

Document Pack



Wales Pension Partnership Joint
Governance Committee,
Democratic Services Unit,
Chief Executive's Department,
Carmarthenshire County Council,
County Hall,
Carmarthen SA31 1JP.

TUESDAY, 5 DECEMBER 2023

**TO: ALL MEMBERS OF THE WALES PENSION PARTNERSHIP JOINT
GOVERNANCE COMMITTEE**

I HEREBY SUMMON YOU TO ATTEND A **VIRTUAL MEETING OF THE
WALES PENSION PARTNERSHIP JOINT GOVERNANCE COMMITTEE**
WHICH WILL BE HELD AT **10.00 AM, ON WEDNESDAY, 13TH DECEMBER,
2023** FOR THE TRANSACTION OF THE BUSINESS OUTLINED ON THE
ATTACHED AGENDA

Wendy Walters

**CHIEF EXECUTIVE
CARMARTHENSHIRE COUNTY COUNCIL**

**PLEASE NOTE: THIS MEETING WILL BE FILMED FOR LIVE OR SUBSEQUENT BROADCAST.
THE IMAGES AND SOUND RECORDING MAY ALSO BE USED FOR TRAINING PURPOSES..**

Democratic Officer:	Julie Owens
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Webcast Link	https://carmarthenshire.public-i.tv/core/portal/webcast_interactive/831698

**WALES PENSION PARTNERSHIP
JOINT GOVERNANCE COMMITTEE
9 MEMBERS**

(1 Member from each Constituent Authority & 1 co-opted
Scheme Member Representative, Non-voting)

CARMARTHENSHIRE COUNTY COUNCIL

COUNCILLOR ELWYN WILLIAMS

CITY & COUNTY OF SWANSEA

COUNCILLOR MIKE LEWIS

CITY OF CARDIFF

COUNCILLOR CHRISTOPHER WEAVER

FLINTSHIRE COUNTY COUNCIL

COUNCILLOR TED PALMER

GWYNEDD COUNTY COUNCIL

COUNCILLOR STEPHEN CHURCHMAN

POWYS COUNTY COUNCIL

COUNCILLOR PETER LEWIS

RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL

COUNCILLOR MARK NORRIS

TORFAEN COUNTY BOROUGH COUNCIL

COUNCILLOR NATHAN YEOWELL

**NON-VOTING - CO-OPTED SCHEME MEMBER
REPRESENTATIVE**

OSIAN RICHARDS

AGENDA

1. APOLOGIES FOR ABSENCE
2. DECLARATIONS OF INTEREST
3. TO SIGN AS A CORRECT RECORD THE MINUTES OF THE MEETING OF THE JOINT COMMITTEE HELD ON THE 20TH SEPTEMBER 2023 5 - 12
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9. EXCLUSION OF THE PUBLIC
THE REPORTS RELATING TO THE FOLLOWING ITEMS ARE NOT FOR PUBLICATION AS THEY CONTAIN EXEMPT INFORMATION AS DEFINED IN PARAGRAPH 14 OF PART 4 OF SCHEDULE 12A TO THE LOCAL GOVERNMENT ACT 1972 AS AMENDED BY THE LOCAL GOVERNMENT (ACCESS TO INFORMATION) (VARIATION) (WALES) ORDER 2007. IF, FOLLOWING THE APPLICATION OF THE PUBLIC INTEREST TEST, THE JOINT COMMITTEE RESOLVES PURSUANT TO THE ACT TO CONSIDER THESE ITEMS IN PRIVATE, THE PUBLIC WILL BE EXCLUDED FROM THE MEETING DURING SUCH CONSIDERATION.
10. GLOBAL SECURITIES LENDING REVIEW AS AT 30 SEPTEMBER 2023 101 - 138
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WALES PENSION PARTNERSHIP JOINT GOVERNANCE COMMITTEE

Wednesday, 20 September 2023

PRESENT: Councillor T. Palmer (Chair)

Councillors:

S. Churchman, M. Lewis, P. Lewis (Virtual), M. Norris, C. Weaver (Virtual), E. Williams and N. Yeowell

O. Richards – Scheme Member Representative (Co-opted non-voting member) (Virtual)

The following Officers were in attendance:

C. Moore – Joint Committee Section 151 Officer (CCC)
L. Rees-Jones – Joint Committee Monitoring Officer (CCC) (Virtual)
C. Lee – Corporate Director of Resources (CoC)
J. Dong – Deputy S151 Officer/ Chief Finance Officer (C&CS)
C. Hurst – Pension Fund Manager (PCC)
D. Morgan – Head of Finance (GCC)
P. Latham – Head of Clwyd Pension Fund (Clwyd CC)
B. Davies – Deputy Chief Executive / Group Director – Finance, Digital and Frontline Services (RCT)
A. Bull – Head of Pensions (TCC)
A. Parnell – Treasury & Pensions Investment Manager (CCC)
T. Williams – Senior Financial Services Officer (CCC)
K. Thomas Evans – Democratic Services Officer (CCC) [Note Taker]
J. Pennar-McFarlane – Simultaneous Translator (GCC)

Also in attendance to present reports:

A. Johnson – Hymans Robertson
R. Barrack – Hymans Robertson
I. Colvin – Hymans Robertson (Virtual)
K. Midl – Link Fund Solutions
J. Zealander - Link Fund Solutions
R. Thornton – Link Fund Solutions
D. Joyce – Northern Trust (Virtual)
A. Knell – Robeco (Virtual)
Y. Fujita– Robeco (Virtual)
A. Quinn – Russell Investments

Also present as observers:

M. Falconer – Pension Manager (CoC) (Virtual)
D. Jones-Thomas – Investment Manager (GCC) (Virtual)
L. Grey – Graduate Pensions Officer (TCC) (Virtual)
Y. Keitch – Principal Accountant (RCT) (Virtual)

**Chamber, Rhondda Cynon Taf - Rhondda Cynon Taf, The Pavilions, Clydach Vale,
Tonypany, CF40 2XX - 10.15 am - 12.20 pm**



(NOTE: The commencement of the meeting was delayed by 15 mins due to inclement weather)

1. APOLOGIES FOR ABSENCE

There were no apologies for absence.

2. DECLARATIONS OF INTEREST

Member	Agenda Item No.	Interest
Cllr. M. Lewis	All agenda items	He is a member of Swansea Pension Fund along with his wife.
Cllr. S. Churchman	All agenda items	He is a member of the Greater Gwynedd Pension Fund
Cllr. P. Lewis	All agenda items	He is a member of the Powys Pension Fund
Cllr. N. Yeowell	All agenda items	Member of the Greater Gwent Pension Fund
Cllr. M. Norris	All agenda items	He is a member of the RCT Pension Fund
Cllr. T. Palmer	All agenda items	He, his partner and daughter are members of the Clwyd Pension Fund
Cllr. E. Williams	All agenda items	He is a member of the Dyfed Pension Fund
Cllr. C. Weaver	All agenda items	He is a member of the Cardiff & Vale Pension Fund

[Note: There is an exemption within the Code of Conduct for Members, which allows a member who has been appointed or nominated by their Authority to a relevant body to declare that interest but remain and participate in the meeting.]

3. TO SIGN AS A CORRECT RECORD THE MINUTES OF THE MEETING OF THE JOINT COMMITTEE HELD ON THE 19TH JULY, 2023.

RESOLVED that the minutes of the Joint Governance Committee meeting held on 19th July, 2023, be signed as a correct record.

4. HOST AUTHORITY UPDATE

(NOTE: Councillors S. Churchman, M. Lewis, P. Lewis, M. Norris, T. Palmer, C. Weaver, E. Williams and N. Yeowell had earlier declared an interest in this item)

The Joint Committee received a progress update in relation to the following key areas:

- Governance;
- Ongoing establishment;



- Operator services;
- Communications and reporting;
- Training and meetings;
- ☒- Resources, budget and fees.

UNANIMOUSLY RESOLVED that the Host Authority update be received.

5. RISK REGISTER Q3 2023 REVIEW

(NOTE: Councillors S. Churchman, M. Lewis, P. Lewis, M. Norris, T. Palmer, C. Weaver, E. Williams and N. Yeowell had earlier declared an interest in this item)

The Joint Committee considered the Risk Register Q3 2023 Review. Members were advised that the purpose of the WPP Risk Register is to:

- Outline the WPP's key risks and factors that may limit its ability to meet its objectives
- Quantify the severity and probability of the risk facing the WPP
- Summarise the WPP's risk management strategies.
- Monitor the ongoing significance of these risks and the requirement for further risk mitigation strategies.

It was noted that during the previous quarter, the Officer Working Group had undertaken a review of the Training & Resources and Communications Risks and the report detailed the review outcome for each of the identified risks.

Members were further informed that the next review taking place in Q4 2023 would focus on the Investment Section Risks.

UNANIMOUSLY RESOLVED that the amendments to the WPP Risk Register, as detailed in the report, be approved.

6. NEW POLICIES/PLANS: BREACHES AND ERRORS POLICY

(NOTE: Councillors S. Churchman, M. Lewis, P. Lewis, M. Norris, T. Palmer, C. Weaver, E. Williams and N. Yeowell had earlier declared an interest in this item)

The Joint Committee considered a Breaches and Errors Policy developed for the WPP detailing its policy and procedures for identifying, managing and, where necessary, reporting breaches of the law in accordance with Section 70 of the Pensions Act 2004.

It was noted the policy applied to both elected members and officers who undertook duties in respect of the WPP, as well as local pension board members of the constituent authorities with whom the WPP engaged. The policy set out the responsibilities of those groups in identifying, managing and, where necessary, reporting breaches of the law as they were applied to the governance, management and administration of the WPP.

Members also noted the policy would be formally reviewed by the Officer Working Group on a triennial basis and any substantive changes thereto would be submitted to the Joint Governance Group for its approval.



UNANIMOUSLY RESOLVED that the WPP Breaches and Errors Policy be approved.

