0.0m**<br>Indirect market value | **£42.2m**<br>Total SLI portfolio market value |
| **10 (£4.2m)**<br>No. of assets (avg. value) | **14 (£3.0m)**<br>No. of lettable units (avg. value)[2] | **0%**<br>Vacancy rate (% ERV) |
| **60.2 yrs (17.1 yrs)**<br>Avg. unexpired lease term (to break) | **5.3% / 5.7%**<br>Direct net initial yield / reversionary yield (p.a.) | **80.8%**<br>% of income index linked |
| **46.1%**<br>Rent with >15 years remaining (% of contracted rent) | | |

### GEOGRAPHICAL AND SECTOR EXPOSURE

**Geographical breakdown (% of total value)**




**Sector breakdown (% of total value)**



# Environmental, social, governance

## DCPF's ESG performance

Sustainability is fundamental to CBRE Investment Management's (the "Firm") value proposition where we seek to deliver sustainable investment solutions across real asset investing so that our clients, people and communities thrive.

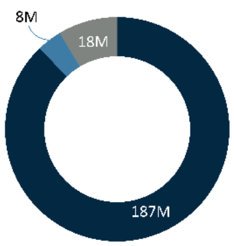
**Key actions completed in Q2 2025**

| Action | Outcome | Climate | People | Influence |
|---|---|---|---|---|
| **GRESB** | The portfolios 2025 GRESB submission has been completed and submitted to the Standing Investments (SI) assessment. Environmental performance data was assured to AA1000AS. | x | x | x |
| **Tenant Data Collection** | Collection of energy, water and waste data from tenants for the 12 months ended 31st December 2024 has been completed. The portfolio's energy data coverage is predicted to be 87%. | x | x | |
| **BREEAM In Use 2025 Assessments** | The portfolio has approved one BREEAM In-Use assessment, which commenced in Q3 2025 following approval. | x | x | |
| **EPCs** | The portfolio has completed two EPC assessments in the last quarter. | x | | |

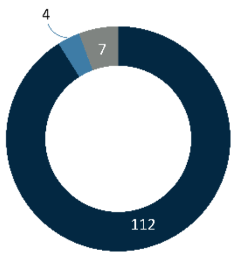
### 1 COMPLIANCE

A key part of the ESG strategy is the Energy Performance Risk Mitigation Program, where we seek to improve the sustainability performance of assets through improving the Energy Performance Certificate ratings. Units are included in the "High Risk" category if the "F" or "G" rating is draft, expired or lodged. The status of the EPC is explained in the EPC appendix at the end of this ESG update. We will further update the definitions to respond to the EPC B MEES policy in England & Wales following the final government consultation which is expected in the second half of 2025.

**EPC risk by value (M)**




**EPC risk by unit**




| MEES Risk Rating | Key | Criteria |
|---|---|---|
| High | | F or G rated valid EPC |
| Medium | | E rated valid EPC |
| Low | | A+ to D rated valid EPC |
| Exempt | | MEES regulation exempt |
| Unknown | | Inaccurate or missing EPC |

| Action | Medium risk | High risk |
|---|---|---|
| High Quality or Modelled EPC | 2 | 0 |
| Action at Lease End | 2 | 0 |
| Refurbishment | 0 | 0 |
| Planned Redevelopment or Considering sale | 0 | 0 |
| Review Tenant Fitout | 0 | 0 |

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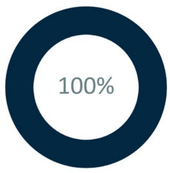
## Green leases

Green leases support us in protecting the portfolio from future environmental risks, reflecting market practice and improving the sustainability credentials of the portfolios. We group our green lease clauses into three categories:

- **EPC compliance**: clauses which support our compliance pillar, particularly with regard to EPCs.
- **Data sharing**: clauses which support the sharing of ESG data for reporting and facilitate performance improvement.
- **Collaboration**: clauses in which we agree with the tenant to collaborate to improve a building's ESG performance.

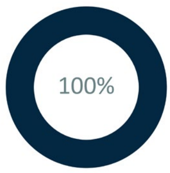
### % of leases completed since January 2019 incorporating green lease clauses

EPC Compliance



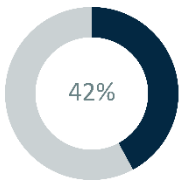

Data Sharing


Collaboration

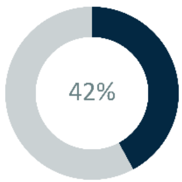



### % of all portfolio leases which incorporate green lease clauses

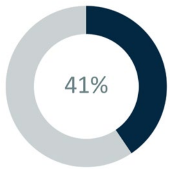
EPC Compliance




Data Sharing




Collaboration




■ Green leases clause present in lease

| Green lease tracking | |
|---|---|
| % of portfolio with a green lease tracker (excluding vacant units) | 100% |
| Number of leases with green lease trackers since Q1 2019 | 30 |
| New trackers received in Q2 2025 | 2 |

# 2 TRANSPARENCY

## Building certification strategy

CBRE Investment Management aim to acquire or forward fund buildings with certifications. Green Building Certifications are important for the portfolios GRESB performance in the short term and achievement of its ESG Vision in the long term. Specifically, Green Building Certifications account for 10.5% of the GRESB Standing Investment score and by instructing new or renewing certifications, the portfolio aims to outperform the peer group in this category. The 'In progress & submitted certifications' table below includes any certifications that are currently ongoing and/or awaiting receipt of a final completion certificate. The 'Completed certifications' table below covers any certifications completed in the previous reporting year (2024) and in the current reporting year (2025).

## In progress & submitted certifications

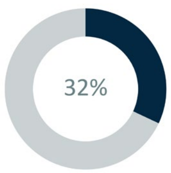
| Property | Certification type | Rating | Status |
|---|---|---|---|
| Astra House - (Whole Site) | BREEAM In Use: Part 2 | TBC | Submitted |
| Euroway Industrial Estate, Swindon – (Units 6-8) | BREEAM In Use: Part 1 | TBC | In Progress |

## Completed certifications

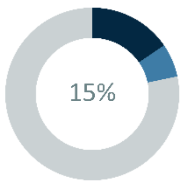
| Property | Certification type | Rating | Status | Year Awarded |
|---|---|---|---|---|
| Oldfield Lane, London - (Unit 1) | BREEAM In Use: Part 1 | Pass | Complete | 2024 |

## % Portfolio with a building certification (by value)

**2024 Performance**




**2025 Performance**




■ Completed certifications ■ In progress certifications

# 3 REFURBISHMENTS

The Investment Committee process and Zero Emission Buildings roadmap informs CBRE Investment Management's approach to assessing each asset held in EMEA. Assets are redeveloped to improve their operational performance, meet portfolio and house level targets, and improve GRESB reporting potential. The 'Ongoing Refurbishments' and 'Completed Refurbishments' tables below cover any refurbishments completed in the previous reporting year (2024) and in the current reporting year (2025), alongside any that remain ongoing.

