Dorset County Pension Fund
Performance Report

Quarter ending 30 June 2023

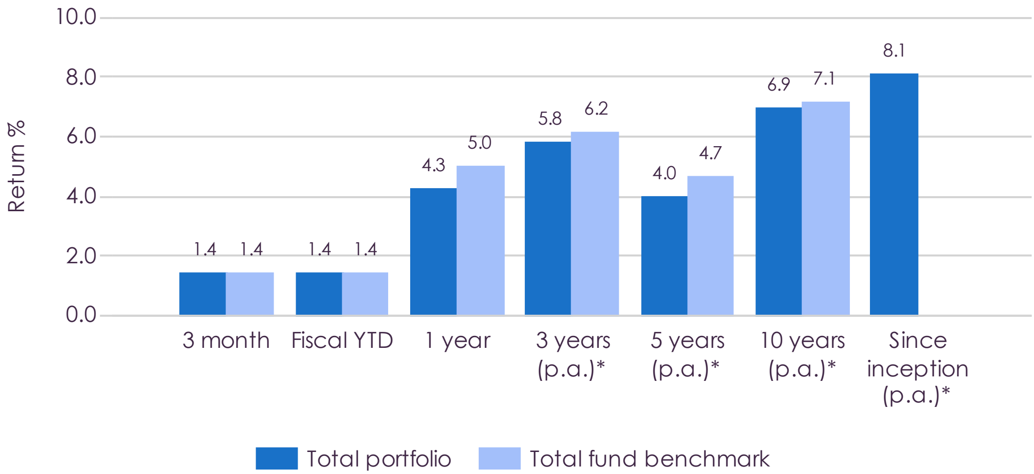
Dorset County Pension Fund
administered by Dorset Council

BRUNEL
Pension Partnership

Contents

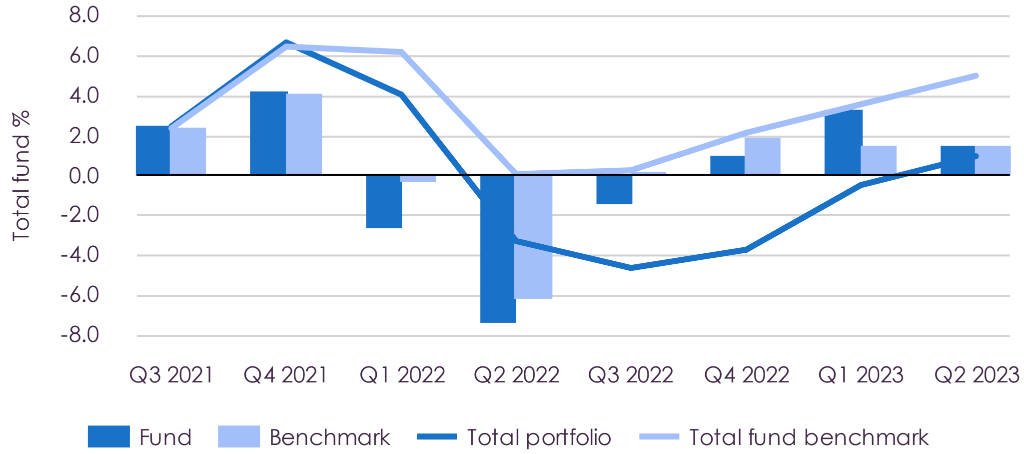
Pension Fund performance

Performance (annualised)



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

Quarterly performance



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

Key events

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

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

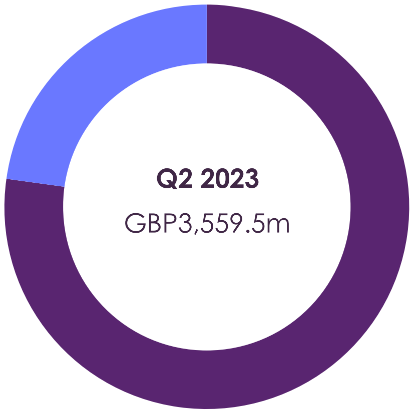
Rising rates continued to dampen activity in Private Markets.

The total portfolio rose 1.4%, matching the return of the benchmark. For 12 months, the total portfolio lagged the benchmark (+4.3% vs +5.0%).

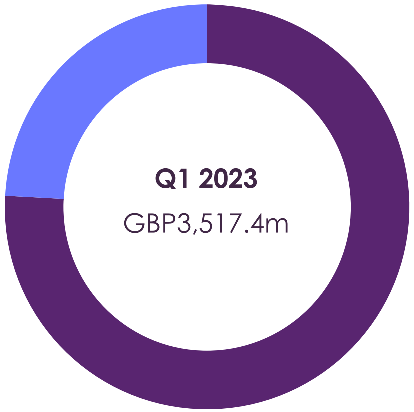
The relative performance of Brunel's active equity portfolios during the quarter was mixed - Global Sustainable Equities underperformed. The Multi Asset Credit portfolio produced a positive return marginally lagging its cash +4% benchmark.

Asset summary

Assets transitioned to Brunel



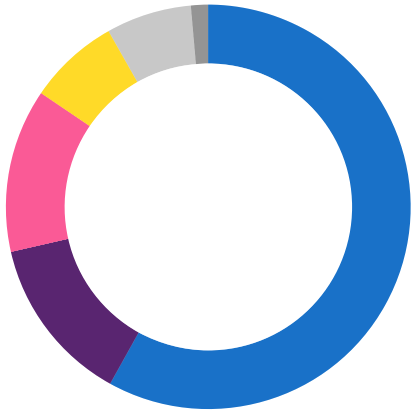
Transitioned	77.22%
Legacy assets	22.78%



Transitioned	75.89%
Legacy assets	24.12%

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

Asset allocation breakdown



Key:

Equities	58.05%
Fixed income	13.38%
Private markets	13.09%
Property	7.29%
Other	6.83%
Cash	1.37%

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

Overview of assets

Detailed asset allocation

Equities	£2,066.21m	58.05%
Global Sustainable Equities	£347.98m	9.78%
Global High Alpha Equities	£280.48m	7.88%
Global Small Cap Equities	£226.26m	6.36%
UK Active Equities	£184.36m	5.18%
Passive Smart Beta	£159.48m	4.48%
Passive Smart Beta (Hedged)	£152.48m	4.28%
Emerging Markets Equities	£138.87m	3.90%
Passive UK Equities	£124.57m	3.50%
Passive Developed Equities	£106.51m	2.99%
Passive Developed Equities (Hedged)	£104.38m	2.93%
PAB Passive Global Equities (Hedged)	£59.05m	1.66%
CTB Passive Global Equities (Hedged)	£59.02m	1.66%
CTB Passive Global Equities	£57.31m	1.61%
PAB Passive Global Equities	£57.16m	1.61%
Legacy Assets	£8.32m	0.23%

Fixed income	£476.09m	13.38%
Multi-Asset Credit	£245.79m	6.91%
Sterling Corporate Bonds	£75.86m	2.13%
Legacy Assets	£154.44m	4.34%

Private markets (incl. property)	£725.44m	20.38%
Secured Income Cycle 1	£55.64m	1.56%
Private Equity Cycle 1	£49.64m	1.39%
Secured Income Cycle 3	£14.19m	0.40%
Infrastructure Cycle 3	£10.87m	0.31%
Private Equity Cycle 3	-£0.20m	-0.01%
Legacy Assets	£595.30m	16.72%

Other	£243.06m	6.83%
Diversifying Returns Fund	£238.80m	6.71%
Legacy Assets	£4.25m	0.12%

Cash not included

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	19,137	0.5%	2.50%	-2.0%	4.8%	0.0%
Cash	48,680	1.4%	-	1.4%	0.2%	0.0%
CBRE	259,569	7.3%	10.00%	-2.7%	0.8%	0.1%
Harbourvest	68,673	1.9%	2.50%	-0.6%	-1.9%	-0.0%
Hermes	92,781	2.6%	4.00%	-1.4%	-1.0%	-0.0%
IFM	155,131	4.4%	4.00%	0.4%	0.6%	0.0%
Insight	29	0.0%	-	0.0%	-11.3%	-0.0%
Internally Managed UK Equities	7,563	0.2%	-	0.2%	1.0%	0.0%
Investec	417	0.0%	-	0.0%	-2.8%	-0.0%
Royal London	154,444	4.3%	4.00%	0.3%	-3.6%	-0.2%
Wellington	336	0.0%	-	0.0%	-2.3%	-0.0%
Global High Alpha Equities	280,481	7.9%	7.50%	0.4%	3.9%	0.3%
Global Sustainable Equities	347,975	9.8%	10.00%	-0.2%	0.1%	0.0%
UK Active Equities	184,360	5.2%	5.00%	0.2%	-0.3%	-0.0%
Emerging Markets Equities	138,869	3.9%	5.00%	-1.1%	-2.4%	-0.1%
Global Small Cap Equities	226,255	6.4%	6.00%	0.4%	0.3%	0.0%

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
Diversifying Returns Fund	238,803	6.7%	6.00%	0.7%	1.0%	0.1%
Multi-Asset Credit	245,791	6.9%	7.50%	-0.6%	1.8%	0.1%
Sterling Corporate Bonds	75,857	2.1%	2.50%	-0.4%	-2.5%	-0.1%
PAB Passive Global Equities	57,159	1.6%	1.50%	0.1%	5.3%	0.1%
PAB Passive Global Equities (Hedged)	59,051	1.7%	1.50%	0.2%	8.6%	0.1%
CTB Passive Global Equities	57,308	1.6%	1.50%	0.1%	5.5%	0.1%
CTB Passive Global Equities (Hedged)	59,025	1.7%	1.50%	0.2%	8.8%	0.1%
Passive Developed Equities	106,508	3.0%	2.50%	0.5%	3.9%	0.1%
Passive Developed Equities (Hedged)	104,380	2.9%	2.50%	0.4%	7.2%	0.2%
Passive UK Equities	124,565	3.5%	5.00%	-1.5%	-0.4%	-0.0%
Passive Smart Beta	159,476	4.5%	3.75%	0.7%	0.0%	0.0%
Passive Smart Beta (Hedged)	152,484	4.3%	3.75%	0.5%	3.1%	0.1%
Private Equity Cycle 1	49,637	1.4%	-	1.4%	N/M	N/M
Private Equity Cycle 3	-197	-0.0%	-	-0.0%	N/M	N/M
Infrastructure Cycle 3	10,867	0.3%	-	0.3%	N/M	N/M
Secured Income Cycle 1	55,642	1.6%	-	1.6%	N/M	N/M

Performance attribution

Pension fund performance attribution - to quarter end

	End market value £'000	Actual % allocation at end of quarter	Strategic asset allocation (%)	Difference (%)	Fund return (%): 3 months	Contribution to return: 3 month
Secured Income Cycle 3	14,186	0.4%	-	0.4%	N/M	N/M

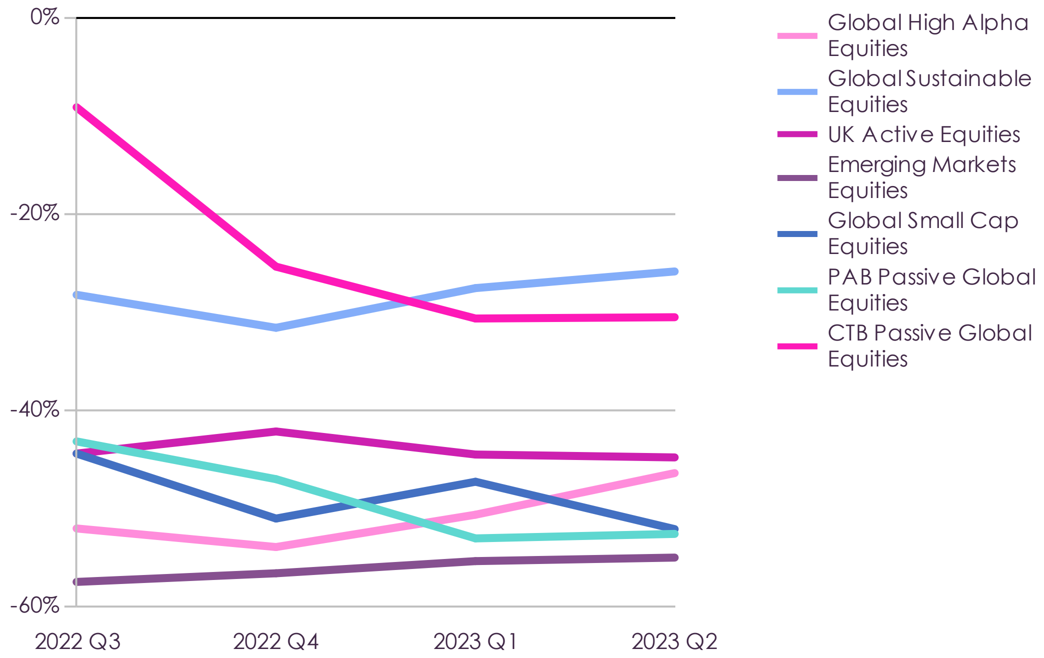
Private Markets 3 month performance is not material.

Stewardship and climate metrics

Portfolio	WACI		Total Extractive Exposure[1]		Extractive Industries (VOH)[2]	
	2023 Q1	2023 Q2	2023 Q1	2023 Q2	2023 Q1	2023 Q2
Global High Alpha Equities	**82**	**84**	**1.2**	**1.2**	**3.6**	**2.9**
MSCI World*	166	157	3.3	3.1	9.2	8.4
Global Sustainable Equities	**140**	**138**	**2.6**	**1.6**	**5.6**	**5.0**
MSCI ACWI*	193	186	3.3	3.1	9.1	8.3
UK Active Equities	**84**	**85**	**5.0**	**5.6**	**11.3**	**10.4**
FTSE All Share ex Inv Tr*	152	153	6.3	6.2	19.5	18.8
Emerging Markets Equities	**186**	**196**	**1.1**	**0.8**	**4.1**	**4.1**
MSCI Emerging Markets*	418	437	3.6	3.2	7.8	8.1
Global Small Cap Equities	**109**	**100**	**3.0**	**2.5**	**3.2**	**2.7**
MSCI Small Cap World*	207	208	3.2	3.2	5.9	5.8
PAB Passive Global Equities	**79**	**76**	**0.6**	**0.6**	**3.4**	**3.2**
FTSE Dev World TR UKPD*	168	160	3.1	3.0	9.4	8.6
PAB Passive Global Equities (Hedged)	**79**	**76**	**0.6**	**0.6**	**3.4**	**3.2**
CTB Passive Global Equities (Hedged)	**117**	**111**	**1.6**	**1.6**	**6.2**	**5.7**
CTB Passive Global Equities	**117**	**111**	**1.6**	**1.6**	**6.2**	**5.7**
FTSE Dev World TR UKPD*	168	160	3.1	3.0	9.4	8.6
Passive Developed Equities	**169**	**160**	**2.7**	**2.5**	**9.4**	**8.6**
Passive Developed Equities (Hedged)	**169**	**160**	**2.7**	**2.5**	**9.4**	**8.6**
Passive UK Equities	**151**	**152**	**5.1**	**5.0**	**19.2**	**18.5**
Passive Smart Beta	**308**	**309**	**2.9**	**2.4**	**12.6**	**11.5**
Passive Smart Beta (Hedged)	**308**	**309**	**2.9**	**2.4**	**12.6**	**11.5**

