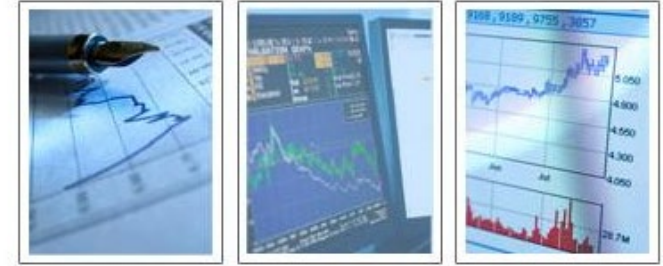


PORTFOLIO EVALUATION LIMITED



Specialists in Investment Risk and Return Evaluation

Quarterly Risk and Return Analysis
Total Fund

Worcestershire County Council Pension Fund

Period ending 31st March 2022



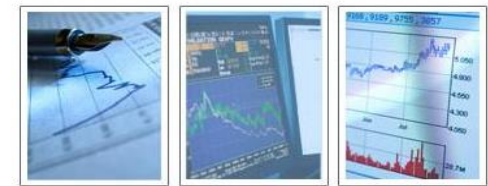
Specialists in Investment Risk and Return Evaluation



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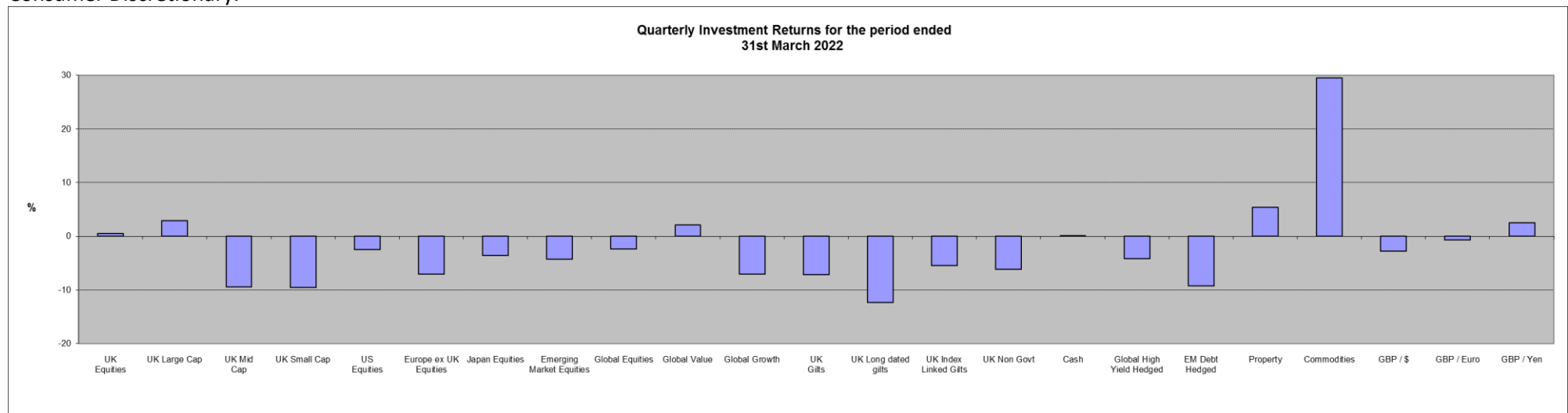
Worcestershire County Council Pension Fund Total Fund

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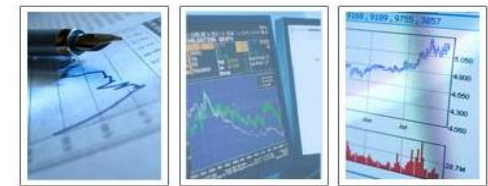
Portfolio Evaluation Ltd Market Commentary Q1 2022 (Sterling)

Quarter one has witnessed markets performing negatively for the first time in a while; in fact, excluding global value, property and commodities, all primary listed asset classes have had negative returns. Looking at the year results, equity markets are still largely positive (except for Japan and Emerging Markets). Bonds, except for inflation linked, have had negative returns for the year. Within global sectors, the majority have had positive returns with notable high returns from Energy, Materials, Commodities, Financials, and Healthcare. The most notable negative returns over the year have been from China, Germany, Utilities, and Consumer Discretionary.