### Ongoing Refurbishments

| Asset | Certification Target | Estimated completion date | Project Notes |
|---|---|---|---|
| Units 2 & 4, Sumner Road, Croydon | EPC B | TBC | EPC Improvement works targeting a B rating to be completed. |
| Unit 9, Euroway Industrial Estate, Swindon | EPC B | TBC | EPC Improvement works targeting a B rating to be completed. |

### Completed Refurbishments

| Asset | Certification Achieved | Date of Practical Completion | Project Notes |
|---|---|---|---|
| South Bristol Trade Park - (Unit 4) | EPC B | March 2025 | Refurbishment complete. |

# 4 CARBON

2024 calendar year data collection via NLC (formerly CRM) data requests and enhanced Proptech enabled data collection methods has been completed. Landlord energy data has been reviewed and inputted into the Funds data management system (Measurabl). This data has been assured and submitted as part of the annual GRESB submission in June 2025 as per normal practice. 2024 calendar year performance data is classified as estimated until the final GRESB results are released in October 2025.

The 2024 utility data uploaded to the Measurabl platform has undergone a comprehensive audit to ensure data quality. Each assigned utility meter is error-free, and all outliers investigated and addressed. Where applicable, issues were raised directly with the utility provider and data platform manager. The resolution of each issue has been documented for full transparency. Furthermore, the audit of the Measurabl platform includes the portfolio's Projects, Audits, Ratings and Certifications (PARC) data, as well as valuations data and property-type assignment.

# 5 EPC RATINGS BY BAND

If a unit does not hold any EPC information it will be counted as "Unknown/Estimated". If a unit holds a more recent draft EPC than lodged EPC, it will be counted as "Draft". If a unit holds an expired EPC, it will be counted as "Expired". All expired EPCs are reviewed by the CBRE Investment Management team with support from their ESG Consultants and replacement EPCs are instructed prior to lease events. If a unit is MEES regulation exempt, it will be counted as "Exempt". Exemptions can be applied in the event of a lease length being 99 years or more, as per UK government non-domestic private rented property regulations.

### England, Wales and Northern Ireland

| EPC ratings | A/A+ | B | C | D | E | F | G | Unknown/ Estimated | Draft | Expired | Exemption Applied |
|---|---|---|---|---|---|---|---|---|---|---|---|
| No of units | 4 | 23 | 67 | 17 | 4 | 0 | 0 | 0 | 1 | 0 | 7 |
| Proportion of units % | 3.3% | 18.7% | 54.5% | 13.8% | 3.3% | 0.0% | 0.0% | 0.0% | 0.8% | 0.0% | 5.7% |

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# Pensions Fund Committee
# 9 September 2025
# Pensions Administration

## For Review and Consultation

**Local Councillor(s):** All

**Executive Director:** S Cremer, Corporate Director, Section 151 Officer

Report Author: Karen Gibson
Title: Service Manager for Pensions
Tel: 01305 228524
Email: karen.gibson@dorsetcouncil.gov.uk

**Report Status:** Public

**Brief Summary:**

This report is the quarterly update for the Pension Fund Committee on all operational and administration matters relating to the Fund. It contains updates on the following:

- Key Performance Indicators
- Annual Benefit Statements 2025
- Data Quality Results 2025
- Valuation 2025
- Dashboard Update
- McCloud Update

**Recommendation**:

It is recommended that the Committee note and comment on the contents of the report.

**Reason for Recommendation**:

To update the Committee on aspects of Pensions Administration.

**1 Background**

1.1 This report is the quarterly update for the Pension Fund Committee on all operational and administration matters relating to the Fund.

**2 Key Performance Indicators**

2.1 The key performance indicators are attached at Appendix 1. These are for the period 01/05/2025 - 31/07/2025. The previous quarter is included for reference.

**3 Annual Benefit Statements 2025**

3.1 I am pleased to confirm that the annual benefit illustrations for both active and deferred members have been issued.

3.2 22,570 deferred benefit illustrations were issued on 16 July 2025, plus 23 councillor statements. The deferred benefit statement is attached at Appendix 2.

3.3 23,103 active benefit illustrations were issued on 21 August 2024. The active benefit statement is attached as Appendix 3.

3.4 An online version of the annual statements has been available to view on the member portal since 21 July.

3.5 Also issued to active members was the annual newsletter, Appendix 4. This contained essential updates and key messages for members.

3.6 Both the statements and newsletter are well received by members. The issuing of these statements is a particularly important statutory requirement for the fund. It serves several important functions that benefit the fund, members and employers. In the current financial climate, it provides valuable information to members. Benefits include:

- Awareness of scheme benefits to members
- A reminder of any death grant nominations made
- A check of the pay data provided by the employer used to calculate pension accrual in the last year
- A check that essential data requirements, such as address and marital status, are up to date and correct
- A reminder of pensions tax impacts for high earners
- The Fund's data is up to date and correct, meeting requirements set out by the Pension's Regulator, and contributing to the high quality of data held.
- Highlight important changes to the LGPS and/or associated regulations
- Deliver key messages and important reminders.

**4 Data Quality Results 2025**

4.1 Each year, the quality of our data is reviewed and measured in accordance with guidance set out by the Pensions Regulator. This serves two main purposes. Firstly, it feeds into the future year's data improvement plan, and secondly it provides the Data Quality scores for the Dorset County Pension Fund which must be reported to The Pensions Regulator each year and recorded in the Fund's Annual Report.

4.1.1 **Common Data** – this is the reporting of items applicable to all pension schemes, for example a correct address, date commenced, name, national insurance number etc. The overall score of tests passed for common data held was 99.67%, the score for the previous year was 99.65%.

4.1.2 **Scheme Specific Data**, (also known as 'Conditional' data) is the data specific to the LGPS. This includes items such as the presence of CARE data, member benefits and GMP data where it applies. The overall score for scheme specific data was 95.89%, a slight increase on the previous year's score of 95.30%.

4.2 This illustrates the excellent standard of data for the fund and reflects the continued hard work of the team to ensure records are accurate and current. We rely on employers providing regular and accurate data, and we put a significant resource into supporting employers and ensuring accuracy of monthly and annual data submissions.

4.3 Significant amounts of data cleansing have been completed this year in readiness for the Dashboard connection.

4.4 We are now currently writing the Data Quality Report for 2025 which sets out our working plan for the year ahead to ensure that we have a continual plan for improvement and consistently high standards of data accuracy.

## 5 Valuation 2025

5.1 Since the completion of the end of year processes, we have been working towards the provision of the 2025 Valuation data, which has a tight deadline.

5.2 There have been some initial delays due to third parties, including Civica. We have not been able to use the new valuation extract, which included McCloud and underpin data due to the errors we have identified within the report. As a result, we have used the 2022 valuation extract, and the actuaries will estimate the McCloud impacts, as they did in 2022.

5.3 As part of the work required to finalise data, the team have cleared over 12,000 validation checks within two weeks. Each check needs to be individually reviewed, and will include data from active, deferred, pensioner and dependant members. This was followed by a further 2,000 checks, mainly concerning payroll data.

## 6 Dashboard Update

6.1 We have completed phase 1 of the implementation, this included UAT for the data extract and upload of member data.

6.2 We are also working with our AVC providers to ensure all data consistency. We have agreed the multi-source option with our main AVC provider, the Prudential, meaning the AVC provider must connect to the dashboard via their own ISP and display their data separately. Both us and the provider will use a Unique ID that will link the AVC to the main scheme data. However, Utmost (formerly Equitable Life), with whom we still have some members with residual benefits have not agreed to this and we may need to adopt the single source option for this provider, meaning we will be responsible for displaying the AVC data. We will work with them to ensure we have the necessary data.