7. OPERATOR UPDATE - Q2 2023 REVIEW

(NOTE: Councillors S. Churchman, M. Lewis, P. Lewis, M. Norris, T. Palmer, C. Weaver, E. Williams and N. Yeowell had earlier declared an interest in this item)

The Joint Committee received a presentation provided by Link Fund Solutions on the progress of the Wales Pension Partnership for Quarter 2 (April – June), 2023 in relation to the following key areas:

- Market Updates
- Current Fund Holdings
- Sub Fund and Other Initiatives
- Corporate update and engagement

The report also included details relating to :-

- the proposed acquisition of Link Fund Solutions by the Waystone Group with an anticipated completion date of 9th October 2023
- Assets Under Management Summary as at 30th June 2023
- Fund changes in relation to the Global Credit Fund, Sustainable Equities Fund and the Global Growth Fund
- Initiatives relating to the Management Information pack and Class Action reporting
- Market updates in relation to Russia / Ukraine and the Liability Driven Investments

UNANIMOUSLY RESOLVED that the Operator Update be received.

8. PERFORMANCE REPORTS AS AT 30TH JUNE 2023

(NOTE: Councillors S. Churchman, M. Lewis, P. Lewis, M. Norris, T. Palmer, C. Weaver, E. Williams and N. Yeowell had earlier declared an interest in this item)

The Joint Committee received a presentation on the Performance Reports as at 30th June 2023. Members were advised that the sub funds that had outperformed/underperformed their respective benchmarks, were as follows:



- Global Opportunities – outperformed by 1.16% gross / 0.83% net
- Global Growth – underperformed by 0.76% gross / 1.18% net
- Emerging Markets – underperformed by 0.94% gross / 1.39% net
- UK Opportunities – underperformed by 0.48% gross / 0.87% net
- Global Government Bond – outperformed by 2.35% gross / 2.11% net
- Global Credit – underperformed by 0.17% gross / 0.34% net

The Multi Asset Credit Fund, the Absolute Return Bond Fund did not meet their targets and the UK Credit Fund exceeded its target.

RESOLVED that the Performance Reports of the following sub-funds as at 30th June 2023 be approved:

- 8.1. Global Opportunities Equity Fund;
- 8.2. Global Growth Equity Fund;
- 8.3. Emerging Markets Equity Fund;
- 8.4. UK Opportunities Equity Fund;
- 8.5. Global Government Bond Fund;
- 8.6. Global Credit Fund;
- 8.7. Multi Asset Credit Fund;
- 8.8. Absolute Return Bond Strategy Fund;
- 8.9. UK Credit Fund.

9. EXCLUSION OF THE PUBLIC

RESOLVED, pursuant to the Local Government Act 1972, as amended by the Local Government (Access to Information) (Variation) (Wales) Order 2007, that the public be excluded from the meeting during consideration of the following item as the reports contained exempt information as defined in paragraph 14 of Part 4 of Schedule 12A to the Act.

10. GLOBAL SECURITIES LENDING REVIEW AS AT 30TH JUNE 2023

(NOTE: Councillors S. Churchman, M. Lewis, P. Lewis, M. Norris, T. Palmer, C. Weaver, E. Williams and N. Yeowell had earlier declared an interest in this item)

Following the application of the public interest test it was UNANIMOUSLY RESOLVED, pursuant to the Act referred to in Minute 9 above, to consider this matter in private, with the public excluded from the meeting, as disclosure would be likely to cause financial harm to the Pension Fund by prejudicing ongoing and future negotiations.

The Joint Committee received a report on Global Securities Lending Relationship and Performance Review for the quarter ending 30 June 2023.

UNANIMOUSLY RESOLVED that the Global Securities Lending Review as at 30th June 2023 be noted.



11. ROBECO ENGAGEMENT SERVICE - Q2 2023 ENGAGEMENT REPORT

(NOTE: Councillors S. Churchman, M. Lewis, P. Lewis, M. Norris, T. Palmer, C. Weaver, E. Williams and N. Yeowell had earlier declared an interest in this item)

Following the application of the public interest test it was UNANIMOUSLY RESOLVED, pursuant to the Act referred to in Minute 9 above, to consider this matter in private, with the public excluded from the meeting, as disclosure would be likely to cause financial harm to the Pension Fund by prejudicing ongoing and future negotiations.

The Joint Committee received the Engagement Report for Q2 of 2023.

UNANIMOUSLY RESOLVED that the Engagement Report for Q2 of 2023 be noted.

12. RESPONSIBLE INVESTMENT AND CLIMATE RISK REPORTS -

(NOTE: Councillors S. Churchman, M. Lewis, P. Lewis, M. Norris, T. Palmer, C. Weaver, E. Williams and N. Yeowell had earlier declared an interest in this item)

Following the application of the public interest test it was UNANIMOUSLY RESOLVED, pursuant to the Act referred to in Minute 9 above, to consider this matter in private, with the public excluded from the meeting, as disclosure would be likely to cause financial harm to the Pension Fund by prejudicing ongoing and future negotiations.

The Joint Committee received a report on the Responsible Investment & Climate Risk Reports for the following sub funds:-

- Absolute Return Bond
- Multi-Asset Credit

UNANIMOUSLY RESOLVED that the Responsible Investment and Climate Risk Reports, as above, be noted.

13. SUSTAINABLE EQUITY SUB-FUND - TRANSITION REVIEW

(NOTE: Councillors S. Churchman, M. Lewis, P. Lewis, M. Norris, T. Palmer, C. Weaver, E. Williams and N. Yeowell had earlier declared an interest in this item)

Following the application of the public interest test it was UNANIMOUSLY RESOLVED, pursuant to the Act referred to in Minute 9 above, to consider this matter in private, with the public excluded from the meeting, as disclosure would be likely to cause financial harm to the Pension Fund by prejudicing ongoing and future negotiations.

The Joint Committee received a post transition report on the launch of the WPP's Sustainable Equity Sub-Fund

UNANIMOUSLY RESOLVED that the Sustainable Equity Sub-Fund Transition Review Report be noted.

CHAIR

DATE



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WALES PENSION PARTNERSHIP JOINT GOVERNANCE COMMITTEE

DATE 13 DECEMBER 2023

SUBJECT

HOST AUTHORITY UPDATE

RECOMMENDATIONS / KEY DECISIONS REQUIRED:

To receive an update from the host authority

REASONS:

The host authority to provide a progress update in relation to the following key areas:

- Governance
- Ongoing establishment
- Operator services
- Communications and reporting
- Training and meetings
- Resources, budget and fees

Report Author:
Chris Moore

Designation:
Director of Corporate Services

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Council**

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EXECUTIVE SUMMARY

JOINT GOVERNANCE COMMITTEE

DATE 13 DECEMBER 2023

HOST AUTHORITY UPDATE

BRIEF SUMMARY OF PURPOSE OF REPORT

The WPP Business Plan for 2023/24 was approved by the JGC on 29 March 2023. A Quarter 2 (1 April to 30 September 2023) update is attached showing WPP's progress in relation to the Workplan, Budget and Investments sections.

Work has continued to be developed in a number of key areas, including:

- 2022/23 DLUHC return submitted 22 September 2023 – as at 31 March 2023 WPP had total assets worth £22.5bn of which £15.7bn (70%) had been pooled
- LGPS Investments consultation response submitted 2 October 2023
- 2022/23 Annual Report published 2 November 2023
- Policy Reviews – Training Policy & Rebalancing and Alteration policy
- Private Markets:
 - Infrastructure, Private Credit and Private Equity investment programmes launched
 - Real Estate – Pre Qualification Questionnaire (PQQ) issued 17 November 2023
- Operator contract – Invitation to Tender (ITT) issued on 16 October 2023 and closed on 20 November 2023. Currently evaluating the submissions received.
- Responsible Investment:
 - All Wales Climate Report
 - Stewardship Code report – submitted 31 October 2023
 - Stewardship themes – Protecting the Marine Environment; and Societal Impact of Artificial Intelligence
 - Escalation policy

Next Steps / Priorities:

- Real Estate procurement – timeline:
 - Nov / Dec 2023 – PQQ issued and evaluated
 - Jan / Feb / March 2024 – ITT issued and evaluated
 - April / May 2024 – Presentation / Interviews

- July 2024 – Approval of recommendation by the JGC
- August 2024 – Contract awarded
- Operator contract - procurement process timeline, key steps:
 - Nov / Dec 2023 – ITT evaluation
 - January 2024 – Clarification interviews / presentations
 - March 2024 – Approval of recommended operator by the JGC
 - March / April 2024 – Approval by the CA's
 - May 2024 – Operator appointment
 - May 2024 – Dec 2024 – transition period
 - December 2024 – new formal contract start date
- TCFD reporting
- Developing the 2024-27 Business plan, including budget, training plan and workplan.

Value of pooled assets as at 30 September 2023:

	31 March 2023 (£m)	30 September 2023 (£m)
ACS operator	10,587	11,531
Passive Equities	5,073	4,705
Infrastructure		27*
Private Credit		38*
Total	15,660	16,301

* Amount drawn down as at 30 September 2023

Other key areas:

- Training – training sessions continue to be undertaken virtually
- Website – the website continues to be updated with relevant news and publications.

DETAILED REPORT ATTACHED?

YES

IMPLICATIONS

Policy, Crime & Disorder and Equalities YES	Legal NONE	Finance NONE	Risk Management Issues NONE	Staffing Implications NONE
Policy Policy and procedure documents will be formal documents for the Wales Pension Partnership.				