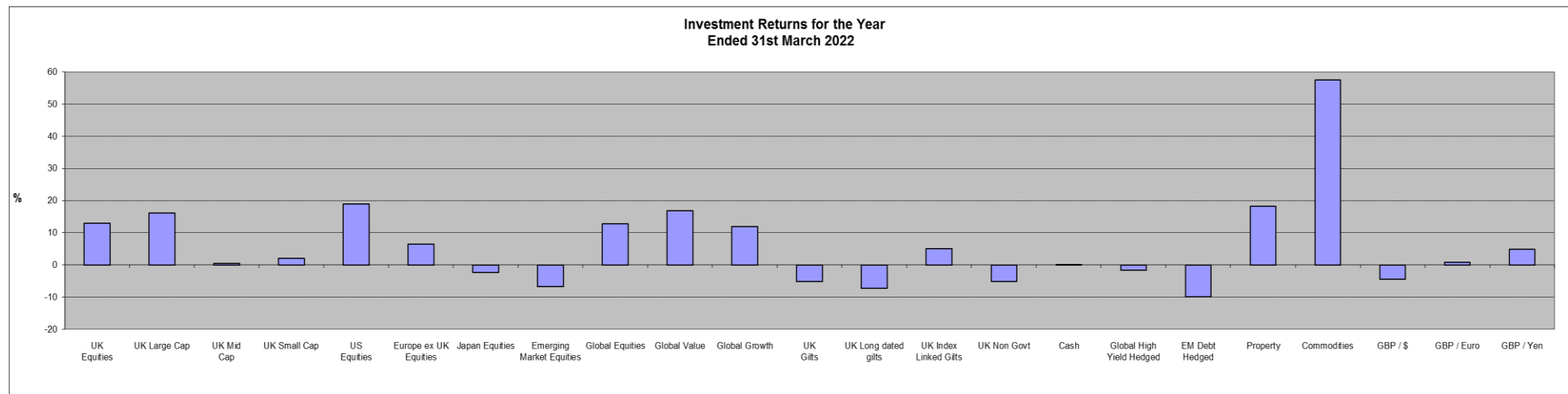


Going into 2022, many economic commentators expect global economic growth to continue, albeit at a lower rate than 2021, partly due to potential consumption growth due to rising income and partly to a continued recovery post COVID. This was derailed this quarter as we are witnessing the first large scale war in Europe since the second world war as Russia invaded Ukraine. It should be noted that prior to the war we were already seeing increasing inflation (and subsequent interest rate rises), energy supply shortages and general supply problems; the war has exacerbated many of these problems. Many market commentators, whilst remaining overweight equities, commodities, and alternative investments and remaining cautious about government bonds and corporate bonds, have gone quiet as they digest the impact of what appears to be a potential long-term war. There are several factors generating market uncertainty that will influence markets including:

- The war is the biggest unknown, how long will it continue? Will it spread? How deeply will it affect global supply?
- Inflation – this is increasing throughout the world and whilst it may be persistent (particularly in those sectors that have already witnessed high inflation) most commentators now expect this to persist until at least 2023.



- Supply chain issues – these are expected to persist as, due to the war, energy prices continue to increase, indeed in the UK it is expected that a large number of households will be subject to ‘fuel poverty’. Additionally, food prices are also continued to increase further, increasing poverty.
- Energy prices – a large issue particularly in Europe and the UK. High increases in costs are expected and could dampen consumer demand unless well managed by governments. Given the lack of coherent energy policies in the UK for the last ten years this situation will worsen. Europe will be impacted by weaning itself off Russian energy.
- We must also be aware of the impact and need to address moving to a carbon neutral world. In 2022 we have already witnessed an increase in natural problems, be they drought, high temperatures, flooding or fires etc., causing problems on a global scale. The UNCCC (COP 26) held in Glasgow in 2021 had hoped to establish a global road map towards being carbon neutral. The lack of concrete plans and the ‘kicking the can down the road’ approach of many key countries has resulted in it being a ‘cop out’. This topic is now on the back burner as we deal with the energy crisis etc.
- Whilst the US will face supply issues, Europe potentially faces stagflation as it is more directly impacted by the war than the US.



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 March 2022

QUARTERLY SUMMARY: **Worcestershire County Council Pension Fund** **Return: -2.9%** **Benchmark Return: -2.0%** **Excess Return: -0.9%**

