

Worcestershire County Council

Agenda

Pension Investment Sub-Committee

Thursday, 2 March 2023, 10.00 am
County Hall, Worcester

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www.worcestershire.gov.uk

 **worcestershire**
county council

DISCLOSING INTERESTS

There are now 2 types of interests:
'Disclosable pecuniary interests' and **'other disclosable interests'**

WHAT IS A 'DISCLOSABLE PECUNIARY INTEREST' (DPI)?

- Any **employment**, office, trade or vocation carried on for profit or gain
- **Sponsorship** by a 3rd party of your member or election expenses
- Any **contract** for goods, services or works between the Council and you, a firm where you are a partner/director, or company in which you hold shares
- Interests in **land** in Worcestershire (including licence to occupy for a month or longer)
- **Shares** etc (with either a total nominal value above £25,000 or 1% of the total issued share capital) in companies with a place of business or land in Worcestershire.

NB Your DPIs include the interests of your spouse/partner as well as you

WHAT MUST I DO WITH A DPI?

- **Register** it within 28 days and
- **Declare** it where you have a DPI in a matter at a particular meeting
 - you must **not participate** and you **must withdraw**.

NB It is a criminal offence to participate in matters in which you have a DPI

WHAT ABOUT 'OTHER DISCLOSABLE INTERESTS'?

- No need to register them but
- You must **declare** them at a particular meeting where:
 - You/your family/person or body with whom you are associated have a **pecuniary interest** in or **close connection** with the matter under discussion.

WHAT ABOUT MEMBERSHIP OF ANOTHER AUTHORITY OR PUBLIC BODY?

You will not normally even need to declare this as an interest. The only exception is where the conflict of interest is so significant it is seen as likely to prejudice your judgement of the public interest.

DO I HAVE TO WITHDRAW IF I HAVE A DISCLOSABLE INTEREST WHICH ISN'T A DPI?

Not normally. You must withdraw only if it:

- affects your **pecuniary interests** **OR** relates to a **planning or regulatory** matter
- **AND** it is seen as likely to **prejudice your judgement** of the public interest.

DON'T FORGET

- If you have a disclosable interest at a meeting you must **disclose both its existence and nature** – 'as noted/recorded' is insufficient
- **Declarations must relate to specific business** on the agenda
 - General scattergun declarations are not needed and achieve little
- Breaches of most of the **DPI provisions** are now **criminal offences** which may be referred to the police which can on conviction by a court lead to fines up to £5,000 and disqualification up to 5 years
- Formal **dispensation** in respect of interests can be sought in appropriate cases.

Pension Investment Sub-Committee

Thursday, 2 March 2023, 10.00 am, County Hall, Worcester

Membership: Cllr Adrian Hardman (Chairman), Cllr Elizabeth Eyre, Cllr Karen Hanks,

Co-opted Members

Cllr Trish Marsh (voting) Herefordshire Council
Vacancy (non-voting) Employee Representative

Agenda

Item No	Subject	Page No
1	Apologies/Named Substitutes	
2	Declaration of Interests	
3	Public Participation Members of the public wishing to take part should notify the Democratic Governance and Scrutiny Manager in writing or by e-mail indicating both the nature and content of their proposed participation no later than 9.00am on the working day before the meeting (in this case, 1 March 2023). Enquiries about this can be made through the telephone number/e-mail address listed in this agenda and on the website.	
4	Confirmation of Minutes To confirm the Minutes of the meeting held on 24 November 2022 (previously circulated).	
5	Nomura Far East Developed Equities and Emerging Markets Active Manager Worcestershire Pension Fund Performance Review	1 - 22
6	LGPS Central Global Active Emerging Markets and LGPSC Global Sustainable Active Equities performance to the end of December 2022	23 - 78
7	Pensions Independent Investment Advisor Update	79 - 112
8	Strategic Asset Allocation Update as of the 31 December 2022	113 - 138

Agenda produced and published by Sheena Jones, Democratic Governance and Scrutiny Manager, County Hall, Spetchley Road, Worcester WR5 2NP

To obtain further information or a copy of this agenda contact Simon Lewis, Committee Officer on 01905 846621, slewis@worcestershire.gov.uk

All the above reports and supporting information can be accessed via the Council's website

Date of Issue: Monday, 20 February 2023

PENSIONS INVESTMENT SUB COMMITTEE

2 MARCH 2023

NOMURA FAR EAST DEVELOPED EQUITIES & EMERGING MARKETS ACTIVE MANAGER WORCESTERSHIRE PENSION FUND PERFORMANCE REVIEW

Recommendation

1. **The Chief Financial Officer recommends that the Pensions Investment Sub Committee note and comment on Nomura Far East Developed Equities and Emerging Equity Markets Active Manager Quarterly review as at the end of December 2022.**

2. The Nomura Far East Developed Equities and Emerging Equity Markets Active Manager provides:-
 - a) Big Picture;
 - b) Asia ex Japan and Japan;
 - c) Outlook and Strategy;
 - d) China Strategy; and
 - e) Appendix with more detailed market overview.

3. The Pensions Investment Sub-Committee is asked to note and comment on the presentation provided by Nomura Far East Developed Equities and Emerging Equity Markets Active Manager as at the end of December 2022.

4. **Please note that the Appendix contains exempt information relating to the financial or business affairs of any particular person (including the authority holding the information) (on salmon pages) and should members wish to discuss the information included in these Appendices they would need to consider passing the appropriate resolution and moving into exempt session.**

Supporting Information

Appendix (**Exempt Information – Salmon pages**) – Nomura Far East Developed Equities and Emerging Equity Markets Active Manager as at the end of December 2022.

Specific Contact Points for this report

Rob Wilson

Pensions Investment, Treasury Management & Capital strategy manager

Tel: 01905 846908

Email: RWilson2@worcestershire.gov.uk

Background Papers

In the opinion of the proper officer (in this case the Chief Financial Officer) there are no background papers relating to the subject matter of this report.

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of the Local Government Act 1972.

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PENSIONS INVESTMENT SUB COMMITTEE

02 MARCH 2023

LGPS CENTRAL (LGPSC) GLOBAL ACTIVE EMERGING MARKETS AND LGPSC GLOBAL SUSTAINABLE ACTIVE EQUITIES PERFORMANCE TO THE END OF DECEMBER 2022

Recommendation

- 1. The Chief Financial Officer recommends that the LGPSC Global Active Emerging Market and LGPSC Sustainable Active Equity Fund Performance to December 2022 be noted.**

Background

Active Global Emerging Markets (AGEM)

- 2. The Funds active Emerging Markets equities were transitioned to the LGPS Central Active Global Emerging markets mandate (AGEM) in July 2019.**
- 3. The AGEM quarter's Performance Report as at the end of December 2022 is set out in attached Appendix 1 and covers the following areas:**
 - a) Fund information and objective;**
 - b) Commentary, Performance overview & Performance against Peers;**
 - c) December 2022 Attribution & Fund construction;**
 - d) Emerging Markets Equity Active Multi Manager Fund Risk;**
 - e) Key areas of discussion with Fund Managers over Q4 2022;**
 - f) Responsible Investment and Stewardship;**
 - g) Carbon Risk Metrics; and**
 - h) Summary of combined portfolio.**

Global Sustainable Active Equities

- 4. The Global Sustainable Equity Active Thematic and Targeted Funds quarterly Performance Report as at the end of December 2022 is attached as Appendix 1 and covers the following areas:**
 - a) Fund information and objective;**
 - b) Commentary, Performance overview & Performance;**
 - c) December 2022 Attribution & Fund construction;**
 - d) Positioning & Fund Risk;**
 - e) Key holdings and changes over Q4 2022; and**
 - f) Responsible Investment and Stewardship.**

Infrastructure Update

5. The Pension Investment Sub Committee have agreed an indicative £30m per annum for the next 2 years into LGPSC Infrastructure strategy subject to due diligence. LGPSC have provided a presentation, attached at Appendix 2, covering the committed and drawn positions of their infrastructure funds and an update on the single asset (JPM) sleeve.