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

Weighted Average Carbon Intensity relative to benchmark



Stewardship reporting links

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

Risk and return summary

Brunel portfolio performance - 3 year

	Annualised return	Risk (standard deviation)	Benchmark return	Benchmark standard deviation
Global High Alpha Equities	11.1%	13.9%	11.6%	12.6%
UK Active Equities	8.1%	13.4%	10.3%	13.0%
Emerging Markets Equities	0.3%	13.9%	1.7%	13.1%
Passive Developed Equities	11.3%	12.5%	11.4%	12.5%
Passive Developed Equities (Hedged)	12.3%	16.3%	12.4%	16.3%
Passive UK Equities	10.2%	13.0%	10.0%	12.9%
Passive Smart Beta	10.8%	11.0%	10.3%	11.0%
Passive Smart Beta (Hedged)	11.9%	14.8%	11.3%	14.8%
Private Equity Cycle 1	19.4%	13.8%	10.5%	11.8%
Secured Income Cycle 1	0.7%	5.3%	6.6%	2.1%

Since portfolio inception

Risk and return summary

Legacy manager performance - 3 year

	Annualised return	Risk (standard deviation)	Benchmark return	Benchmark standard deviation
Aberdeen Standard	18.0%	14.8%	10.0%	12.9%
Brunel PM Cash	23.3%	-	-	-
Cash	0.1%	-	-	-
CBRE	3.0%	11.1%	1.7%	9.5%
Harbourvest	24.8%	22.6%	10.0%	12.9%
Hermes	3.4%	7.7%	10.0%	0.1%
IFM	13.2%	8.7%	10.0%	0.1%
Insight	-3.3%	15.5%	-3.1%	15.5%
Royal London	-6.5%	11.0%	-9.1%	12.0%
Dorset County Pension Fund	5.8%	8.0%	6.2%	7.1%

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 (57.81%)			**2,057.89**									
Global High Alpha Equities	MSCI World	+2-3%	280.48	3.9%	-0.1%	16.3%	2.5%	11.1%	-0.5%	12.3%	2.0%	15 Nov 2019
Global Sustainable Equities	MSCI ACWI	+2%	347.98	0.1%	-3.3%	10.2%	-1.7%	-	-	3.8%	-3.4%	01 Dec 2020
UK Active Equities	FTSE All Share ex Inv Tr	+2%	184.36	-0.3%	0.1%	8.1%	-0.3%	8.1%	-2.2%	4.0%	-1.2%	21 Nov 2018
Emerging Markets Equities	MSCI Emerging Markets	+2-3%	138.87	-2.4%	-0.6%	-2.6%	-0.2%	0.3%	-1.4%	-0.3%	-1.8%	09 Oct 2019
Global Small Cap Equities	MSCI Small Cap World	+2%	226.26	0.3%	-0.2%	11.2%	2.7%	-	-	0.4%	-1.0%	03 Mar 2021
PAB Passive Global Equities	FTSE Dev World PAB	Match	57.16	5.3%	-	-	-	-	-	8.5%	-0.2%	23 Nov 2022
PAB Passive Global Equities (Hedged)	FTSE Dev World PAB	Match	59.05	8.6%	-	-	-	-	-	13.5%	-0.2%	15 Dec 2022
CTB Passive Global Equities	FTSE Dev World CTB	Match	57.31	5.5%	-	-	-	-	-	11.1%	-0.2%	15 Dec 2022
CTB Passive Global Equities (Hedged)	FTSE Dev World CTB	Match	59.02	8.8%	-	-	-	-	-	13.4%	-0.2%	15 Dec 2022
Passive Developed Equities	FTSE Developed	Match	106.51	3.9%	-	13.5%	-0.1%	11.3%	-0.1%	9.2%	-0.1%	24 Jan 2020
Passive Developed Equities (Hedged)	FTSE Developed	Match	104.38	7.2%	-	17.3%	-0.1%	12.3%	-0.1%	8.9%	-0.1%	31 Jan 2020
Passive UK Equities	FTSE All Share	Match	124.56	-0.4%	-	8.0%	0.1%	10.2%	0.2%	3.1%	0.1%	11 Jul 2018
Passive Smart Beta	SciBeta Multifactor Composite	+0.5-1%	159.48	-	0.1%	7.4%	0.5%	10.8%	0.5%	7.7%	0.3%	25 Jul 2018
Passive Smart Beta (Hedged)	SciBeta Multifactor Hedged Composite	+0.5-1%	152.48	3.1%	0.2%	11.2%	0.6%	11.9%	0.5%	6.8%	0.2%	25 Jul 2018

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
Fixed income (9.04%)			**321.65**									
Multi-Asset Credit	SONIA +4%	0% to +1.0%	245.79	1.8%	-0.2%	7.5%	0.3%	-	-	-1.5%	-7.3%	01 Jun 2021
Sterling Corporate Bonds	iBoxx Sterling Non Gilt x	+1%	75.86	-2.5%	0.9%	-	-	-	-	-2.0%	0.5%	14 Dec 2022
Private markets (incl. property) (3.66%)			**130.13**									
Private Equity Cycle 1	MSCI ACWI	+3%	49.64	N/M	N/M	0.9%	-11.0%	19.3%	8.9%	18.3%	7.4%	26 Mar 2019
Private Equity Cycle 3	MSCI ACWI	+3%	-0.20	N/M	N/M	-	-	-	-	-100.0%	-103.5%	28 Apr 2023
Infrastructure Cycle 3	n/a - absolute return target	net 8% IRR	10.87	N/M	N/M	-	-	-	-	-6.6%	-12.8%	13 Oct 2022
Secured Income Cycle 1	CPI	+2%	55.64	N/M	N/M	-15.0%	-23.0%	-0.2%	-6.8%	-0.1%	-4.9%	15 Jan 2019
Secured Income Cycle 3	CPI	+2%	14.19	N/M	N/M	-	-	-	-	-	-0.2%	01 Jun 2023
Other (6.71%)			**238.80**									
Diversifying Returns Fund	SONIA +3%	0% to +2.0%	238.80	1.0%	-0.8%	1.1%	-5.1%	-	-	2.1%	-2.1%	31 Jul 2020
Total Brunel assets (excl. cash) (77.22%)			**2,748.48**									

*Since initial investment
Private Markets 3 month performance is not material.

Portfolio overview

Legacy assets

Portfolio	AUM (GBPm)	Perf. 3 month	Excess 3 month	Perf. 1 year	Excess 1 year	Perf. 3 year	Excess 3 year	Perf. SII*	Excess SII*	Initial investment
Fixed income (4.34%)			**154.44**							
Royal London	154.44	-3.6%	0.8%	-8.3%	1.7%	-6.5%	2.6%	5.6%	0.6%	01 Jul 2007
Private markets (incl. property) (16.72%)			**595.30**							
CBRE	259.57	0.8%	0.7%	-12.9%	-	3.0%	1.3%	6.7%	0.1%	01 Jan 2000
Aberdeen Standard	19.14	4.8%	5.3%	5.7%	-2.2%	18.0%	7.9%	5.5%	-0.2%	01 Jun 2006
Harbourvest	68.67	-1.9%	-1.4%	-15.4%	-23.3%	24.8%	14.7%	13.5%	8.1%	01 May 2006
Hermes	92.78	-1.0%	-3.3%	4.1%	-5.8%	3.4%	-6.6%	6.3%	-3.7%	01 Feb 2015
IFM	155.13	0.6%	-1.7%	7.7%	-2.2%	13.2%	3.2%	13.7%	3.7%	01 Apr 2016
Brunel PM Cash	0.01	1.3%	1.3%	83.1%	83.1%	23.3%	23.3%	23.2%	-	01 Jun 2020
Other (1.37%)			**48.71**							
Insight	0.03	-11.3%	-	-12.7%	-0.2%	-3.3%	-0.2%	3.1%	0.5%	01 Jul 2012
Cash	48.68	0.2%	0.2%	0.3%	0.3%	0.1%	0.1%	0.4%	-	01 Jan 2009
Total legacy assets (excl. cash) (22.43%)	**798.46**									

*Since initial investment

Chief Investment Officer commentary

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

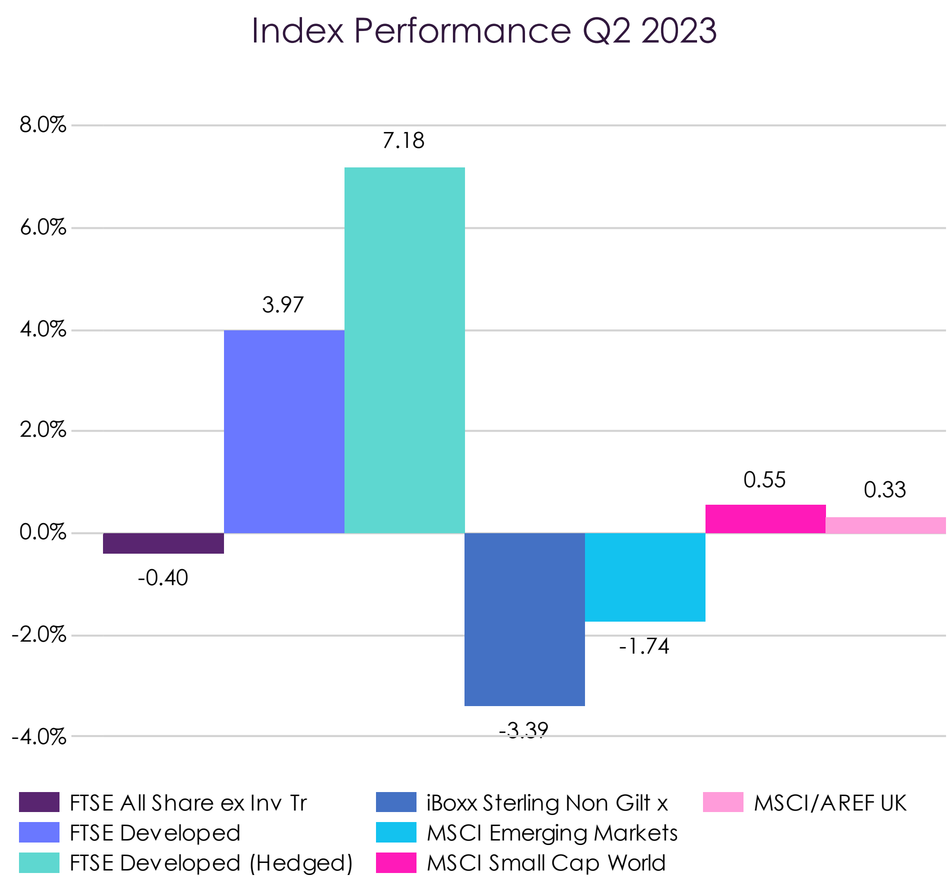
But it isn't just Apple to which this issue relates. The stock market has not been this concentrated since the 1970s when the so-called Nifty 50 stocks dominated the landscape. This quarter the performance of the top seven names, the so-called magnificent 7; Apple, Microsoft, Amazon, Nvidia, Alphabet,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

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

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

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

Chief Investment Officer commentary



Source: State Street

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

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

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

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

Global High Alpha Equities

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

Liquidity
Managed

Benchmark
MSCI World

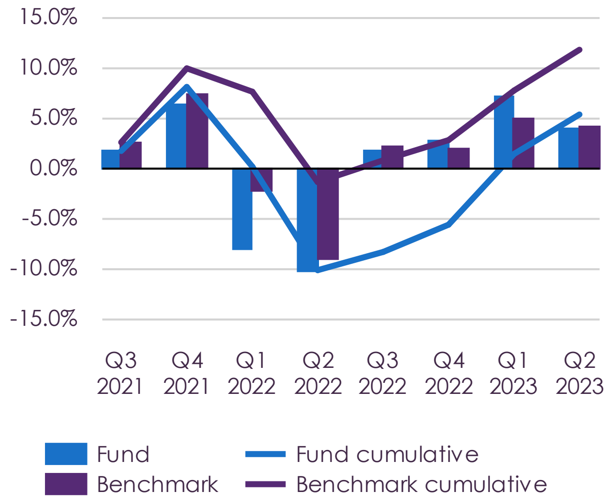
Outperformance target
+2-3%

Total fund value
£4,059m

Risk profile
High

Dorset's Holding:
GBP280m

Rolling 2yr performance



Performance to quarter end

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

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

Performance commentary

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

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

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

Sector attribution shows a positive impact from allocation driven by an overweight to the Consumer Discretionary sector and underweights to the two poorest performing sectors, Utilities and Energy. Selection was negative overall and weakest in the Consumer Discretionary sector where the underperformance of Chinese names versus their developed market peers was a material detractor (Alibaba, PinDuoDuo and Meituan).

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

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

Global High Alpha Equities

Top 5 holdings

	Weight %	B'mark weight %	Client value (GBP)*
MICROSOFT CORP	6.03	4.24	16,916,434
AMAZON.COM INC	3.38	2.12	9,469,728
ALPHABET INC	2.61	2.40	7,325,397
MASTERCARD INC	2.54	0.59	7,112,204
UNITEDHEALTH GROUP INC	2.16	0.79	6,048,145

*Estimated client value

Top 5 active overweights

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

Top 5 active underweights

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

Largest contributors to ESG risk

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

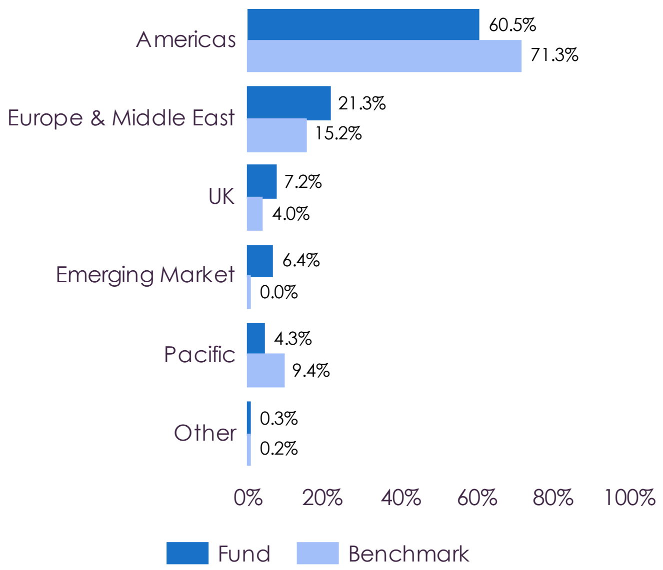
*Source: Sustainanalytics. The table is ordered by negative overall ESG impact on the portfolio, with the most impactful at the top. ESG Risk Score reference: 0-10 is Negligible, 10-20 is Low, 20-30 is Medium, 30-40 is High, 40+ is Severe.