- The Fund has had some of its new alternative asset portfolios starting drawdowns recently. Additionally the Total Fund benchmark has been restructured to accommodate the Total Fixed Income asset group.
- The Fund and its benchmark have both generated negative returns, and the Fund has underperformed its benchmark by -0.9% excess. The EPO over this period has had a positive influence on the excess return and the Total Fund return. Other areas of positive excess have been generated via the outperforming Infrastructure assets, along with both active equity portfolios. The primary areas of underperformance have been generated by Active Equities (both the Nomura Far East portfolio and the LGPSC EMM equity portfolio); additionally property and Fixed Income assets have underperformed.
- Within the primary asset classes, infrastructure assets were the highest returning generators over the quarter at 3.0% outperforming their respective benchmark of 2.5%. Equity assets (inc EPO) generated a return of -3.6% whilst equities ex EPO the return was a lower -3.8% (i.e. the EPO has added value this quarter). Within equities, the alternative pool was the lowest return generator at -6.7% whilst the total active portfolios were both generators of negative returns Property generated a return of 1.2% whilst bonds had a return of -6.5% underperforming their benchmark by 3.0%. Index Funds have performed, as expected, in line with the benchmark.
- The Fund continues to be impacted negatively by being underweight UK equities as this has provided the collateral for the EPO strategy (this is held in short dated bonds) therefore reducing the exposure to this asset group. In effect, the Fund may appear to have a negative excess return contribution due to benchmark mismatch as the benchmark has not been adjusted to reflect the collateral programme. However please note that the structure and objective of the EPO (including the collateral) is expected to counterbalance this underweight UK position and return expectations; it has generally achieved this.
- The Fund has been negatively impacted by Property as this has 'lagged' the primarily listed equity benchmark. The recently established Total Fixed Income asset class has underperformed and is underweight its strategic asset allocation.
- 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 March 2022.

YEAR SUMMARY: **Worcestershire County Council Pension Fund** **Return: 6.7%** **Benchmark Return: 8.3%** **Excess Return: -1.6%**

- The Fund and its benchmark have both generated positive returns, but the Fund has underperformed its benchmark by -1.6% excess. The underperformance has been primarily generated by equity assets and partly by the performance of the property assets which significantly underperformed their benchmark (please note that the equity benchmark is based upon listed equity indices which have had relatively strong performance over the last twelve months). With the exception of the infrastructure pool and total passive equities all other primary asset classes have underperformed. 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.

- The Fund has been impacted negatively by being underweight UK equities as this has provided the collateral for the EPO strategy (this is held in short dated bonds) therefore reducing the exposure to this asset group. In effect, the Fund may appear to have a negative excess return contribution due to benchmark mismatch as the benchmark has not been adjusted to reflect the collateral programme. However please note that the structure and objective of the EPO (including the collateral) is expected to counterbalance this underweight UK position and return expectations; it has generally achieved this. The options overlay programme has increased the Fund return over the year and has performed as expected (it should be noted that the bond collateral part of the strategy did perform in line with a short dated bond index; however within the structure of the Fund no benchmark is assigned to these assets).
- Infrastructure assets generating a return of 14.7%. Equity assets were the next highest return generators over the year and excluding the overlay generated a return of 5.7%. Within equities the passive pool was the highest return generator closely followed by the alternatives generating similar returns of 14.3% and 11.7% respectively. The active equity pool were low returning assets at -6.8% and underperformed their respective benchmark by -4.5% excess. Nomura generated a return of -2.9% underperforming their benchmark by -1.4% whilst the LGPSC Emerging portfolio generated a negative -10.9% return versus its -3.3% returning benchmark.
- Within bonds, the LGPS Central Corporate Bond Fund generated a negative return of -5.2% underperforming its benchmark by 0.3% whilst corporate debt generated a negative return of -0.7% and underperformed the return of its benchmark. Property generated a return of 5.9% and has underperformed by -11% excess. Infrastructure had a return of 14.7% and outperformed by 3.4%.

THREE YEAR SUMMARY: Worcestershire County Council Pension Fund Return: 7.9% p.a. Benchmark Return: 7.6% p.a. Excess Return: 0.2% p.a.

- Over the three-year period, the Fund has generated a positive return of 10.6% and has performed the benchmark by 0.2%p.a. It should be noted that there has been a significant number of new mandates established in that timeline especially in the property, infrastructure and bond asset classes and the EMM equity portfolio has been restructured.
- The equity protection overlay program has increased the Fund return over the three-year period and given the volatility and variation in returns in markets this is liable to easily fluctuate (relative to benchmark). This is to be expected as equity markets have been largely positive. However, 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: £3.5bn