5. **Please note that Appendix 1 and 2 contain exempt information relating to the financial or business affairs of any particular person (including the authority holding the information) (on salmon pages) and should members wish to discuss the information included in these Appendices they would need to consider passing the appropriate resolution and moving into exempt session.**

Contact Points

Specific Contact Points for this report

Rob Wilson

Pensions Investment, Treasury Management & Capital strategy manager,

Tel: 01905 846908 Email: RWilson2@worcestershire.gov.uk

Supporting Information

- LGPS Central Q4 2022 performance update December 2022 (Appendix 1) (**Exempt Information – Salmon pages**)
- LGSPS Central Infrastructure update (Appendix 2) (**Exempt Information – Salmon pages**)

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PENSIONS INVESTMENT SUB COMMITTEE

2 MARCH 2023

PENSIONS INDEPENDENT INVESTMENT ADVISOR UPDATE

Recommendation

1. **The Chief Financial Officer recommends that the Pensions Investment Sub Committee note and comment on the Pensions Independent Investment Advisor's update attached as Appendix 1 together with the associated investment performance information attached as Appendix 2.**
2. The Pensions Independent Investment Advisors update provides: -
 - a) A global overview;
 - b) A summary and market background to Worcestershire Pensions Investments as at the quarter ended the 31 December 2022; and
 - c) Brief performance details of the individual pension investments.
3. Also attached as Appendix 5 detailing Portfolio Evaluation Ltd quarterly investment performance update for Worcestershire Pension Fund as at the end of December 2022.
4. The Pensions Investment Sub-Committee is asked to comment on the Pensions Independent Investment Advisor's update and associated appendices.
5. **Please note that Appendix 4 contains exempt information (on salmon pages) and should members wish to discuss the information included in this Appendix they would need to consider passing the appropriate resolution and moving into exempt session.**

Supporting Information

Appendix 1 – Pensions Independent Investment Advisors update (**Exempt Information – Salmon pages**)

Appendix 2 - details Portfolio Evaluation Ltd quarterly investment performance update for Worcestershire Pension Fund

Contact Points

Rob Wilson
Pensions Investment, Treasury Management & Capital strategy manager
Tel: 01905 846908
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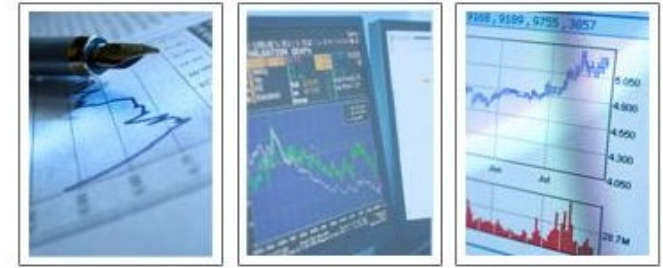
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PORTFOLIO
EVALUATION
LIMITED

Quarterly Risk and Return Analysis
Total Fund

Worcestershire County Council Pension Fund



Specialists in Investment Risk and Return Evaluation

Period ending 31st December 2022



Specialists in Investment Risk and Return Evaluation

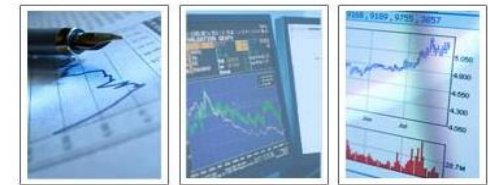


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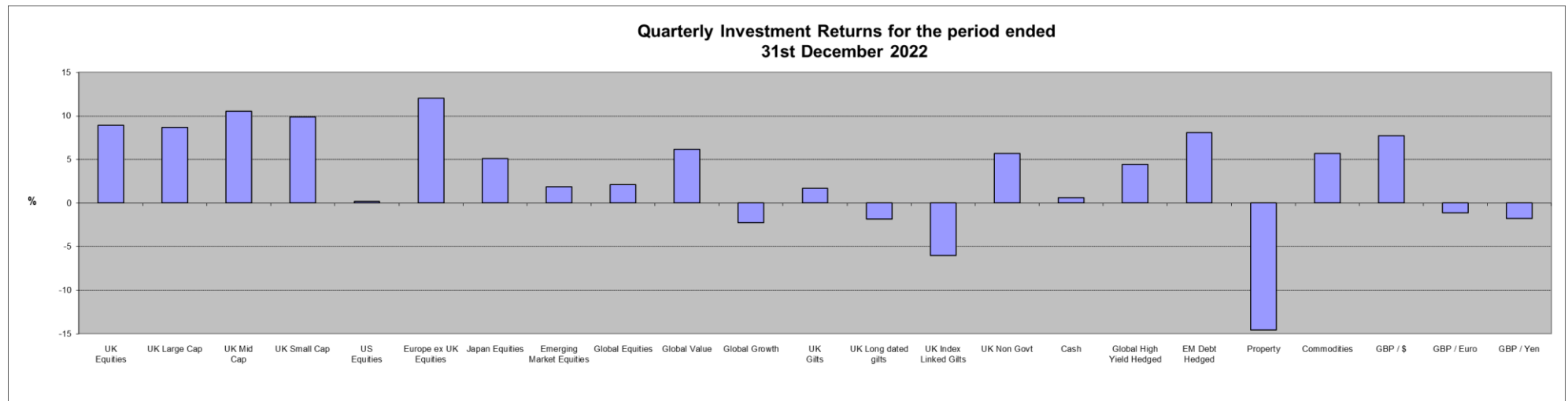
Portfolio Evaluation Ltd Market Commentary Q4 2022 (Sterling)

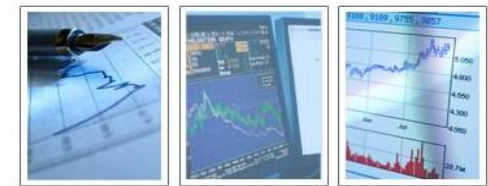
Quarter four witnessed key equity markets, corporate bonds, many gilt markets, and commodities rising. Property was the key loser. Sterling also strengthened as the Truss days became a distant memory and the BoF and Sunak calmed the markets; however over the year the strong dollar / weak sterling and the weight of USD assets in the global indices has impacted GBP returns. The 2022 year has seen most markets having negative returns (except for commodities) as investors struggled with high inflation, central bank tightening, a war between Ukraine and Russia, energy supply problems, tightening labour markets, COVID and output falling in China due to (now redundant) zero-COVID policies. Within global sectors the majority have had significant negative returns except for healthcare, consumer staples, banks, energy and utilities that had significant positive returns.

Many of our institutional clients have benefitted from high returns in 'alternative' asset classes such as Private Equities, Infrastructure, Private Debt and Property but it should be noted that much of the data is lagged and although returns may soften as valuations are updated returns continue to be resilient. It should also be noted that many of our clients are continuing to fund 'alternative' asset portfolios.

We saw some clients being impacted by increasing yields requiring LDI portfolio margin accounts to require significant funding; this in some instances is requiring selling other portfolio assets and it should be noted that the BoF had to assist this part of the market in early October.

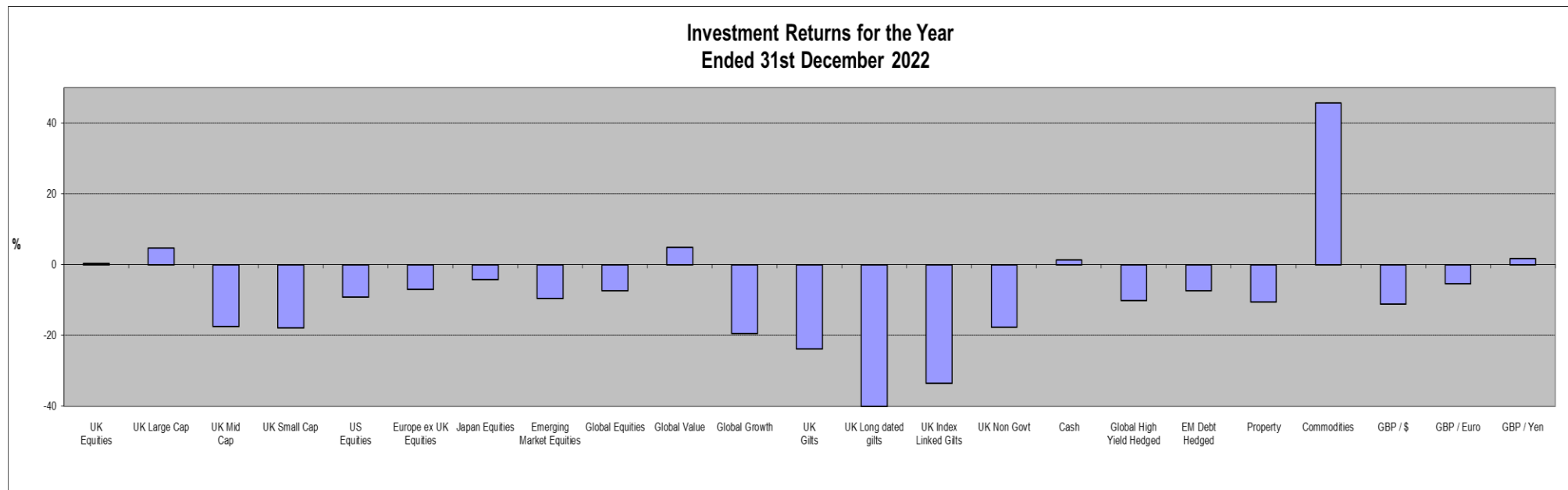
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It appears that going into 2023 many investors are apprehensive. Many investors feel that the era of low interest rates fuelling markets has ended. Although inflation rates remain high and growth will reduce many market commentators expect the U.S. and Europe to escape recession. However, they do expect interest rate rises albeit at a slower pace than in 2022. Many investors believe that both equity market valuations appear positive globally and in particular in Europe. Bonds also appear attractive. However many investors believe that the outlook for earnings revisions remain significant as does the probability of 'mis-steps' by central banks given their tussles with inflation and labour market strength. The UK market appears to be the most likely to have a recession given the outlook for lower growth especially as inflation remains stubbornly high.