CONSULTATIONS

Details of any consultations undertaken are to be included here

**Section 100D Local Government Act, 1972 – Access to Information
List of Background Papers used in the preparation of this report:
THESE ARE DETAILED BELOW**

Title of Document	File Ref No.	Locations that the papers are available for public inspection/WEBSITE LINK

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Wales Pension Partnership
Business Plan
2023 -2024
Q2 Review
(July to Sept 2023)

Governance

Work to be completed	Completed	Comments
<ul style="list-style-type: none"> Development of a WPP Breaches and Errors Policy 	Yes	Approved at the September 2023 JGC
<ul style="list-style-type: none"> Legal Services provider contract (initial 3 year review) 	Yes	Initial 3 year review completed, 2 year contract extension put in place
<ul style="list-style-type: none"> Ongoing review of the Inter Authority Agreement 	Ongoing	
<ul style="list-style-type: none"> Annual review of WPP's policies and plans 	Ongoing	
<ul style="list-style-type: none"> Quarterly reviews of the Risk Register 	Ongoing	
<ul style="list-style-type: none"> Respond to any pooling related consultations and carry out any necessary changes as a result of consultation outcomes 	Ongoing	Response submitted in relation to the recent LGPS Investments consultation

Ongoing Sub-Fund development

Work to be completed	Completed	Comments
<ul style="list-style-type: none"> Launch of Private Debt & Infrastructure Sub-Funds 	Yes	Infrastructure and Private Debt investment programmes launched
<ul style="list-style-type: none"> Launch of Private Equity Sub-Fund 	Yes	Private Equity investment programme launched
<ul style="list-style-type: none"> Launch Sustainable Equities Sub-Fund 	Yes	Launched 20 June 2023
<ul style="list-style-type: none"> Formulate the WPP's Property requirements and optimal means of implementation & launch the property Sub-funds 	In progress	PQQ issued 17 November 2023
<ul style="list-style-type: none"> Consideration of WPP's Levelling up / impact requirements 	Ongoing	
<ul style="list-style-type: none"> Launch of other Private Market sub-funds (TBC) 		Discussions to be held with individual CA's

<ul style="list-style-type: none"> • Consultation with CAs on need for further sub-funds, review and develop a mechanism to pool any suitable non-pooled assets 	Ongoing	
<ul style="list-style-type: none"> • Consideration of Local Investment opportunities 	Ongoing	

Operator Services

Work to be completed	Completed	Comments
<ul style="list-style-type: none"> • Operator contract / procurement process 	In progress	ITT issued October 2023, currently evaluating the submissions received
<ul style="list-style-type: none"> • Operator oversight 	Ongoing	

Investments and Reporting

Work to be completed	Completed	Comments
<ul style="list-style-type: none"> • Review Sub-Fund mandates to ensure compatibility with WPP's Responsible Investment and Climate Risk Beliefs 	Ongoing	
<ul style="list-style-type: none"> • Task Force on Climate-related Financial Disclosures (TCFD) reporting 		Awaiting TCFD consultation response
<ul style="list-style-type: none"> • Stewardship Code reporting 	Yes	2022/23 report submitted 31 October 2023
<ul style="list-style-type: none"> • Consider additional reporting that demonstrates WPP's commitment to Responsible Investment 	Ongoing	
<ul style="list-style-type: none"> • On-going Investment Manager performance reporting, scrutiny and challenge 	Ongoing	
<ul style="list-style-type: none"> • Annual review of WPP's Cost Transparency Requirements 		To be reviewed in Q1 (January to March) 2024

<ul style="list-style-type: none"> Annual performance review of WPP Sub Funds (Equity and Fixed Income) 		To be reviewed in Q1 (January to March) 2024
<ul style="list-style-type: none"> On-going engagement with Constituent Authorities regarding minimum ESG / RI standards and their climate ambitions 	Ongoing	

Communication and Training

Work to be completed	Completed	Comments
<ul style="list-style-type: none"> Formulation of the WPP's Annual Responsible Investment Progress Report 	Yes	Report presented at the July 2023 JGC and published on website
<ul style="list-style-type: none"> Formulation of the WPP's annual training plan 		To be formulated in Q1 (January to March) 2024
<ul style="list-style-type: none"> Formulation of the WPP's Annual Update 	Yes	2022/23 Annual Update published in August 2023
<ul style="list-style-type: none"> Formulation of the WPP's Annual Report 	Yes	2022/23 Annual Report published in November 2023

Resources, budget and fees

Work to be completed	Completed	Comments
<ul style="list-style-type: none"> Annual review of resources and capacity 		To be reviewed in Q1 (January to March) 2024
<ul style="list-style-type: none"> Formulation of Annual WPP Budget 		To be formulated in Q1 (January to March) 2024
<ul style="list-style-type: none"> Review and Monitoring of Operator / external provider fees 	Ongoing	

Training Plan

Training topics to be completed during 2023–2024 as per approved 2023-2024 Training Plan and progress to date:

	Completed	Comments
• Private Market Asset Classes – Private Equity / Property	Yes	8 June 2023
• Levelling up / development opportunities	Yes	8 June 2023
• TCFD reporting		Scheduled for 13 December 2023
• Performance reporting		Scheduled for 13 December 2023
• Voting & Engagement	Yes	21 September 2023
• RI within the WPP sub funds	Yes	21 September 2023
• Progress of other LGPS pools & Collaboration Opportunities		
• Pooling Guidance		

Budget

2023-2024 Budget Monitoring Report:

	Budget 2023 – 2024 £000	Forecast 2023 – 2024 £000	Variiances 2023 – 2024 £000
Host Authority *	200	186	14
External Advisors *	1,448	1,467	(19)
TOTAL to be recharged	1,648	1,653	(5)
Operator Services **	37,257	37,257	0
TOTAL to be deducted from the NAV	37,257	37,257	0

**Host Authority and External Advisor costs are to be funded equally by all eight of the WPP's Constituent Authorities and these will be recharged on an annual basis.*

***Operator Services costs are based on each Constituent Authority's percentage share of WPP assets (held with the Operator) and are deducted directly from the Net Asset Value (NAV) of the Constituent Authority's assets (held with the Operator).*

Investments

Equity Sub-Funds

Global Growth Fund

Managed by: Link Fund Solutions

Portfolio Value: £2bn*

Global Opportunities Fund

Managed by: Russell Investments

Portfolio Value: £2bn*

UK Opportunities Fund

Managed by: Russell Investments

Portfolio Value: £0.6bn*

Emerging Markets Fund

Managed by: Russell Investments

Portfolio Value: £0.6bn*

Sustainable Active Equity Fund

Managed by: Russell Investments

Portfolio Value: £1.2bn*

Fixed Income Sub-Funds

Absolute Return Bond Fund

Managed by: Russell Investments

Portfolio Value: £0.4bn*

Global Government Bond Fund

Managed by: Russell Investments

Portfolio Value: £0.5bn*

Multi-Asset Credit Fund

Managed by: Russell Investments

Portfolio Value: £0.6bn*

Global Credit Fund

Managed by: Russell Investments

Portfolio Value: £0.8bn*

UK Credit Fund

Managed by: Link Fund Solutions

Portfolio Value: £0.5bn*

Private Markets

Infrastructure – closed ended

Managed by: GCM Grosvenor

Infrastructure – open ended

Managed by: CBRE, IFM and Octopus

Private Credit

Managed by: Russell Investments

Private Equity

Managed by: Schroders

* Portfolio Values as at launch date



Wales Pension Partnership
<https://www.walespensionpartnership.org/>



WALES PENSION PARTNERSHIP JOINT GOVERNANCE COMMITTEE

DATE 13 DECEMBER 2023

SUBJECT

RISK REGISTER Q4 2023 REVIEW

RECOMMENDATIONS / KEY DECISIONS REQUIRED:

To approve the amendments to the WPP Risk Register

REASONS:

The Wales Pension Partnership (WPP) Risk Register was formulated and approved by the Joint Governance Committee (JGC) on 17 July 2020. The Officers Working Group (OWG) has carried out a quarterly review of the register, looking at the Investment risks.

Report Author:
Chris Moore

Designation:
Director of Corporate Services

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Council**

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**EXECUTIVE SUMMARY
JOINT GOVERNANCE COMMITTEE**

DATE 13 DECEMBER 2023

RISK REGISTER Q4 2023 REVIEW

BRIEF SUMMARY OF PURPOSE OF REPORT

The WPP has formulated a Risk Register which is the means by which risks are documented, managed and monitored. The purpose of the WPP Risk Register is to:

- Outline the WPP's key risks and factors that may limit its ability to meet its objectives
- Quantify the severity and probability of the risk facing the WPP
- Summarise the WPP's risk management strategies
- Monitor the ongoing significance of these risks and the requirement for further risk mitigation strategies

The initial Risk Register was approved by the JGC on 17 July 2020. The OWG is responsible for maintaining the WPP Risk Register and reporting back any changes or developments to the JGC on a quarterly basis.

During Q4 2023, a review was undertaken of the Investment Risks. The summary sheet attached summarise the review outcomes of each risk.

The OWG has a dedicated WPP Risk Sub-Group to take ownership of the WPP Risk Register and the quarterly review of this document. The next review will take place in Q1 2024 and will focus on risks G.1 to G.7 of the Governance & Regulation Risks section.

DETAILED REPORT ATTACHED?

YES

IMPLICATIONS

Policy, Crime & Disorder and Equalities	Legal	Finance	Risk Management Issues	Staffing Implications
YES	NONE	NONE	NONE	NONE
Policy The Risk Register is a formal document for the Wales Pension Partnership.				

CONSULTATIONS




Details of any consultations undertaken are to be included here

**Section 100D Local Government Act, 1972 – Access to Information
List of Background Papers used in the preparation of this report:
THESE ARE DETAILED BELOW**

Title of Document	File Ref No.	Locations that the papers are available for public inspection/WEBSITE LINK





WPP Risk Register Update – December 2023 JGC

Risk	Focus of the Risk	Target Risk Score	Current Risk Score	Current Status	Responsible Party	Comments
I.1	The WPP Sub-funds failure to achieve their long term targeted investment returns.	8	12		OWG	<ul style="list-style-type: none"> Continued monitoring required over the next 12 months The need for further internal controls to be considered when developing the 2024/25 business plan
I.2	One of the WPP's Investment Managers fails/ exits the market, leading to a financial loss to WPP assets.	10	10		OWG	<ul style="list-style-type: none"> N/A
I.3	Failure of appointed Custodian may lead to assets not being properly managed resulting in financial and/or information loss in relation to investment assets.	5	5		OWG/Oversight Advisor	<ul style="list-style-type: none"> N/A
I.4	The WPP does not receive or seek expert investment advice when required.	4	4		OWG/Oversight Advisor	<ul style="list-style-type: none"> Work on private markets sub-funds continues to demonstrate the robustness of WPP's collective challenge in the sub fund design stage. This includes additional support from bFinance. Additional resource from Hymans on responsible investment has provided further advice and scrutiny.
I.5	The WPP fails to challenge Manager fees, value for money and mandated objectives.	2	2		OWG/Oversight Advisor	<ul style="list-style-type: none"> The findings of the SAB cost transparency exercise have still not been published.
Page 31 I.6	The WPP is subjected to counterparty risk	8	8		The Operator/ Investment Manager / Oversight Advisor	<ul style="list-style-type: none"> N/A