Carbon metrics

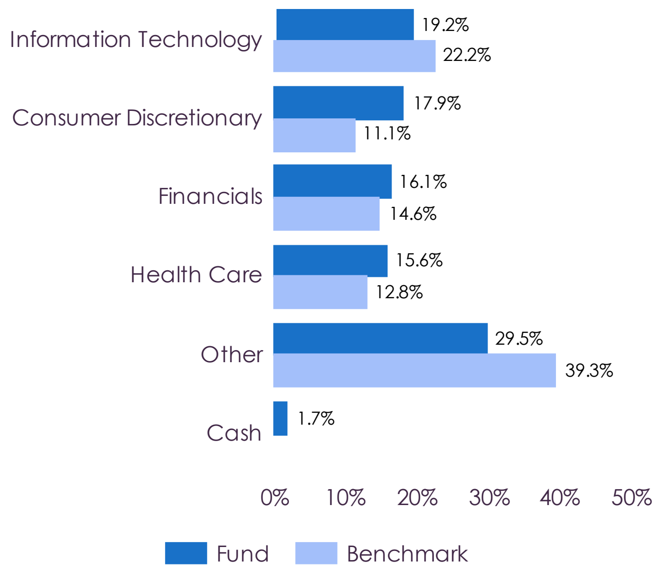
Portfolio	WACI 2023 Q1	WACI 2023 Q2	Total Extractive Exposure[1] 2023 Q1	Total Extractive Exposure[1] 2023 Q2	Extractive Industries (VOH)[2] 2023 Q1	Extractive Industries (VOH)[2] 2023 Q2
Global High Alpha	82	84	1.19	1.24	3.60	2.89
MSCI World*	166	157	3.26	3.07	9.22	8.36

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

Regional exposure



Sector exposure



Global Sustainable Equities

Investment strategy & key drivers

Global equity exposure concentrating on ESG factors

Liquidity

Managed

Benchmark

MSCI ACWI

Outperformance target

+2%

Total fund value

£3,120m

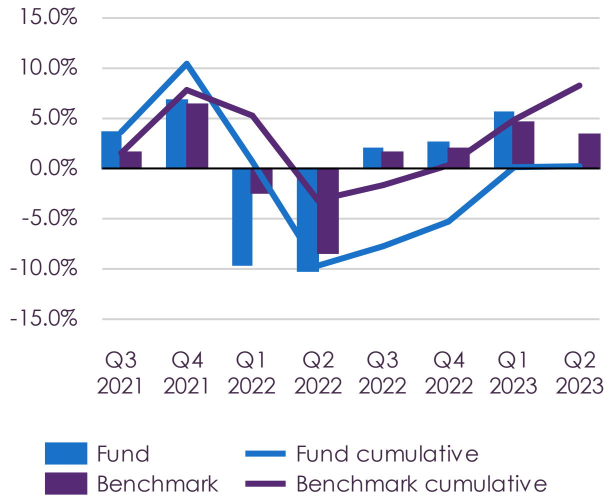
Risk profile

High

Dorset's Holding:

GBP348m

Rolling 2yr performance



Performance to quarter end

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

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

Performance commentary

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

As discussed in the CIO commentary, this quarter can be characterised by the outperformance of a small number of stocks, which occupy the Very Large Cap end of the market cap spectrum. Whilst the portfolio does have some exposure to the 7 names, which contributed 85% of market return, the fund is still relatively underweight. This is largely due to Valuation considerations but also Sustainable considerations when considering the investment case for Meta and Tesla. Altogether the 9% underweight in these 7 names cost the fund 100bps of relative performance over the quarter, notably 50bps from the 4.5% underweight in Apple.

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

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

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

Global Sustainable Equities

Top 5 holdings

	Weight %	B'mark weight %	Client value (GBP)*
MICROSOFT CORP	2.74	3.79	9,522,442
MASTERCARD INC	2.55	0.53	8,879,140
ANSYS INC	2.29	0.05	7,966,645
ADYEN NV	2.24	0.06	7,792,866
VISA INC	1.79	0.61	6,244,551

*Estimated client value

Top 5 active overweights

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

Top 5 active underweights

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

Largest contributors to ESG risk

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

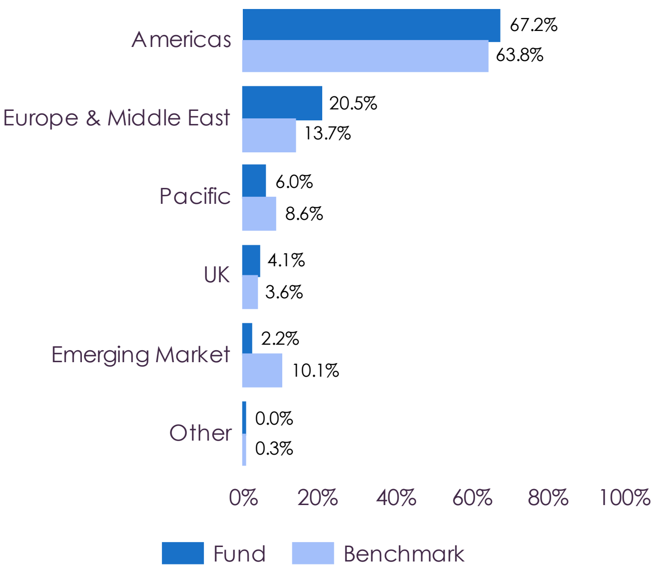
*Source: Sustainalytics. The table is ordered by negative overall ESG impact on the portfolio, with the most impactful at the top. ESG Risk Score reference: 0-10 is Negligible, 10-20 is Low, 20-30 is Medium, 30-40 is High, 40+ is Severe.

Carbon metrics

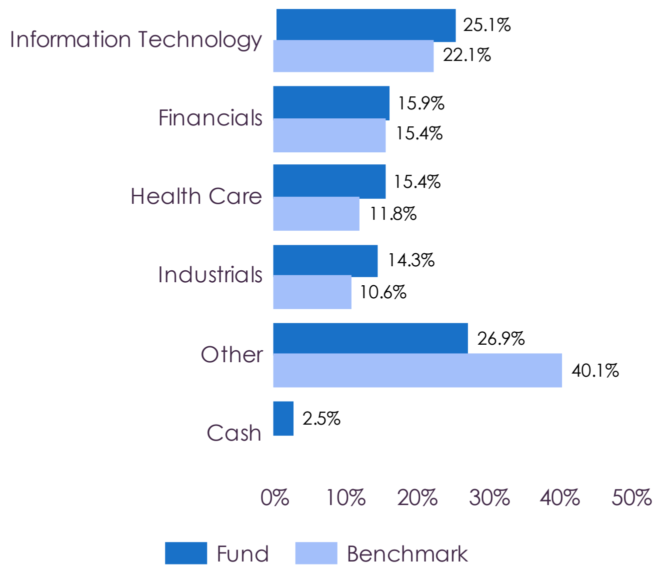
Portfolio	WACI 2023 Q1	WACI 2023 Q2	Total Extractive Exposure[1] 2023 Q1	Total Extractive Exposure[1] 2023 Q2	Extractive Industries (VOH)[2] 2023 Q1	Extractive Industries (VOH)[2] 2023 Q2
Global Sustainable	140	138	2.64	1.55	5.64	4.99
MSCI ACWI*	193	186	3.27	3.07	9.06	8.33

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

Regional exposure



Sector exposure



UK Active Equities

Investment strategy & key drivers
Active stock and sector exposure to UK equity markets

Liquidity
Managed

Benchmark
FTSE All Share ex Inv Tr

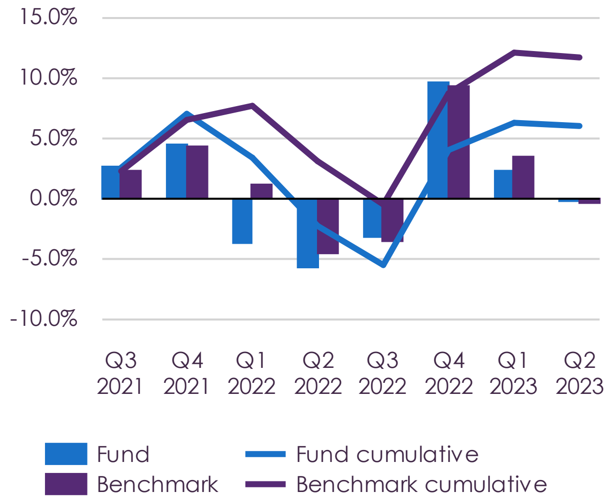
Outperformance target
+2%

Total fund value
£1,353m

Risk profile
High

Dorset's Holding:
GBP184m

Rolling 2yr performance



Performance to quarter end

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

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

Performance commentary

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

The portfolio returned -0.3% during the period, outperforming the benchmark by 0.1%. Sector attribution shows a positive contribution from allocation as overweight allocations to Financials and Industrials (the two best performing sectors after Technology) added to relative returns. This more than offset the negative effects from selection where poor selection in both Financials and Industrials detracted. Within Industrials, the overweight position in PageGroup (British based recruitment business) detracted, as profits were impacted by challenging market conditions with people reluctant to change jobs. In contrast the off-benchmark position in Wise (UK-based foreign exchange fintech business) added value, returning over 20% off the back of boosted revenue figures arising from strong customer and volume growth. Within Financials, the underweight position in HSBC hurt as the bank returned over 14%, benefiting from higher net interest margin resulting from the increasing interest rate environment.

Baillie Gifford outperformed by 0.2% over the period, despite the negative impact of not holding HSBC and Shell (the latter returning 2.5%). Two notable examples of smaller growth companies sought by BG that performed well during the quarter were Wise (mentioned above) and Abcam the global leader in the manufacture and distribution of antibodies. Abcam returned 76% following a positive trading update and announcement of a strategic review including the potential sale of the company, which had a further positive impact.

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

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

UK Active Equities

Top 5 holdings

	Weight %	B'mark weight %	Client value (GBP)*
ASTRAZENECA PLC	6.41	7.71	11,814,222
UNILEVER PLC	5.48	4.76	10,105,153
SHELL PLC	3.84	7.54	7,078,670
HSBC HOLDINGS PLC	3.49	5.79	6,429,079
RIO TINTO PLC	3.00	2.51	5,535,009

*Estimated client value

Top 5 active overweights

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

Top 5 active underweights

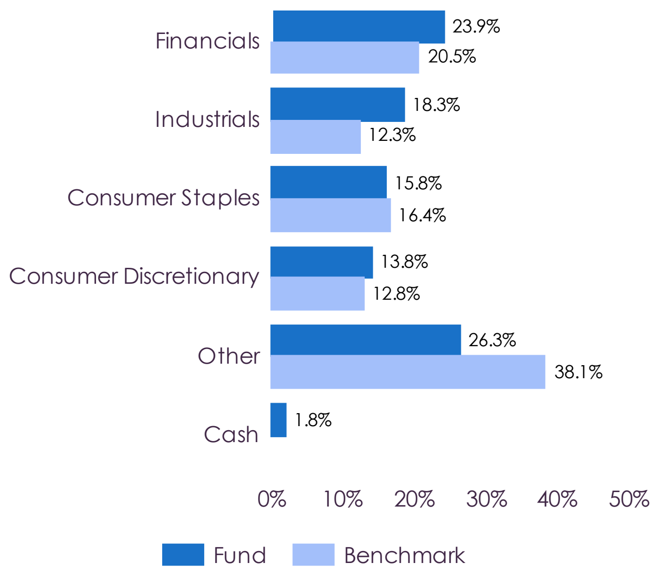
	Weight %	Benchmark weight %
SHELL PLC	3.84	7.54
HSBC HOLDINGS PLC	3.49	5.79
BRITISH AMERICAN TOBACCO PLC	0.89	2.70
NATIONAL GRID PLC	-	1.75
LONDON STOCK EXCHANGE	0.16	1.64

Largest contributors to ESG risk

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

*Source: 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.

Sector exposure



Carbon metrics

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

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

Emerging Markets Equities

Investment strategy & key drivers

Equity exposure to emerging markets

Liquidity

Managed

Benchmark

MSCI Emerging Markets

Outperformance target

+2-3%

Total fund value

£1,013m

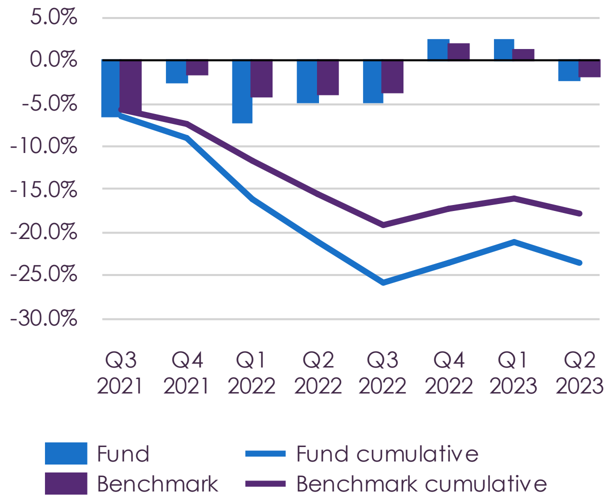
Risk profile

High

Dorset's Holding:

GBP139m

Rolling 2yr performance



Performance to quarter end

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

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

Performance commentary

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

The Emerging Markets portfolio returned -2.4% last quarter, which was 0.7% behind the benchmark return of -1.7%, proxied by MSCI Emerging Markets. Genesis and Wellington lagged the benchmark by 0.5% and 1.0% respectively, whereas Ninety-One performed in line. Since inception performance is now -1.0%, which is 1.8% behind benchmark.

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

Country and sector allocations did not work in the portfolio's favour during Q2 2023. The fund has underweight positions in wealthier EM economies such as Korea and Taiwan, which have characteristics akin to developed countries. There is also a significant underweight to the Middle East, primarily due to governance and valuation concerns. These areas appreciated far more than the broader EM universe. Korea, Taiwan and Saudi Arabia appreciated by +1.7%, +2.0% and +3.4% respectively. The portfolio is also biased away from carbon intensive sectors like Energy, which was by far the best performing sector with a return of +9.3%. Consumer sectors, which the fund is biased towards, struggled following poor economic data as cited above. Consumer Discretionary and Consumer Staples both underperformed the benchmark by 7.3% and 1.0% respectively.