An interesting year awaits!



Risk within asset classes and correlations has increased over the year. The outlook for market risk is uncertain.

For further information If you would like further information about the topics contained in this newsletter or would like to discuss your investment performance requirements please contact Nick Kent or Deborah Barlow (e-mail: nick.kent@portfolioevaluation.net) or visit our website at www.portfolioevaluation.net. Please note that all numbers, comments and ideas contained in this document are for information purposes only and as such are not investment advice in any form. Please remember that past performance is not a guide to future performance.

Worcestershire County Council Pension Fund - Commentary

Period ending 31st December 2022

QUARTERLY SUMMARY: **Worcestershire County Council Pension Fund** **Return: 3.8%** **Benchmark Return: 3.1%** **Excess Return: 0.6%**

- This quarter saw the R&M EPO strategy overlay fund close in mid-November; the assets (including the collateral fund invested in gilts) were transferred to the LGIM passive UK Equity, North American Equity and European Equity Funds. Additionally a significant investment was made into the BSIF Forestry Fund IV and the EDIF III Fund was funded for the first time (allowing for reporting lags).
- The Fund and its benchmark have both generated positive returns, and the Fund has outperformed its benchmark by 0.6% excess. The EPO has had a negative influence on the Total Fund and benchmark return albeit relatively small; this was expected given the rise in markets in October (the last full month that the EPO was used).
- Equity returns underperformed the benchmark despite the LGPSC Global Sustainable Equity Active Targeted Fund and the Total Passive equity assets outperforming. The Nomura Far East portfolio, LGPSC Sustainable Equity Active Thematic Fund and the LGPSC EMM all underperformed. The primary areas of outperformance have been generated by Property, Corporate Debt Fund and Infrastructure asset classes. It should be noted that the negative depreciation of sterling versus the US dollar has been a positive contributor to the Fund.
- Within the primary asset classes, infrastructure assets were the highest returning generators over the quarter at 4.7, %. Property assets had a return of 1.6%. Equity assets (inc EPO) generated a return of 3.8% whilst equities ex EPO the return was marginally lower at 3.7%. Within equities, the Passive Pool was the highest return generator at 7.7% whilst the Active Pool had a return of 2.3% and the Alts Pool a return of 2.8% (approximately in line with the benchmark).
- The recently established Total Fixed Income asset class has outperformed and is underweight its strategic asset allocation (note that equities remain overweight their strategic asset allocation).
- The Fund outperformed the benchmark primarily due to Property, Infrastructure and Total Fixed Income. Equity assets were a negative influence on excess return as was the EPO strategy. Fund asset allocation was also a negative contributor to excess return.
- The latest valuation data supplied by Bridgepoint, Green Investment Bank, Gresham House, Hermes, Invesco – UK Property Fund, Stonepeak Partners, VENN and Walton Street is lagged by three months and was for periods ending June 2022 whilst the Gresham House Forestry Funds have a lag of 6 months.

YEAR SUMMARY: Worcestershire County Council Pension Fund Return: -4.3% Benchmark Return: -2.9% Excess Return: -1.4%

- The Fund and its benchmark have generated negative returns and the Fund has underperformed its benchmark by -1.4% excess. The underperformance has been primarily generated by equity assets, and by the performance of the Fixed Income assets which significantly underperformed. The Infrastructure and Property Pools outperformed. It should be noted that many of the Alternative asset pools are investing in new portfolios; these types of portfolios often underperform initially due to the expenses of these funds 'investing' and that it takes time for many of these vehicles to generate positive significant returns from their investments.
- With the closure of the EPO strategy the Fund, due to the assets being invested in passive equities, has become overweight passive equities due to becoming overweight the UK Index Fund.
- The most significant drag on excess return was primarily generated by the LGPSC EMM Fund, the Nomura Far East Developed portfolio and the transition portfolio in the quarter ended June 2022. The highest positive contributor to excess return were Infrastructure and Property assets.
- Infrastructure assets generated the highest return of 18.3% followed by Property with a return of 7.4%. Equity assets were the next highest return generators over the year and excluding the overlay generated a return of -8.1%. Within equities the Passive Pool was the highest return generator followed by the Alternatives Pool and finally the Active Pool (generating returns of -3.7%, -10.0% and -14.9% respectively), all of them underperformed their benchmarks. Fixed Income assets had a return of -14.5% underperforming by -6.0%.

THREE YEAR SUMMARY: Worcestershire County Council Pension Fund Return: 4.5% p.a. Benchmark Return: 4.2% p.a. Excess Return: 0.3% p.a.

- Over the three-year period, the Fund has generated a positive return of 4.5% p.a. and has outperformed the benchmark. It should be noted that there has been a considerable number of new mandates established in that timeline especially in the property, infrastructure and bond asset classes. Additionally, the equities have been restructured.
- All primary asset classes, except for Total Fixed Income have generated positive returns.
- The equity protection overlay program has increased the Fund return over the three-year period (by 0.3% p.a.). It should also be noted that the EPO strategy has lowered the volatility of the Fund as expected.
- The Total Risk and Active risk are consistent with a typical multi asset class fund that uses both passive and active strategies.

Client: Worcestershire County Council Pension Fund
 Manager: Multi-manager
 Mandate: Total Fund
 Asset Class: Combined Assets
 Benchmark: Worcestershire Total Fund Index
 Inception: 31-Mar-1987
 Mkt Val: £3.4bn

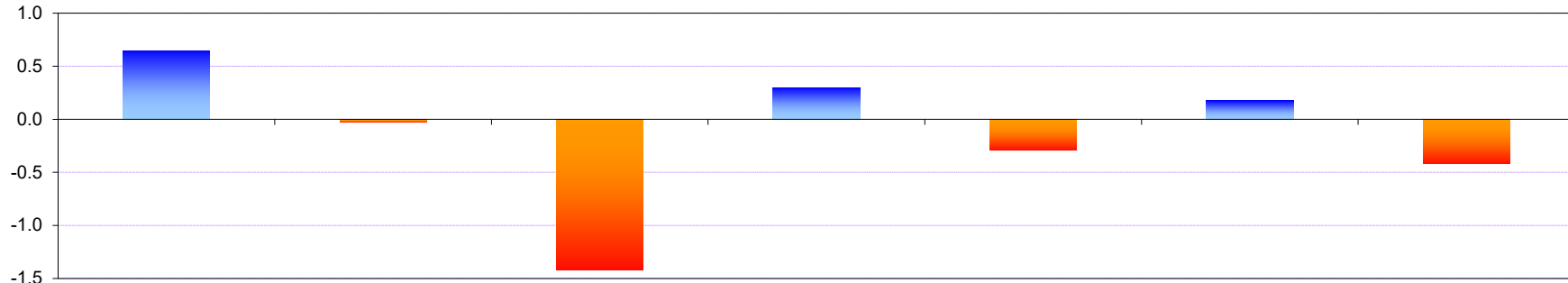
Total Fund Overview

Worcestershire CC Pension Fund

Report Period: Quarter Ending December 2022



Excess Return Analysis (%)



	QTR	Fin YTD	1 Yr	3 Yr	5 Yr	10Yr	Since Mar 87 (p.a.)
Excess Return	0.6	0.0	-1.4	0.3	-0.3	0.2	-0.4
Portfolio Return	3.8	-1.5	-4.3	4.5	4.5	8.3	7.8
Benchmark Return	3.1	-1.4	-2.9	4.2	4.8	8.1	8.2

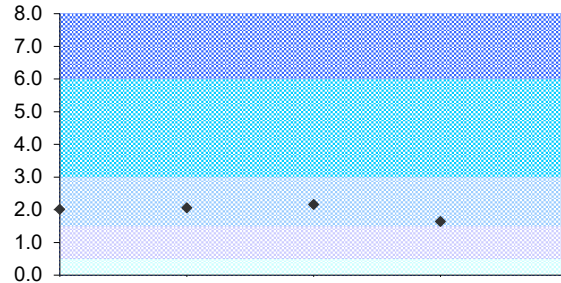
All returns for periods in excess of 1 year are annualised. The portfolio return is net.