1.7	The WPP puts in place sub-optimal sub-funds.	4	4		The Operator/ Investment Manager / Oversight Advisor	<ul style="list-style-type: none"> • There continues to be significant progress in this area. Key activities include: <ul style="list-style-type: none"> ○ Launch of the sustainable equities sub fund ○ Continued involvement of bFinance to assist the WPP with the allocator appointments for a range of Private Market sub-funds ○ As of 31 March 2023, 70% of all WPP assets are pooled
1.8	The WPP fails to adequately account for climate change, climate risk and ESG factors.	4	8		OWG/Oversight Advisor	<ul style="list-style-type: none"> • There continues to be progress in this area over the past 12 months. Key activities include: <ul style="list-style-type: none"> ○ Robust quarterly reporting of ESG & Climate risk ○ WPP continues to be a signatory of the Stewardship Code ○ Annual on-going stewardship code reporting process in place ○ Additional resource from the Oversight Advisor to focus on key RI issues & actions ○ Integration of clear climate change ambitions in the design of private markets sub-funds ○ Development of an All Wales Climate Report
1.9	The WPP fails to facilitate investment solutions that enable the Constituent Authorities to meet their investment strategy and objectives.	10	10		Oversight Advisor	<ul style="list-style-type: none"> • N/A

Investment & Performance Risk

Risk Detail				Current Situation	Scoring			Management and Monitoring			
Risk & Nature of Risk	Cause of Risk	Implications of Risk	Risk Owner & Impact Period	Current Risk Controls	Severity	Probability	Score	Current Status	Action Required	Responsible Party & Review Date	Progress Report/ Comments
I.1	The WPP Sub-funds failure to achieve their long term targeted investment returns.	<ul style="list-style-type: none"> Underperformance of the WPP's Investment Managers. Adverse and unforeseen economic conditions and market events. Inappropriate strategic and regional asset allocations. 	Loss of confidence in Russell and/or Investment Managers which results in change and additional transition costs	<ul style="list-style-type: none"> Ongoing monitoring of investment performance, market developments and economic outlook reported by the Investment Manager and the Operator and discussed at OWG meetings Triennial sub-fund benchmarking Quarterly reporting on climate & ESG risks ACS responsibilities matrix in place The Operator/ the Investment Manager engagement with Investment Managers and ongoing reviews of their process Manager days hosted by the Operator/ the Investment Manager for OWG/Constituent Authorities Pension Fund Committees 	Current				Continued monitoring required over the next 12 months, and the need for further internal controls to be considered when developing the 2024/25 business plan.	OWG	N/A
	Financial				Long Term	4	3				
I.2	One of the WPP's Investment Managers fails/ exits the market, leading to a financial loss to WPP assets.	<ul style="list-style-type: none"> Investment Manager's business model, internal controls and/ or the external oversight of the Investment Manager fails. 	Financial loss to assets held within the WPP.	<ul style="list-style-type: none"> The Operator/The Investment Manager facilitate: <ul style="list-style-type: none"> Ongoing monitoring of Investment Managers Questioning managers on their internal controls, external regulation, succession/retention policies Engagement with Investment Managers and the Investment Manager industry Maintaining a shortlist of suitable replacement Managers Sub-fund review process in place Rebalancing policy in place ACS responsibilities matrix in place 	Current				N/A	OWG	N/A
	Financial				Short Term	5	2				
I.3	Failure of appointed Custodian may lead to assets not being properly managed resulting in financial and/or information loss in relation to investment assets.	<ul style="list-style-type: none"> Inaccurate recording of asset valuations and transactions. Unsatisfactory safeguarding of assets. External and internal controls fail to prevent fraud or misappropriation. Custodian fails and exists the market, potentially leading to stranded assets. 	Financial loss to assets held within the WPP.	<ul style="list-style-type: none"> Robust procurement process overseen by The Operator Annual review of custodian prepared by The Operator and presented to OWG Analysis of Investment Manager Records vs Custodian Records Monitor custodian performance on annual basis Custodian regulated by FCA Receipt of annual controls reports from Custodian's External Auditors 	Current				N/A	OWG/ Oversight Advisor	N/A
	Financial				Short Term	5	1				
I.4	The WPP does not receive or seek expert investment advice when required.	<ul style="list-style-type: none"> An external adviser provides inappropriate or unsatisfactory advice to WPP. WPP ignores appropriate advice provided by expert advisers. WPP fails to seek to expert advise. 	Inappropriate decisions are implemented which may harm investment performance.	<ul style="list-style-type: none"> Robust procurement processes Ongoing training for JGC and OWG members Oversight Advisor in place to oversee Investment Advise & decision-making process Engagement with other LGPS Pools and Funds to cross verify suitability of advice ACS responsibilities matrix in place 	Current				N/A	OWG/ Oversight Advisor	Work on private markets sub-funds continues to demonstrate the robustness of WPP's collective challenge in the sub fund design stage. This includes additional support from BFinance. Additional resource from Hymans on responsible investment has provided further advice and scrutiny.
	Financial				Long Term	4	1				

Risk Detail				Current Situation	Scoring			Management and Monitoring			
Risk & Nature of Risk	Cause of Risk	Implications of Risk	Risk Owner & Impact Period	Current Risk Controls	Severity	Probability	Score	Current Status	Action Required	Responsible Party & Review Date	Progress Report/ Comments
I.5	The WPP fails to challenge Manager fees, value for money and mandated objectives.	Inability to deliver value for money to the WPP's stakeholders.	OWG	<ul style="list-style-type: none"> Ongoing monitoring of investment managers fees Question the Operator, the Investment Manager and Investment Managers on their fees Demand Transparency from Investment Managers, the Investment Manager and The Operator on fees Triennial sub fund benchmarking 	Current				<p>The WPP will consider the findings of the SAB cost transparency exercise, following this the OWG will consider what additional action are required and whether there is a need for further cost transparency exercises.</p> <p>OWG to consider cost transparency actions and requirements following receipt of SAB information.</p>	OWG/ Oversight Advisor	The findings of the SAB cost transparency exercise have still not been published.
	Financial				Medium Term	2	1				
I.6	The WPP is subjected to counterparty risk	Financial loss to assets held within the WPP, potential legal costs, reputation risk.	OWG/ The Operator/ The Investment Manager/ The Custodian	<ul style="list-style-type: none"> Ongoing monitoring of counterparty exposure Question The Operator, The Investment Manager, Investment Managers and Custodian on the WPP's level of counterparty exposure 	Current				N/A	OWG	N/A
	Financial				Short Term	4	2				
I.7	The WPP puts in place sub-optimal sub-funds.	The WPP provides sub-funds that do not deliver value for money/ cost saving and or the investment requirements of the Constituent Authorities	OWG/ The Operator/ The Investment Manager	<ul style="list-style-type: none"> Numerous advisors used in the formulation of sub-funds Triennial review of sub funds, including the size of investment to ensure they are of a reasonable size Oversight advisor in place to oversee investment strategy and sub-fund design Numerous checks and balances on the decision-making process and approval of investment strategy and sub-funds Cost benefit analysis is carried out prior to each sub-fund launch Use of the Investment Manager's scale and the WPP's scale to negotiate the best Manager fees possible Frequent consultation with Constituent Authorities on their requirements Asset held outside of sub-fund if their inclusion in the sub-fund is cost inefficient Rebalancing policy in place CS responsibilities matrix in place 	Current				N/A	The Operator/ Investment Manager / Oversight Advisor	<p>There continues to be significant progress in this area. Key activities include:</p> <ul style="list-style-type: none"> Launch of the sustainable equities sub fund Continued involvement of bFinance to assist the WPP with the allocator appointments for a range of Private Market sub-funds As at 31 March 2023, 70% of all WPP assets are pooled
	Financial				Long Term	4	1				
	The WPP fails to adequately account for climate change, climate risk and ESG factors.	Financial loss to assets held within the WPP and potential for stranded assets.	OWG/ The Operator/ The Investment Manager	<ul style="list-style-type: none"> Development of suitable Climate Change, Climate Risk and ESG reporting metrics Appointment of a proxy voting and engagement provider, who engages with managers and companies on how they manage Climate Change, Climate Risk and ESG factors Publication of a Responsible Investment policy and Climate Risk Policy Constant engagement and challenging of Managers on how they account for Climate Risk/ Change and ESG factors 	Current				Continued dialogue with the Constituent Authorities on the 'net zero agenda', ensuring some consistency across the pool.	OWG/ Oversight Advisor	<p>There continues to be progress in this area over the past 12 months. Key activities include:</p> <ul style="list-style-type: none"> Robust quarterly reporting of ESG & Climate risk WPP continues to be a signatory of the Stewardship Code Annual on-going stewardship code reporting process in place Additional resource from the Oversight Advisor to focus on key RI issues & actions Integration of clear climate change ambitions in the design of private markets sub-funds Development of an All Wales Climate Report
						4	2				

1.8	Financial			Long Term	<ul style="list-style-type: none"> Development of Sub-funds that will allow Constituent Authorities to manage their Climate risk Exposure Annual Climate Change, Climate Risk or ESG related training event on the WPP Training Plan Quarterly climate risk reporting Annual stewardship code reporting 	4	1	4	س		Q4 2024	
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Risk Detail				Current Situation	Scoring			Management and Monitoring			
Risk & Nature of Risk	Cause of Risk	Implications of Risk	Risk Owner & Impact Period	Current Risk Controls	Severity	Probability	Score	Current Status	Action Required	Responsible Party & Review Date	Progress Report/ Comments
I.9	The WPP fails to facilitate investment solutions that enable the Constituent Authorities to meet their investment strategy and objectives.	<ul style="list-style-type: none"> Insufficient time and resources are allocated to engaging with and understanding Constituent Authority needs and requirements. Constituent Authorities do not effectively articulate their requirements and/or the WPP fails to account for Constituent Authority requirements. Sub-funds are not designed to Constituent Authority requirements. Sub-funds are not flexible enough or able to change to better meet Constituent Authority requirements 	The Constituent Authorities refuse to make use of the investment solution provided by the WPP. Consequently, the WPP fails to Pool assets, which may lead to government intervention and or the collapse of the WPP.	<ul style="list-style-type: none"> The development of further sub-funds is a prioritised item within the WPP's business plan. Frequent consultation with Constituent Authorities on their requirements Consultation with the Constituent Authorities on the ongoing suitability of existing sub-funds. Numerous advisors used in the formulation of sub-funds Oversight advisor in place to oversee investment strategy and sub-fund design Numerous checks and balances on the decision-making process and approval of invest strategy and sub-funds Sub fund review document in place 	Current				N/A	Oversight Advisor	N/A
	Operational/ Reputational				OWG/ The Operator/ The Investment Manager/ Oversight Advisor	5	2				
			Long Term		5	2	10				



WALES PENSION PARTNERSHIP JOINT GOVERNANCE COMMITTEE

DATE 13 DECEMBER 2023

SUBJECT

ANNUAL POLICY REVIEWS

RECOMMENDATIONS / KEY DECISIONS REQUIRED:

To approve the updated:

- Training Policy
- Rebalancing and Alteration Policy

REASONS:

The current Training Policy was approved by the JGC in December 2020 and reviewed in December 2021 with the Rebalancing and Alteration Policy being approved by the JGC in December 2021. A review of both policies has taken place and the updated policies require approval by the JGC.

