

Outline of Equity Portfolio Review

Session 1 - Q1 2021 Panel

- 1) Recap of current portfolio objectives, with focus on climate change/RI goals
- 2) Summary of current portfolio on look through basis, including regional/sector split, carbon exposure.
- 3) Discussion on whether current objectives are sufficient, or where the Committee might want to go further (e.g. broader focus on sustainability)
- 4) Analysis of approaches that can be considered including:
 - a. Developments in RI indexation and Brunel's portfolios/plans
 - b. Whether the current low carbon passive solution satisfies our aims or whether there are more progressive indices out there that are investable and factor in things such as scope 3 emissions
 - c. Whether our climate change objectives could be achieved through investing in sustainable equities alone and how a shift out of a passive approach in favour of going fully sustainable might impact risk.
 - d. Implications of an increase to low carbon and sustainable equities ahead of the formation of a Paris aligned portfolio (and any offering Brunel put forward here) – is it still viable as an interim solution?
 - e. The impact of Brunel's engagement on active portfolios to date to reduce carbon and increase sustainability.
- 5) Other areas to consider, such as small cap and EM allocation, including RI implications.
- 6) Agreement on future portfolio objectives and potential allocation changes to consider.

Session 2 - Q2 2021 Panel

- 1) Reaffirm on equity portfolio objectives.
- 2) Analysis of 2-3 alternative equity portfolios that meet these objectives with comparison versus current portfolio in terms of risk/return, look through split, carbon exposure, etc.
- 3) Implementation/cost considerations, including Brunel equity portfolios, QIF allocation options and equity protection strategy.
- 4) Agreement on direction of travel and implementation plan to recommend to Committee.

This plan is subject to timing change if work done by Brunel on Paris aligned portfolios or changes to the Brunel portfolios offered may affect our conclusions or provide alternative options.