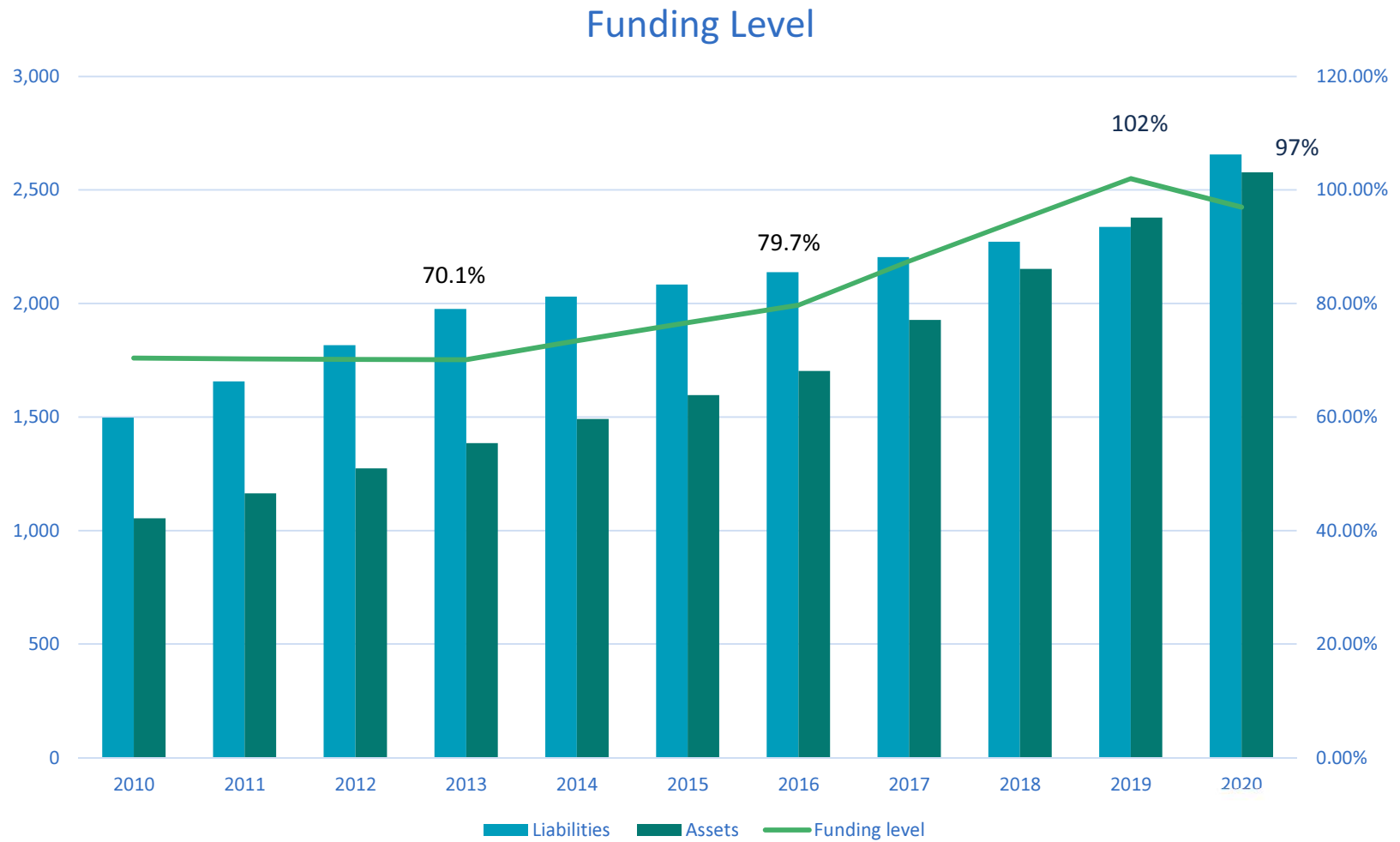


John Arthur – Independent Investment Adviser
Gloucestershire County Council Pension Fund



Funding level based on Actuarial Calculations



Figures from Hyman Robertson reports

Movements in Asset values

Quarter	2 nd Quarter 2019	3 rd Quarter 2019	4 th Quarter 2019	1 st Quarter 2020	2 nd Quarter 2020
Fund Return	+4.1%	+2.0%	+1.9%	-13.2%	+12.9%
Benchmark Return	+3.6%	+2.6%	+1.4%	-11.5%	+11.3%
Relative Performance	+0.5%	-0.7%	+0.5%	-1.7%	+1.7%
Change in value of the Fund	+£102m	+£55m	+£51m	-£339m	+£335m
Change in value of Equities	+£57M	+£31m	+£44m	-£302m	+£246m
Change in value of Bonds	+£15m	+£13m	+£5m	-£39m	+£45m
Change in value of Property	+£2m	+£1m	+£0	+£0m	-£15m

Figures from Hyman Robertson reports

Other factors

- Alternative assets
- Cash pre- payments

Move towards the new Strategic Asset Allocation

Asset class	Asset Allocation as at 31/12/2019	Asset Allocation as at 31/3/2020	Asset Allocation as at 30/6/2020	SAA as at 30/6/20	Current position against the existing SAA	New SAA going forward	Position against the new SAA
Equities	63.5%	59.7%	61.5%	58.5%	+3.0%	55%	+6.5%
Fixed Interest	21.7%	23.3%	22.0%	24.5%	-2.5%	22%	+0.0%
Property	7.9%	9.2%	8.1%	7.5%	+0.6%	10%	-1.9%
Alternatives	6.1%	7.3%	6.6%	9.5%	-2.9%	13.0%	-6.4%
Cash	0.7%	0.8%	2.2%	0.0	+2.2%	0.0%	+2.2%

The move to the new Strategic Asset Allocation involves a reduction in exposure to Equities and Bonds and an increase in exposure to Property and Alternative assets

Alternative assets include Private Equity; Infrastructure; Direct Lending

Switch from UK Government Gilts to Investment Grade Credit

Assets in transition

Allocation to Alternatives		Transition to Brunel	
• Private Equity	£60m	All Equity portfolios	
• Infrastructure	£80m	Property	75% of
• Direct Lending	£80m	Alternatives	Fund Assets
• International Property	£50m tbc	UK Corporate Bonds	4Q2020
		Multi-Asset Credit	1Q2021
		Diversified Risk Multi-Asset	1Q2021

Environmental, Social and Governance Issues

Brunel is a member of the UN Principles of Responsible Investment and has been assessed by them as above average on all investment criteria

Brunel produce a Responsible Investment and Stewardship report and Carbon Metrics Report for Gloucestershire

Manager analysis of ESG included as a key criteria when considering manager appointments

All Brunel equity portfolios are less carbon intensive than their respective index