6.3 Work continues with the Prudential, our main in-house AVC provider, to ensure data consistency. The prudential will upload all data via their own ISP provider.

6.4 Phase 2 commences on 8 September; this is followed by a four-week plan to ensure we are onboarded in good time for the 31 October deadline.

## 7 McCloud Update

7.1 A letter has been sent to 15,910 members who are not in scope, to ask for details of any previous non LGPS public service employments that may entitlement the member to be in scope for the McCloud remedy within the LGPS Dorset Fund. A large number of queries were received, and we are receiving the required information to enable us to update our records and ensure everyone is marked as in scope where there is an entitlement. The complexities of these regulations, and ensuring effective communication, has been a challenge.

7.2 In addition, we have completed a bulk check of the National NI data base to identify members with LGPS membership in other funds. This identified approximately 1627 members in 91 funds that need further investigation. We will now be liaising with these funds to check membership details to establish if these members are in scope for McCloud in our fund and note our records accordingly.

7.3 Our next software delivery into our test system is on 3 September, this will address errors raised during testing in July and August.

7.4 A three-week window follows this delivery to ensure all issues are resolved and any further concerns can be raised. From here we can draw up a project plan to address the rectification cases.

7.5 We have also received some teacher's excess service cases. These are individuals who have been members of the Teachers' Pension Scheme, and as a consequence of the changed regulations in the Teacher's scheme, now need to be retrospectively admitted to the LGPS. We are still waiting for the required guidance to finalise these cases.

**8 Financial Implications**

N/A

**9 Climate Implications**

None

**10 Well-being and Health Implications**

None

**11 Other Implications**

N/A

**12 Risk Assessment**

12.1 HAVING CONSIDERED: the risks associated with this decision; the level of risk has been identified as:

Current Risk: N/A

Residual Risk: N/A

**16. Equalities Impact Assessment**

N/A

**17. Appendices**

Appendix 1 – KPIs (1 May 2025 to 31 July 2025)

Appendix 2 Deferred member Annual Benefit Statement 2025

Appendix 3 Active Member Annual Benefit Statement 2025
Appendix 4 Active member Annual Newsletter 2025

**18. Background Papers**

LGPS Regulations 2013

McCloud statutory guidance

Homepage | UK Pensions Dashboards Programme

The Pensions Dashboards Regulations 2022

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**Dorset County Pension Fund KPI Report**

Dorset County Pension Fund
administered by Dorset Council

| Period: | May to July 2025 | | | | | |
|---|---|---|---|---|---|---|
| **Top 10 detail - cases completed on time** | **Completed in period** | **Performance** | **KPI (days)** | **Cases completed on time or early** | **Total Processes Worked On** | **Average Working Time (Days)** |
| Admissions | 1256 | 100.00% | 30 | 1256 | 1256 | 1.00 |
| Interfund in Quote | 99 | 97.98% | 30 | 97 | 444 | 5.56 |
| Interfund In Actual | 80 | 92.50% | 30 | 74 | 148 | 12.95 |
| Interfund Out Quote | 96 | 98.96% | 30 | 95 | 171 | 3.65 |
| Interfund Out Actual | 103 | 87.38% | 30 | 90 | 151 | 17.12 |
| Transfers in Quote | 8 | 100.00% | 15 | 8 | 101 | 3.17 |
| Transfers In Actual | 30 | 93.33% | 15 | 28 | 33 | 5.05 |
| Transfer Out Actual | 19 | 94.74% | 15 | 18 | 66 | 6.64 |
| Transfer Out Quote | 100 | 97.00% | 15 | 97 | 121 | 3.85 |
| Estimates | 281 | 99.29% | 15 | 279 | 383 | 3.92 |
| Retirements | 380 | 96.58% | 10 | 367 | 584 | 4.51 |
| Retirements Quote | 591 | 98.65% | 10 | 583 | 1323 | 2.94 |
| Deferred Benefits | 780 | 93.97% | 40 | 733 | 1315 | 26.45 |
| Refunds | 169 | 100.00% | 15 | 169 | 375 | 1.05 |
| Refunds Quote | 380 | 100.00% | 15 | 380 | 845 | 1.94 |
| Deaths (Initial Stage) | 83 | 95.18% | 5 | 79 | 198 | 3.79 |
| Correspondence | 1281 | 93.05% | 15 | 1192 | 1220 | 4.57 |
| **Total** | **5736** | **96.67%** | | **5545** | **8734** | |

| Period: | February 2025 - April 2025 | | | | | |
|---|---|---|---|---|---|---|
| **Top 10 detail - cases completed on time** | **Completed in period** | **Performance** | **KPI (days)** | **completed on time or early** | **Total Processes Worked On** | **Average Working Time (Days)** |
| Admissions | 1185 | 100.00% | 30 | 1185 | 1185 | 1.00 |
| Interfund in Quote | 39 | 100.00% | 30 | 39 | 239 | 2.64 |
| Interfund In Actual | 78 | 87.18% | 30 | 68 | 134 | 20.98 |
| Interfund Out Quote | 62 | 100.00% | 30 | 62 | 107 | 2.21 |
| Interfund Out Actual | 35 | 88.57% | 30 | 31 | 53 | 18.27 |
| Transfers in Quote | 40 | 100.00% | 15 | 40 | 160 | 2.54 |
| Transfers In Actual | 47 | 100.00% | 15 | 47 | 53 | 2.29 |
| Transfer Out Actual | 28 | 96.43% | 15 | 27 | 81 | 10.67 |
| Transfer Out Quote | 114 | 100.00% | 15 | 114 | 147 | 3.11 |
| Estimates | 248 | 99.19% | 15 | 246 | 310 | 3.41 |
| Retirements | 441 | 97.73% | 10 | 431 | 588 | 4.36 |
| Retirements Quote | 602 | 99.17% | 10 | 597 | 1277 | 2.78 |
| Deferred Benefits | 479 | 95.82% | 40 | 459 | 643 | 20.06 |
| Refunds | 135 | 100.00% | 15 | 135 | 447 | 1.06 |
| Refunds Quote | 291 | 100.00% | 15 | 291 | 627 | 1.03 |
| Deaths (Initial Stage) | 105 | 100.00% | 5 | 105 | 211 | 1.99 |
| Correspondence | 1116 | 94.35% | 15 | 1053 | 1042 | 6.08 |
| **Total** | **5045** | **97.66%** | | **4927** | **7303** | |

| | |
|---|---|
| Total Processes for month completed | 18175 |
| Total Processes worked on in month | 21756 |
| Total Phone Calls taken through Pensions Helpline | 2133 |
| Total Emails Received | Currently unreportable due to Dorset IT changes |
| Total Emails Sent | Currently unreportable due to Dorset IT changes |
| McCloud Processes Completed | 138 |

| | |
|---|---|
| Total Processes for month completed | 12650 |
| Total Processes worked on in month | 18205 |
| Total Phone Calls taken through Pensions Helpline | 2068 |
| McCloud Processes Completed | 798 |

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Dorset County Pension Fund

administered by Dorset Council

# Deferred Benefit Illustration 2025

Dear

Your Annual Pension Benefit Statement

We're pleased to send you your latest annual benefit statement. It shows the pension benefits you've built up in the Local Government Pension Scheme (LGPS) up to the date you left the scheme. These benefits increase each year in line with the cost of living. This year, they've been updated by 1.7% based on the 2025 Pensions Increase Review.