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Ex-Post Active Risk Analysis (%)

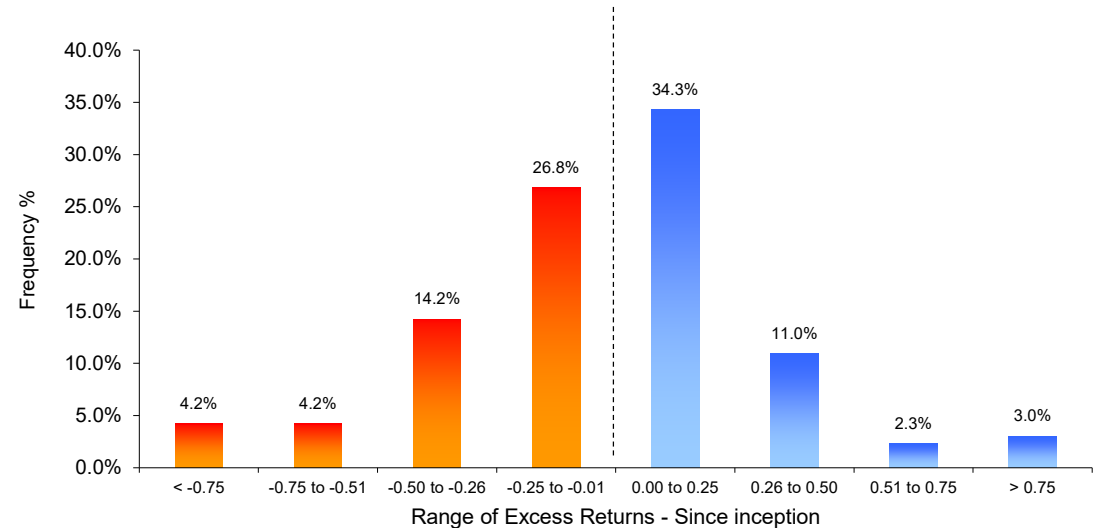
Expected Active Risk Ranges

- Aggressive
- Active Plus
- Active
- Core
- Indexed
- ◆ Active Risk



	1 Yr	3 Yr	5 Yr	10 Yr	Mar 87
Active Risk	2.0	2.1	2.2	1.6	1.5
Portfolio Risk	7.8	9.0	8.0	8.4	12.3
Benchmark Risk	8.6	10.2	9.3	8.9	12.2

Excess Return Consistency Analysis



Ex-Post Active Risk measures the volatility of the actual excess returns achieved by the Portfolio/Fund.

Excess Return Consistency Analysis measures the frequency of the Portfolio/Fund's outperformance (Blue) and underperformance (Red) versus its benchmark, calculated using monthly (or quarterly if indicated) returns since inception.

**Attribution to Total Fund Excess Return Analysis
Worcestershire County Council Pension Fund
for Quarter Ended 31st December 2022**

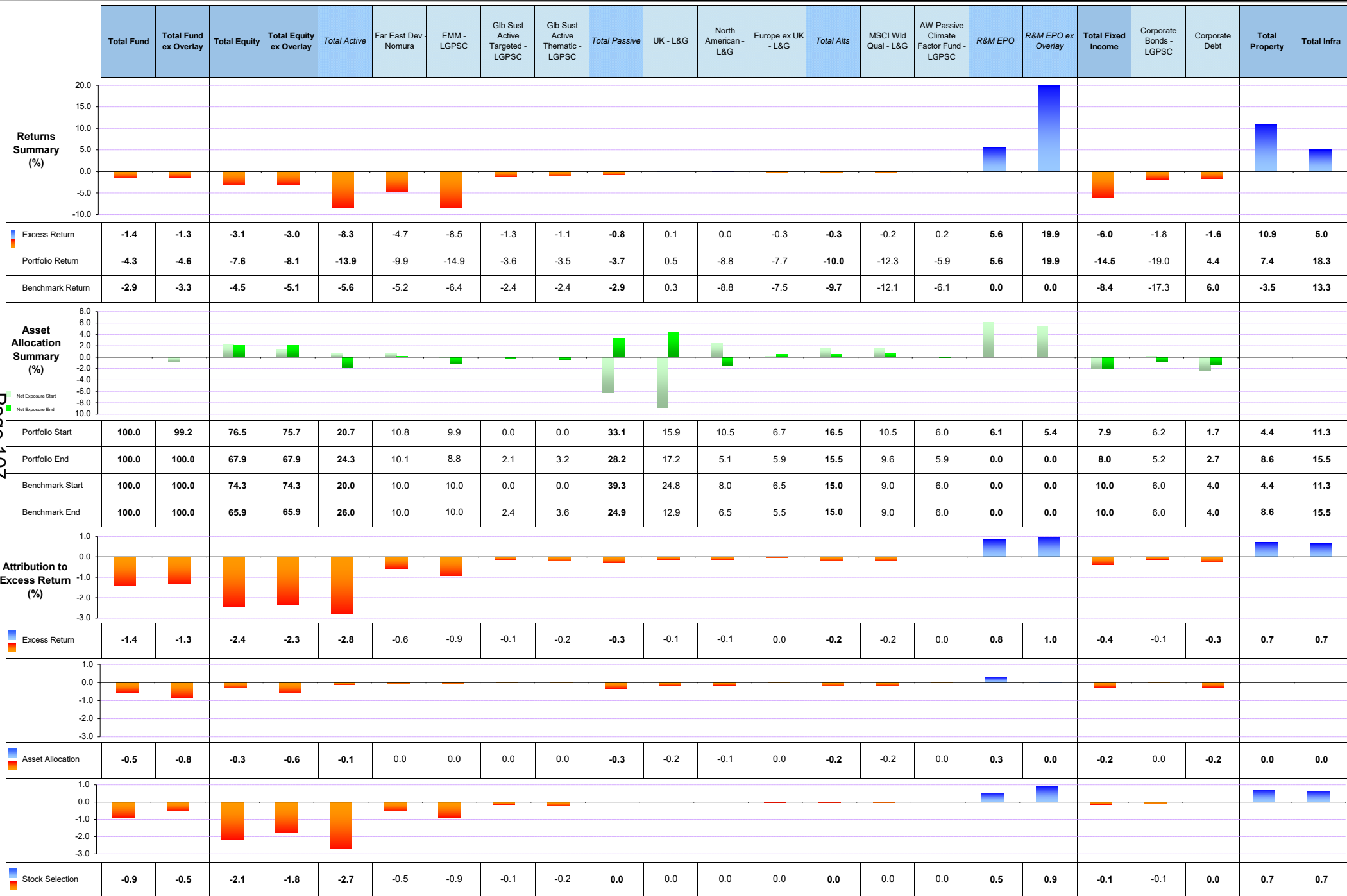
Market Value: £3.4bn



The Returns Summary details the Portfolio, Benchmark and Excess Returns. The Excess Returns are plotted, the Asset Allocation Summary details the weights held by the portfolio and benchmark in each asset class/manager. The green plots are the over/underweight exposures of the Fund (v Fund benchmark) at the beginning and end of the period. The Attribution to Excess Return, identifies how each asset class/manager has contributed to the overall excess return of the Total Fund. It is broken down into Asset Allocation (how successful the decision to over/underweight each asset class was) and then into Stock Selection (how well each manager's decisions have performed). The Asset Allocation plus the Stock Selection excess returns are all additive and equal the Total Excess Return of the Fund.

**Attribution to Total Fund Excess Return Analysis
Worcestershire County Council Pension Fund
for Year Ended 31st December 2022**

Market Value: £3.4bn



**Attribution to Total Fund Excess Return Analysis - Annualised
Worcestershire County Council Pension Fund
for 3 Year Period Ended 31st December 2022**

Market Value: £3.4bn

	Total Fund	Total Fund ex Overlay	Total Equity	Total Equity ex Overlay	Total Active	Far East Dev - Nomura	EMM - LGPSC	Glb Sust Active Targeted - LGPSC	Glb Sust Active Thematic - LGPSC	Total Passive	UK - L&G	North American - L&G	Europe ex UK - L&G	Total Alts	RAFI Fdmntl Dev (inc Korea) Red Carbon Pathway Index - L&G	MSCI Wid Min Vol - L&G	MSCI Wid Qual - L&G	AW Passive Climate Factor Fund - LGPSC	R&M EPO	R&M EPO ex Overlay	Total Fixed Income	Corporate Bonds - LGPSC	Corporate Debt	JP Morgan Corp Bond	Total Property	Total Infra	
Returns Summary (%)																											
Excess Return	0.3	-0.8	0.1	-1.3	-2.7	-0.9	-3.0	-1.3	-1.1	0.9	0.1	0.0	-0.2	-0.7	0.0	0.1	-0.1	0.2	2.4	4.0	-4.0	-0.1	-0.8	0.2	-2.3	1.5	
Portfolio Return	4.5	4.1	4.0	3.5	0.1	2.4	-1.1	-3.6	-3.5	6.7	2.4	10.9	5.6	4.3	10.2	5.1	9.5	-4.1	2.4	4.0	-7.3	-1.6	5.7	1.0	3.5	12.3	
Benchmark Return	4.2	5.0	3.9	4.8	2.8	3.4	1.9	-2.4	-2.4	5.8	2.3	10.8	5.8	5.0	10.2	5.0	9.6	-4.3	0.0	0.0	-3.3	-1.5	6.5	0.8	5.8	10.9	
Asset Allocation Summary (%)																											
Portfolio Start	100.0	100.1	79.2	79.3	25.1	13.2	11.8	0.0	0.0	31.3	13.2	11.6	6.5	15.6	5.8	4.6	5.2	0.0	7.2	7.3	0.8	0.0	0.8	5.3	5.8	9.0	
Portfolio End	100.0	100.0	67.9	67.9	24.3	10.1	8.8	2.1	3.2	28.2	17.2	5.1	5.9	15.5	0.0	0.0	9.6	5.9	0.0	0.0	8.0	5.2	2.7	0.0	8.6	15.5	
Benchmark Start	100.0	100.0	75.2	75.2	24.0	12.0	12.0	0.0	0.0	41.2	20.7	11.0	9.5	10.0	3.3	3.3	3.3	0.0	0.0	0.0	0.8	0.0	0.8	9.2	5.8	9.0	
Benchmark End	100.0	100.0	65.9	65.9	26.0	10.0	10.0	2.4	3.6	24.9	12.9	6.5	5.5	15.0	0.0	0.0	9.0	6.0	0.0	0.0	10.0	6.0	4.0	0.0	8.6	15.5	
Attribution to Excess Return (%)																											
Excess Return	0.3	-0.8	0.1	-1.0	-1.1	-0.2	-0.4	-0.1	-0.1	0.1	0.1	0.1	-0.1	0.1	0.0	0.0	0.1	0.0	1.1	-0.1	-0.1	0.1	-0.1	-0.1	0.0	0.2	
Asset Allocation	-0.2	-0.4	-0.2	-0.4	-0.2	-0.1	-0.1	0.0	0.0	0.1	0.1	0.1	-0.1	0.0	-0.1	0.0	0.1	0.0	-0.1	-0.3	0.0	0.1	-0.1	0.0	0.0	0.0	
Stock Selection	0.5	-0.5	0.3	-0.7	-0.9	-0.1	-0.3	-0.1	-0.1	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	1.2	0.2	0.0	0.0	0.0	0.0	0.0	0.2	