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EXECUTIVE SUMMARY
JOINT GOVERNANCE COMMITTEE
DATE 13 DECEMBER 2023

ANNUAL POLICY REVIEWS

BRIEF SUMMARY OF PURPOSE OF REPORT

The Wales Pension Partnership (WPP) has approved several policies / plans which are to be reviewed on a regular basis. This quarter, the OWG have undertaken an annual review of the:

- Training Policy
- Rebalancing and Alteration Policy

The Training Policy was approved by the JGC in December 2020 and outlines WPP's approach to training and requirements. Following this review, the policy has been updated to reflect the method that training needs are identified.

The Rebalancing and Alteration policy was approved by the JGC in December 2021 and sets out WPP's approach to rebalancing the assets held within the pools' sub-funds. The policy outlines the framework that has put in place to ensure that manager allocations within sub-funds are monitored and rebalanced where appropriate. During this review, the policy has been updated to take account of the Private Market mandates (points 12 and 13).

If approved, these policies will be updated on the WPP website.

DETAILED REPORT ATTACHED?

YES

IMPLICATIONS

Policy, Crime & Disorder and Equalities YES	Legal NONE	Finance NONE	Risk Management Issues NONE	Staffing Implications NONE
Policy The Training Policy and Rebalancing and Alteration Policy are formal documents of the Wales Pension Partnership.				

CONSULTATIONS

Details of any consultations undertaken are to be included here

**Section 100D Local Government Act, 1972 – Access to Information
List of Background Papers used in the preparation of this report:
THESE ARE DETAILED BELOW**

Title of Document	File Ref No.	Locations that the papers are available for public inspection/WEBSITE LINK

WPP Training Policy

Introduction

- 1 This policy sets out the Wales Pension Partnership (“WPP”) approach to training and development. The policy outlines the strategy that WPP has put in place to ensure that its Personnel and decision makers have the required knowledge base to fulfil their roles and make decisions that will deliver the best possible outcomes for the WPP’s stakeholders.
- 2 This policy applies to WPP Personnel which includes the Host Authority, Members of the WPP Joint Governance Committee (‘JGC’) and Officer Working Group (‘OWG’). WPP recognises that Constituent Authority Pension Committee Members, as well as Pension Board Representatives, may be invited to attend WPP training events and may therefore be indirectly subjected to the content of this policy.
- 3 The WPP’s training policy and plan is designed to supplement existing Constituent Authority training documentation, it is not intended to replace or override the need for and importance of local level training policies and plans. Local level training needs will continue to be addressed by the Constituent Authorities while the WPP will offer training that is relevant to the WPP’s pooling activities.
- 4 This policy will be formally reviewed by the OWG on a biennial basis or when a significant change has been made. Significant in this context means a change to the fundamental principles or objectives underpinning the policy or where there is a change that impacts on what is expected or required from any of the groups or bodies in scope of this policy. Any changes to this policy will be taken to the JGC for approval. In maintaining and acting on this policy, WPP will have an ongoing dialogue with the Constituent Authorities and the Host Authority. WPP will also seek input from third parties where appropriate and will take account of the evolving training needs of the Constituent Authorities and developments in the facilitation of training.
- 5 This policy will have regard to guidance from the Chartered Institute of Public Finance and Accountancy (“CIPFA”) and The Pension Regulator and any relevant guidance provided by the Scheme Advisory Board (“SAB”) and the Department of Levelling Up, Housing and Communities (“DLUHC”) .The policy incorporates, where applicable, any relevant guidance from the Public Services Ombudsman for Wales or Welsh Government.

Beliefs

- 6 WPP has established a set of beliefs, which underpin and guide its decision making, policies and business plans. The two beliefs outlined below are of particular relevance to the WPP’s Training Policy:
 - Continuous learning, innovation and development will help the WPP and its Constituent Authorities to evolve.
 - Good governance should lead to superior outcomes for the WPP’s stakeholders.
- 7 WPP recognises that having a detailed training policy is critical in ensuring that WPP’s actions are aligned to its beliefs. This policy has been formulated with the aim of putting in place measures that will enable WPP to be an institution that is continuously learning, innovating and developing.

- 8 WPP believes that a critical element of good governance is enacting procedures and structures that will promote well informed decision making. The WPP's Training Policy has been put in place to seek to ensure that WPP's knowledge and ability to make well informed decisions is maximised.

Objectives

- 9 WPP's objective in preparing and implementing this policy is to:
- Demonstrate that WPP has put in place procedures that will seek to ensure that it has the skills and knowledge to carry out the roles and activities that it undertakes on behalf of stakeholders;
 - Ensure that WPP Personnel are fully informed of all relevant matters prior to make decisions on behalf of WPP stakeholders; and
 - Ensure that WPP, as a collective, has sufficient knowledge to challenge and critique the advice that it receives from its external providers.

Risks and mitigations

- 10 In maintaining a training plan and policy, WPP's objective is to progressively reduce the likelihood that stakeholder outcomes are negatively impacted due to a lack of expertise or the presence of knowledge gaps amongst WPP Personnel. The WPP Risk Register highlights that failing to maintain and foster appropriate expertise and knowledge amongst relevant personnel is a material risk to the WPP which, if left unmanaged, could result in the WPP taking ineffective action, making inappropriate decisions or being unable to deliver on its responsibilities. To manage this potential risk, WPP has put in place the following measures and controls:
- Ensure sufficient training takes place;
 - Maintain a mechanism for accessing training requirements;
 - Ensure that new personnel receive appropriate training at the outset of their duties;
 - Publication of the WPP Annual Training Plan;
 - Outsourcing training requirements to specialists when required;
 - Outsourcing tasks to expert advisors where appropriate; and
 - Recording JGC attendance at each WPP training session.

Guidance & Regulation

- 11 In formulating this policy WPP has considered and incorporated CIPFA's 'Investment Pooling Governance Principles for LGPS Administering Authorities' guidance, which notes the importance of "Members and Officers having a detailed knowledge of the pooling of investment arrangements. The WPP Training Policy and the associated WPP Training Plan have been developed with the aim of providing Members and Officers with the knowledge of investment pooling that they require to carry out their WPP roles and responsibilities. Local level training policies and plans will continue to address the knowledge of pooling that Members and Officers require to carry out their roles at Constituent Authority Level.

12 WPP recognises that there is a significant amount of training related regulation and guidance which is targeted at LGPS Funds and Private Sector Pension Schemes, this includes but is not limited to:

- Regulations, such as the Pensions Act 2004, the Public Service Pensions Act 2013 and the Markets in Financial Instruments Directive (“MiFID II”)
- Guidance, such as CIPFA’s Code of Practice & Knowledge and Skills Frameworks, the Pensions Regulator’s codes of practice and toolkits and Scheme Advisory Board guidance

13 WPP is supportive of these sources of guidance and regulation. WPP has sought to incorporate the sentiment and nature of these sources into its own training policy and plans. WPP expects and encourages the Constituent Authorities to formulate and maintain their own training policies and plans. WPP anticipates that Constituent Authorities will put in place policies that will uphold the guidance and regulation that the sources outlined above place on LGPS Funds.

Strategy

14 WPP recognises that training is critical to achieving good outcomes for its stakeholders and will allocate resources to ensure that it undertakes regular training. WPP has committed to hosting at least four formal training events during the course of the year. Training events will be facilitated by the Host Authority. The Host Authority will maintain a training log which will keep a record of all the training WPP personnel have completed to date and the training that is due to take place in the foreseeable future.

15 The WPP Training Policy has six key elements;

- Understanding of the WPP’s remit and environment
- Identification of training needs
- Facilitation of training
- Training methods
- Duties and expectations
- Review and monitoring

16 WPP, in formulating this policy, has considered the nature of the work that it carries out on behalf of its stakeholders and the environment in which it operates. WPP recognise that training requirements, alongside the WPP’s knowledge base, will need to be fluid due to the changing and variable nature of the WPP’s work. The environment in which WPP operates is also subject to constant change, it is vital that the WPP’s Training Policy is able to address any training or knowledge requirements that may stem from these changes, this is particularly relevant for regulatory changes.

17 Prior to identifying training needs it is important to consider the sources and drivers of these needs. WPP has identified four main sources from which training needs can stem:

- Regular Role & Responsibilities – the day to day roles and responsibilities of WPP Personnel will require them to have a certain knowledge base and skill set.
- Target Areas of Focus and Project Work – new workstreams or projects may require WPP Personnel to develop skill or knowledge which they had not previously needed or required.