The statement includes:

- The value of your pension so far, including cost of living increases.
- Helpful explanations to make the information easier to understand.

Following the introduction of the McCloud Remedy the calculation of any potential McCloud underpin should be shown where it applies. Unfortunately, we do not have the software in place to fulfil this requirement for this year, therefore we are exercising our discretion as set out under Regulation 2(6) of The Local Government Pension Scheme (Information) Regulations 2024 to delay this for a further year. This information will be included in your 2026 Annual Benefit Illustration. Further information can be found on page 5.

Please read the whole booklet carefully. If you have any questions after reviewing the information, please do not hesitate to contact us. We also welcome your feedback on this statement.

For more information, visit:

- www.dorsetpensionfund.org
- www.lgpsmember.org

Or email us at: pensionshelpline@dorsetcouncil.gov.uk

**Important:** This statement is for information only. If you're thinking about retiring, please contact us for a formal pension estimate.

If you're still working and paying into the LGPS, you'll get a separate statement for that job by 31 August 2025.

Yours sincerely,

K Gibson

Karen Gibson
Service Manager for Pensions

## Personal details

Please check this section carefully and let us know any incorrect personal information. If we do not hold your partnership details, or your details are incorrect, please tell us in writing, by post or email, enclosing photocopies as appropriate of your:

- Marriage / civil partnership certificate
- Spouse / partner's birth certificate
- Decree Absolute / final notice / dissolution order

If you have become divorced or your civil partnership has been dissolved, we will require photocopies of the relevant legal documents to amend our records.

| | |
|---|---|
| Full name: | |
| Date of birth: | |
| Partnership status: | |
| Pension folder reference: | |
| Date left scheme: | |

## Cohabiting Partners (Post 01/04/2008 members only)

If you left the scheme after 1 April 2008 it is possible for a cohabiting partner to receive a pension on your death. To be considered a cohabiting partner your relationship has to meet certain conditions laid down by the LGPS, for example you must have been free to marry and be living with your partner for a period of at least two years. A cohabiting partner will be assessed for eligibility at the date of your death.

If you are cohabiting, please complete a death grant nomination as explained on page 6, this is especially important for you.

## Rejoining the LGPS

If you rejoin the LGPS in England or Wales you should notify the fund, in which you are now an active member, of this deferred benefit, unless this is with the Dorset County Pension Fund.

You should also notify the Dorset County Pension Fund of any new active membership with other Funds in the LGPS.

## Present value of scheme benefits

This shows the current value of your benefits, assuming your benefits will be paid either at your Normal Retirement Date or the date, if earlier, when your benefits would be paid without any reduction. If you choose to take your pension benefits before that date a reduction will apply. Your Normal Retirement date is explained on page 7. The amounts do not include any potential McCloud Remedy underpin as explained on page 5.

In some cases there is a minor reduction in the annual pension (called 'modified annual pension') because reduced, or 'modified', contributions were made to the Scheme before 1 July 1980.

| | |
|---|---|
| Date valued to: | 7 April 2025 |
| Current pension: | per year |
| Retirement lump sum: | |
| Contingent partner's pension: | per year |

Pensions Increase of ______ applies and is included in the above pension figures.

## Increases to benefits

Your deferred benefits increase in line with inflation. The benefits shown above have been index-linked up to and including the 2025 Pensions Increase Review Order of 1.7%.

## Debits to pension

The above amounts have **not** been reduced by any applicable Pension Debits for divorce or Scheme Pay Offset for Annual Allowance tax charge(s).

The amount of debit is:

| | |
|---|---|
| Pension Debit from Pension: | per year |
| Pension Debit from Lump Sum: | |
| Scheme Pays Offset: | per year |

## Claiming your deferred pension

The Dorset County Pension Fund will write to you just before you reach your Normal Pension Age, providing details on how to claim your pension. Your Normal Pension Age is shown on page 7.

If you would like to access your pension earlier, with a reduction, you will need to contact us using the details on page 11 of this leaflet. Your pension can be taken from age 55 at the earliest.

## The McCloud Remedy

Your benefits shown in this illustration have not had any increases due to the McCloud Remedy. If you are due an increase to your pension entitlement due to the McCloud Remedy, for any pension membership between 1 April 2014 and 31 March 2022, this will be assessed and applied when you start receiving your pension.

Not all LGPS members are affected by the McCloud remedy. The basic rules are set out below.

You will not be affected by the McCloud remedy if:

- you turned 65 before 1 April 2014
- you left the LGPS before 1 April 2014.

Your LGPS pension is protected by the McCloud remedy if:

- you were a member of the LGPS or another public service pension scheme before 1 April 2012
- you were a member of the LGPS in the remedy period between 1 April 2014 and 31 March 2022
- you were under age 65 in the remedy period, and
- you have not had a disqualifying gap of more than five years when you were not paying into the LGPS or any other public service pension scheme.

If the Dorset County Pension Fund is unsure if you are affected by the McCloud Remedy, you will be contacted and asked to provide evidence of your service in other public service pension schemes if applicable.

## Death before benefits become payable

If you die before the benefits become payable, in addition to any survivor's pension shown, there would be a lump sum death grant payable. The grant would be paid to your next of kin, legal personal representatives or your nominated beneficiary. Payment may be made immediately, without waiting for Grant of Probate or Letters of Administration to be taken out, if the fund has a completed, current Expression of Wish / Death Grant Nomination Form.

Death grant:

## Death Grant Nomination

The section below shows who you have nominated to receive a death grant upon your death. If this section is blank, no nomination has been made, this means if a death grant becomes payable, your wishes cannot be taken into consideration. If you would like to nominate or change your existing nomination details, please complete an 'Expression of Wish' form. You are able to do this on My Pension, further details on page 10 or by emailing a form, details of where to find this form are included on page 11 of this booklet.

| Beneficiary | Percentage of benefits payable |
|---|---|
| | |

The Dorset County Pension Fund Scheme Administrator has absolute discretion over who receives any lump sum death grant.

This death grant would only be payable if you are not currently an active member of the LGPS in England or Wales. If you have rejoined the LGPS in England or Wales, the death grant payable would be the greater of:

- the total death grant from all deferred benefits, pensions in payment and suspended Tier three ill health pensions, or
- three times your pay (Assumed Pensionable Pay) in your new active employment.

## Normal Pension Age

If you left before 1 April 2014 your Normal Pension Age would be 65. However if you were a member of the pension scheme before 1 April 2008 and were born before 1 April 1960 you may have a protected earlier pension age, between age 60 and 65.

If you left after 1 April 2014 your Normal Retirement Age would be the same as your State Pension Age. You can find out what this is at **www.gov.uk/calculate-state-pension**

Your Normal Pension Date is currently:

However, if you left after 1 April 2014, this may change in the future as and when the Government changes State Pension Ages.