Manager Return Analysis
Worcestershire County Council Pension Fund
for Period Ended 31st December 2022

Market Value: £3.4bn

	Benchmark	Incep Date	Market Value (£m)	Weight	QTR			Year To Date			1 Year			3 Year			5 Year			10 Year			Since Inception		
					PF	BM	ER	PF	BM	ER	PF	BM	ER	PF	BM	ER	PF	BM	ER	PF	BM	ER	PF	BM	ER
Total Equity Fund	Client Specific Weighted Index	Mar-16	2,333.6	67.9	3.8	4.2	-0.5	-4.2	-2.5	-1.7	-7.6	-4.5	-3.1	4.0	3.9	0.1	4.2	4.6	-0.4				8.7	8.8	0.0
Total Equity Fund ex Overlay	Client Specific Weighted Index	Mar-16	2,333.6	67.9	3.7	4.6	-0.9	-4.4	-2.8	-1.7	-8.1	-5.1	-3.0	3.5	4.8	-1.3	4.0	5.2	-1.2				8.5	9.2	-0.7
<i>Total Active Equity Fund</i>	Client Specific Weighted Index	Mar-16	832.9	24.3	2.3	2.6	-0.3	-7.7	-3.1	-4.7	-13.9	-5.6	-8.3	0.1	2.8	-2.7	0.9	2.9	-2.0				7.6	8.4	-0.8
Nomura Far East Developed Fund	Worcs Nomura FT AW A P & FT AW J	Feb-03	347.3	10.1	3.3	4.5	-1.2	-5.8	-2.5	-3.3	-9.9	-5.2	-4.7	2.4	3.4	-0.9	2.4	3.0	-0.6	8.1	7.7	0.5	9.2	9.2	0.0
Nomura Far East Developed Fund - 01.08.21	Worcs Nomura FT AW A P & FT AW J	Aug-21	347.3	N/A	3.3	4.5	-1.2	-5.8	-2.5	-3.3	-9.9	-5.2	-4.7										-5.0	-2.2	-2.8
LGPS Emerging Markets Fund	FTSE All World Emerging Market Index	Jul-19	302.6	8.8	0.5	0.7	-0.2	-6.2	-4.1	-2.1	-14.9	-6.4	-8.5	-1.1	1.9	-3.0							-1.0	1.8	-2.9
LGPS Global Sustainable Equity Active Targeted Fund	FTSE All World Index	May-22	72.0	2.1	6.2	2.1	4.1																-3.6	-2.4	-1.3
LGPS Global Sustainable Equity Active Thematic Fund	FTSE All World Index	May-22	111.0	3.2	1.5	2.1	-0.6																-3.5	-2.4	-1.1
<i>Total Passive Equity Fund</i>	Client Specific Weighted Index	Mar-16	968.8	28.2	7.7	7.2	0.4	-1.9	-1.6	-0.2	-3.7	-2.9	-0.8	6.7	5.8	0.9	6.8	5.9	0.8				10.0	9.3	0.7
L&G UK Equity Fund	FTSE All Share Index	Dec-15	590.1	17.2	8.9	8.9	0.0	-0.1	-0.2	0.1	0.5	0.3	0.1	2.4	2.3	0.1	3.0	2.9	0.1				6.9	6.7	0.2
L&G North American Equity Fund	FTSE All World North American Index	Dec-15	174.7	5.1	-0.5	-0.5	0.0	-6.8	-6.9	0.0	-8.8	-8.8	0.0	10.9	10.8	0.0	11.7	11.6	0.1				14.8	14.8	0.0
L&G Europe Ex UK Equity Fund	FTSE Developed Europe Ex. UK Index	Dec-15	204.0	5.9	11.7	11.7	0.0	-0.6	-0.4	-0.2	-7.7	-7.5	-0.3	5.6	5.8	-0.2	5.2	5.3	-0.2				9.1	9.4	-0.2
<i>Total Alternatives Fund</i>	20% RAFI/40% MSCI WL Min/40% MSCI WL Qual	Mar-16	531.9	15.5	2.8	2.9	0.0	-5.2	-4.9	-0.3	-10.0	-9.7	-0.3	4.3	5.0	-0.7	6.5	7.1	-0.6				9.8	10.3	-0.5
L&G MSCI World Quality Fund	MSCI World Quality Total Return Net Index	Dec-15	329.2	9.6	2.3	2.3	0.0	-7.0	-6.7	-0.3	-12.3	-12.1	-0.2	9.5	9.6	-0.1	11.7	11.8	-0.1				14.4	14.5	-0.1
LGPS All World Passive Climate Factor Fund	FTSE AW Climate Bal Com Factor Net	Nov-21	202.7	5.9	3.7	3.7	0.0	-2.1	-2.2	0.1	-5.9	-6.1	0.2										-4.1	-4.3	0.2
River & Mercantile Equity Protection Fund		Jan-18	0.0	0.0	1.2	0.0	1.2	3.9	0.0	3.9	5.6	0.0	5.6	2.4	0.0	2.4	1.6	0.0	1.6				1.6	0.0	1.6
River & Mercantile Equity Protection Fund ex Overlay		Jan-18	0.0	0.0	0.4	0.0	0.4	20.0	0.0	20.0	19.9	0.0	19.9	4.0	0.0	4.0	1.0	0.0	1.0				1.0	0.0	1.0
Total Fixed Income Fund	60% LGPS Corp Index & 40% Absolute Return +6%	Apr-21	273.4	8.0	4.1	3.6	0.5	-8.5	-5.1	-3.4	-14.5	-8.4	-6.0										-7.3	-3.3	-4.0
<i>Total Corporate Bond Fund</i>	LGPS Corporate Bond Index	Mar-20	179.7	5.2	4.9	5.1	-0.2	-12.9	-11.3	-1.6	-19.0	-17.3	-1.8										-1.6	-1.5	-0.1
LGPS Corporate Bond Fund	LGPS Corporate Bond Index	Mar-20	179.7	5.2	4.9	5.1	-0.2	-12.9	-11.3	-1.6	-19.0	-17.3	-1.7										-1.6	-1.5	-0.1
<i>Total Corporate Debt Fund</i>	Absolute Return +6%	May-18	93.7	2.7	2.7	1.5	1.2	9.5	4.5	5.0	4.4	6.0	-1.6	5.8	6.0	-0.2							9.4	6.1	3.4
Bridgepoint Direct Lending II GBP	Absolute Return + 6.5%	May-18	57.9	1.7	2.4	1.6	0.8	9.2	4.8	4.4	4.1	6.5	-2.4	5.7	6.5	-0.8							9.4	6.6	2.8
Bridgepoint Direct Lending II EURO	Absolute Return + 6.5%	May-18	65.2	N/A	1.3	1.6	-0.3	3.3	4.8	-1.5	0.8	6.5	-5.7	5.5	6.5	-1.0							8.8	6.6	2.2
Bridgepoint Direct Lending III GBP	Absolute Return +6%	Jan-22	35.8	1.0	3.2	1.5	1.7	12.3	4.5	7.8													12.3	4.5	7.8
Bridgepoint Direct Lending III EURO	Absolute Return + 6.5%	Jan-22	40.3	N/A	2.0	1.5	0.6	6.4	4.5	1.9													6.4	4.5	1.9
Total Property Fund	60% MSCI UK & 40% Abs Ret +7.5%	Mar-16	294.2	8.6	1.6	-8.2	9.9	6.1	-7.2	13.3	7.4	-3.5	10.9	3.5	5.8	-2.3	3.9	6.3	-2.5				5.7	6.5	-0.8
<i>Total UK Property Fund</i>	Absolute Return +9%	Jul-18	54.5	1.6	3.9	2.2	1.7	14.0	6.7	7.3	14.7	9.0	5.7	7.9	9.0	-1.1							7.5	9.0	-1.5
Invesco UK Property Fund	Absolute Return +9%	Oct-18	47.7	1.4	4.8	2.2	2.7	17.4	6.7	10.8	18.6	9.0	9.6	7.3	9.0	-1.7							4.5	9.0	-4.5
Venn UK Property Fund	Absolute Return +9%	Jul-15	6.8	0.2	0.0	2.2	-2.2	1.5	6.7	-5.2	0.9	9.0	-8.1	5.1	9.0	-3.9	6.8	9.0	-2.2				9.5	9.1	0.4
Walton Street US Property Fund - GBP	Absolute Return +6.5%	Feb-16	1.5	0.0	9.7	1.6	8.1	31.7	4.8	26.9	32.3	6.5	25.8	6.2	6.5	-0.3	8.4	6.5	1.9				12.3	6.3	5.9
Walton Street US Property Fund - USD	Absolute Return +6.5%	Feb-16	1.7	N/A	0.9	1.6	-0.7	9.0	4.8	4.1	10.0	6.5	3.5	2.9	6.5	-3.6	4.6	6.5	-1.9				7.6	6.3	1.2
Walton Street US Property Fund II - GBP	Absolute Return +7%	Jun-19	9.9	0.3	11.1	1.7	9.4	29.5	5.2	24.3	29.9	7.0	22.9	10.9	7.0	3.9							11.6	7.0	4.6
Walton Street US Property Fund II - USD	Absolute Return +7%	Jun-19	12.2	N/A	2.3	1.7	0.6	7.4	5.2	2.2	8.3	7.0	1.3	7.5	7.0	0.5							7.0	7.0	0.0
Invesco European Property Fund - GBP	Absolute Return +6.5%	Feb-16	68.4	2.0	2.0	1.6	0.4	4.0	4.8	-0.9	9.4	6.5	2.9	3.3	6.5	-3.2	2.3	6.5	-4.2				5.0	6.4	-1.4
Invesco European Property Fund - EURO	Absolute Return +6.5%	Feb-16	77.0	N/A	0.8	1.6	-0.7	2.0	4.8	-2.8	6.6	6.5	0.1	2.7	6.5	-3.8	3.1	6.5	-3.4				3.8	6.4	-2.6
Venn Property Debt Fund II - GBP	Absolute Return +6%	Aug-20	12.9	0.4	1.1	1.5	-0.4	5.3	4.5	0.8	5.5	6.0	-0.5												
Venn Property Debt Fund II - EURO	Absolute Return +6%	Aug-20	15.0	N/A	1.1	1.5	-0.4	3.4	4.5	-1.1	6.0	6.0	0.0												
Gresham House Forestry Growth & Sustainability Fund	Absolute Return +6%	Dec-21	43.0	0.4	0.0	1.5	-1.5	-0.6	4.5	-5.0	-5.8	5.0	-10.8										-5.5	4.7	-10.2
Gresham House Forestry Fund VI	Absolute Return +5.5%	Oct-22	84.7	1.3	-0.4	1.3	-1.7																-0.4	1.3	-1.7
AEW Property Fund	UK RPI +4%	Oct-17	19.3	0.6	-7.4	4.6	-11.9	-3.2	14.3	-17.5	0.2	17.4	-17.2	1.6	11.3	-9.7	3.7	9.3	-5.6				3.5	9.3	-5.8
Total Infrastructure Fund	70% UK CPI +5.5% & 30% Abs Return +10%	Mar-16	533.3	15.5	4.7	3.1	1.6	14.9	10.6	4.3	18.3	13.3	5.0	12.3	10.9	1.5	10.0	9.9	0.0				9.2	9.4	-0.2
Green UK Infrastructure Fund	Absolute Return +7.6%	Apr-15	48.2	1.4	2.3	1.8	0.5	12.8	5.6	7.2	21.3	7.6	13.7	11.1	7.6	3.5							7.8	7.6	0.2
Gresham House BSIF Housing and Infrastructure	Absolute Return +8%	May-20	49.8	1.4	3.7	1.9	1.7	11.4	5.9	5.5	31.5	8.0	23.5										11.1	8.0	3.1
Gresham House BSIF II Infrastructure Fund	Absolute Return +9%	Jan-22	21.8	0.7	1.5	2.2	-0.7	-9.4	4.4	-13.8	-9.4	4.4	-13.8										-9.4	4.4	-13.8
Hermes UK Infrastructure Core Fund	Absolute Return +8.4%	May-15	49.4	1.4	2.5	2.0	0.4	-0.1	6.2	-6.3	6.0	8.4	-2.4	2.8	8.4	-5.6	3.2	8.4	-5.1				4.9	8.4	-3.4
Hermes UK Infrastructure Fund II	Absolute Return +8.5%	Jun-18	50.6	1.5	-0.4	2.1	-2.5	5.4	6.3	-1.0	9.5	8.5	1.0	2.0	8.5	-6.5							0.1	8.6	-8.5