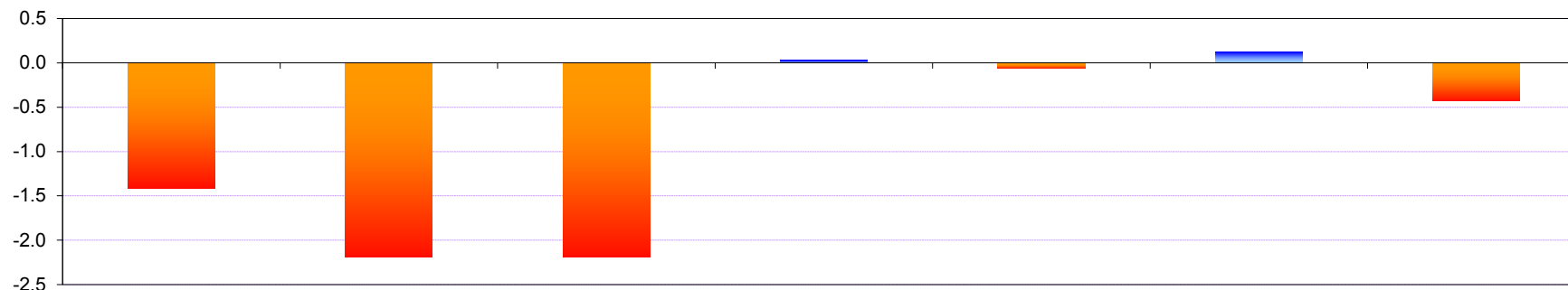
Total Fund Overview

Worcestershire CC Pension Fund

Report Period: Quarter Ending March 2022

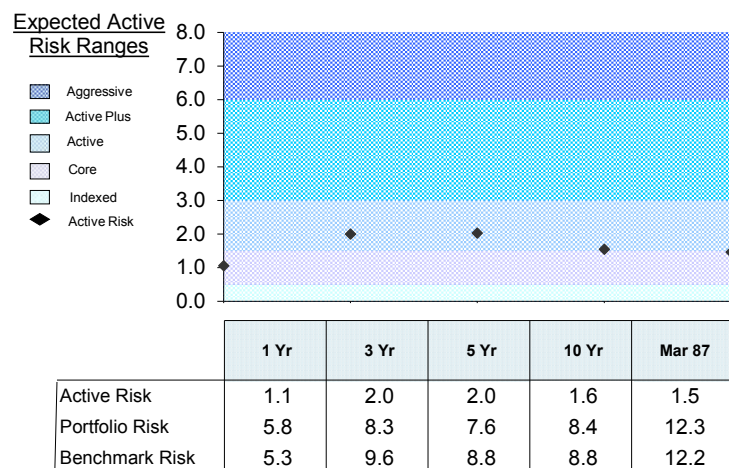


Excess Return Analysis (%)

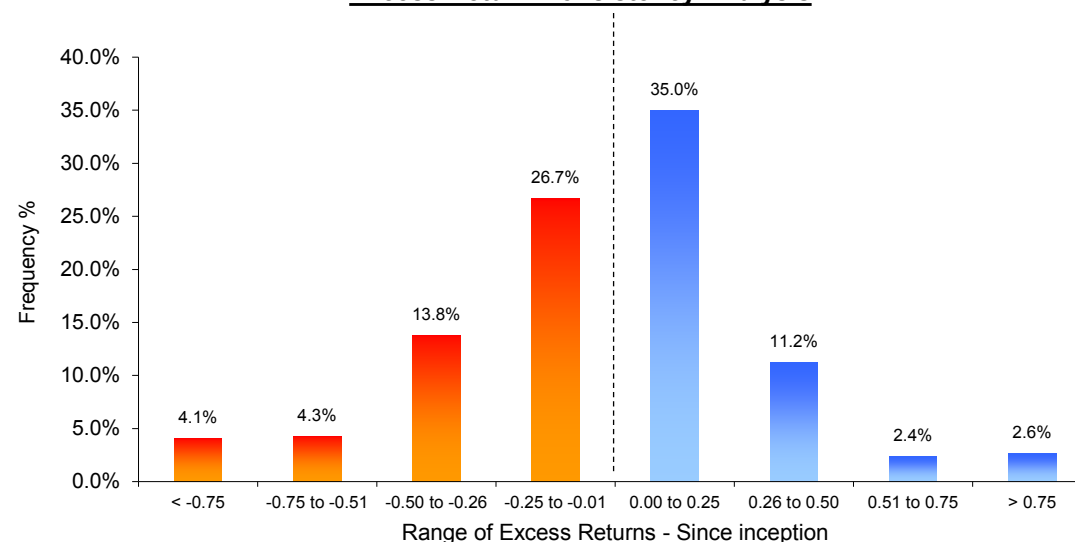


All returns for periods in excess of 1 year are annualised. The portfolio return is net. □

Ex-Post Active Risk Analysis (%)