If you draw your pension before your Normal Pension Age your pension benefits will be subject to a reduction.

## Retirement lump sum

When receiving your deferred benefits on retirement you will have the option to take part of your benefits as a tax-free cash lump sum by giving up part of your pension. The maximum lump sum that you can take is 25% of the capital value of your pension benefits. Details of this will be provided at retirement. If you have membership before 1 April 2008, you will have some automatic provision for a retirement grant based on 3/80th of your final pay. However, any service after 1 April 2008 will not generate an automatic lump sum.

## How your benefits are calculated

Pension benefits built up before 1 April 2014 are based on the length of time you have been a member of the pension scheme (total membership) and your full time equivalent final pay. On 1 April 2014 the way pension is calculated changed to a yearly amount being added to your “pension account”.

**Membership prior to 1 April 2008**
Pension benefits up to 1 April 2008 are based on 1/80th of your final pay, plus 3/80th as a tax free lump sum (retirement grant).

**Membership between 1 April 2008 and 31 March 2014**
From 1 April 2008, for each year of membership or part year, your pension is calculated as 1/60th of your final pensionable pay.

**Membership from 1 April 2014**
Every year from 1 April 2014 an amount of pension is earned, which is added to your pension account. This is calculated as 1/49th of your actual pensionable pay.

If you have service transferred in from previous employments, or pension providers, this will be included in your benefit calculations.

## Ill Health Pension Access

If you are suffering from permanent ill health you can apply for early payment of your benefits. You can do this at any age.

You will need to apply in writing to your former employer who will refer you to a nominated Occupational Health professional to determine whether your condition qualifies you to receive early payment under the scheme rules.

## Pension Scams

Unfortunately, pension scams are on the rise in the UK. In some cases, the scammer will try to persuade you to transfer your pension to a different scheme, often a scheme the scammer has set up themselves. Falling victim to a pension scam could mean that you lose some or all of your pension savings.

The Government has identified common pension scam risks which, if present, may suggest you are in danger of being scammed. The Government calls these red and amber flags.

If you elect to transfer, to help protect your pension from scammers, the Government requires us to decide whether any red or amber flags are present. We will not need to do this if you transfer to a different public service pension scheme, an authorised master trust scheme or an authorised collective defined contribution scheme.

Pension scams, where people may be tricked into handing over their pension pots by scammers, are on the increase; millions of people fall victim to scams every year. The tactics used by pension scammers to encourage people to transfer their pension savings to them are constantly changing. Some of the tactics include offering free pension reviews, health checks and promises of better returns to their savings, pensions loans, up front cash or other promotions to tempt them.  Most of these are bogus.

However, once you've transferred your money into a scam, it's too late. You could end up losing all your pensions savings and in some cases face a tax bill of up to 55%.

For information about pensions scams please visit

www.fca.org.uk/consumers/pension-scams

## AVCs

If you paid Additional Voluntary Contributions (AVCs) to either Utmost Life & Pensions (previously Equitable Life) or the Prudential whilst in active membership these are not included in this illustration. You should receive a separate communication from either company with details of your AVC.

Full details of your AVC fund will be provided on retirement.

## Early access to your pension

The earliest you are able to access your pension benefits, unless on grounds on ill health, would be age 55.

Please be aware that if you access your pension before your normal retirement age, the reduction applied for taking benefits early may be high.

## Transferring benefits

If you have joined or are thinking of joining another pension arrangement you may wish to consider transferring your LGPS benefits to it. You should contact your current pension provider for further information and on your instruction they may write to us for a transfer quotation. Please be aware that your LGPS pension is a valuable asset and advice should be sought before making any decision to transfer out your pension.

## Online Access to your Deferred Pension

Checking your pension is now as easy as online banking with our secure My Pension website. With My Pension you can:

- Update personal information and contact details
- Communicate with the fund and upload documents
- Estimate how much your pension could be when you retire
- Make or change your death grant nomination details.

Visit **https://mypension.dorsetcouncil.gov.uk** to log in or register for My Pension.

## Further information and disclaimer

These calculations are based on the information available at the time and every care has been taken to ensure their accuracy. If you have any reason to believe that the calculations made or the information we have used is wrong (either to your benefit or detriment) you must notify us immediately. The Dorset County Pension Fund reserves the right to adjust the calculations if they are found to be incorrect or if circumstances change, and to change payments accordingly. This notice of your benefits does not confer any legal or contractual obligation on either you or the Dorset County Pension Fund, and is provided on that basis. The Dorset County Pension Fund will only be liable to pay those benefits to which you are lawfully entitled.

## Contact us

If, after reading this booklet carefully, you have any queries concerning your annual deferred benefit illustration please contact us either by email preferably, or through your My Pension account,or at the address below, using a subject heading of "Deferred Annual Benefit Illustration 2025".

**pensionshelpline@dorsetcouncil.gov.uk**

Dorset County Pension Fund
County Hall
Dorchester
Dorset
DT1 1XJ

My Pension online: **http://mypension.dorsetcouncil.gov.uk**

Along with some useful information we have made a variety of forms available on our website at **www.dorsetpensionfund.org**

Alternatively you can contact the Dorset County Pension Fund and we will be happy to post you a hard copy.

More information can be found on the LGPS members website at:
**www.lgpsmember.org**



# Welcome to your Dorset County Pension Fund **Annual Benefit Illustration 2025**

Dorset County Pension Fund

administered by **Dorset Council**

lgps | Local Government Pension Scheme

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Dear

Welcome to your Annual Benefit Illustration for 2025.

This Illustration includes:

- The value of your pension so far, including cost of living increases.
- An estimate of what your pension may be when you reach your Normal Pension Age.
- Helpful explanations to make the information easier to understand.

Following the introduction of the McCloud Remedy, the calculation of any potential underpin should be shown where it applies. Unfortunately, we do not have the software in place to fulfil this requirement for this year, therefore we are exercising our discretion as set out under Regulation 2(6) of The Local Government Pension Scheme (Information) Regulations 2024 to delay this for a further year. This information will be included in your 2026 Annual Benefit Illustration if you are eligible.

Further information on eligibility and what this means can be found in the enclosed newsletter.

## Online Access to your Pension

My Pension is an online member self serve portal which allows you to view your pension information, estimate how much your pension could be when you retire, update your personal circumstances and make or change your death grant nomination status.

Visit mypension.dorsetcouncil.gov.uk to log in or register for My Pension.

## Personal details

Please check this section carefully and notify us of any incorrect personal information. If we do not hold your partnership details or they are incorrect, please notify us in writing, enclosing photocopies of your:

- ☐ marriage / civil partnership certificate / decree absolute
- ☐ spouse / partner’s birth certificate

A partner's pension will only be shown on this illustration if we hold your marital status as married, civil partnership or cohabiting partner, as shown below. Regardless of the status currently held on our records, a partner's pension would be paid if applicable.



**Full name:**

**Date of birth:**

**Partnership status:**

**Employer at 31/03/2025:**

**Date joined Scheme:**

**Post ref number:**

**Section of Scheme at 31/03/2025:**

**Actual Pensionable Pay:**

**Full Time Equivalent Pensionable Pay:**

If you have more than one active post each will have a separate pension record and illustration. Statements are only issued for employments that commenced before 1 April 2025.

