



ABOUT BRUNEL

With \$40 billion USD in assets under management, Brunel Pension Partnership Ltd. is a large-cap UK Local Government Pension Scheme pool dedicated to “investing for a world worth living in.” Headquartered in Bristol, England, Brunel is dedicated to responsible investing under a multi-manager model.



THE CHALLENGE

- Tracking ESG performance among multiple managers



THE SOLUTION

- Truvalue Labs' data and analytics for monitoring ESG integration across external managers, portfolios, and holdings



THE RESULTS

- Integration of leading metrics into client reporting
- Improved monitoring of ESG performance in portfolios
- Consistent workflow support, dedicated training, and frequent follow-ups

Brunel Pension Partnership Streamlines ESG Analysis and Reporting with Truvalue Labs' Data and Analytics

Brunel Pension Partnership Ltd. enhances its analysis and reporting of managers and portfolios with Truvalue Labs' data and analytics.

THE CHALLENGE

In 2018, the 91 funds that made up the UK's Local Government Pension Scheme (LGPS) were consolidated into eight newly created investment pools. Brunel Pension Partnership Ltd. was established to oversee one of those pools, representing the pension funds of nine county governments in southwest England, plus the UK's Environmental Agency.

From its inception, Brunel claimed an important distinction: “We're committed to being 100% responsible investors,” says Faith Ward, Chief Responsible Investment Officer. “All of our client partner funds expect that.” The firm's philosophy is summed up in its motto, “Forging better futures by investing for a world worth living in.” In fact, Brunel was the first of the LGPS funds to become a signatory to the UN-supported Principles for Responsible Investing (PRI).

Moreover, Ward explains, “Our primary objective is to enable each fund to deliver its fiduciary duty to act in the best long-term interests of our members.” Ward adds, “We appoint managers that share the view that concentrating on the fundamental long-term performance of businesses, which includes the integration of sustainability and environmental, social, and governance (ESG) risks, is most likely to deliver a successful long-term performance outcome.”

“Setting up a new operation, we knew that we needed a tool to help us evaluate the ESG and reputational risks across all our managers and their holdings for listed equities and bonds,” Ward recalls. “We evaluated a number of providers on the market and concluded that Truvalue Labs had the one that we wanted as a primary source, both for communicating with managers and for evaluating the risks in our portfolios.”

THE SOLUTION

Several factors tipped the scales in favor of data and analytics from Truvalue Labs, a FactSet company. Chief among them:

- **Objective analysis:** Truvalue Labs applies natural language processing (NLP) and artificial intelligence (AI) to scour thousands of sources for insights into company ESG performance. “We like the objectivity of Truvalue Labs’ data that isn’t dependent upon what companies publish about themselves,” Ward says. “Their timely, material ESG data helps us to continually monitor the managers in our client partner funds and to evaluate and select new managers.”
- **SASB framework:** Truvalue Labs was the first to provide ESG analytics based on the Sustainability Accounting Standards Board (SASB) Materiality Framework. “We felt the link with SASB was particularly beneficial,” Ward says. “We were looking at structuring our responsible investing approach, and SASB presented a very helpful framework to operate under.”
- **Data currency:** “We like the fact that the information is quite current and fresh,” adds Helen Price, Assistant Investment Officer at Brunel. “It’s picking up news stories, which leads to forward-looking outlooks for companies.”
- **Uncovering risks and opportunities:** “It covers both positive and negative aspects of different companies’ ESG track records,” Price points out. “It can be quite difficult to find data that captures the upside as well as the downside.”
- **Drill-down capabilities:** “We also like the granularity of the tool,” Price says. “We can look at the information and we can go right through to the news source that is driving the score for a company at a moment in time.”

Selecting and Monitoring Managers

By providing Brunel with more current ESG data, Truvalue Labs enables the firm to engage constructively with its external managers. “It’s a useful tool for monitoring managers,” Price observes, “It gives us a fresh lens and insight so we can have good conversations with our managers about their holdings.”

“We have actually used the tool quite extensively in a live fashion in manager meetings,” Ward adds. “When a manager wants to articulate a case for a particular company, we can also dynamically lookup company information on the fly as well to dig deeper—a real advantage.”

Beyond manager monitoring, Truvalue Labs’ data and analytics is also useful in manager selection. “When shortlisting managers, we can evaluate whether a manager is on the ball and understands ESG risks,” Ward explains, “and that helps us decide which manager we think is best to appoint for a particular mandate.”

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Effectively Communicating with Clients

Truvalue Labs leverages its powerful artificial intelligence engine to process vast amounts of data in seconds and score companies on key measures. For example, the Insight score ranks ESG behavior at a given point in time, and the Momentum score shows the company's trajectory of ESG performance—whether it is improving or declining.

"We think that this combination of the long-term score and momentum is a strength over other tools that may use just a single rating," Ward says. "Truvalue Labs highlights companies that are scoring well or badly, but also their direction of travel. If a company has scored well historically but now has negative momentum, that can be just as concerning as a company with a lower score." Conversely, she adds, "A company that has historically performed poorly but has positive momentum could indicate some upside potential because that company could be addressing its risks."

These findings are especially important for Brunel in reporting to the beneficiaries whose money the firm is managing. "Each of our clients has one or more committees performing oversight on our activities," Ward says. "Transparency is important to them, and it is one of our responsible investment policy pillars." We provide them with an ESG dashboard with the Insight and Momentum scores from Truvalue Labs, along with a narrative to explain what's going on with companies that might be a concern. And we give them an attribution analysis showing which companies are contributing or detracting the most from the overall ESG score within a particular portfolio."

At heart, responsible investing is about managing actual or potential financial risks to the portfolio, Ward notes. "Any ESG events that Truvalue Labs uncovers could represent a financial risk," she says. "Our beneficiaries are looking through a performance lens, but they are also very conscious of reputational risk and how it might lead to financial risks in the future—the two tend to go hand in hand. This forward-looking element is one of the big benefits of the Truvalue Labs approach.

THE RESULTS

In addition to providing an important solution for monitoring ESG performance in its portfolios, Truvalue Labs supported Brunel when the pool integrated Truvalue Labs' metrics into client reporting. "The experience working with the Truvalue Labs team has been excellent," Price reports. "During our first quarterly reporting, we needed some deeper-dive training to understand the data. All our queries were answered promptly and in plain English. No question was too much. They're also very good at following up, giving us regular updates, and checking that everything is okay. Everyone we have interacted with has been professional, passionate, knowledgeable, and friendly."

DISCOVER SOLUTIONS

FactSet creates data and technology solutions for investment professionals around the world, providing instant access to financial data and analytics that investors use to make crucial decisions.

Truvalue Labs SASB Scores DataFeed

Monitor both positive and negative ESG events daily.

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Truvalue Labs SASB Spotlight DataFeed

Review story summaries and scores for ESG controversies and opportunities.

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