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 March 2022**

Market Value: £3.5bn



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 March 2022**

Market Value: £3.5bn



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

Market Value: £3.5bn



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

Market Value: £3.5bn

	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	2,602.6	74.4	-3.6	-2.1	-1.5	6.6	9.3	-2.7	6.6	9.3	-2.7	8.6	8.1	0.4	7.1	6.9	0.2				10.7	10.4	0.3
Total Equity Fund ex Overlay	Client Specific Weighted Index	Mar-16	2,571.0	73.5	-3.8	-2.4	-1.4	5.7	8.5	-2.8	5.7	8.5	-2.8	8.3	9.2	-0.9	6.9	7.6	-0.7				10.5	10.9	-0.4
Total Active Equity Fund	Client Specific Weighted Index	Mar-16	691.0	19.8	-6.7	-2.6	-4.1	-6.8	-2.3	-4.5	-6.8	-2.3	-4.5	5.8	6.5	-0.7	5.2	5.6	-0.4				10.1	10.1	0.0
Nomura Far East Developed Fund	Worcs Nomura FT AW A P & FT AW J	Feb-03	368.4	10.5	-4.3	-2.8	-1.5	-2.9	-1.5	-1.4	-2.9	-1.5	-1.4	8.4	6.9	1.5	6.1	5.4	0.7	8.9	8.3	0.6	9.9	9.7	0.2
Nomura Far East Developed Fund - 01.08.21	Worcs Nomura FT AW A P & FT AW J	Aug-21	368.4	N/A	-4.3	-2.8	-1.5															-1.2	-0.7	-0.6	
LGPSC Emerging Markets Fund	FTSE All World Emerging Market Index	Jul-19	322.6	9.2	-9.3	-2.5	-6.8	-10.9	-3.3	-7.6	-10.9	-3.3	-7.6									1.1	3.9	-2.9	
Total Passive Equity Fund	Client Specific Weighted Index	Mar-16	1,128.1	32.2	-1.8	-1.3	-0.6	14.3	13.7	0.6	14.3	13.7	0.6	11.2	10.0	1.2	8.8	8.0	0.8				11.7	10.8	0.8
L&G UK Equity Fund	FTSE All Share Index	Dec-15	556.5	15.9	0.6	0.5	0.1	13.2	13.0	0.1	13.2	13.0	0.1	5.4	5.3	0.1	4.8	4.7	0.1				7.7	7.6	0.2
L&G North American Equity Fund	FTSE All World North American Index	Dec-15	355.4	10.2	-2.0	-2.0	0.0	19.7	19.7	0.0	19.7	19.7	0.0	18.5	18.4	0.1	14.7	14.6	0.1				18.1	18.0	0.0
L&G Europe Ex UK Equity Fund	FTSE Developed Europe Ex. UK Index	Dec-15	216.2	6.2	-7.2	-7.1	-0.1	6.2	6.5	-0.3	6.2	6.5	-0.3	9.6	9.8	-0.2	7.1	7.3	-0.2				10.4	10.6	-0.2
Total Alternatives Fund	20% RAFI/40% MSCI WL Min/40% MSCI WL Qual	Mar-16	559.8	16.0	-5.1	-5.1	0.0	11.7	12.6	-0.9	11.7	12.6	-0.9	10.4	11.1	-0.7	9.0	9.6	-0.6				12.1	12.7	-0.6
L&G MSCI World Quality Fund	MSCI World Quality Total Return Net Index	Dec-15	352.8	10.1	-5.7	-5.8	0.0	17.5	17.5	0.0	17.5	17.5	0.0	17.9	17.9	0.0	15.1	15.2	-0.1				17.5	17.6	-0.1
LGPSC All World Passive Climate Factor Fund	FTSE AW Climate Bal Com Factor Net	Nov-21	207.1	5.9	-3.9	-4.0	0.1															-2.7	-2.8	0.1	
River & Mercantile Equity Protection Fund		Jan-18	223.7	6.4	1.7	0.0	1.7	9.8	0.0	9.8	9.8	0.0	9.8	-0.3	0.0	-0.3							1.0	0.0	1.0
River & Mercantile Equity Protection Fund ex Overlay		Jan-18	192.0	5.5	-0.1	0.0	-0.1	-2.6	0.0	-2.6	-2.6	0.0	-2.6	-2.4	0.0	-2.4							-3.0	0.0	-3.0
Total Fixed Income Fund	60% LGPSC Corp Index & 40% Absolute Return +6%	Apr-21	262.1	7.5	-6.5	-3.5	-3.0	-4.2	-0.6	-3.6	-4.2	-0.6	-3.6									-4.2	-0.6	-3.6	
Total Corporate Bond Fund	LGPS Corporate Bond Index	Mar-20	206.3	5.9	-7.0	-6.7	-0.3	-5.2	-4.9	-0.3	-5.2	-4.9	-0.3									4.7	3.9	0.8	
LGPSC Corporate Bond Fund	LGPS Corporate Bond Index	Mar-20	206.3	5.9	-7.0	-6.7	-0.2	-5.2	-4.9	-0.3	-5.2	-4.9	-0.3									4.7	3.9	0.8	
Total Corporate Debt Fund	Absolute Return +6%	May-18	55.8	1.6	-4.7	1.5	-6.2	-0.7	6.0	-6.7	-0.7	6.0	-6.7	6.3	6.0	0.3							8.8	6.1	2.7
Bridgepoint Direct Lending II GBP	Absolute Return + 6.5%	May-18	55.5	1.6	-4.7	1.6	-6.3	-0.7	6.5	-7.2	-0.7	6.5	-7.2	6.3	6.5	-0.2							8.8	6.6	2.2
Bridgepoint Direct Lending II EURO	Absolute Return + 6.5%	May-18	66.2	N/A	-2.4	1.6	-4.0	5.6	6.5	-0.9	5.6	6.5	-0.9	8.4	6.5	1.9							9.6	6.6	3.1