Stonepeak Infrastructure Core Fund III - GBP	Absolute Return +12%	Jan-18	144.7	4.2	8.5	2.9	5.7	29.0	8.9	20.2	20.5	12.0	8.5	20.9	12.0	8.9	17.4	12.0	5.4	17.4	12.0	5.4			
Stonepeak Infrastructure Core Fund III - USD	Absolute Return +12%	Jan-18	161.5	N/A	0.5	2.9	-2.3	7.2	8.9	-1.7	0.6	12.0	-11.4	17.4	12.0	5.4	13.6	12.0	1.6	13.6	12.0	1.6			
Stonepeak Infrastructure Core Fund IV - GBP	Absolute Return +12%	Jan-22	34.1	1.0	10.1	2.9	7.2	23.2	8.9	14.4	23.2	8.9	14.4							23.2	8.9	14.4			
Stonepeak Infrastructure Core Fund IV - USD	Absolute Return +12%	Jan-22	38.1	N/A	-1.1	2.9	-4.0	-0.8	8.9	-9.6	-0.8	8.9	-9.6							-0.8	8.9	-9.6			
First Sentier EDIF II GBP	Absolute Return +9%	Jun-18	127.0	3.7	3.6	2.2	1.4	12.0	6.7	5.3	18.1	9.0	9.1	15.0	9.0	6.0				11.0	9.1	1.9			
First Sentier EDIF II EURO	Absolute Return +9%	Jun-18	143.1	N/A	2.9	2.2	0.7	7.2	6.7	0.5	12.2	9.0	3.2	13.2	9.0	4.2				10.5	9.1	1.5			
First Sentier EDIF III GBP	Absolute Return +8%	Nov-22	7.6	0.2																5.9	1.3	4.6			
First Sentier EDIF III EURO	Absolute Return +8%	Nov-22	8.6	N/A																4.5	1.3	3.2			
Worcestershire CC Total Fund ex Overlay		Mar-87	3,434.5	100.0	3.7	3.4	0.4	-1.7	-1.7	0.0	-4.6	-3.3	-1.3	4.1	5.0	-0.8	4.3	5.2	-1.0	8.2	8.3	-0.2	7.8	8.3	-0.5
Worcestershire CC Total Fund		Mar-87	3,434.5	100.0	3.8	3.1	0.6	-1.5	-1.4	0.0	-4.3	-2.9	-1.4	4.5	4.2	0.3	4.5	4.8	-0.3	8.3	8.1	0.2	7.8	8.2	-0.4

PF = Portfolio Return BM = Benchmark Return ER = Excess Return

Total Fund Benchmark	CLIENT SPECIFIC BENCHMARK:	Notes:
	17% FTSE All Share - % Dependant upon actual drawdowns of Infra & Prop 5.5% FTSE Developed Europe Ex UK 10% FTSE All World Emerging Markets 15% 60% MSCI World Quality Total Return NET & 40% LGPSC All World Climate Index 6.5% FTSE All World North America 6% FTSE All World 10% 5.5% FTSE All World Asia Pacific ex Japan & 4.5% FTSE All World Japan 6% Corp Bonds: LGPS Central Specific Index 4% Corporate Private Debt @ Absolute Return +10% Infrastructure: 70% UK CPI +5.5%, 30% Absolute Return 10% Property: 60% MSCI UK Monthly Property Index, 40% Absolute Return +7.5%	Q4 2022: Disinvested from River & Mercantile Equity Protection Fund from 10th November 2022. Invested into First Sentier EDIF III from 15th November 2022. Q2 2022: Investment into LGPSC Global Sustainable Equity Active Targeted Fund and LGPSC Global Sustainable Equity Active Thematic Fund from 04.05.2022. Total Fund Benchmark updated. The attribution for Total Active/Total Equity/Total Fund will not add up due to the transition. Q4 2021: Total Fund Benchmark updated and backdated from 01.04.2021. Total Fixed Income Fund created from 01.04.21. New investments were made on 24.11.2021 into LGPSC All World Passive Climate Factor Fund, and Stonepeak Fund IV Infrastructure Core Fund (data is 'lagged'). A new investment was also made with Gresham House Forestry Growth & Sustainability Fund from 10.12.2021 (data is produced annually in February). Full disinvestments were made from L&G RAFI Fundamental Developed Reduced Carbon Pathway Index Fund on 22.10.2021 and from L&G MSCI World Minimum Volatility Fund on 24.11.2021. Historic data up to and including 31.03.2016 has been provided by the WM Co and L&G.