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

Emerging Markets Equities

Top 5 holdings

	Weight %	B'mark weight %	Client value (GBP)*
TAIWAN SEMICONDUCTOR	7.49	6.82	10,405,293
SAMSUNG ELECTRONICS CO LTD	4.78	4.47	6,631,971
TENCENT HOLDINGS LTD	4.34	3.94	6,026,935
ALIBABA GROUP HOLDING LTD	2.01	2.56	2,785,994
AIA GROUP LTD	1.86	-	2,587,898

*Estimated client value

Largest contributors to ESG risk

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

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

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

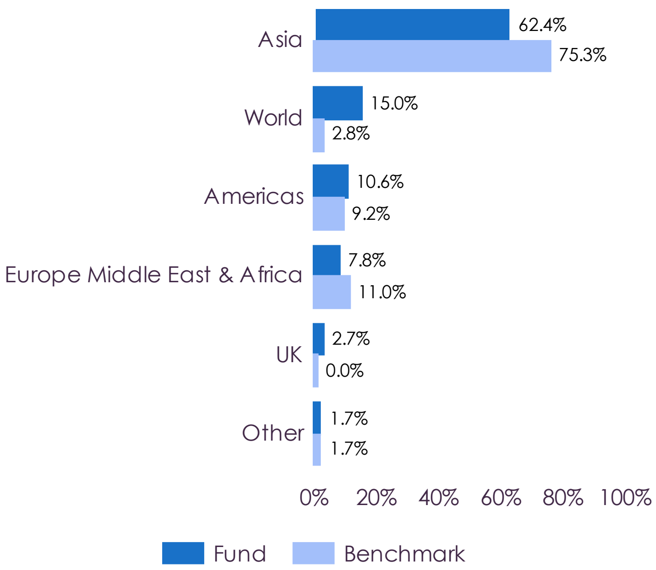
Top 5 active overweights

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

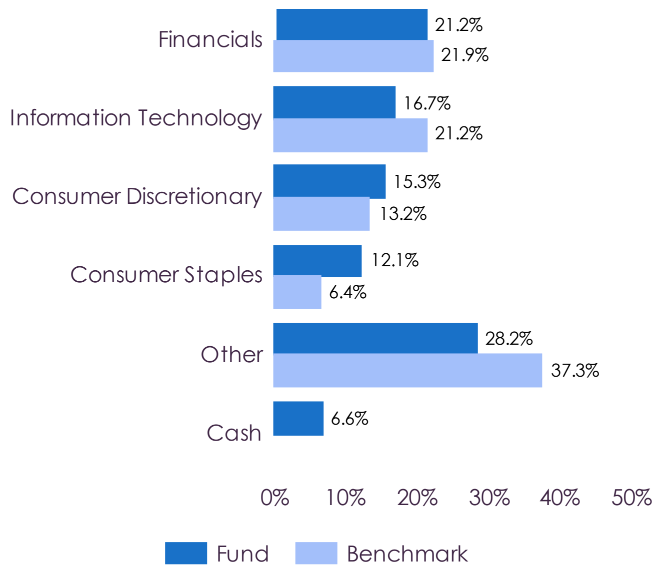
Top 5 active underweights

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

Regional exposure



Sector exposure



Global Small Cap Equities

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

Liquidity
Managed

Benchmark
MSCI Small Cap World

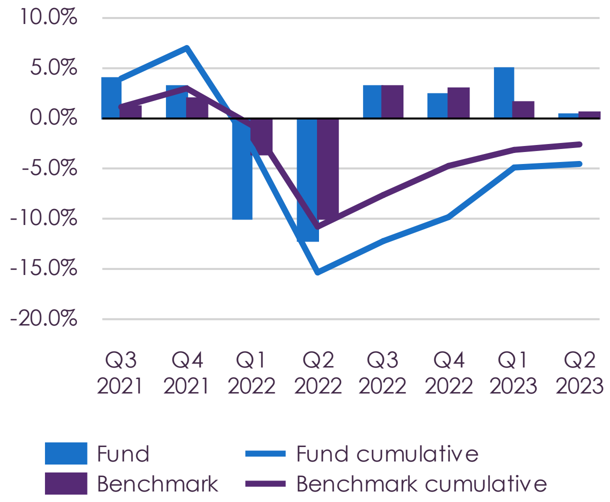
Outperformance target
+2%

Total fund value
£900m

Risk profile
High

Dorset's Holding:
GBP226m

Rolling 2yr performance



Performance to quarter end

Performance	3 month	1 year	Since inception *
Fund	0.3	11.2	7.6
Benchmark	0.5	8.4	9.1
Excess	-0.2	2.8	-1.6

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

Performance commentary

Over the quarter, global small cap markets delivered muted returns. While fears of a global banking contagion eased, there was continued uncertainty around economic growth and potential funding concerns.

The Global Small Cap Equity Fund returned 0.3% over the quarter, broadly in line with the benchmark.

Whilst strong stock selection in the Financials sector contributed to relative returns, stock selection in Industrials, Healthcare and Consumer Discretionary detracted. In addition to stock selection impacts, there was a positive impact from the portfolio's overweight allocation to the Technology sector, as the sector outperformed the broader benchmark over the quarter.

In terms of individual manager performance, performance was mixed over the quarter.

American Century returned -0.1% over the quarter, modestly underperforming the benchmark by 0.6%. While stock selection in Communication Services and Financials contributed, stock selection in Consumer Discretionary and Industrials detracted from relative returns.

Kempen returned 1.6% in absolute terms, outperforming the benchmark by 1.1%. Kempen's outperformance was driven by positive stock selection in Technology. The overweight allocation to the Technology sector also contributed to relative returns.

Montanaro returned 0.0% over the quarter, modestly underperforming the benchmark by 0.5%. Montanaro's stock selection in Consumer Discretionary and Financials contributed most to relative returns, while stock selection in Technology and Healthcare sectors detracted.

At a stock level, Software AG, the German provider of data solutions, was the largest contributor to performance over the quarter. The share price of the company rose following an attractive offer from a potential acquirer.

We expect continued volatility over the coming period, as markets grapple with the outlook for inflation, interest rate expectations and potential recession.

Global Small Cap Equities

Top 5 holdings

	Weight %	B'mark weight %	Client value (GBP)*
JABIL INC	1.73	0.21	3,920,527
THERMON GROUP HOLDINGS	1.16	0.01	2,626,755
PRO MEDICUS LTD	1.15	0.03	2,603,631
MTU AERO ENGINES AG	1.14	-	2,569,852
4IMPRINT GROUP PLC	1.12	0.02	2,540,393

*Estimated client value

Top 5 active overweights

	Weight %	Benchmark weight %
JABIL INC	1.73	0.21
THERMON GROUP HOLDINGS INC	1.16	0.01
MTU AERO ENGINES AG	1.14	-
PRO MEDICUS LTD	1.15	0.03
ICON PLC	1.10	-

Top 5 active underweights

	Weight %	Benchmark weight %
PENUMBRA INC	-	0.18
FLEX LTD	-	0.18
SUPER MICRO COMPUTER INC	-	0.17
LINCOLN ELECTRIC HOLDINGS INC	-	0.17
LIFE STORAGE INC	-	0.16

Largest contributors to ESG risk

	ESG risk score*	
	Q1 2023	Q2 2023
FUJITEC CO LTD	29.88	29.88
MTU AERO ENGINES AG	27.69	27.49
MUELLER WATER PRODUCTS	33.02	33.02
INMODE LTD	-	40.78
THERMON GROUP HOLDINGS	23.70	23.59

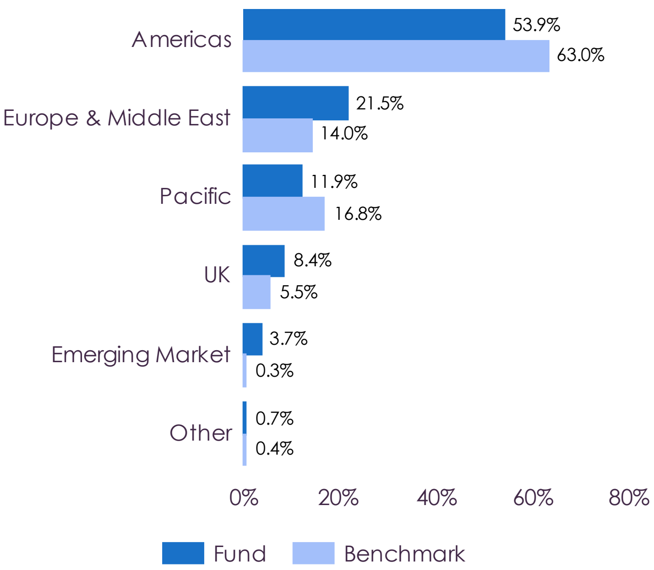
*Source: Sustainalytics. The table is ordered by negative overall ESG impact on the portfolio, with the most impactful at the top. ESG Risk Score reference: 0-10 is Negligible, 10-20 is Low, 20-30 is Medium, 30-40 is High, 40+ is Severe.

Carbon metrics

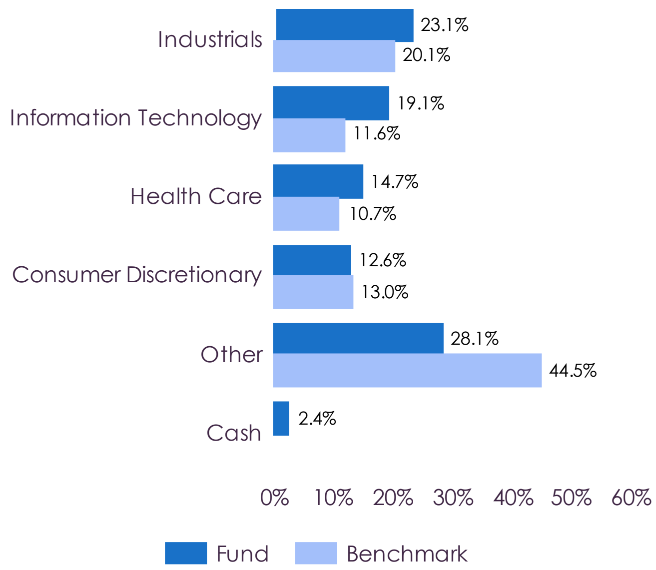
Portfolio	WACI		Total Extractive Exposure[1]		Extractive Industries (VOH)[2]	
	2023 Q1	2023 Q2	2023 Q1	2023 Q2	2023 Q1	2023 Q2
Global Small Cap	109	100	2.97	2.50	3.18	2.67
MSCI Small Cap	207	208	3.16	3.25	5.87	5.80

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

Regional exposure



Sector exposure



Diversifying Returns Fund

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

Liquidity
Managed

Benchmark
SONIA +3%

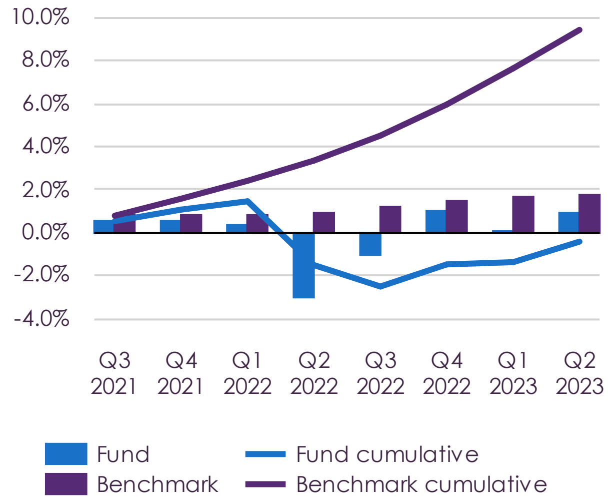
Outperformance target
0% to +2.0%

Total fund value
£1,257m

Risk profile
Moderate

Dorset's Holding:
GBP239m

Rolling 2yr performance



Performance to quarter end

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

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

Performance commentary

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

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

Fulcrum lost -0.4% over the quarter. The strategic equities component of the strategy made a positive contribution to returns. This was offset by negative returns from tactical positioning in currencies, where long Japanese Yen and short Euro positions dented returns. Long commodity exposure, held as a hedge against geopolitical risks and to offer diversification if the persistent strength of the US economy continues to drive inflation, also suffered weak performance.

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

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

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

Multi-Asset Credit

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

Liquidity
Managed

Benchmark
SONIA +4%

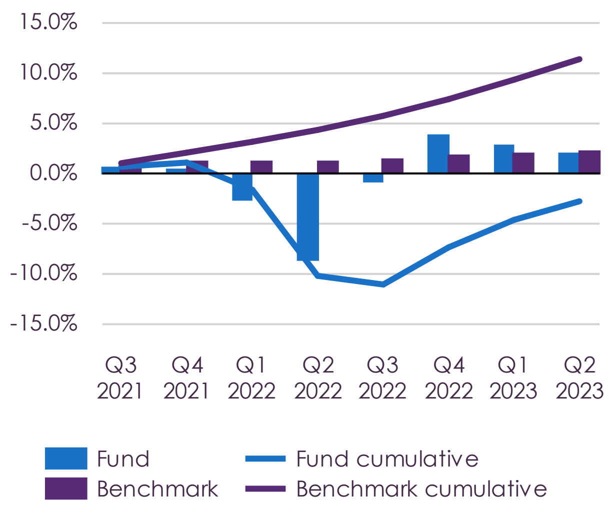
Outperformance target
0% to +1.0%

Total fund value
£2,656m

Risk profile
Moderate

Dorset's Holding:
GBP246m

Rolling 2yr performance



Performance to quarter end

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

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

Performance commentary

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

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

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

The portfolio returned +1.8% over the quarter, which was 0.2% behind the primary benchmark of SONIA +4%. The secondary benchmark, comprised of 50% Bloomberg Global High Yield and 50% Morningstar LSTA US Leveraged Loan Index, returned +2.4%. Manager performance was once again mixed. Neuberger Berman, CQS & Oaktree returned +113, +375 & +229bps respectively. Neuberger hold the largest amount of Investment Grade Bond exposure, which drove the underperformance vs other managers due to the higher duration. They are happy to hold investment grade as it offers attractive risk adjusted returns in higher rate environments.

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

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

Sterling Corporate Bonds

Investment strategy & key drivers

Managed credit selection to generate excess sterling yield returns

Liquidity

Managed

Benchmark

iBoxx Sterling Non Gilt x

Outperformance target

+1%

Total fund value

£2,138m

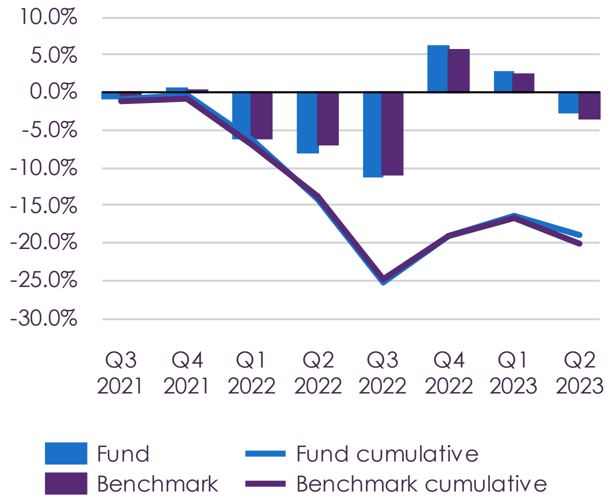
Risk profile

Moderate

Dorset's Holding:

GBP76m

Rolling 2yr performance



Performance to quarter end

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

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

Performance commentary

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

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

Security selection was the main driver of outperformance, particularly in the bank and insurance sectors. The two sectors saw a strong rebound following the first quarter's sell-off in response to the Credit Suisse collapse.

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

In terms of credit rating bands, the underweight exposure to AAA rated bonds was the most significant contributor to relative returns, while the exposure to B+ bonds was negative reflecting the small holding in Thames Water Kemble. Towards the end of the quarter, the CEO of Thames Water unexpectedly resigned, leading to significant focus on the utility's debt levels. Whilst the impact from exposure to Thames Water was negative for the portfolio, the effect was well mitigated by the portfolio's significant diversification.

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

PAB Passive Global Equities

Investment strategy & key drivers

Passive global equity exposure aligned to Paris Agreement climate goals

Liquidity

High

Benchmark

FTSE Dev World PAB

Outperformance target

Match

Total fund value

£2,026m

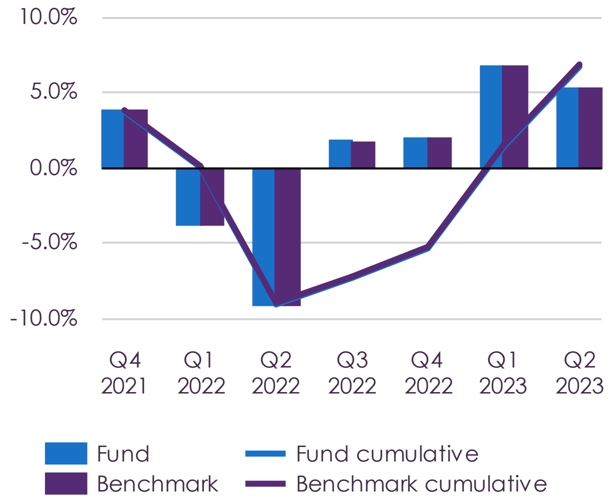
Risk profile

High

Dorset's Holding:

GBP57m

Rolling 2yr performance



Performance to quarter end

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

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

Performance commentary

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

This outperformance was largely a result of the PAB product having a greater allocation to the Consumer Discretionary companies that have delivered strong performance over the period. Tesla, which made the largest contribution to returns, is held at a larger weight than in the market cap index as a result of positive scoring on emissions, carbon performance and a very high green revenues tilt. Amazon also made strong positive contributions to returns and is held at a larger weight than in the parent index due to positive tilt scoring on scope 3 emissions and green revenues.