- Market Developments & Current Issues – the introduction of hot topics within the market that WPP operates within may result in WPP’s existing workplan or practices being subject to change and its natural to assume that new training requirements may result from these changes.
 - Regulatory Changes – amendments or changes to existing regulation will need to be swiftly actioned by the WPP. Any WPP action will include an assessment and facilitation of any training needs that stem from the regulatory changes.
- 18 WPP will identify training need requirements by requesting, on an annual basis, JGC and OWG Members to identify any areas where training would be beneficial and communicate these to the Host Authority. The areas highlighted will be used to inform the WPP Annual Training Plan – this will identify the topics that WPP will receive training on over the course of the subsequent twelve months. The topics identified will not only take account of the input from JGC and OWG members but will also be formulated with a consideration to the WPP’s Annual Business Plan and the nature of the work that WPP will be undertaking during the course of the year.
- 19 The means and methods of undertaking training are constantly evolving and WPP is keen to embrace any new developments that will enhance the effectiveness of its training. WPP currently makes use of the following training methods, this list is by no means exhaustive and is likely to change in line with relevant developments and innovations:
- Formal Training Events
 - Virtual Training Sessions
 - Online Training Portals
 - Workshops
 - Briefing Notes, Guidance Papers or any other relevant reading materials
 - Relevant Seminars, Webinars and Conferences
 - In-Meeting Training Sessions
- 20 WPP Personnel have a duty to play an active role in the development of their own knowledge base and skill set. It is best practice for individuals to review their own knowledge and understanding at least annually and undertake further training for any areas that are identified as requiring further attention or development. Individuals should record any training activity undertaken which is relevant to their WPP role and were appropriate inform the Host Authority of the details. WPP Personnel are asked to use the completion of the WPP Training Requirement Questionnaire as an opportunity to evaluate their knowledge and skills.
- 21 New WPP Personnel are required to undertake introductory training to reach the level of knowledge that will enable them to carry out their new duties and roles. Upon joining the WPP, new Personnel will be provided with an introduction pack from the Host Authority. New WPP Personnel are expected to review the information provided to them in the introduction pack, which will include detail on their WPP role and the WPP’s Governance Framework and Policies. The Host Authority will reach out to new WPP Personnel within one month of sending the introduction pack to ensure that they have a good understanding of their new role and responsibilities and the WPP’s structures and procedures. If required, the Host Authority and

Oversight Advisor will make themselves available for a meeting to address any outstanding questions or points of clarification that the new Personnel Member may have.

- 22 Following any introductory training, Personnel are expected to maintain their understanding by completing any additional training that is required. All Personnel should be aware of the WPP's framework, beliefs, policies, governance matrix, the decision-making process and decision logging process.
- 23 WPP recognises the importance of monitoring the effectiveness and ongoing suitability of this Policy. The following sources of data will be used to assess the extent to which this Policy has delivered on its objectives - any findings or insight will be considered and actioned during the annual review of the WPP's Training Policy;
- The attendance levels at WPP Training Events
 - The responses to the annual request for training topics
 - Where applicable, knowledge benchmarking exercises will be carried out

Transparency

- 24 The WPP Training Policy will be made publicly available on the WPP website. On an annual basis, WPP will prepare and publish an Annual Training Plan on its website, the Plan will outline the training topics that the WPP will receive training on over the next twelve months.
- 25 The WPP Annual Report will outline what training the WPP completed during the past year, where it was held and the attendees.

Further Information

- 26 If you require any further details on the WPP Training Policy, please contact walespensionpartnership@carmarthenshire.gov.uk and refer to the WPP website.

Version 3.0

September 2023

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WPP Sub-fund Rebalancing and Alteration Policy

Introduction

- 1 The Wales Pension Partnership (“WPP”) is the pooling arrangement for the assets of the eight Welsh Local Government Pension Scheme funds (“Constituent Authorities”).
- 2 This policy sets out WPP’s approach to rebalancing the assets held within sub-funds. The policy outlines the framework that WPP has put in place to ensure that manager allocations within sub-funds are monitored and rebalanced where appropriate.
- 3 This policy applies to the full range of sub-funds held in the WPP ACS umbrella, covering equity and fixed income mandates. WPP recognises that Constituent Authorities may have other assets held outside of WPP and these assets are not covered by this policy. The WPP’s rebalancing policy is designed to ensure all investors have clarity over the rebalancing policies in place.
- 4 This policy will be formally reviewed by the OWG on an annual basis and, if necessary, changes to the policy will be taken to the JGC for approval.

Rationale for rebalancing

- 5 A rebalancing policy ensures that the manager allocations within sub-funds are suitably monitored to ensure that they remain consistent with the objectives when the sub-funds were established.
- 6 In addition, having a rebalancing policy and monitoring process helps to ensure that any drift of manager allocations within sub-funds is monitored, reported to investors, and advised on if needed.
- 7 A clear policy helps set clarity over the steps that can be taken by the Portfolio Managers (“PM”) to manage this risk.

Rebalancing

- 8 WPP invests in a range of funds, which have either Russell Investments (Russell) or Waystone Management (UK) Ltd (Waystone) as a Portfolio Manager (“PM”). These funds can consist of a single manager, e.g. the WPP Sterling Credit sub-fund where Fidelity are the investment manager, or hold multiple investment managers, as is the case for the majority of other sub-funds.
- 9 For single manager sub-funds, such as WPP Sterling Credit, manager rebalancing considerations are not relevant.
- 10 For the funds with Russell as the PM, Russell Investments seek to actively manage all allocations to the underlying investment managers at the Fund level. Activity is reported to investors on a quarterly basis.
- 11 For the sub-funds with Waystone as PM, and with multiple managers:
 - 11.1 A target allocation to the underlying investment managers is set at inception. This central strategic target allocation is reviewed annually or biennially.
 - 11.2 Waystone has set a two tiered tolerance level framework for manager allocations which is monitored on a daily basis.
 - 11.3 When tolerance levels are breached, Waystone have discretion over whether or not to rebalance, i.e., breaching the tolerance level does not automatically trigger rebalancing activity.

- 11.4 A quarterly (or ad-hoc) report is prepared for the Waystone Investment Committee that includes reference to the tolerance levels along with any recommendations on rebalancing within the fund.
- 11.5 Waystone's investment committee will consider suitable action and will advise investors of any rebalancing activity.
- 12 The current Private Markets mandates are managed by Schroder, Russell and GCM Grosvenor. The mandates are a rolling series of closed-ended vehicles, with new funds (vintages) launched approximately one to two years apart, depending on investor demand. Where changes are required to the fund holdings contained in the mandates, these are reported to investors.
- 13 For the open ended Infrastructure sub fund, with multiple managers, GCM Grosvenor facilitate:
 - 13.1 A target allocation to the underlying investment managers, which is set by WPP at inception.
 - 13.2 Quarterly reporting versus the target allocation.
 - 13.3 Rebalancing where required, noting that this is instructed by the Constituent Authorities.

Further Information

- 14 If you require any further details on the WPP rebalancing policy, please contact walespensionpartnership@carmarthenshire.gov.uk and refer to the WPP website.

Version 2.0.

October 2023



WALES PENSION PARTNERSHIP JOINT GOVERNANCE COMMITTEE

DATE 13 DECEMBER 2023

SUBJECT

OPERATOR UPDATE – Q3 2023 REVIEW

RECOMMENDATIONS / KEY DECISIONS REQUIRED:

To receive a presentation from the Operator on the progress of the Wales Pension Partnership

REASONS:

Waystone Management (UK) Limited (Waystone), WPP's Operator provides a quarterly review update to the Joint Governance Committee (JGC), covering the following key areas:

- Market updates
- Current fund holdings
- Sub-funds update
- Corporate update and engagement

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**EXECUTIVE SUMMARY
JOINT GOVERNANCE COMMITTEE**

DATE 13 DECEMBER 2023

OPERATOR UPDATE – Q3 2023 REVIEW

BRIEF SUMMARY OF PURPOSE OF REPORT

Waystone, WPP’s Operator provides a quarterly update to the JGC. These quarterly updates cover corporate and market updates, fund summary information and an engagement update showing the engagement protocol in place and key meeting dates.

The Q3 (July to September) 2023 review is being presented to the JGC and provides the following updates:

- Market update re the acquisition of Link Fund Solutions
- AUM summary as at 30 September 2023
- Fund changes in relation to the Global Credit fund, Global Growth fund, UK Opportunities fund and Absolute Return Bond fund.
- Market updates in relation to Russia / Ukraine and the Middle East
- Corporate update and engagement

DETAILED REPORT ATTACHED?

YES

IMPLICATIONS

Policy, Crime & Disorder and Equalities NONE	Legal NONE	Finance NONE	Risk Management Issues NONE	Staffing Implications NONE

CONSULTATIONS

Details of any consultations undertaken are to be included here

**Section 100D Local Government Act, 1972 – Access to Information
List of Background Papers used in the preparation of this report:
THESE ARE DETAILED BELOW**

Title of Document	File Ref No.	Locations that the papers are available for public inspection/WEBSITE LINK



Wales Pension Partnership
Joint Governance Committee
Q3 2023 review – 13 December 2023



Market Updates

Acquisition Complete

As discussed since the last Joint Governance Committee on 20 September 2023;

The Sale to Waystone Management (UK) Limited (WMUK) completed on 9th October 2023

Waystone is the leading provider of institutional governance, risk and compliance services to the asset management industry.