Total Fund Reconciliation Analysis
Worcestershire County Council Pension Fund
for Quarter Ended 31st December 2022

Market Value: £3.4bn

	30th September 2022		Net Investment (£000s)	Total Income (£000s)	Total Gain/Loss (£000s)	31st December 2022	
	Market Val (£000s)	Exposure (%)				Market Val (£000s)	Exposure (%)
Total Equity Fund	2,274,821	69.8	-35,393	33,140	94,189	2,333,617	67.9
Total Equity Fund ex Overlay	2,274,795	69.8	-33,944	0	92,766	2,333,617	67.9
<i>Total Active Equity Fund</i>	814,033	25.0	0	0	18,894	832,927	24.3
Nomura Far East Developed Equity Fund	335,910	10.3	0	0	11,418	347,328	10.1
LGPSC Emerging Markets Fund	67,823	2.1	0	0	4,211	72,034	2.1
LGPSC Global Sustainable Equity Active Targeted Fund	109,274	3.4	0	0	1,679	110,953	3.2
LGPSC Global Sustainable Equity Active Thematic Fund	301,026	9.2	0	0	1,587	302,613	8.8
<i>Total Passive Equity Fund</i>	713,993	21.9	196,686	0	58,086	968,765	28.2
L&G UK Equity Fund	429,450	13.2	118,670	0	41,938	590,057	17.2
L&G North American Equity Fund	138,953	4.3	37,388	0	-1,681	174,659	5.1
L&G Europe Ex UK Equity Fund	145,590	4.5	40,629	0	17,830	204,049	5.9
<i>Total Alternatives Fund</i>	517,195	15.9	0	0	14,693	531,888	15.5
L&G MSCI World Quality Fund	321,755	9.9	0	0	7,434	329,189	9.6
LGPSC All World Passive Climate Factor Fund	195,440	6.0	0	0	7,259	202,699	5.9
<i>River & Mercantile Equity Protection Fund</i>	229,600	7.0	-232,080	33	2,516	36	0.0
<i>River & Mercantile Equity Protection Fund ex Overlay</i>	229,574	7.0	-230,630	0	1,092	36	0.0
Total Fixed Income Fund	262,518	8.1	0	0	10,837	273,355	8.0
<i>Total Corporate Bond Fund</i>	171,300	5.3	0	0	8,381	179,681	5.2
LGPSC Corporate Bond Fund	171,300	5.3	0	0	8,381	179,681	5.2
<i>Total Corporate Debt Fund</i>	91,218	2.8	0	0	2,456	93,674	2.7
Bridgepoint Direct Lending II	56,524	1.7	0	0	1,363	57,887	1.7
Bridgepoint Direct Lending III	34,694	1.1	0	0	1,093	35,787	1.0
Total Property Fund	217,283	6.7	74,254	688	2,619	294,155	8.6
<i>Total UK Property Fund</i>	57,332	1.8	0	0	-2,826	54,506	1.6
Invesco UK Property Fund	45,552	1.4	0	79	2,130	47,682	1.4
Venn UK Property Fund	11,779	0.4	-4,921	34	-34	6,824	0.2
Walton US Property Fund	1,409	0.0	0	0	131	1,540	0.0
Walton US Property Fund II	9,094	0.3	-755	0	1,554	9,893	0.3
Invesco European Property Fund	67,613	2.1	0	575	744	68,357	2.0
Venn Property Debt Fund II	17,765	0.5	-5,071	0	193	12,887	0.4
Gresham House Forestry Growth & Sustainability Fund	42,969	1.3	0	0	0	42,969	1.3
Gresham House Forestry Fund VI	0	0.0	0	0	0	0	0.0
AEW Property Fund	21,100	0.6	0	223	-1,769	19,332	0.6
Total Infrastructure Fund	502,727	15.4	8,467	1,152	22,140	533,334	15.5
Green UK Infrastructure Fund	48,027	1.5	-945	0	1,105	48,187	1.4
Gresham House BSIF Housing and Infrastructure	46,906	1.4	2,112	912	800	49,818	1.5
Gresham House BSIF II Infrastructure Fund	21,754	0.7	0	241	80	21,834	0.6
Hermes UK Infrastructure Core Fund	49,644	1.5	-1,411	0	1,213	49,446	1.4
Hermes UK Infrastructure Fund II	51,479	1.6	-650	0	-230	50,599	1.5
Stonepeak Infrastructure Core Fund III	133,077	4.1	274	0	11,358	144,709	4.2
Stonepeak Infrastructure Core Fund IV	28,353	0.9	2,823	0	2,925	34,100	1.0
First Sentier EDIF II	123,488	3.8	-947	0	4,452	126,993	3.7
First Sentier EDIF III	0	0.0	7,212	0	436	7,648	0.2
Cash Fund	0	0.0	0	0	0	0	0.0
Worcestershire CC Total Fund ex Overlay	3,257,323	100.0	48,777	1,840	128,362	3,434,462	99.0
Worcestershire CC Total Fund	3,257,349	100.0	47,328	1,873	129,785	3,434,462	99.0

Note: Cashflow into cash reflects sum of portfolio contributions minus net investments. It is assumed that cash for the Fund is held outside of the invested assets and is therefore withdrawn from the Total Fund

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PENSIONS INVESTMENT SUB COMMITTEE
2 MARCH 2023

STRATEGIC ASSET ALLOCATION UPDATE AS OF THE 31 DECEMBER 2022

Recommendation

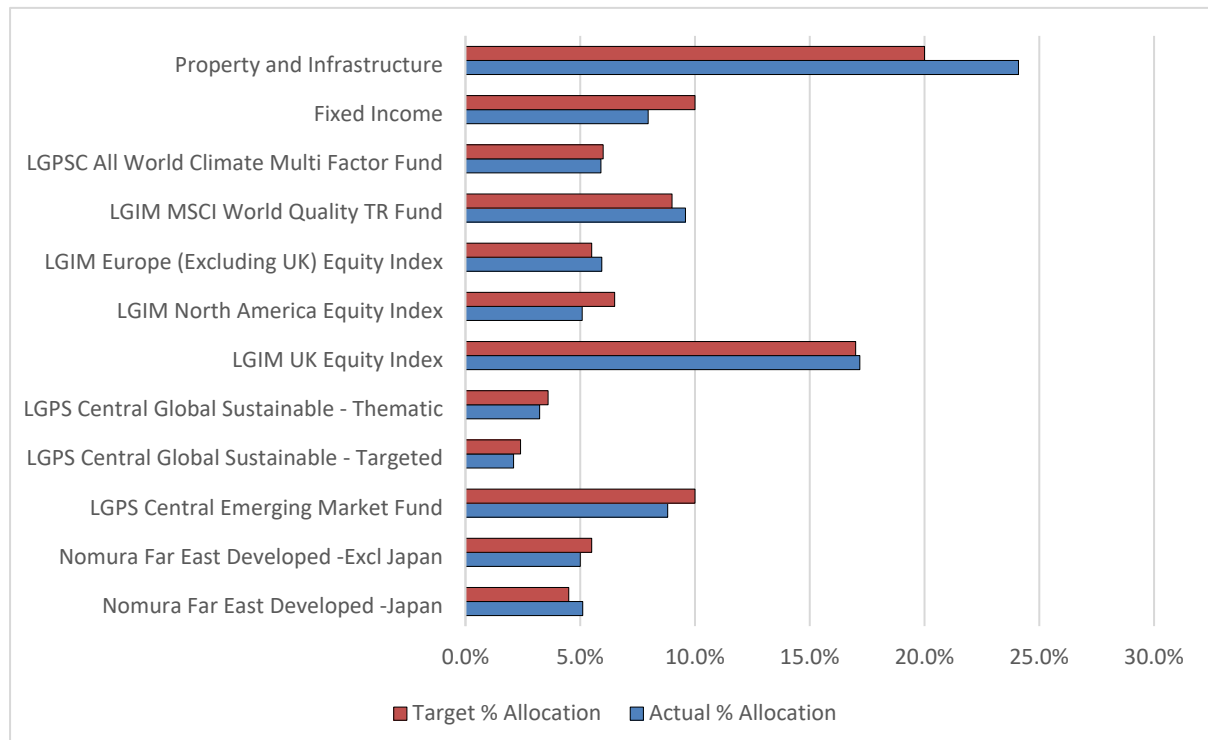
- The Chief Financial Officer recommends that the Pensions Investment Sub Committee (PISC) note and comment on the Fund Strategic Asset Allocation update**

Background and purpose

- The purpose of this report is to provide members with an update on the Funds strategic asset allocation as at the end of December 2022.
- The following paragraphs provide PISC with an update as to how the assets are performing against the Funds 3 to 5 year strategic asset allocation targets set from the 1 April 2020.