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

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

PAB Passive Global Equities

Top 5 holdings

	Weight %	Client value (GBP)*
TESLA INC	6.57	3,757,803
APPLE INC	6.20	3,546,664
MICROSOFT CORP	6.08	3,476,193
ALPHABET INC	5.34	3,052,829
AMAZON.COM INC	5.24	2,996,653

*Estimated client value

Largest contributors to ESG risk

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

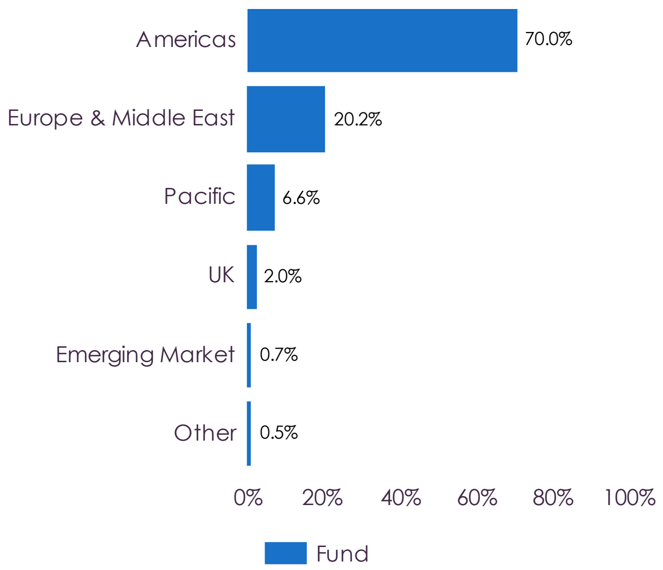
*Source: Sustainanalytics. The table is ordered by negative overall ESG impact on the portfolio, with the most impactful at the top. ESG Risk Score reference: 0-10 is Negligible, 10-20 is Low, 20-30 is Medium, 30-40 is High, 40+ is Severe.

Carbon metrics

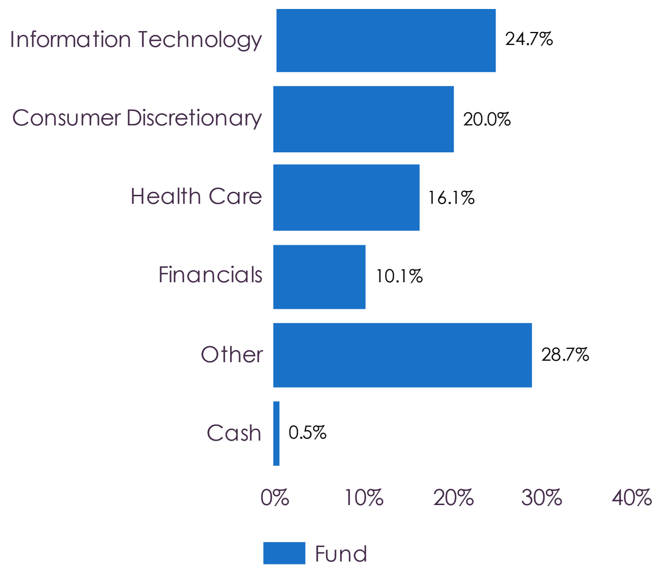
Portfolio	WACI 2023 Q1	WACI 2023 Q2	Total Extractive Exposure[1] 2023 Q1	Total Extractive Exposure[1] 2023 Q2	Extractive Industries (VOH)[2] 2023 Q1	Extractive Industries (VOH)[2] 2023 Q2
PAB Passive Global	79	76	0.61	0.61	3.42	3.21
FTSE Dev World TR	168	160	3.10	2.99	9.44	8.64

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

Regional exposure



Sector exposure



PAB Passive Global Equities (Hedged)

Investment strategy & key drivers
Passive global equity exposure aligned to Paris Agreement climate goals - hedged

Liquidity
High

Benchmark
FTSE Dev World PAB

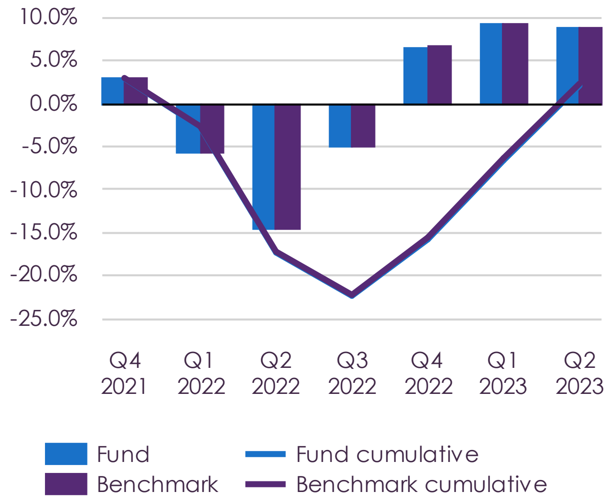
Outperformance target
Match

Total fund value
£558m

Risk profile
High

Dorset's Holding:
GBP59m

Rolling 2yr performance



Performance to quarter end

Performance	3 month	1 year	Since inception *
Fund	8.6	20.1	-0.2
Benchmark	8.6	20.2	-0.1
Excess	-	-0.1	-0.1

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

Performance commentary

The FTSE Developed Paris Aligned Index (GBP Hedged) (PAB) performed strongly over Q2 2023, up 8.6%. The PAB Passive Global Equities (GBP Hedged) product closely replicated the performance of the benchmark over this period.

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

The product outperformed the market capitalisation parent benchmark which returned 7.2%. This outperformance was largely a result of the PAB product having a greater allocation to Consumer Discretionary companies that have delivered strong performance over the period. Tesla, which made the largest contribution to returns, is held at a larger weight than in the market cap index as a result of positive scoring on emissions, carbon performance and a very high green revenues tilt. Amazon also made strong positive contributions to returns and is held at a larger weight than in the parent index due to a positive tilt score on scope 3 emissions and green revenues.

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

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

PAB Passive Global Equities (Hedged)

Top 5 holdings

	Weight %	Client value (GBP)*
TESLA INC	6.57	3,882,193
APPLE INC	6.20	3,664,065
MICROSOFT CORP	6.08	3,591,261
ALPHABET INC	5.34	3,153,883
AMAZON.COM INC	5.24	3,095,848

*Estimated client value

Largest contributors to ESG risk

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

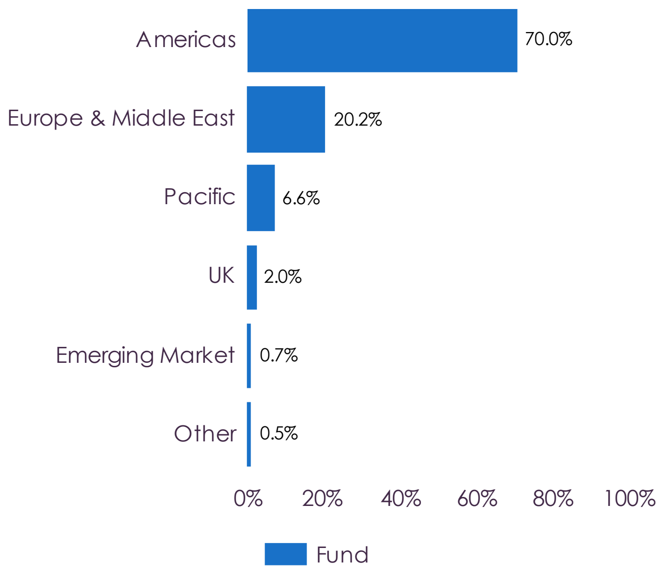
*Source: Sustainanalytics. The table is ordered by negative overall ESG impact on the portfolio, with the most impactful at the top. ESG Risk Score reference: 0-10 is Negligible, 10-20 is Low, 20-30 is Medium, 30-40 is High, 40+ is Severe.

Carbon metrics

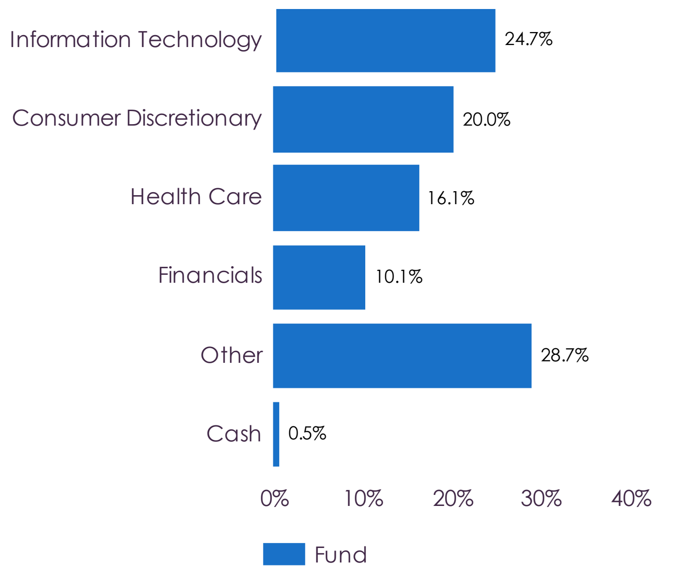
Portfolio	WACI		Total Extractive Exposure[1]		Extractive Industries (VOH)[2]	
	2023 Q1	2023 Q2	2023 Q1	2023 Q2	2023 Q1	2023 Q2
PAB Passive Global	79	76	0.61	0.61	3.42	3.21

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

Regional exposure



Sector exposure



CTB Passive Global Equities

Investment strategy & key drivers

Passive global equity exposure aligned to Climate Transition goals

Liquidity

High

Benchmark

FTSE Dev World CTB

Outperformance target

Match

Total fund value

£676m

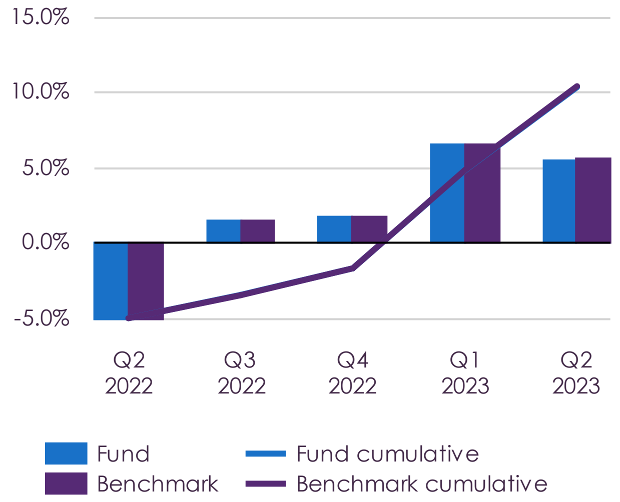
Risk profile

High

Dorset's Holding:

GBP57m

Rolling 2yr performance



Performance to quarter end

Performance	3 month	1 year	Since inception *
Fund	5.5	16.2	9.5
Benchmark	5.6	16.2	9.6
Excess	-	-0.1	-0.1

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

Performance commentary

The FTSE Developed Climate Transition index (CTB) performed strongly over Q2 2023, up 5.5%. The CTB Passive Global Equities product closely replicated the performance of the benchmark over this period. The product outperformed the market capitalisation parent benchmark which returned 3.9%.

This outperformance was largely a result of the CTB product having a greater allocation to a number of the Technology companies that have driven market performance over the period. Microsoft, Apple and Alphabet are all held overweight in the CTB index relative to the market cap index. The FTSE titling methodology rewards these companies to varying degrees on emissions, TPI management quality scoring and green revenues. Tesla, which made the largest contribution to returns, is also held at a larger weight than in the market cap index due to positive scoring on emissions, carbon performance and a very strong green revenues tilt.

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

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

CTB Passive Global Equities

Top 5 holdings

	Weight %	Client value (GBP)*
TESLA INC	6.38	3,657,428
APPLE INC	6.17	3,538,583
MICROSOFT CORP	6.00	3,438,637
ALPHABET INC	5.35	3,065,865
AMAZON.COM INC	4.66	2,671,499

*Estimated client value

Largest contributors to ESG risk

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

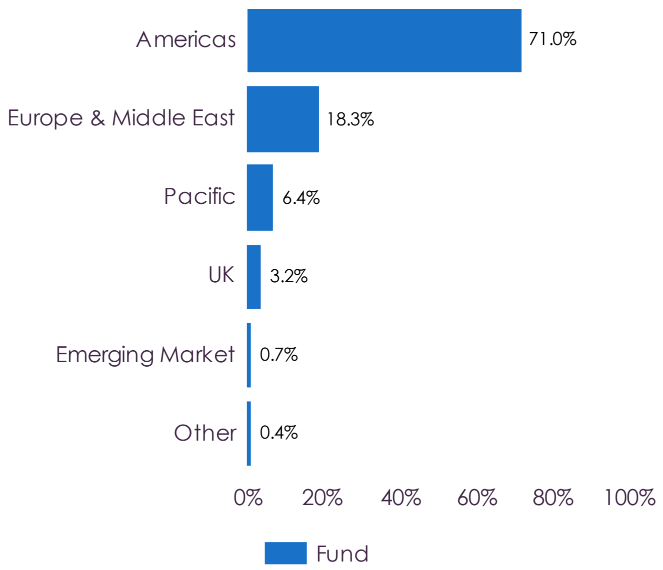
*Source: Sustainanalytics. The table is ordered by negative overall ESG impact on the portfolio, with the most impactful at the top. ESG Risk Score reference: 0-10 is Negligible, 10-20 is Low, 20-30 is Medium, 30-40 is High, 40+ is Severe.

Carbon metrics

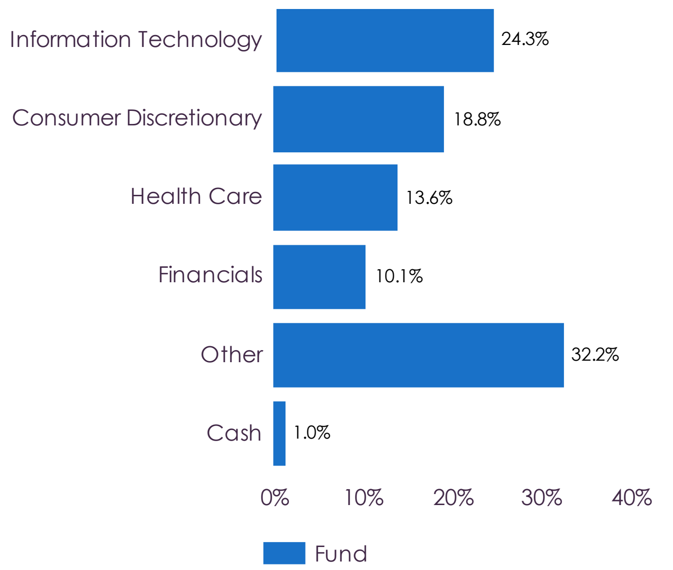
Portfolio	WACI		Total Extractive Exposure¹		Extractive Industries (VOH)²	
	2023 Q1	2023 Q2	2023 Q1	2023 Q2	2023 Q1	2023 Q2
CTB Passive Global	117	111	1.59	1.60	6.21	5.75
FTSE Dev World TR	168	160	3.10	2.99	9.44	8.64

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

Regional exposure



Sector exposure



CTB Passive Global Equities (Hedged)

Investment strategy & key drivers

Passive global equity exposure aligned to Climate Transition goals - hedged

Liquidity

High

Benchmark

FTSE Dev World CTB

Outperformance target

Match

Total fund value

£59m

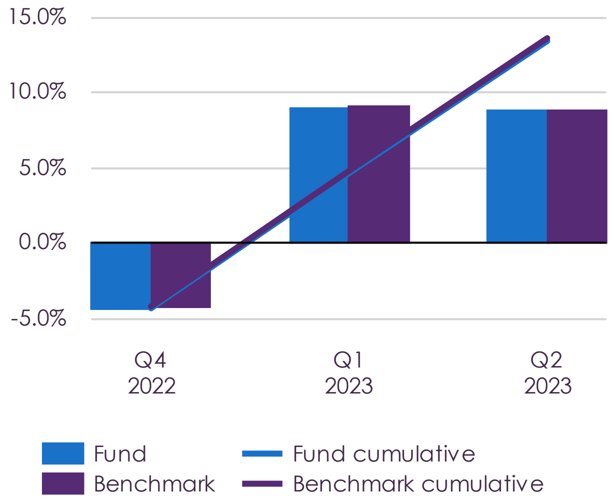
Risk profile

High

Dorset's Holding:

GBP59m

Rolling 2yr performance



Performance to quarter end

Performance	3 month	1 year	Since inception *
Fund	8.8	-	13.4
Benchmark	8.8	-	13.6
Excess	-	-	-0.2

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

Performance commentary

The FTSE Developed Climate Transition Index (GBP Hedged) (CTB) performed strongly over Q2 2023, up 8.8%. The CTB Passive Global Equities (GBP Hedged) product closely replicated the performance of the benchmark over this period.