Bridgepoint Direct Lending III GBP	Absolute Return +6%	May-21	0.3	0.0																					
Bridgepoint Direct Lending III EURO	Absolute Return +6%	May-21	0.3	N/A																					
Total Property Fund	60% MSCI UK & 40% Abs Ret +7.5%	Mar-16	202.3	5.8	1.2	4.0	-2.8	5.9	17.0	-11.0	5.9	17.0	-11.0	2.6	10.4	-7.8	4.0	9.0	-5.0				5.4	8.7	-3.3
Total UK Property Fund	Absolute Return +9%	Jul-18	54.7	1.6	0.6	2.2	-1.5	4.3	9.0	-4.8	4.3	9.0	-4.8	4.5	9.0	-4.5							5.2	9.0	-3.8
Invesco UK Property Fund	Absolute Return +9%	Oct-18	43.1	1.2	0.9	2.2	-1.2	3.9	9.0	-5.1	3.9	9.0	-5.1	0.9	9.0	-8.1							0.7	9.0	-8.3
Venn UK Property Fund	Absolute Return +9%	Jul-15	11.6	0.3	-0.5	2.2	-2.7	5.2	9.0	-3.8	5.2	9.0	-3.8	7.1	9.0	-1.9	7.9	9.0	-1.1				10.4	9.1	1.3
Walton Street US Property Fund - GBP	Absolute Return +6.5%	Feb-16	1.2	0.0	0.5	1.6	-1.1	5.9	6.5	-0.6	5.9	6.5	-0.6	-0.3	6.5	-6.8	2.3	6.5	-4.2				8.9	6.3	2.6
Walton Street US Property Fund - USD	Absolute Return +6.5%	Feb-16	1.6	N/A	1.0	1.6	-0.6	5.0	6.5	-1.5	5.0	6.5	-1.5	1.8	6.5	-4.7	4.2	6.5	-2.3				7.0	6.3	0.7
Walton Street US Property Fund II - GBP	Absolute Return +7%	Jun-19	7.1	0.2	0.3	1.7	-1.4	7.1	7.0	0.1	7.1	7.0	0.1									4.7	7.0	-2.2	
Walton Street US Property Fund II - USD	Absolute Return +7%	Jun-19	9.7	N/A	0.8	1.7	-0.9	6.3	7.0	-0.7	6.3	7.0	-0.7									6.2	7.0	-0.8	
Invesco European Property Fund - GBP	Absolute Return +6.5%	Feb-16	66.9	1.9	5.2	1.6	3.6	9.8	6.5	3.3	9.8	6.5	3.3	1.9	6.5	-4.6	3.2	6.5	-3.3				5.0	6.4	-1.4
Invesco European Property Fund - EURO	Absolute Return +6.5%	Feb-16	79.1	N/A	4.5	1.6	2.9	10.7	6.5	4.2	10.7	6.5	4.2	2.8	6.5	-3.7	3.6	6.5	-2.9				3.9	6.4	-2.5
Venn Property Debt Fund II - GBP	Absolute Return +6%	Aug-20	12.9	0.4	0.2	1.5	-1.3	0.4	6.0	-5.6	0.4	6.0	-5.6												
Venn Property Debt Fund II - EURO	Absolute Return +6%	Aug-20	15.4	N/A	2.5	1.5	1.0	5.6	6.0	-0.4	5.6	6.0	-0.4												
Gresham House Forestry Growth & Sustainability Fund	Absolute Return +6%	Dec-21	39.0	1.1	-5.3	0.5	-5.8															-5.3	0.5	-5.8	
AEW Property Fund	UK RPI +4%	Oct-17	20.5	0.6	3.5	2.8	0.8	12.8	13.0	-0.1	12.8	13.0	-0.1	4.7	8.3	-3.6							4.9	7.7	-2.8
Total Infrastructure Fund	70% UK CPI +5.5% & 30% Abs Return +10%	Mar-16	431.4	12.3	3.0	2.5	0.5	14.7	11.4	3.4	14.7	11.4	3.4	9.1	9.5	-0.4	8.0	9.0	-1.0				7.9	8.8	-0.9
Green UK Infrastructure Fund	Absolute Return +7.6%	Apr-15	47.6	1.4	7.5	1.8	5.6	24.7	7.6	17.1	24.7	7.6	17.1	7.8	7.6	0.2							6.8	7.6	-0.8
Gresham House BSIF Housing and Infrastructure	Absolute Return +8%	May-20	44.7	1.3	18.0	1.9	16.1	0.0	8.0	-8.0	0.0	8.0	-8.0									9.2	8.0	1.2	
Gresham House BSIF II Infrastructure Fund	Absolute Return +9%	Aug-21	-0.5	0.0																					
Hermes UK Infrastructure Core Fund	Absolute Return +8.4%	May-15	56.3	1.6	6.1	2.0	4.1	3.2	8.4	-5.2	3.2	8.4	-5.2	3.9	8.4	-4.5	4.4	8.4	-4.0				5.5	8.4	-2.9
Hermes UK Infrastructure Fund II	Absolute Return +8.5%	Jun-18	48.6	1.4	4.0	2.1	1.9	2.8	8.5	-5.7	2.8	8.5	-5.7	1.5	8.5	-7.0							-1.3	8.6	-9.8
Stonepeak Infrastructure Core Fund III - GBP	Absolute Return +12%	Jan-18	119.1	3.4	-6.6	2.9	-9.5	15.7	12.0	3.7	15.7	12.0	3.7	21.0	12.0	9.0							13.7	12.0	1.7
Stonepeak Infrastructure Core Fund III - USD	Absolute Return +12%	Jan-18	161.3	N/A	-6.2	2.9	-9.1	14.7	12.0	2.7	14.7	12.0	2.7	23.9	12.0	11.9							14.3	12.0	2.3
Stonepeak Infrastructure Core Fund IV - GBP	Absolute Return +12%	Nov-21	0.7	0.0																					
Stonepeak Infrastructure Core Fund IV - USD	Absolute Return +12%	Nov-21	0.9	N/A																					