Partnering institutional investors, investment funds and asset managers Waystone builds, supports and protects investment structures and strategies worldwide. With over 20 years' experience and a comprehensive range of specialist services to its name, Waystone is now supporting asset managers with more than US\$2Tn in AUM

Waystone provides its clients with the guidance and tools to allow them to focus on managing their investment goals with confidence

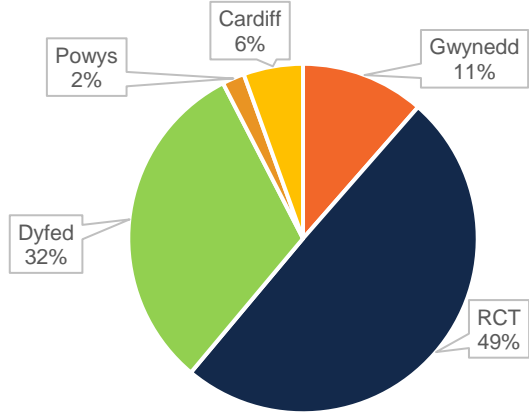
September 2023 WS Wales PP Fund Summary AUM

Fund	AUM	Inception date
Global Growth	£3,134,315,780	6th Feb 2019
Global Opportunities	£2,911,502,397	14th Feb 2019
UK Opportunities	£775,493,564	10th Oct 2019
Multi Asset Credit	£463,462,906	12th Aug 2020
Emerging Markets	£677,376,333	20th Oct 2021
Global Credit	£857,063,502	21st Aug 2020
Global Government Bond	£577,072,879	20th Aug 2020
Absolute Return Bond	£517,323,204	30th Sept 2020
Sterling Credit	£357,077,225	19th Aug 2020
Sustainable Active Equity Fund	£1,259,811,721	20th June 2023
Total Active Investments	£11,530,499,511 as at 30 September 2023	

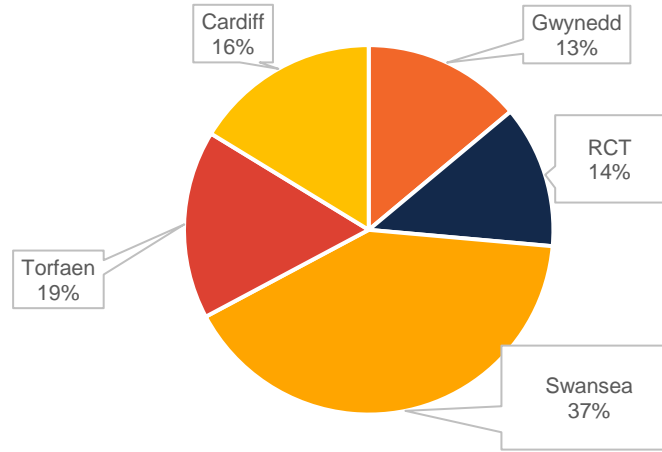
September 2023 Fund Snapshot - Equities

- Key:
- Dyfed
 - Powys
 - Gwynedd
 - RCT
 - Torfaen
 - Clwyd
 - Swansea
 - Cardiff

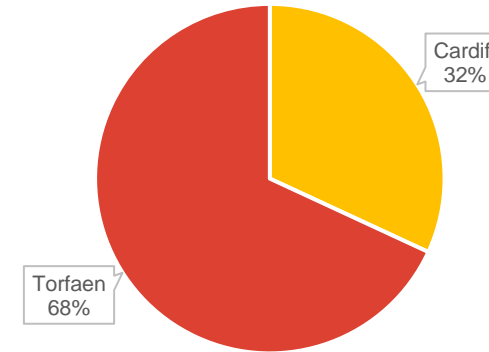
Global Growth



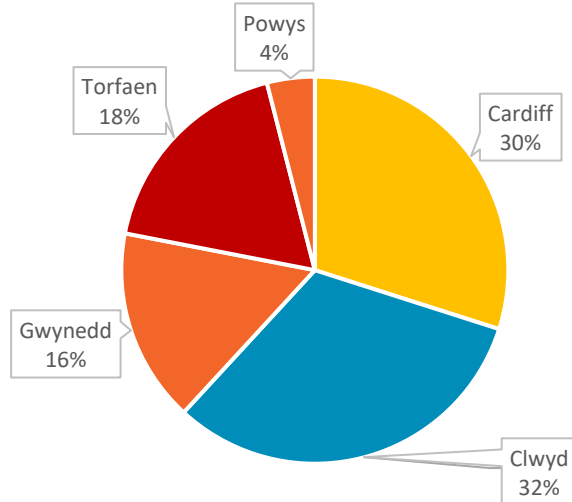
Global Opportunities



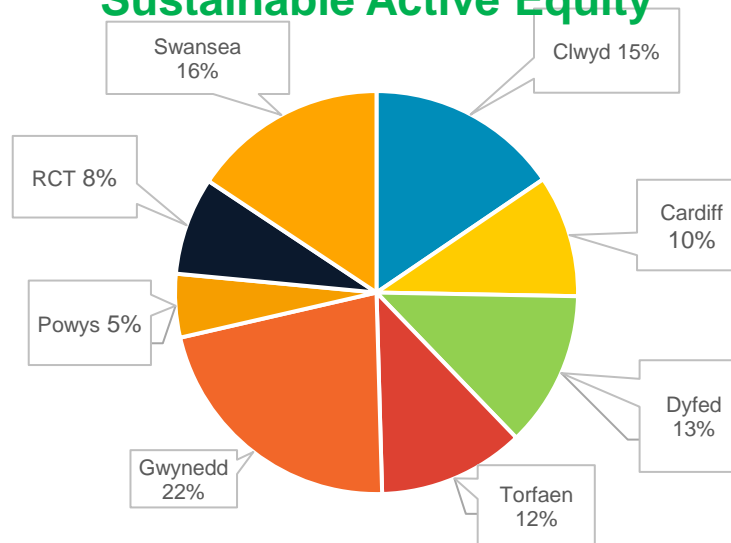
UK Opportunities



Emerging Markets

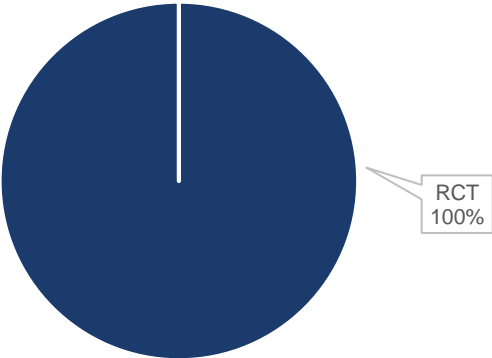


Sustainable Active Equity

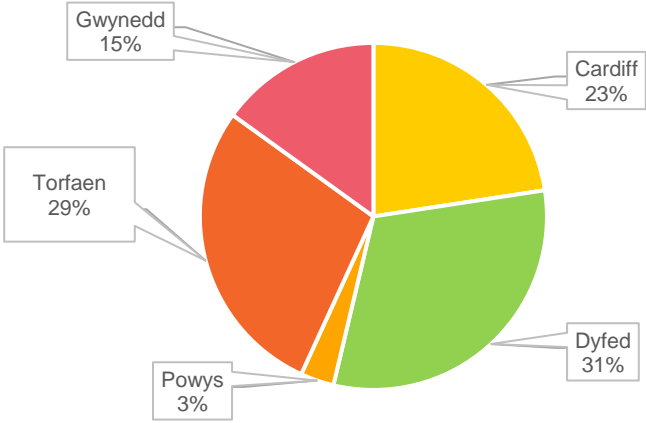


September 2023 Fund Snapshot - Fixed Income

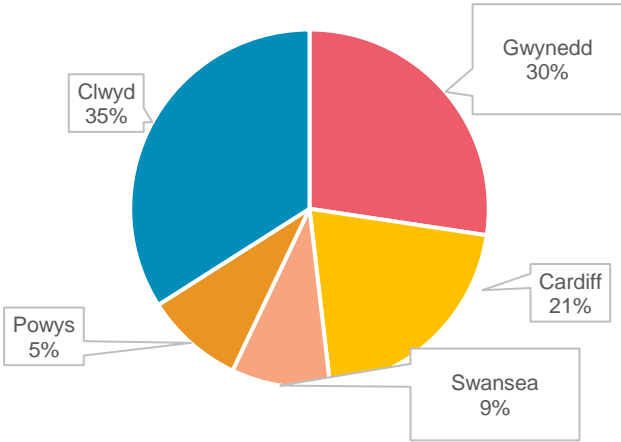
Sterling Credit



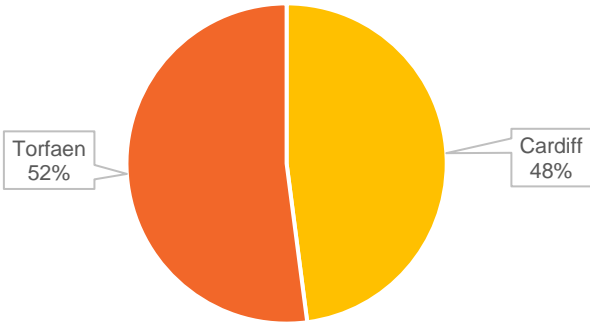
Global Credit



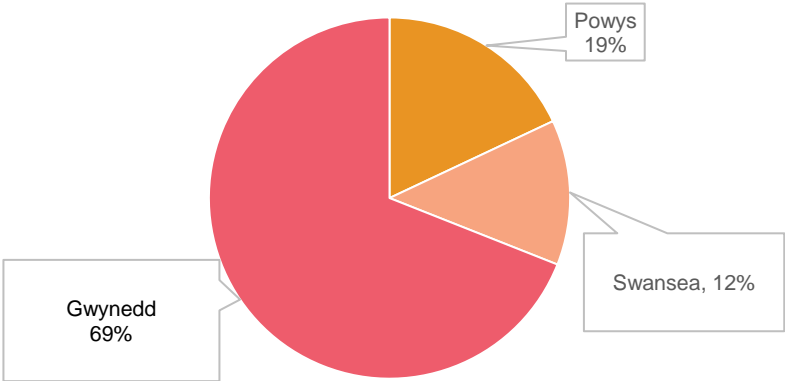
Multi Asset Credit



Global Gov. Bond








Absolute Return Bond



- Key:
- Dyfed
 - Powys
 - Gwynedd
 - RCT
 - Torfaen
 - Clwyd
 - Swansea
 - Cardiff

Sub-Funds Update

Fund Launches & Changes

	Activity	Status	Commentary
Completed Fund Launches & Changes	N/a		N/a
Ongoing Fund Launches & Changes	Addition of Robeco to the Global Credit fund, removal of T Rowe Price		New Investment Manager 'Robeco' to be implemented Q3 2023. This is now expected to be Q1 2024"
	Addition of New Investment Manager to the Global Growth Fund, as an addition to current Managers		Proposed addition new manager to be discussed with Host and Hymans before sharing with Constituent Authorities with rationale behind the change – Live date to be confirmed
	Manager Changes on UK Opportunities Fund		WS WPP UK Opportunities Fund - Terminate Lazard and Majedie UK Core, hire Fidelity, and increase the weight to Liontrust UK CF Solution, JO Hambro UK Dynamic and Ninety-One UK Value - Live date 16 October
	Manager Changes on Absolute Return Bond Fund		WS WPP Absolute Return Bond Fund - Terminate Putnam and increase the weightings of Wellington, Insight and Aegon - Live date 16 October
	Cash Yield Options for current fund range		Cash Yield Options currently being investigated by WMUK Governance.