**You require two years’ Scheme membership to qualify for a pension in the Local Government Pension Scheme (LGPS), unless you have transferred in previous pension entitlements. If you leave with less than two years’ membership you may not qualify for the benefits in this Illustration.**

# Present value of scheme benefits at 31 March 2025

| | |
|---|---|
| **Total pension at 31 March 2025:** | **(per annum)** |
| **Partner’s pension:** | **(per annum)** |
| **Automatic lump sum:** | **(for pre 2008 membership only)** |

The above figures show the current value of your LGPS benefits accrued up to 31 March 2025, assuming you retire on or after your State Pension Age, which is the Normal Retirement Date (NRD) for Post 1 April 2014 LGPS scheme benefits.

A partner's pension will only show if your held partnership status is married, civil partnership or cohabiting.



# Projection to Normal Retirement Date

| | |
|---|---|
| **Normal Retirement Date (NRD):** | |
| **Projected Total Pension at NRD:** | **(per annum)** |
| **Projected Partner’s Pension at NRD:** | **(per annum)** |
| **Automatic Lump Sum:** | **(for pre 2008 membership only)** |

The above figures have been calculated, based on a projection of your accrued pre April 2014 Final Salary benefits, if applicable, plus your CARE benefits up to your Normal Retirement Date (NRD). More details are on page 5.

# Pension Debit amounts resulting from Pension Sharing Order(s)

| | |
|---|---|
| **Current value of Pension Debit:** | **(per annum)** |
| **Current value of Lump Sum Debit:** | **(for pre 2008 membership only)** |
| **Current value of Spouse’s Pension Debit:** | **(per annum)** |

Any debits shown above **are** deducted from the figures in this statement. However, the actual amount of your deductions will be calculated when your benefits are drawn.

## Breakdown of Scheme benefits at 31 March 2025

Your pension entitlement is calculated using the pay provided by your employer. If these figures are incorrect it will affect your pension when you retire. Any queries regarding these pay figures should be sent to your employer.

If you have purchased Additional Pension Contributions (APCs), Additional Regular Contributions (ARCs) or Added Years, the amount purchased will be included in your Total Pension.

Additional Voluntary Contributions (AVCs) are not included in this illustration, but you should receive an annual illustration directly from your AVC Provider.

Any Pension Sharing Order debits or Scheme Pays Offsets for Annual Allowance tax charges are included in the figures shown throughout this statement.

**Total pension at 31 March 2025:** **(per annum)**

Your total pension is made up of your final salary benefits and your CARE benefits as detailed below.

## Final Salary Benefits at 31 March 2025 – applicable for membership built up to 31 March 2014

**Full Time Equivalent Pensionable Pay (Final Pay):**

Pre 1 April 2008 Membership:

Membership from 1 April 2008 to 31 March 2014:

**Pension for pre April 2014 membership:** **(per annum)**

**Lump sum for pre 2008 membership:**

Please note that your Final Salary benefits are based on your full time equivalent pay (Final Pay) at date of leaving. Changes to the amounts quoted in this section will be the result of changes to your full time equivalent (Final Pay) only.

## Career Average Revalued Earnings (CARE) benefits at 31 March 2025

**Actual Pensionable Pay (CARE Pay) in year 01/04/2024 – 31/03/2025:**

**Amount of pension built up in year 2024/25**

| Main section | 50/50 section | Additional pension bought | In year CARE transfers in | Total |
|---|---|---|---|---|
| **Pay/49 = £** | **Pay / 98 = £** | **£** | **£** | **£** |

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**CARE pension account at 31 March 2025**

| Closing balance at 31 March 2024 | | Cost of living adjustment (added 1 April 2024) | | In Year build up (as shown above) | | Total career average pension at 31 March 2025 |
|---|---|---|---|---|---|---|
| **£** | **+** | **£** | **+** | **£** | **=** | **£ per annum** |

Please ensure that you check the CARE pensionable pay above, which has been provided by your employer. If this figure is incorrect it may adversely affect your pension when you retire.

### Your CARE pay figure is:

- ✓ the actual pensionable pay received this financial year
- ✓ provided by your employer
- ✓ used to calculate the amount of pension earned in a year.

### Reductions to pay

In cases of sickness, injury or contractual parental leave your CARE pay includes amounts added by your employer to ensure you don't lose out on pension for this year.

In cases of authorised unpaid leave (including unpaid parental leave) your CARE pay will be lower. Your employer should have informed you how you could make up this shortfall.

## Projections if you remain contributing to the Scheme until your Normal Pension Age

| | | |
|---|---|---|
| **Normal Retirement Date (NRD):** | | |
| Projected CARE Pension at NRD: | £ | per annum |
| Projected Final Salary pension at NRD: | £ | per annum |
| **Projected Total Pension at NRD:** | **£** | **per annum** |
| **Automatic lump sum:** | **£** | |
| **Projected Partner's pension to NRD:** | **£** | **per annum** |



These benefits have been calculated, based on a projection of your accrued pre 1 April 2014 Final Salary benefits, if these apply, plus your CARE benefits up to your Normal Retirement Date (NRD). Please be aware that pension projections using CARE assume that the same amount of CARE pension will be added each year and assume you continue working and receiving the same pay, until your NRD. **Please note that any pension sharing debits as listed on page 2 or Annual Allowance Scheme Pays debits are deducted from this projection.**

Your Normal Retirement Date is your State Pension Age (SPA) (with a minimum of age 65), this may change if the Government alters your State Pension Age. This projection assumes that each year you will have the same amount of pension added to your pension account. Members can choose to retire voluntarily from age 55, however benefits would be reduced for early payment if taken before your NRD.

### Retirement tax free lump sum

On retirement you can choose to take part of your benefits as a tax-free cash lump sum by giving up part of your pension. You will receive £12 lump sum for every £1 of yearly pension given up. Under current tax legislation, the maximum lump sum that you can take is 25% of the capital value of your pension benefits. Details of this are provided upon retirement. If you have membership prior to 1 April 2008, this will have a provision for an automatic lump sum based on your pre 1 April 2008 membership and 3/80th of your Full Time Equivalent Pay (Final Pay).

# Life cover and family protection

If you die while still working and paying into the LGPS, your family is supported. The LGPS provides:

- a lump sum death grant of three times your actual pay, regardless of your length of membership.
- an ongoing pension for your spouse, civil partner or eligible cohabiting partner.
- a pension may be payable for a child, for as long as they remain eligible.

**Lump Sum death grant:** **£**

**Partner's pension:** **£** **per annum**



Deferred and some pensioner members are also entitled to a lump sum death grant. But you may be only entitled to one death grant where multiple, separate entitlements exist.

The current nominee(s) to receive a death grant upon your death is shown in the table.

If you would like to nominate or change your existing nomination details, you can amend your details on My Pension, our member portal, details on page 10.

Alternatively, please complete and return an ‘Expression of Wish’ form. Details of where to find this form are on the back page.