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

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

CTB Passive Global Equities (Hedged)

Top 5 holdings

	Weight %	Client value (GBP)*
TESLA INC	6.38	3,766,973
APPLE INC	6.17	3,644,568
MICROSOFT CORP	6.00	3,541,629
ALPHABET INC	5.35	3,157,692
AMAZON.COM INC	4.66	2,751,514

*Estimated client value

Largest contributors to ESG risk

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

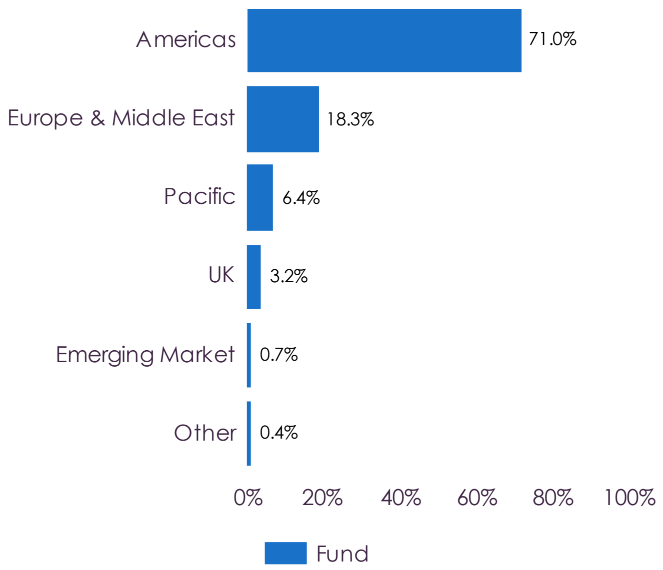
*Source: Sustainalytics. The table is ordered by negative overall ESG impact on the portfolio, with the most impactful at the top. ESG Risk Score reference: 0-10 is Negligible, 10-20 is Low, 20-30 is Medium, 30-40 is High, 40+ is Severe.

Carbon metrics

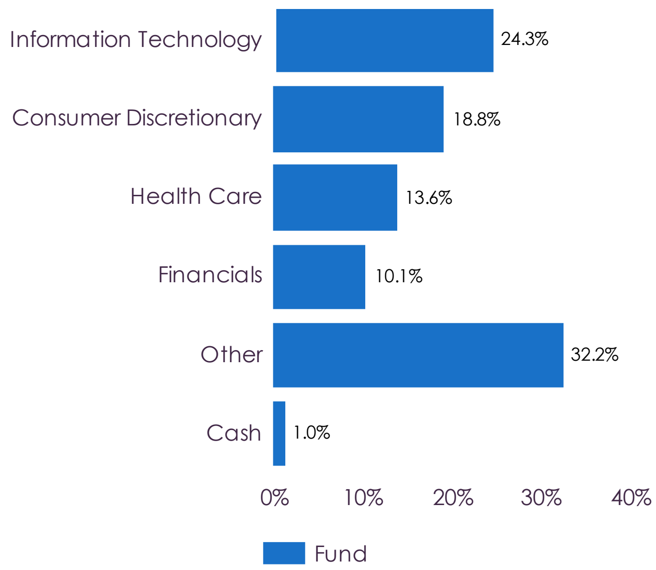
Portfolio	WACI		Total Extractive Exposure[1]		Extractive Industries (VOH)[2]	
	2023 Q1	2023 Q2	2023 Q1	2023 Q2	2023 Q1	2023 Q2
CTB Passive Global	117	111	1.59	1.60	6.21	5.75

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

Regional exposure



Sector exposure



Passive Developed Equities

Investment strategy & key drivers
Passive global equity exposure

Liquidity
High

Benchmark
FTSE Developed

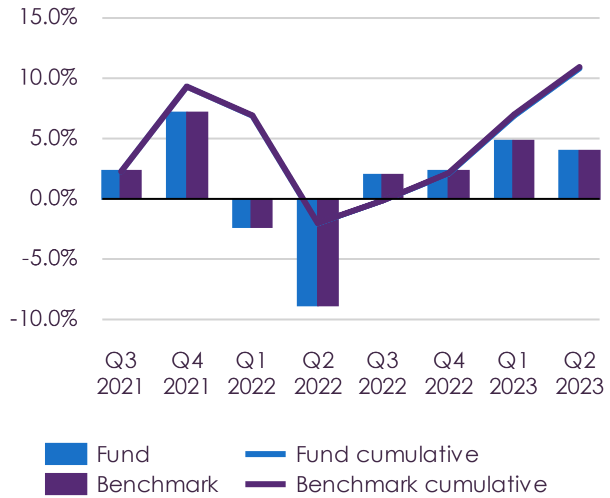
Outperformance target
Match

Total fund value
£1,380m

Risk profile
High

Dorset's Holding:
GBP107m

Rolling 2yr performance



Performance to quarter end

Performance	3 month	1 year	Since inception *
Fund	3.9	13.5	9.8
Benchmark	4.0	13.6	9.9
Excess	-	-0.1	-0.1

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

Performance commentary

Passive Developed Equities returned 3.9% in the second quarter of 2023 and 13.5% over the past year. The fund closely replicated the FTSE Developed World Index.

North America was the strongest performing region returning 5.5%, boosted by a large allocation to the Technology sector. Japan returned 2.9% for sterling investors and European stocks generated marginally positive returns while the UK returned -0.2%.

Most sectors in the global index actually lost money over the period. However, aggregate performance benefitted from the 14% return generated by the Technology sector which makes up 23.3% of the index. That market returns have been driven by a small number of large cap tech stocks has been well publicised. A common theme has been the expectation these company's future earnings will benefit from the monetisation of Artificial Intelligence and consensus expectation the Federal reserve is close to the peak of the current interest rate hiking cycle. Global passive indices have done a very good job of capturing the performance of these stocks, though do also expose investors to concentration risk.

Telecommunications was the weakest performing sector, with AT&T making the largest negative contribution to returns within the sector after missing analyst Q1 earnings expectations in April. The company has also subsequently been implicated in a Wall Street Journal report that lead coated cables laid by telecommunication companies including AT&T have contributed to lead contamination in soil and water supplies in the US.

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

Passive Developed Equities

Top 5 holdings

	Weight %	Client value (GBP)*
APPLE INC	4.90	5,215,055
MICROSOFT CORP	4.29	4,570,301
ALPHABET INC	2.25	2,401,286
AMAZON.COM INC	1.99	2,114,430
NVIDIA CORP	1.70	1,815,271

*Estimated client value

Largest contributors to ESG risk

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

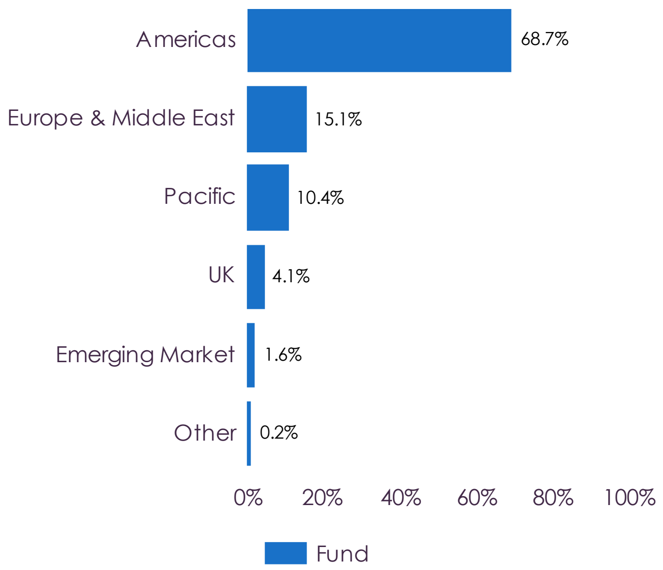
*Source: Sustainalytics. The table is ordered by negative overall ESG impact on the portfolio, with the most impactful at the top. ESG Risk Score reference: 0-10 is Negligible, 10-20 is Low, 20-30 is Medium, 30-40 is High, 40+ is Severe.

Carbon metrics

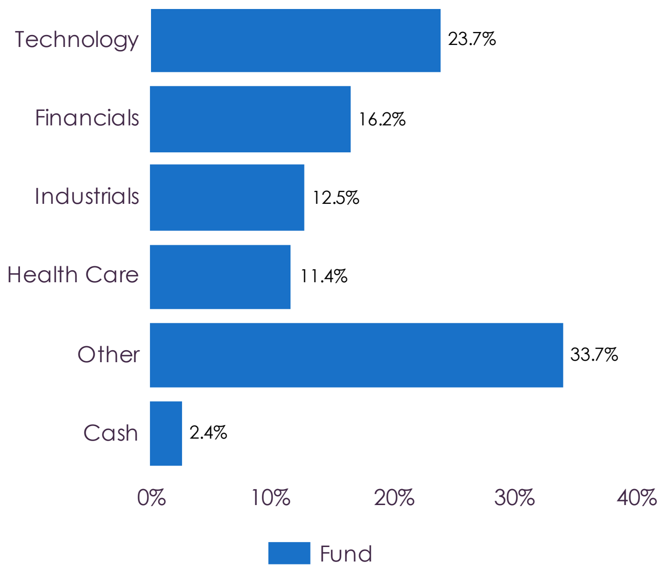
Portfolio	WACI		Total Extractive Exposure[1]		Extractive Industries (VOH)[2]	
	2023 Q1	2023 Q2	2023 Q1	2023 Q2	2023 Q1	2023 Q2
Passive Developed	169	160	2.70	2.53	9.41	8.58

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

Regional exposure



Sector exposure



Passive Developed Equities (Hedged)

Investment strategy & key drivers
Passive global equity exposure - hedged

Liquidity
High

Benchmark
FTSE Developed

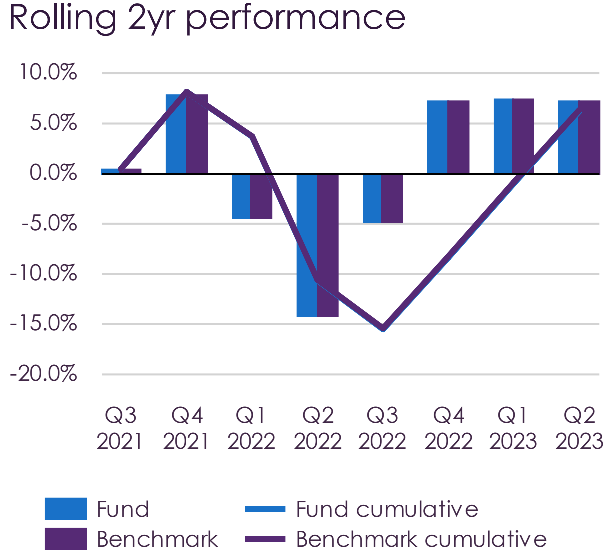
Outperformance target
Match

Total fund value
£400m

Risk profile
High

Dorset's Holding:
GBP104m

Rolling 2yr performance



Performance to quarter end

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

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

Performance commentary

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

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

In local currency, Japan produced strong returns of 14.9% over the quarter. The US returned 8.7% while European and UK stock market performance lagged, with respective returns of 2.7% and -0.2%.

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

Telecommunications was the weakest performing sector, with AT&T making the largest negative contribution to returns within the sector after missing analyst's Q1 earnings expectations. The company has also subsequently been implicated in a Wall Street Journal report that lead coated cables laid by companies including AT&T have contributed to lead contamination in soil and water supplies in the US.

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

Passive Developed Equities (Hedged)

Top 5 holdings

	Weight %	Client value (GBP)*
APPLE INC	**4.90**	**5,110,879**
MICROSOFT CORP	**4.29**	**4,479,005**
ALPHABET INC	**2.25**	**2,353,318**
AMAZON.COM INC	**1.99**	**2,072,192**
NVIDIA CORP	**1.70**	**1,779,009**

*Estimated client value

Largest contributors to ESG risk

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

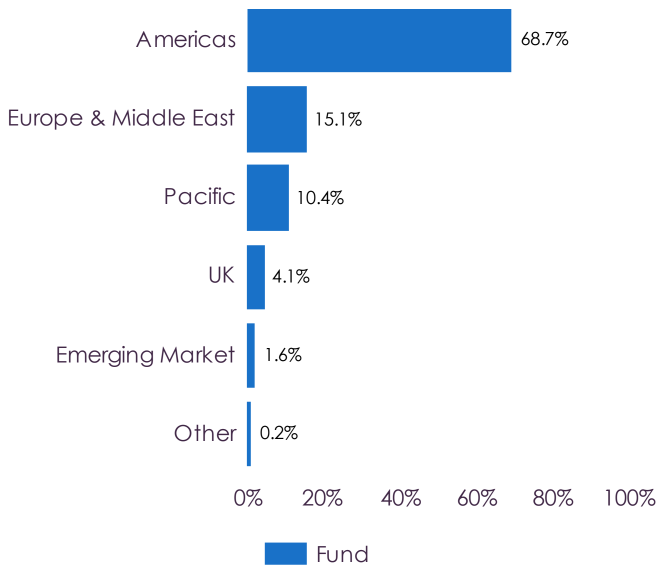
*Source: Sustainanalytics. The table is ordered by negative overall ESG impact on the portfolio, with the most impactful at the top. ESG Risk Score reference: 0-10 is Negligible, 10-20 is Low, 20-30 is Medium, 30-40 is High, 40+ is Severe.