First Sentier EDIF II GBP	Absolute Return +9%	Jun-18	114.9	3.3	5.4	2.2	3.2	22.0	9.0	13.0	22.0	9.0	13.0	12.6	9.0	3.6				10.0	9.1	0.9			
First Sentier EDIF II EURO	Absolute Return +9%	Jun-18	135.9	N/A	4.7	2.2	2.6	22.7	9.0	13.7	22.7	9.0	13.7	13.0	9.0	4.0				10.7	9.1	1.6			
First Sentier EDIF III	Absolute Return +8%	Nov-21																							
First Sentier EDIF III EURO	Absolute Return +8%	Nov-21																							
Worcestershire CC Total Fund ex Overlay		Mar-87	3,466.7	99.1	-3.0	-1.7	-1.3	6.0	8.3	-2.4	6.0	8.3	-2.4	7.6	8.7	-1.0	6.5	7.2	-0.7	8.8	9.0	-0.2	8.0	8.5	-0.5
Worcestershire CC Total Fund		Mar-87	3,498.4	100.0	-2.9	-1.4	-1.4	6.7	8.9	-2.2	6.7	8.9	-2.2	7.9	7.8	0.0	6.7	6.7	-0.1	8.9	8.7	0.1	8.0	8.4	-0.4

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

Total Fund Benchmark	CLIENT SPECIFIC BENCHMARK:	Notes: 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, Stonepeak Fund IV Infrastructure Core Fund (data will be 'lagged' for this and included in the Q1 2022 report), First Sentier EDIF Fund III (no capital has been drawn yet for this Fund). A new investment was also made with Gresham House Forestry Growth & Sustainability Fund from 10.12.2021 (data is produced annually and won't be available until late February 2022). 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. Q3 2021: Investment into BSIF II Infrastructure Fund on 7th September 2021 which will be lagged by 3 months going forwards. Benchmark change for Nomura Far East Developed Equity Fund from 2nd August 2021 moving from FTSE Developed Asia Pacific Index to a weighted index of 55% FTSE All World Asia Pacific Ex. Japan Index and 45% FTSE All World Japan Index. This change is also reflected in the Total Fund Benchmark, Total Active Equity Fund Benchmark, Total Equity Fund Benchmark and Total Equity Fund ex Overlay Benchmark. Q2 2021: Investment into Bridgepoint Direct Lending III during the quarter which will be lagged by 3 months going forward. Q1 2021: Update to weights of the Total Alternatives index - also incorporated within the Total Fund index. Q4 2020: Investment into Venn Property Debt Fund II during the quarter which will be lagged by 3 months going forward. Benchmarks for underlying property and infrastructure portfolios amended back to those previously. Fees/fund charges have been taken into account for the Total Fund return. Fees were found within the data for Hermes in July and L&G for August. The fees applied may not be final or all of the fees for Worcestershire CC Total Fund Portfolio. Historic data up to and including 31.03.2016 has been provided by the WM Co and L&G.
	20.5% FTSE All Share - % Dependant upon actual drawdowns of Infra & Prop 6.5% 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 8% FTSE All World North America 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%	