The DCPF Administrator has absolute discretion over who receives any lump sum death grant.

| Beneficiary | Percentage of benefits payable |
|---|---|
| | |

# How benefits accrued before 1 April 2014 are calculated

Pension benefits accrued before 1 April 2014 are based on the length of time you were a member of the pension scheme (total membership) and your Full Time Equivalent Pay (Final Pay) at leaving. Membership prior to 1 April 2008 is based on 1/80th of your Final Pay, plus 3/80th as a tax-free lump sum. Between 1 April 2008 and 31 March 2014, for each year of membership or part thereof, you will receive 1/60th of your Final Pay.

## Membership

For Final Salary pension calculations, your membership is the number of years and days before 1 April 2014 that you were a member of the LGPS . This will include the following:

- pension rights transferred in from a previous scheme or employer
- any additional membership purchased
- any additional membership awarded by your employer.

If you have worked part time during any period of your membership prior to 1 April 2014, the part time period has been adjusted to reflect the part time hours that were worked.

If you worked term time, your hours have been adjusted and reduced pro-rata based on the full amount of weeks per year.

## Full Time Equivalent Pensionable Pay (Final Pay)

This is usually the pensionable pay earned during your final year of scheme membership, or one of the previous 2 years if this is higher. The Final Pay used in this illustration has been provided by your employer and is based on your pensionable earnings in the year up to 31 March 2025.

For part-time employees the Final Pay used will be the full time equivalent for your employment.

Some protection may be available to you at retirement if your pensionable pay has been reduced or restricted. More detailed information on this can be obtained from your employer.

## How benefits accrued from 1 April 2014 are calculated

From 1 April 2014 your LGPS pension changed from a Final Salary scheme to a Career Average Revalued Earnings (CARE) scheme. In a CARE pension scheme your benefits build up each year in your pension account. Each year your pensionable pay is divided by the accrual rate of 1/49 to give the amount of annual pension gained in that year. This amount is added to your pension account.

**Example:**
**CARE pensionable pay of**
**£22,000 X 1/ 49 = £448.98**
**added to pension account**

Each year the amount in your pension account is revalued in line with the Consumer Prices Index (CPI). Although last year's 6.7% cost of living adjustment is shown on the illustration, the 1.7% increase due for this year is not shown. This is because the cost of living adjustment is added each year in April, after the date of this illustration.

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In this example a member whose pensionable pay in the year 1 April to 31 March was £22,000 accrued an annual pension of £479.06, this annual income will be paid monthly throughout retirement.

Every subsequent year a further amount of annual pension would then be added to the pension account, this amount would be paid annually in retirement, once you have 2 years or more membership of the LGPS.

**Example:**
**£448.98 added to pension account**
**Plus cost of living adjustment**
**£448.98 x 6.7%= £479.06 (£30.08 CPI)**

### 50 / 50 section

The 50 / 50 section of the Scheme is designed to help members who are unable to afford the full contribution rate. If you have elected to be a member of the 50 / 50 section of the Scheme you pay in half the amount of your normal contributions and receive half the amount of pension accrual during that time. However, you would still have full ill health and death benefits while a member of the 50 / 50 section.

# Pensions Tax

## The Annual Allowance (AA)

Your annual allowance is the amount by which the value of your pension benefits may increase in any one year without having to apply a tax charge. Any pension growth over the 2024/2025 AA of £60,000 may be subject to tax at your highest tax rate.

Promotions and high pay increases may cause a breach of your AA. If you have breached the £60,000 limit or are close to breaching it, we will check your pay figures carefully and write to you individually by October 2025.

Please be aware that you are responsible for your own tax liabilities, DCPF are only able to inform you of the amount of annual allowance you have used within the DCPF fund. If you have contributed to another pension scheme in the year, you will need to assess the combined annual allowance of all pensions.

## Lump Sum Tax restrictions

HM Revenue and Customs limits the amount of tax-free lump sum you can take when your pension is paid to you. From 6 April 2024, the maximum lump sum is the lowest of:

- 25% of the capital value of your benefits
- £268,275
- £268,275 less the total lump sums you have already taken.

The Lifetime Allowance was removed from 6 April 2024. However, if you hold a valid Lifetime Allowance protection, you may be able to take a lump sum that is larger than £268,275.



## Pensions Tax and Additional Pension Payments

If you are paying additional amounts into your pension account using Additional Voluntary Contributions (AVCs) or Additional Pension Contributions (APCs), you should be aware that this may cause a large increase to your pension input amount in the year. This could cause you to breach the £60,000 Annual Allowance limit.

## Further information and disclaimer

Please do not use this illustration for retirement purposes. If you are thinking of retiring, please obtain a estimate from Dorset County Pension Fund.

In the event of any dispute over your pension benefits the appropriate legislation will prevail.These calculations are based on the information available at the time and every care has been taken to ensure their accuracy. If you have any reason to believe that the calculations made or the information we have used is wrong (either to your benefit or detriment) you must notify us immediately.

The Dorset County Pension Fund reserves the right to adjust the calculations if they are found to be incorrect or if circumstances change, and to change payments accordingly. This notice of your benefits does not confer any legal or contractual obligation on either you or the Dorset County Pension Fund, and is provided on that basis.
**The Dorset County Pension Fund will only be liable to pay those benefits to which you are lawfully entitled.**

## Contact us

If you have any queries concerning your annual benefit illustration, which are not pay related, please contact us **in writing**, quoting Annual Benefit Illustration 2025:

**Email:** pensionshelpline@dorsetcouncil.gov.uk

**Post:** Dorset County Pension Fund, County Hall, Dorchester. DT1 1XJ

**Online:** https://mypension.dorsetcouncil.gov.uk/

For any pay queries please contact your employer directly, who will be able to check your details and notify us of any amendments that need to be made to your pension record.

Along with some useful information there are a variety of forms available on our website: **www.dorsetpensionfund.org**

More information can be found on the LGPS members website at: **www.lgpsmember.org**

# The Local Government Pension Scheme

Dorset County Pension Fund
administered by Dorset Council

# Dorset County Pension Fund Newsletter 2025

**Included in this newsletter**

- ✓ McCloud remedy
- ✓ Death grant nominations
- ✓ Changes to the minimum pension age
- ✓ Ill health Retirements
- ✓ Gender pensions gap
- ✓ LGPS pension contribution banding 2025-26
- ✓ LGPS presentations

## Welcome to your 2025 LGPS newsletter

Welcome to the 2025 newsletter for members who are actively contributing into the Local Government Pension Scheme (LGPS) with the Dorset County Pension Fund (DCPF).

This newsletter provides you with important information about your pension. If you have a query regarding any of the topics in this newsletter, please do not hesitate to contact a member of the DCPF team by email at **pensionshelpline@dorsetcouncil.gov.uk**

## The McCloud remedy

On the first page of your Annual Benefit Illustration, you'll find a statement indicating whether the Dorset County Pension Fund (DCPF) believes you are eligible for the McCloud remedy.

If the statement says you are ***not eligible*** but you believe you should be, please provide evidence of your previous public sector pension membership.

In early August, a letter was sent to all members whom the Fund believes are not eligible. This letter outlines the steps you need to take and the specific evidence required to support your claim for eligibility.

The eligibility criteria for the McCloud remedy is

- you were a member of the LGPS or another public service pension scheme before 1 April 2012
- you were a member of the LGPS in the remedy period between 1 April 2014 and 31 March 2022
- you were under age 65 in the remedy period, and
- you have not had a disqualifying gap of 5 years or more when you were not paying into the LGPS or any other public service pension scheme.