Carbon metrics

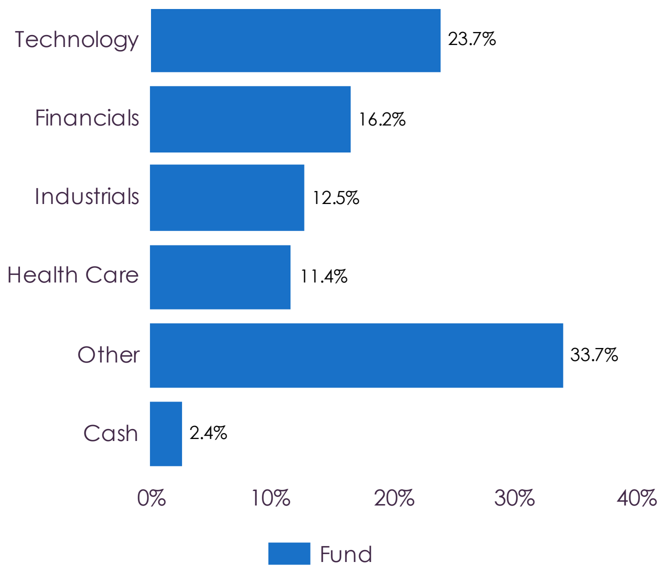
Portfolio	WACI		Total Extractive Exposure[1]		Extractive Industries (VOH)[2]	
	2023 Q1	2023 Q2	2023 Q1	2023 Q2	2023 Q1	2023 Q2
Passive Developed	**169**	**160**	2.70	2.53	9.41	8.58

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

Regional exposure



Sector exposure



Passive UK Equities

Investment strategy & key drivers
Passive UK equity exposure

Liquidity
High

Benchmark
FTSE All Share

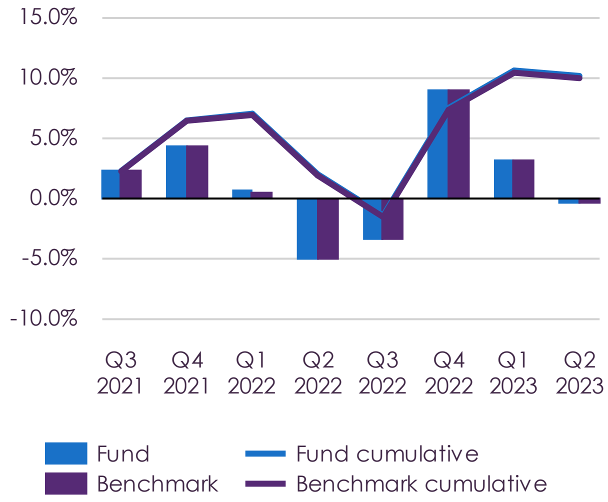
Outperformance target
Match

Total fund value
£125m

Risk profile
High

Dorset's Holding:
GBP125m

Rolling 2yr performance



Performance to quarter end

Performance	3 month	1 year	Since inception *
Fund	-0.4	8.0	3.1
Benchmark	-0.5	7.9	3.0
Excess	-	0.1	0.1

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

Performance commentary

In the first quarter of 2023 Passive UK Equities returned -0.4% and 8.0% over a one-year period. The fund performed in line with the FTSE All-Share Index.

The UK market underperformed the FTSE Developed World Index which returned 4.0% over the quarter. The Technology sector performed well and is a large portion of the global index and minimal portion of the UK index, which accounts for part the regional performance differential. The global Consumer Discretionary sector outperformed both its UK counterpart and the broader market whilst making up a larger share of the global index compared to the UK.

The Financials sector made the largest contribution to returns in the UK. HSBC, a large index constituent, performed strongly after reporting Q1 2023 pre-tax profits in excess of analyst's expectations and around three times greater than for the same period in 2022.

The UK Consumer Staples sector recorded weak performance over the quarter. Within the sector, British American Tobacco was down 8.2% as the company noted weaker demand for cigarettes in the US and voters approved a ban of flavoured tobacco products in California. Diageo also performed poorly as a lawsuit for alleged racial discrimination was bought against the company by Combs Wines and Spirits.

Commodity prices remained under pressure, resulting in a negative contribution to returns from the Basic Materials sector and to BP making the largest negative single stock contribution to returns.

Passive UK Equities

Top 5 holdings

	Weight %	Client value (GBP)*
ASTRAZENECA PLC	7.13	8,881,504
SHELL PLC	6.85	8,535,738
HSBC HOLDINGS PLC	5.34	6,654,548
UNILEVER PLC	4.39	5,469,090
BP PLC	3.39	4,221,612

*Estimated client value

Largest contributors to ESG risk

	ESG risk score*	
	Q1 2023	Q2 2023
SHELL PLC	37.65	36.10
ASTRAZENECA PLC	22.47	22.50
BP PLC	33.81	35.12
UNILEVER PLC	24.12	24.57
HSBC HOLDINGS PLC	20.36	19.51

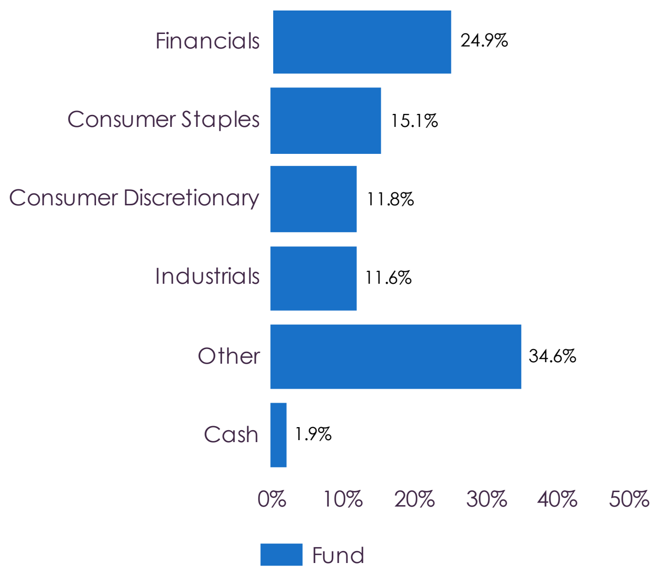
*Source: Sustainanalytics. The table is ordered by negative overall ESG impact on the portfolio, with the most impactful at the top. ESG Risk Score reference: 0-10 is Negligible, 10-20 is Low, 20-30 is Medium, 30-40 is High, 40+ is Severe.

Carbon metrics

Portfolio	WACI		Total Extractive Exposure[1]		Extractive Industries (VOH)[2]	
	2023 Q1	2023 Q2	2023 Q1	2023 Q2	2023 Q1	2023 Q2
Passive UK Equities	151	152	5.11	5.05	19.20	18.50

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

Sector exposure



Passive Smart Beta

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

£159m

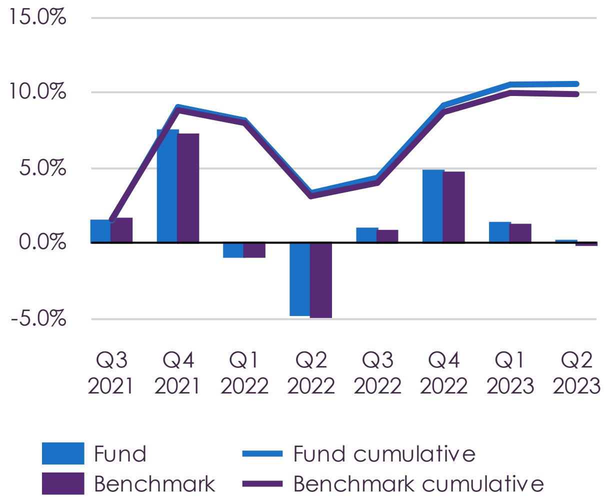
Risk profile

High

Dorset's Holding:

GBP159m

Rolling 2yr performance



Performance to quarter end

Performance	3 month	1 year	Since inception *
Fund	-	7.4	7.7
Benchmark	-0.1	6.9	7.4
Excess	0.1	0.5	0.3

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

Performance commentary

In the second quarter of 2023 Passive Smart Beta Equities was flat returning 0.0%, underperforming the MSCI World Index which returned 4.1%. The fund tracked the Scientific Beta Index in line with expectations. Over one year to 30th June 2023, the product returned 7.4%. The MSCI World index returned 13.8%.

While attribution can be conducted through multiple lenses, the de-concentration element of the index's construction could be considered to have had the largest bearing on Q2's performance relative to the market cap index. The diversified nature of the Sci Beta index resulted in the index being underweight the small number of large cap stocks that made a large contribution to the performance of the MSCI World index.

Over the quarter, low volatility was the worst performing of the factors targeted by the fund, penalised by underexposure to the Consumer Discretionary sector and overexposure to Utilities relative to the market capitalisation benchmark. The value factor also underperformed the broader market, as did the high investment sleeve of the quality factor. The high profitability component of the quality factor marginally outperformed the market cap index.

Sector attribution shows a negative impact from underweight exposure to the Technology and Consumer Discretionary sectors and from stock selection in both sectors. This is unsurprising as the large cap stocks that performed very well in the quarter are in these sectors. An underweight allocation to the Energy sector made a positive contribution to returns relative to the market cap index.

Passive Smart Beta

Top 5 holdings

	Weight %	Client value (GBP)*
JOHNSON & JOHNSON	0.74	1,187,955
BRISTOL-MYERS SQUIBB CO	0.63	1,008,267
BOSTON SCIENTIFIC CORP	0.63	1,001,711
WALMART INC	0.62	984,299
3M CO	0.59	945,484

*Estimated client value

Largest contributors to ESG risk

	ESG risk score* Q1 2023	ESG risk score* Q2 2023
3M CO	-	34.09
JOHNSON & JOHNSON	23.98	23.98
SOUTHERN CO/THE	32.65	32.98
BOSTON SCIENTIFIC CORP	26.38	26.38
WALMART INC	21.28	25.26

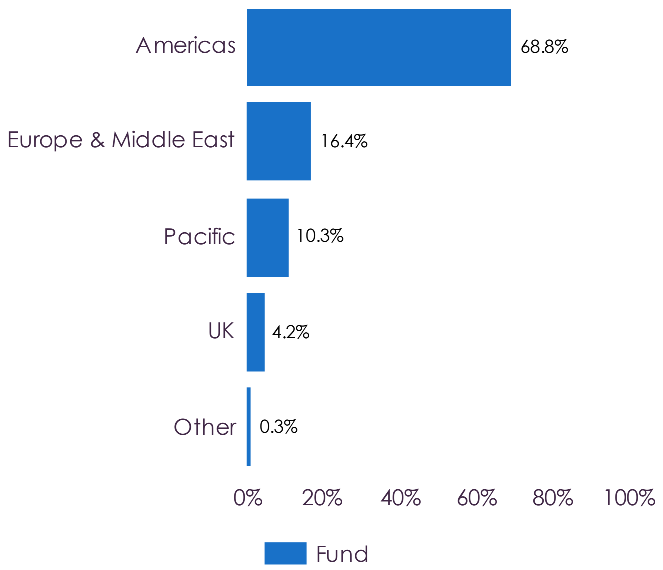
*Source: Sustainalytics. The table is ordered by negative overall ESG impact on the portfolio, with the most impactful at the top. ESG Risk Score reference: 0-10 is Negligible, 10-20 is Low, 20-30 is Medium, 30-40 is High, 40+ is Severe.

Carbon metrics

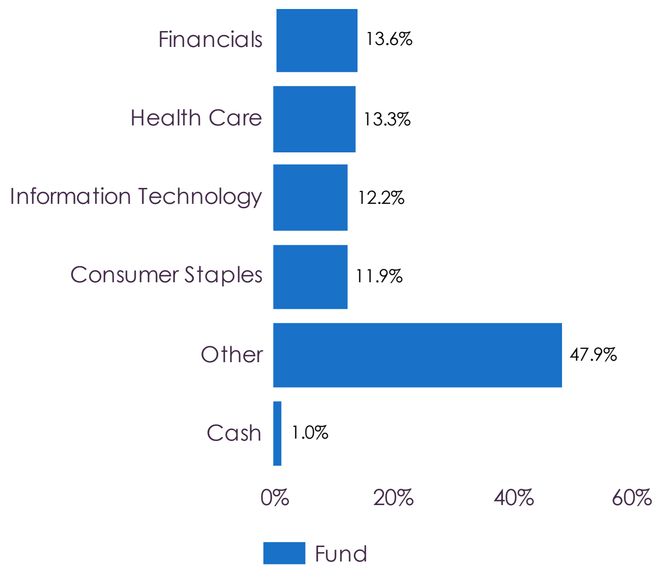
Portfolio	WACI 2023 Q1	WACI 2023 Q2	Total Extractive Exposure[1] 2023 Q1	Total Extractive Exposure[1] 2023 Q2	Extractive Industries (VOH)[2] 2023 Q1	Extractive Industries (VOH)[2] 2023 Q2
Passive Smart Beta	308	309	2.90	2.40	12.57	11.53

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

Regional exposure



Sector exposure



Passive Smart Beta (Hedged)

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

Liquidity
Reasonable

Benchmark
SciBeta Multifactor Hedged Composite

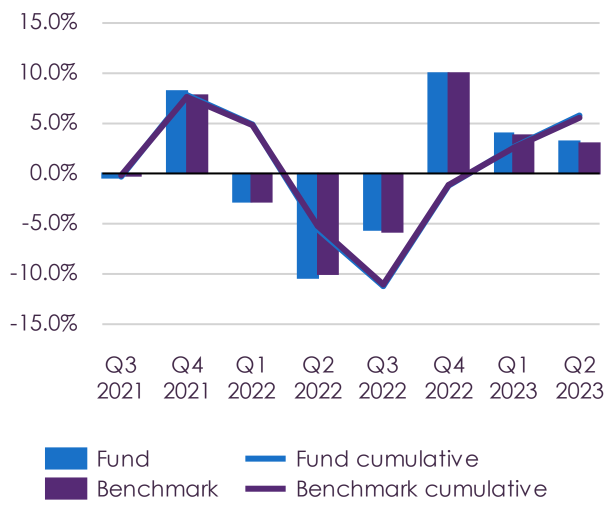
Outperformance target
+0.5-1%

Total fund value
£152m

Risk profile
High

Dorset's Holding:
GBP152m

Rolling 2yr performance



Performance to quarter end

Performance	3 month	1 year	Since inception *
Fund	3.1	11.2	6.8
Benchmark	3.0	10.6	6.6
Excess	0.2	0.6	0.2

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

Performance commentary

In the first quarter of 2023 Passive Smart Beta Equities GBP Hedged returned 3.1%, outperforming the unhedged Smart Beta product which was hindered by the depreciation of the US dollar versus Sterling. 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 7.2%.

While attribution can be conducted through multiple lenses, the de-concentration element of the index's construction could be considered to have had the largest bearing on Q2's performance relative to the market cap index. The diversified nature of the Sci Beta index resulted in it being underweight in the small number of large cap stocks that made a significant contribution to the performance of the MSCI World index.

Over the quarter, low volatility was the worst performing of the factors targeted by the fund, penalised by underexposure to the Consumer Discretionary sector and overexposure to Utilities relative to the market capitalisation benchmark. The value factor also underperformed the broader market, as did the high investment sleeve of the quality factor. The high profitability component of the quality factor marginally outperformed the market cap index.

Sector attribution shows a negative impact from underweight exposure to the Technology and Consumer Discretionary sectors and from stock selection in both sectors. This is unsurprising as the large cap stocks that performed very well in the quarter are in these sectors. An underweight allocation to the Energy sector made a positive contribution to returns relative to the market cap index.