Actual allocation versus target allocation as at the end of December 2022.

Table 1 All asset class actual allocation versus target allocation as at the end of December 2022



4. Table 1 above shows the current actual Fund allocation of assets compared to the revised strategic asset allocation targets of 70% Equities, 20% Property & Infrastructure and 10% Fixed income with effect from the 1 April 2020. The fund is currently overweight Property & Infrastructure, underweight Fixed Income, and underweight total equities. However all variances are within the +/-5% tolerance with Property & Infrastructure having the largest variance at +4.1% (+2.2% Sept 23).

Table 2 Equity actual allocation versus target allocation as at the end of December 2022

Asset Class	Fund Value	Target Allocation	Actual Allocation	Variance under (-) over target
	£'m	%	%	%
Passive				
UK Equity Fund	590.1	17.0	17.2	0.2
North America Equity Fund	174.7	6.5	5.1	-1.4
Europe Equity Fund	204.0	5.5	5.9	0.4
Equity Protection strategy	0.0			
Total Passive Equity	968.8	29.0	28.2	-0.8
Alternatives Factors				
All World Climate Multi Factor Fund	202.7	6.0	5.9	-0.1
Quality	329.2	9.0	9.6	0.6
Total Alternatives	531.9	15.0	15.5	0.5
Total Active Equities	832.9	26.0	24.3	-1.7
TOTAL FUND All Equities	2,333.6	70.0	67.9	-2.1

5. The overall allocation to equities as detailed in table 2 is 67.9% (69.8% September 2022) compared to a target of 70%. The % holding has reduced since September mainly due to drawdowns by property and infrastructure managers increasing their holding % whilst depleting cash reserves resulting in a £35m withdrawal from passive equities to fund cashflow. This was done as per the liquidity waterfall.

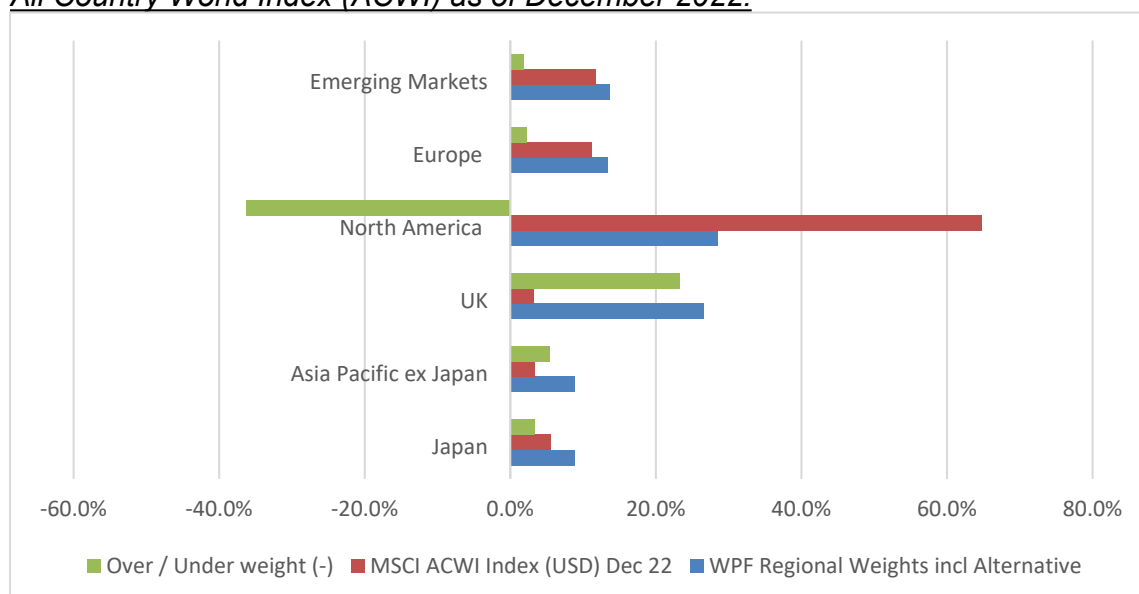
6. Also note that the fund exited the equity protection policy during Q4 2022. The cash was reinvested directly into passive equities pro-rated to holdings in the 3 regional funds.

Review of Regional weights compared to global index

7. The Funds equity positions are split between those invested on a regional geographic basis (Nomura, LGPSC Emerging Markets, LGIM Passive market cap funds) or those investing on a global basis.

8. It is worth pointing out that these regional equity asset allocations lead to variances versus the MSCI All Country World Index (MSCI ACWI) as shown in table 4 below. As the MSCI ACWI is a guide to global diversification in the investible world this comparison allows members to see where our allocation aligns or varies from the market as a whole. Members need to be mindful of this and remain comfortable with the position.

Table 3 sets out the Fund's equity exposure via regional portfolios relative to the MSCI All Country World Index (ACWI) as of December 2022.



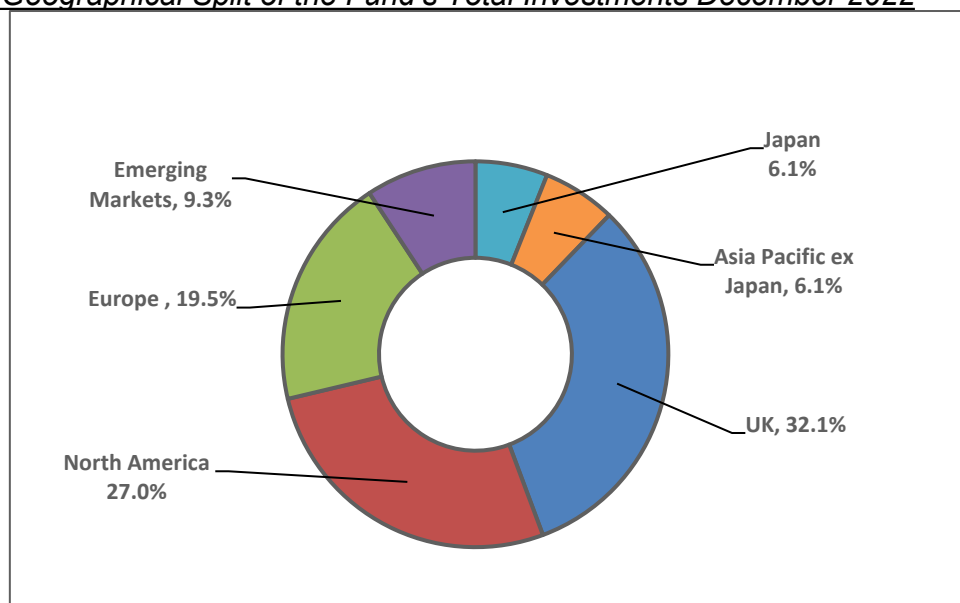
9. Compared to the MSCI All Country World Index the Fund has a large underweight to North America, and a large overweight to the UK. Over the long term the process of determining regional weights is likely to be a major driver of the Fund's equity allocations performance.

10. Performance of regional vs. global allocations will fluctuate over time but investing via a series of regional weightings does offer the Fund better opportunities to fully tailor regional weights and provides the option of dynamic asset allocation by the Pension Fund.

Overall Geographical Split of the Fund's Total Assets under Management December 2022

11. Table 4 below shows the overall Geographical Split of the Fund's Total Assets under Management at 31 December 2022 taking on board its allocations to Equities, Fixed Income & Property and Infrastructure. This demonstrates the diversification of the assets in the Fund.

Table 4 Geographical Split of the Fund's Total Investments December 2022



12. The UK is the highest invested geographical location with investments across all sectors such as LGIM passive equities, 30% LGPSC Active Bonds, 30-40% in each private debt portfolio, Maquarie Renewable Energy, Gresham House BSIF and Forestry etc. North American is the second highest invested location with investments such as LGIM passive equities, 37% LGPSC Active Bonds, Stonepeak Infrastructure and Walton Street Property. Europe is the third largest and again this has investments across all sectors.

13. **Please note that the Appendix contains exempt information relating to the financial or business affairs of any particular person (including the authority holding the information) (on salmon pages) and should members wish to discuss the information included in these Appendices they would need to consider passing the appropriate resolution and moving into exempt session.**

Supporting Information

Appendix – Strategic asset Allocation Review 2022 – presentation slides (**Exempt Information – Salmon pages**)

Contact Point

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Background Papers

In the opinion of the proper officer (in this case the Chief Financial Officer) there are no background papers relating to the subject matter of this report.

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

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