## Death Grant nominations

It is important that you update your death grant nomination (expression of wish) regularly. Your current nomination is shown on page 7 of your Annual Benefit Illustration booklet.


Please contact us: Dorset County Pension Fund, County Hall, Dorchester, Dorset. DT1 1XJ

Email: pensionshelpline@dorsetcouncil.gov.uk

Online Pension Portal https://mypension.dorsetcouncil.gov.uk

## Change to the Minimum Pension Age

The UK government has announced a change to the minimum pension age, which will affect members of the LGPS. The minimum age at which you can access your pension benefits will increase from 55 to 57, effective from April 2028.

**What This Means**

- **People Aged 55 and Over:** If you are already 55 or older, you will not be affected by this change and can still access your pension benefits as planned.
- **People Aged 54 and Under:** If you are under 55, you will need to wait until you are 57 to access your pension benefits, unless you qualify for ill-health retirement or other specific exemptions.
- **Planning for the Future:** Consider speaking with a financial advisor to understand how this change may impact your retirement plans.

**Impact on LGPS Members**

The full impact of this change on LGPS members has not yet been finalised. We will communicate any further information as it becomes available.

## Are you too ill to work?

If you have to leave work because of illness, your LGPS benefits may be paid straight away.

Ill health benefits can be paid at any age and your pension would not be reduced for early payment. In some cases your pension may be enhanced to make up for your early retirement . To qualify for an ill health pension you must have met the two year vesting period in the LGPS and you must be:

- permanently unable to do your job until your Normal Pension Age, and
- not immediately capable of undertaking gainful employment.

If you are too ill to work, you should ask your employer to consider you for an ill health retirement. Then your employer must get the opinion of an independent occupational health physician appointed by them before a decision is made.

If you are awarded an ill health pension there are three tiers of benefit available.

### Tier 1

**Eligibility—unlikely to be capable of gainful employment before Normal Pension Age (NPA)**.

- Pension built up to leaving date.
- **No reduction** for early payment.
- **Plus:** Full enhancement — the pension you would have built up from leaving to NPA.
- **Paid for life**.

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### Tier 2

**Eligibility**: - **unlikely to be capable of gainful employment within 3 years, but likely before NPA**.

- Pension already built up to leaving date.
- **No reduction** for early payment.
- **Plus**: 25% of the pension you would have built up from leaving to NPA.
- **Paid for life**.

### Tier 3

**Eligibility**: **likely to be capable of gainful employment within 3 years or before NPA.**

- Pension already built up to leaving date.
- **No reduction** for early payment.
- **Temporary payment**:
  - Stops after 3 years, or
  - When you start or become capable of gainful employment.
- May resume at NPA or earlier, depending on circumstances.

## Gender Pensions Gap in the LGPS

The government issued a consultation called Local Government Pension Scheme in England and Wales: Access and Fairness.  Part of this consultation was looking at the gender pensions gap and changes to the LGPS which may help close this gap.

74% of the 6.7 million LGPS members nationwide are women, yet their pensions are significantly lower than men's. The gender pensions gap is:

- 34.7% in the post-2014 career average scheme.
- 46% in the pre-2014 final salary scheme.

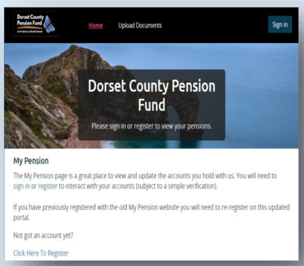
Key Reform Proposals

1. Make unpaid leave under 31 days pensionable
2. Reduce cost of buying back pension for longer unpaid leave
3. Make unpaid maternity, adoption & shared parental leave pensionable
4. Mandatory gender pension gap reporting

If any of the proposed changes from the consultation take effect, this will be communicated to you.

### How do I find out more about my pension?

The Dorset County Pension Fund (DCPF) have an online member self serve portal where you can access details of your pension benefits.




You can see how much your pension is worth when you retire.

You can make or change your death grant lump sum nomination.

You can change your address and marital status

Plus much more...

Please visit **https://mypension.dorsetcouncil.gov.uk/**

## LGPS pension contributions bands from 1 April 2025

The amount of pension contributions a member pays into the LGPS is adjusted each year in line with cost of living.

The amount of contributions you pay is based on the pay band your employer decides is correct for you. If you have more than one job, your employer will set your contribution rate separately for each job.

If your pay changes in the year, your employer may decide to review your contribution rate.

This table shows the pay bands and contributions rates that apply from April 2025.

If you have decided to move into the 50/50 section of the scheme, you will pay 50% of the normal contribution rate.

| If your actual pensionable pay is: | You pay a contribution rate of: |
|---|---|
| Up to £17,800 | 5.50% |
| £17,801 to £28,000 | 5.80% |
| £28,001 to £45,600 | 6.50% |
| £45,601 to £57,700 | 6.80% |
| £57,701 to £81,000 | 8.50% |
| £81,001 to £114,800 | 9.90% |
| £114,801 to £135,300 | 10.50% |
| £135,301 to £203,000 | 11.40% |
| £203,001 or more | 12.50% |

# Annual Benefit Illustration presentations


Do you understand your Annual Benefit Illustration?

Dorset County Pension fund is holding presentations to help members understand their illustration. These 30 minute presentations will explain what your illustration contains and highlight the information you need to check.

Please use the Eventbrite links below to register to attend one of the two sessions being offered on Microsoft Teams online.

- Thursday 11 September at 17:00

Booking link: **www.eventbrite.co.uk/e/understanding-your-lgps-annual-benefit-illustration-tickets-1515595871049**

- Tuesday 16 September at 12:30

Booking link: **www.eventbrite.co.uk/e/understanding-your-lgps-annual-benefit-illustration-tickets-1515796461019**

# LGPS member presentations

During the year, there are several general LGPS member presentations available for people who are active members of the Dorset County Pension Fund.

The presentation will cover the following points

- ☑ Understanding your LGPS pension and how it builds up
- ☑ Paying more or less into your pension
- ☑ Types of LGPS retirements
- ☑ Survivor benefits

lgps | Local Government Pension Scheme

The one hour LGPS member presentations are held on Microsoft Teams online and can be booked using the Eventbrite links below.

- Wednesday 19 November at 12:30

Booking link: **www.eventbrite.co.uk/e/dcpf-lgps-member-presentation-tickets-1544174771309**

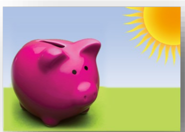
- Friday 30 January at 12:30

Booking link: **www.eventbrite.co.uk/e/dcpf-lgps-member-presentation-tickets-1544370586999**

- Tuesday 12 May at 17:00

Booking link: **www.eventbrite.co.uk/e/dcpf-lgps-member-presentation-tickets-1544434849209**

# Please remember:



! Check the pay used in your Annual Benefit Illustration leaflet.

! Let us know about any change of address.

! Ensure your death grant nomination (expression of wish) is up to date.

## Disclaimer

Information in this leaflet is correct at the time of printing and is provided for information purposes only. We cannot cover personal circumstances and any advice given does not affect your statutory rights or over-ride existing legislation.