Passive Smart Beta (Hedged)

Top 5 holdings

	Weight %	Client value (GBP)*
JOHNSON & JOHNSON	0.74	1,135,873
BRISTOL-MYERS SQUIBB CO	0.63	964,063
BOSTON SCIENTIFIC CORP	0.63	957,794
WALMART INC	0.62	941,146
3M CO	0.59	904,033

*Estimated client value

Largest contributors to ESG risk

	ESG risk score* Q1 2023	ESG risk score* Q2 2023
3M CO	-	34.09
JOHNSON & JOHNSON	23.98	23.98
SOUTHERN CO/THE	32.65	32.98
BOSTON SCIENTIFIC CORP	26.38	26.38
WALMART INC	21.28	25.26

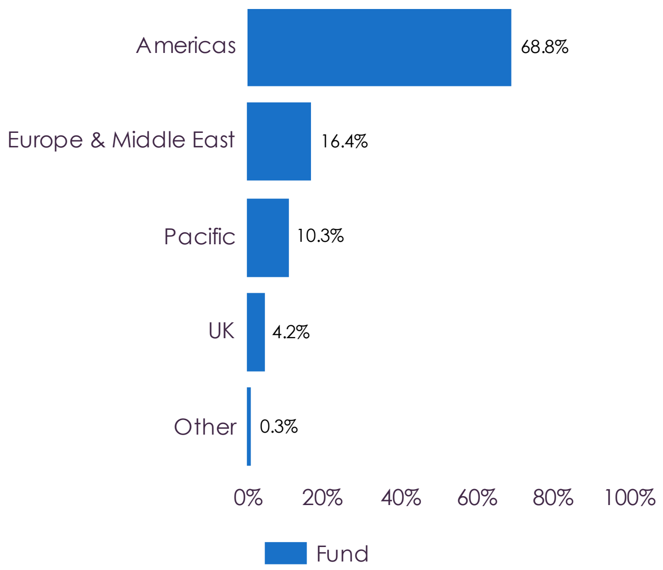
*Source: Sustainanalytics. The table is ordered by negative overall ESG impact on the portfolio, with the most impactful at the top. ESG Risk Score reference: 0-10 is Negligible, 10-20 is Low, 20-30 is Medium, 30-40 is High, 40+ is Severe.

Carbon metrics

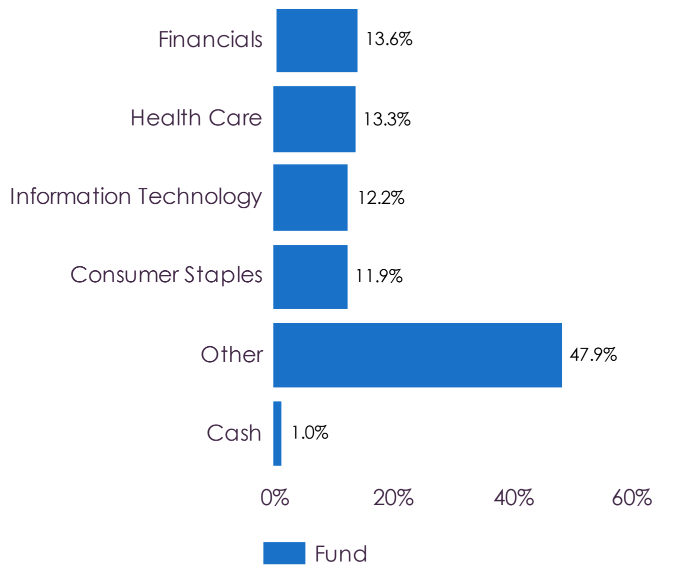
Portfolio	WACI		Total Extractive Exposure[1]		Extractive Industries (VOH)[2]	
	2023 Q1	2023 Q2	2023 Q1	2023 Q2	2023 Q1	2023 Q2
Passive Smart Beta	308	309	2.90	2.40	12.57	11.53

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

Regional exposure



Sector exposure



Private Equity Cycle 1

Investment objective
Global portfolio of private equity investments

Benchmark
MSCI ACWI

Outperformance target
+3%

Launch date
1 October 2018

Commitment to portfolio
£60.00m

The fund is denominated in GBP

Commitment to Investment
£60.62m

Amount Called
£40.00m

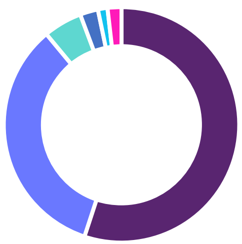
% called to date
65.98

Number of underlying funds
7

Dorset's Holding:
GBP49.64m

Country

Invested in underlying investments

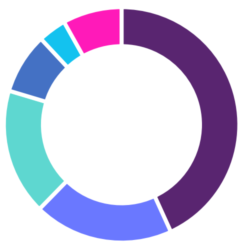


North America	55.1%
Western Europe	33.9%
Asia Pacific	5.3%
Global	2.5%
Middle-East/North Africa	1.3%
Other	1.9%

Source: Colmore
Country data is lagged by one quarter

Sector

GICs level 1



Financials	43.1%
Information Technology	19.2%
Health Care	17.4%
Consumer Discretionary	8.3%
Consumer Staples	3.9%
Other	8.1%

Source: Colmore
Sector data is lagged by one quarter

Performance commentary

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

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

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

Portfolio summary

Market value (GBP millions)	1 Year MWR*	Since Inception MWR*	Inflows	Outflows	Net cash flow latest quarter	Value added latest quarter		Contribution to return: 1 year	Contribution to return: since inception
49.6	0.9%	18.3%	3,185,811	136,107	3,049,704	927,623		0.0%	0.0%

*Money weighted return. Net of all fees.

Private Equity Cycle 3

Investment objective
Global portfolio of private equity investments
Benchmark
MSCI ACWI
Outperformance target
+3%
Launch date
1 April 2022
Commitment to portfolio
£70.00m
The fund is denominated in GBP

Commitment to Investment
£5.76m
Amount Called
£0.04m
% called to date
0.73
Number of underlying funds
2
Dorset's Holding:
GBP-0.20m

Performance commentary

Deal Activity has remained depressed due to the continued pressure of macro-economic headwinds. Several of the major themes in the last quarter are continuing to play out. Central Banks continue to raise rates as June 2023 saw the Bank of England increase interest from 4.5% to 5%. Thus, forcing GPs to continue funding deals with larger amounts of equity. Fundraising has become increasingly difficult with several GP's extending final closes or raising below fund target sizes. Continued slowdown in M&A activity in markets has forced several GPs to increase portfolio activity into existing investee companies versus originating new deals. However, additional attention towards portfolio companies has come at the right time as they continue to feel the pressure of inflation. Inflation and margin pressure has led GPs to emphasizing the use of operational value drivers such as digitization of services and cost management to drive EBITDA/revenue growth to generate investment return. Whilst headline inflation is beginning to level out and come down in some instances, wage inflation has become a far more persistent problem as both US and UK labor markets show no signs of loosening.

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

Portfolio summary

Market value (GBP millions)	1 Year MWR*	Since Inception MWR*	Inflows	Outflows	Net cash flow latest quarter	Value added latest quarter		Contribution to return: 1 year	Contribution to return: since inception
-0.2	-	-100.0%	42,182	0	42,182	-		-0.0%	-0.0%

*Money weighted return. Net of all fees.

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
£11.37m

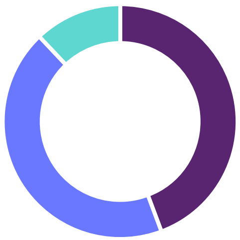
% called to date
14.22

Number of underlying funds
1

Dorset's Holding:
GBP10.87m

Country

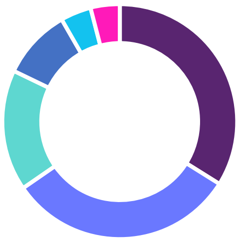
Commitment in underlying investments



Europe (incl. UK)	44.3%
North America	43.6%
Rest Of World	12.1%

Source: Stepstone
Country data is lagged by one quarter

Sector



Timber	33.9%
Utilities	31.5%
Renewables	16.7%
Agriculture	9.7%
Fibre	4.2%
Rail	4.0%

Source: Stepstone
Sector data is lagged by one quarter

Performance commentary

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

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

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

Portfolio summary

Market value (GBP millions)	1 Year MWR*	Since Inception MWR*	Inflows	Outflows	Net cash flow latest quarter	Value added latest quarter		Contribution to return: 1 year	Contribution to return: since inception
10.9	-	-6.6%	1,625,891	142,457	1,483,434	-312,610		-0.0%	-0.0%

*Money weighted return. Net of all fees.

Infrastructure Cycle 3

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

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

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

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
£59.96m

% called to date
99.93

Number of underlying funds
3

Dorset's Holding:
GBP55.64m

Performance commentary

For both the long lease property funds, the continued gilt yield volatility, caused by higher than expected inflation numbers, is impacting valuations. However, this negative performance seems to have moderated since the considerable repricing towards the start of the year. Both funds have sales programmes to fund investor redemptions. These assets are selected strategically; some are at the end of their business plans, or in a sector the team no longer views favourably, or the asset has poor ESG and will require high capital expenditure to improve to an acceptable standard and in line with regulations. It is worth noting that both funds have an extended redemption process in the current environment, so neither fund has been under time pressure to sell assets. During the Quarter, M&G SPIF, with unitholder permission, amended its redemption process in an investor friendly way.

For GRI, investor commitments are now up to £1.1bn in total, with £838m drawn down to date. GRI called over the quarter, to fund solar and bio-energy from waste projects and the Schroders Greencoat team expect the fund to be fully drawn down by the end of the calendar year. The forecast hold-to-life IRR is estimated to be 8.4% (May 2023). The Fund is well diversified across technologies, projects, locations, revenue streams and subsidy mechanisms, with further pipeline opportunities executable over the next 18 months.

Portfolio summary

Market value (GBP millions)	1 Year MWR*	Since Inception MWR*	Inflows	Outflows	Net cash flow latest quarter	Value added latest quarter		Contribution to return: 1 year	Contribution to return: since inception
55.6	-15.0%	-0.1%	19,659,102	20,368,929	-709,827	7,170		-0.3%	-0.0%

*Money weighted return. Net of all fees.

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
£19.27m

Amount Called
£7.27m

% called to date
37.73

Number of underlying funds
2

Dorset's Holding:
GBP14.19m

Performance commentary

For both the long lease property funds, the continued gilt yield volatility, caused by higher than expected inflation numbers, is impacting valuations. However, this negative performance seems to have moderated since the considerable repricing towards the start of the year. Both funds have sales programmes to fund investor redemptions. These assets are selected strategically; some are at the end of their business plans, or in a sector the team no longer views favourably, or the asset has poor ESG and will require high capital expenditure to improve to an acceptable standard and in line with regulations. It is worth noting that both funds have an extended redemption process in the current environment, so neither fund has been under time pressure to sell assets. During the Quarter, M&G SPIF, with unitholder permission, amended its redemption process in an investor friendly way.

In June, Brunel used the secondary market to buy £80m abrdn LLP on a pro-rata basis across clients at a 10% discount to the fund's June NAV. This leaves approximately £19m to commit to the fund in Cycle 3, either via a primary subscription or a further secondary market trade, should the opportunity arise.

For GRI, investor commitments are now up to £1.1bn in total, with £838m drawn down to date. GRI called over the quarter, to fund solar and bio-energy from waste projects and the Schroders Greencoat team expect the fund to be fully drawn down by the end of the calendar year. The forecast hold-to-life IRR is estimated to be 8.4% (May 2023). The Fund is well diversified across technologies, projects, locations, revenue streams and subsidy mechanisms, with further pipeline opportunities executable over the next 18 months.

Portfolio summary

Market value (GBP millions)	1 Year MWR*	Since Inception MWR*	Inflows	Outflows	Net cash flow latest quarter	Value added latest quarter		Contribution to return: 1 year	Contribution to return: since inception
14.2	-	-	21,459,635	8,084,956	13,374,679	-		0.0%	0.0%

*Money weighted return. Net of all fees.

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

Glossary

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

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

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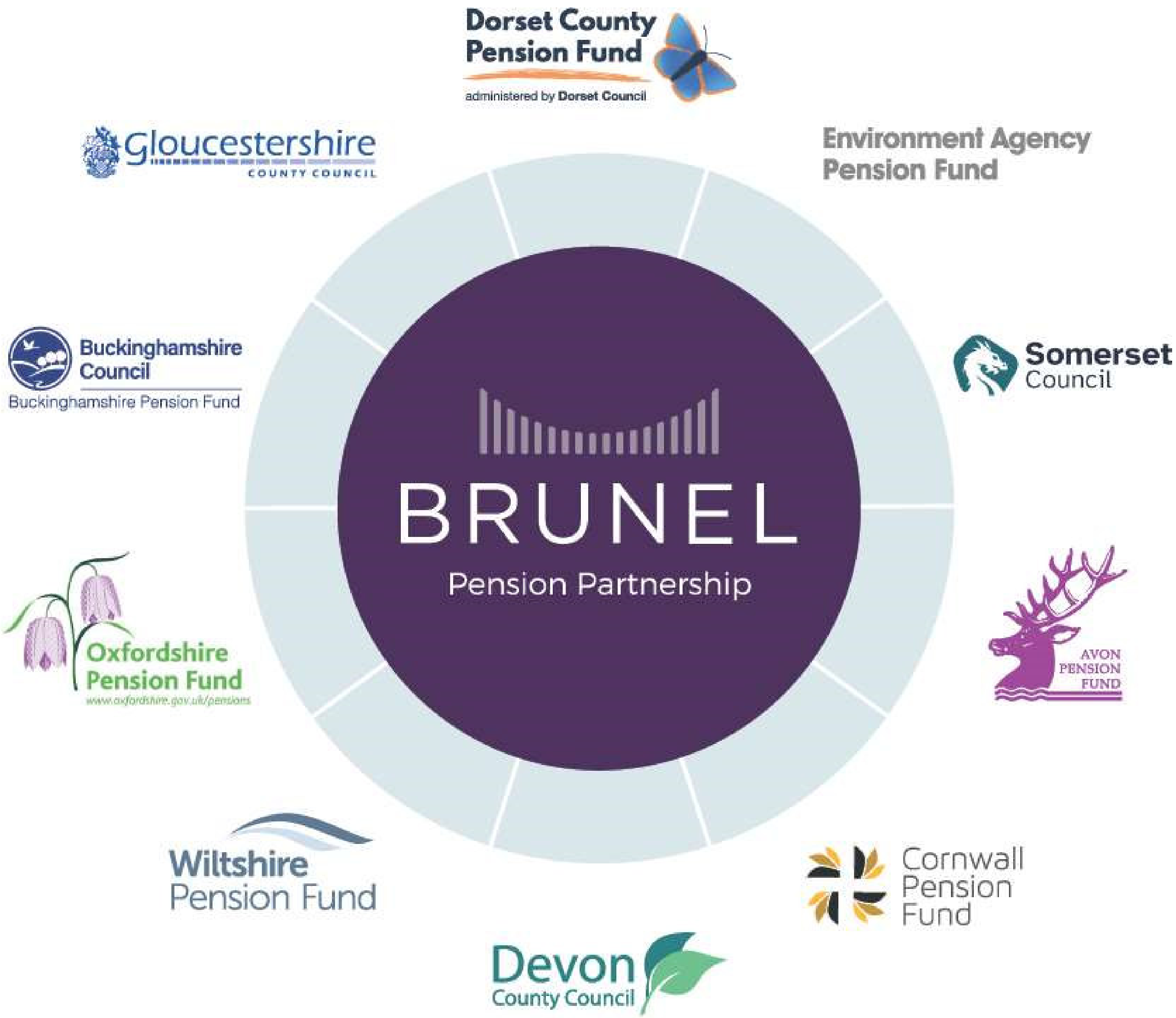

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Environment Agency Pension Fund
Somerset Council
AVON PENSION FUND
Cornwall Pension Fund
Devon County Council
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Buckinghamshire Pension Fund
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