Market Value: £3.5bn

	31st December 2021		Net Investment (£000s)	Total Income (£000s)	Total Gain/Loss (£000s)	31st March 2022	
	Market Val (£000s)	Exposure (%)				Market Val (£000s)	Exposure (%)
Total Equity Fund	2,735,297	76.5	-35,000	-145,213	-97,678	2,602,620	74.4
Total Equity Fund ex Overlay	2,707,598	75.7	-35,000	-121,021	-101,618	2,570,980	73.5
<i>Total Active Equity Fund</i>	740,860	20.7	0	0	-49,876	690,984	19.8
Nomura Far East Developed Equity Fund	385,130	10.8	0	0	-16,736	368,394	10.5
LGPSC Emerging Markets Fund	355,729	9.9	0	0	-33,140	322,590	9.2
<i>Total Passive Equity Fund</i>	1,184,833	33.1	-35,000	0	-21,683	1,128,150	32.2
L&G UK Equity Fund	570,463	15.9	-17,223	0	3,270	556,510	15.9
L&G North American Equity Fund	374,113	10.5	-10,789	0	-7,923	355,401	10.2
L&G Europe Ex UK Equity Fund	240,257	6.7	-6,988	0	-17,030	216,239	6.2
<i>Total Alternatives Fund</i>	589,749	16.5	0	0	-29,932	559,817	16.0
L&G RAFI Fundamental Dev (inc Korea) Reduced Carbon Pathway Index Fund	0	0.0	0	0	0	0	0.0
L&G MSCI World Min Vol TR Fund	0	0.0	0	0	0	0	0.0
L&G MSCI World Quality Fund	374,234	10.5	0	0	-21,481	352,753	10.1
LGPSC All World Passive Climate Factor Fund	215,515	6.0	0	0	-8,451	207,064	5.9
<i>River & Mercantile Equity Protection Fund</i>	219,856	6.1	0	-145	3,813	223,669	6.4
<i>River & Mercantile Equity Protection Fund ex Overlay</i>	192,156	5.4	0	-121	-127	192,029	5.5
Total Fixed Income Fund	281,511	7.9	-1,363	0	-18,012	262,137	7.5
<i>Total Corporate Bond Fund</i>	221,804	6.2	0	0	-15,488	206,316	5.9
LGPSC Corporate Bond Fund	221,804	6.2	0	0	-15,488	206,316	5.9
<i>Total Corporate Debt Fund</i>	59,707	1.7	-1,363	0	-2,524	55,821	1.6
Bridgepoint Direct Lending II	59,707	1.7	-1,363	0	-2,798	55,547	1.6
Bridgepoint Direct Lending III	0	0.0	0	0	274	274	0.0
Total Property Fund	156,610	4.4	44,213	768	1,444	202,268	5.8
<i>Total UK Property Fund</i>	54,373	1.5	0	-31	374	54,746	1.6
Invesco UK Property Fund	42,732	1.2	0	0	405	43,137	1.2
Venn UK Property Fund	11,641	0.3	0	-31	-31	11,609	0.3
Walton US Property Fund	1,301	0.0	-115	0	6	1,191	0.0
Walton US Property Fund II	8,827	0.2	-1,717	0	27	7,137	0.2
Invesco European Property Fund	64,054	1.8	0	516	2,808	66,861	1.9
Venn Property Debt Fund II	8,026	0.2	4,887	0	8	12,921	0.4
Gresham House Forestry Growth & Sustainability Fund	0	0.0	41,159	0	-2,203	38,956	1.1
AEW Property Fund	20,030	0.6	0	284	425	20,455	0.6
Total Infrastructure Fund	403,859	11.3	21,762	6,448	5,736	431,357	12.3
Green UK Infrastructure Fund	45,330	1.3	-1,101	0	3,388	47,618	1.4
Gresham House BSIF Housing and Infrastructure	27,786	0.8	11,943	0	5,001	44,729	1.3
Gresham House BSIF II Infrastructure Fund	0	0.0	0	0	-526	-526	0.0
Hermes UK Infrastructure Core Fund	53,071	1.5	0	0	3,230	56,301	1.6
Hermes UK Infrastructure Fund II	46,783	1.3	0	0	1,861	48,644	1.4
Stonepeak Infrastructure Core Fund III	115,670	3.2	11,063	0	-7,664	119,069	3.4
Stonepeak Infrastructure Core Fund IV	0	0.0	0	0	655	655	0.0
First Sentier EDIF II	115,219	3.2	-143	6,448	-210	114,866	3.3
First Sentier EDIF III	0	0.0	0	0	0	0	0.0
Cash Fund	0	0.0	0	0	0	0	0.0
Worcestershire CC Total Fund ex Overlay	3,549,578	99.2	29,613	7,095	-112,450	3,466,741	99.1
Worcestershire CC Total Fund	3,577,278	100.0	29,613	7,070	-108,510	3,498,381	100.0

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