

## Investment Dashboard at 31 December 2022

## 1. Investment Strategy

	Objective	Commentary	RAG	Trend
1	Funding level	<ul style="list-style-type: none"> <li>97% (89% in Q3). Note – updated discount rate to reflect recent change in yields (equivalent to CPI+2.7% at 31 Dec)</li> <li>£141m deficit (£675m in Q3)</li> </ul>		↑
2	Investment Performance	<ul style="list-style-type: none"> <li>Behind strategic benchmark over 1 and 3 years</li> </ul>		↓
	Qtr return	<ul style="list-style-type: none"> <li>Negative quarter of -2.0% due to LDI, EPS, corporate bonds and property portfolios</li> </ul>		↓
	1 Year return	<ul style="list-style-type: none"> <li>Behind funding objective at -11.0% p.a.</li> </ul>		↓
	3 Year return	<ul style="list-style-type: none"> <li>Behind funding objective at 1.5% p.a.</li> </ul>		↓
	Social/Impact investing	<ul style="list-style-type: none"> <li>Social/Impact portfolio spec being developed for 2022/23 strategic review</li> </ul>		↔

## 2. Portfolios

	Objective	Commentary	RAG	Trend
1	Brunel Listed Market portfolios	With the exception of high alpha equity portfolio all active portfolios have underperformed SI		↑
2	<b>Private Markets Portfolios</b>			
	Infrastructure (Brunel)	Performance: n/a - portfolio in build-up New commitments: 6 (Including a Solar ESG Fund) Capital deployment: <ul style="list-style-type: none"> <li>Cycle 1: 78%</li> <li>Cycle 2: 40%</li> </ul> Cycle 3 deployment commenced in Oct 22		↑
	Secured Income (Brunel)	Performance: <ul style="list-style-type: none"> <li>Underperformed due to underlying movements in gilt prices causing a softening of values. Direction of travel moved to negative</li> <li>Portfolio still well positioned for current environment with high quality tenant base and inflation linked leases.</li> </ul> New commitments: None. Cycles 1 & 2 fully committed Capital deployment: <ul style="list-style-type: none"> <li>Cycle 1: 100%</li> <li>Cycle 2: 100%</li> </ul>		↓
	Private Debt (Brunel)	Performance: n/a – portfolio in build-up New Commitments: Cycle 2 fully committed Capital deployment:		↔

		<ul style="list-style-type: none"> <li>• Cycle 2: 46%</li> <li>• Cycle 3 deployment commenced in Dec 22</li> </ul>		
	UK Property (Brunel)	n/a		↓
<b>3</b>	<b>Legacy portfolios</b>			
	IFM (infra)	£150m redeemed in 2022 (settled Jan 2023)		↔
	JPM Hedge Funds	n/a		↔
	Partners (Intl Property)	<ul style="list-style-type: none"> <li>• Majority of funds in realisation phase. c.70% of unrealised value held in fund with 2029 contractual expiry.</li> </ul>		↔
	Schroder (UK Property)	<ul style="list-style-type: none"> <li>• Single closed end debt fund (£12m) due to expire in 2025</li> </ul>		↔

### 3. Responsible investing

	Objective	Commentary	RAG	Trend
<b>1</b>	<b>Climate change targets</b>			
	43% reduction in absolute emissions by 2025	<ul style="list-style-type: none"> <li>• Fund has decarbonised by 41.6% versus baseline (updated annually).</li> </ul>		↑
	30% of total assets in sustainable and Paris-aligned investments by 2025	<ul style="list-style-type: none"> <li>• c.25% invested in Sustainable and Paris-aligned equities and invested in Brunel renewable infrastructure portfolios.</li> <li>• Expected to increase with proposal to move equities in QIF to a Paris-aligned solution</li> </ul>		↔
<b>2</b>	<b>Equity fund held in Risk Management QIF</b>	<ul style="list-style-type: none"> <li>• Panel agreed to switch the equities in the QIF to a transition aligned solution and delegated implementation to Officers at last meeting</li> <li>• Pending provision of tax advice</li> </ul>		↑
<b>3</b>	<b>Brunel Climate Policy</b>	<ul style="list-style-type: none"> <li>• 2023 Climate Policy launched</li> <li>• Reporting priorities incl. Climate Solutions and 'green revenues' reporting on private and listed markets.</li> </ul>		↑