Market Updates

Market Updates			
	Activity	Status	Commentary
Russia / Ukraine	Impact to ACS sub-funds holding Russian companies	✓	WMUK continue to monitor the situation and will advise Constituent Authorities of any developments. Our Fair Value Pricing Committee regularly discuss, and assets are still priced accordingly. All WPP Funds holding no Russian companies
Middle East	Impact to ACS sub-funds holding Israeli companies	✓	Currently 10 securities held in Israeli companies across four sub funds; Global Government Bond Fund, Multi Asset Credit Fund, Global Credit Fund & Global Opps Equity Fund with a value of approx. £11.8m. Situation currently being monitored as part of the BAU oversight process

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Status Key:

- Completed or already in place
- On target;
- Delay Expected;
- Not Applicable

WMUK Corporate Update & Engagement

Key Q3 and future WPP Engagement

Waystone attendance at OWG/JGC meetings in period:

- WPP JGC 19 July 2023
- OWG 24 July 2023
- WPP JGC 20 September 2023

Waystone attendance at OWG/JGC meetings in next quarter:

- OWG 24 October 2023
- WPP JGC 13 December 2023

Waystone - Pension Committee attendance in period:

Waystone - Pension Committee attendance in next quarter :

- Powys Pensions and Investment Committee meeting – 6 October 2023

Other meetings in period

- Host Authority update – occurs bi-weekly
- Strategic Relationship Review – 20 September 2023

Other meetings in next quarter

- Host Authority update – occurs bi-weekly
- Pension Board Chairs Engagement Meeting - 3 October 2023
- WPP briefing / training session – (second session)

WMUK Engagement Protocol – Business as Usual

Strategic Relationship Review	Frequency	Objective
<p>WPP Attendees</p> <ul style="list-style-type: none"> ▪ Chris Moore ▪ Anthony Parnell ▪ Two Section 151 / Deputy Section 151 officers 	<ul style="list-style-type: none"> ▪ Bi-annual 	<p>Waystone Attendees</p> <ul style="list-style-type: none"> ▪ Ensure strategic alignment between Host Authority and WMUK ▪ Karl Midl, Country Head, UK and CEO ▪ Richard Thornton, Head of Relationship Management, Asset Owners
JGC Engagement	Frequency	Objective
<p>WPP Attendees</p> <ul style="list-style-type: none"> ▪ Joint Governance Committee (JGC) 	<ul style="list-style-type: none"> ▪ Quarterly 	<p>Waystone Attendees</p> <ul style="list-style-type: none"> ▪ Engage with JGC on pertinent matters and strategic deliverables ▪ Karl Midl, Country Head, UK and CEO / Adam Tookey, Head of Product – as required ▪ Richard Thornton, Head of Relationship Management, Asset Owners ▪ James Zealander, Senior Relationship Manager ▪ Russell Investments
OWG Engagement	Frequency	Objective
<p>WPP Attendees</p> <ul style="list-style-type: none"> ▪ Officers Working Group (OWG) 	<ul style="list-style-type: none"> ▪ Quarterly 	<p>Waystone Attendees</p> <ul style="list-style-type: none"> ▪ Identify and deliver on opportunities to improve and expand the relationship ▪ Provide update on open projects or issues ▪ Monthly KPI Review (Data supplied monthly) ▪ James Zealander, Senior Relationship Manager ▪ Richard Thornton, Head of Relationship Management, Asset Owners ▪ Heidi Robinson, Relationship Managers (as required) ▪ Ad-hoc Link attendance from functional departments: Investment Management Oversight, Tax, Compliance, Product, etc. ▪ Russell Investments

Note: Meetings may be conducted remotely and/or amalgamated where required.

WMUK Engagement Protocol continued...

Host Authority Update	Frequency	Objective
WPP Attendees <ul style="list-style-type: none"> ▪ Anthony Parnell ▪ Tracey Williams 	<ul style="list-style-type: none"> ▪ Bi-Weekly 	<ul style="list-style-type: none"> ▪ Regular Host Authority – WMUK to discuss deliverables and business updates ▪ Richard Thornton, Head of Relationship Management, Asset Owners ▪ James Zealander, Senior Relationship Manager ▪ Heidi Robinson, Relationship Managers (as required) ▪ Clair Baguley, Client Service Manager (as required)
Pension Fund Committees	Frequency	Objective
<ul style="list-style-type: none"> ▪ Individual Pension Fund Committee meetings 	<ul style="list-style-type: none"> ▪ Annual 	<ul style="list-style-type: none"> ▪ General update on the ACS and planned initiatives ▪ Richard Thornton, Head of Relationship Management, Asset Owners ▪ James Zealander, Senior Relationship Manager ▪ Heidi Robinson, Relationship Managers (as required) ▪ Russell Investments
Manager Engagement Days	Objective	
<ul style="list-style-type: none"> ▪ Open to all involved parties 	<ul style="list-style-type: none"> ▪ Annual ▪ Open day for presentations on strategy and performance (with IM) ▪ Waystone Client Team ▪ Northern Trust ▪ Russell Investments and other Investment Managers ▪ Other consultants as required (e.g. bFinance) 	
Pension Board Engagement	Frequency	Objective
WPP Attendees <ul style="list-style-type: none"> ▪ Chairpersons of the Constituent Authorities ▪ Host Authority 	<ul style="list-style-type: none"> ▪ Bi-Annual 	<ul style="list-style-type: none"> ▪ General update on the ACS and planned initiatives ▪ Waystone Client Team ▪ Russell Investments

Thank you

Relationship Managers

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Heidi Robinson
Relationship Manager
+44 (0) 7843 804917
Heidi.Robinson@linkgroup.co.uk

Head of Client Relations

Name: Richard Thornton
Role: Head of Relationship Management – Asset Owners
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Executive Contact

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Role: Country Head, UK and CEO
Number: +44 (0)7951 266225
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WALES PENSION PARTNERSHIP JOINT GOVERNANCE COMMITTEE

DATE 13 DECEMBER 2023

SUBJECT

PERFORMANCE REPORTS AS AT 30 SEPTEMBER 2023

RECOMMENDATIONS / KEY DECISIONS REQUIRED:

To note the performance reports of the following sub funds as at 30 September 2023:

- Global Opportunities Equity Fund
- Global Growth Equity Fund
- Sustainable Active Equity Fund
- Emerging Markets Equity Fund
- UK Opportunities Equity Fund
- Global Government Bond Fund
- Global Credit Fund
- Multi Asset Credit Fund
- Absolute Return Bond Fund
- Sterling Credit Fund

REASONS:

Northern Trust have prepared performance reports for the WPP sub funds as at 30 September 2023.

Report Author:
Chris Moore

Designation:
Director of Corporate Services

Carmarthenshire County
Council

Tel No. 01267 224160

E. Mail:
CMoore@carmarthenshire.gov.uk

**EXECUTIVE SUMMARY
JOINT GOVERNANCE COMMITTEE**

DATE 13 DECEMBER 2023

PERFORMANCE REPORTS AS AT 30 SEPTEMBER 2023

BRIEF SUMMARY OF PURPOSE OF REPORT

Northern Trust have provided performance reports for the WPP's sub funds as at 30 September 2023.

Performance - Inception to date:

Global Opportunities Fund	Gross of Fees (%)	Net of Fees (%)
Actual	11.37	11.04
Benchmark	10.08	10.08
Excess Return	1.28	0.96

Global Growth Fund	Gross of Fees (%)	Net of Fees (%)
Actual	9.11	8.69
Benchmark	10.08	10.08
Excess Return	(0.98)	(1.39)

Sustainable Active Equity Fund	Gross of Fees (%)	Net of Fees (%)
Actual	(0.12)	(0.21)
Benchmark	2.59	2.59
Excess Return	(2.72)	(2.80)

Emerging Markets Fund	Gross of Fees (%)	Net of Fees (%)
Actual	(6.68)	(7.10)
Benchmark	(5.23)	(5.23)
Excess Return	(1.45)	(1.87)

UK Opportunities Fund	Gross of Fees (%)	Net of Fees (%)
Actual	3.70	3.30
Benchmark	4.10	4.10
Excess Return	(0.40)	(0.80)

Global Government Bond Fund	Gross of Fees (%)	Net of Fees (%)
Actual	(4.25)	(4.48)
Benchmark	(5.35)	(5.35)
Excess Return	1.10	0.87

Global Credit Fund	Gross of Fees (%)	Net of Fees (%)
Actual	(4.85)	(5.02)
Benchmark	(4.71)	(4.71)
Excess Return	(0.13)	(0.31)

Multi Asset Credit Fund	Gross of Fees (%)	Net of Fees (%)
Actual	0.43	0.07
Target *	5.59	5.59

Absolute Return Bond Strategy Fund	Gross of Fees (%)	Net of Fees (%)
Actual	2.90	2.55
Target *	3.65	3.65

Sterling Credit Fund	Gross of Fees (%)	Net of Fees (%)
Actual	(4.64)	(4.77)
Target *	(5.03)	(5.03)

* EXCESS RETURN IS NOT SHOWN AS THIS IS A TARGET

Waystone and Russell Investments have also provided a summary paper, summarising the performance of each individual fund and providing individual fund commentary.

DETAILED REPORT ATTACHED?	YES
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IMPLICATIONS

Policy, Crime & Disorder and Equalities NONE	Legal NONE	Finance YES	Risk Management Issues NONE	Staffing Implications NONE
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Finance

The following sub funds have outperformed / underperformed their benchmarks, as follows:

- Global Opportunities – outperformed by 1.28% gross / 0.96% net
- Global Growth – underperformed by 0.98% gross / 1.39% net
- Sustainable Active Equity – underperformed by 2.72% gross / 2.80% net
- Emerging Markets – underperformed by 1.45% gross / 1.87% net
- UK Opportunities – underperformed by 0.40% gross / 0.80% net
- Global Government Bond – outperformed by 1.10% gross / 0.87% net
- Global Credit – underperformed by 0.13% gross / 0.31% net

The MAC and ARB funds did not meet their targets.

The Sterling Credit fund exceeded its target.

CONSULTATIONS

Details of any consultations undertaken are to be included here

**Section 100D Local Government Act, 1972 – Access to Information
List of Background Papers used in the preparation of this report:
THESE ARE DETAILED BELOW**

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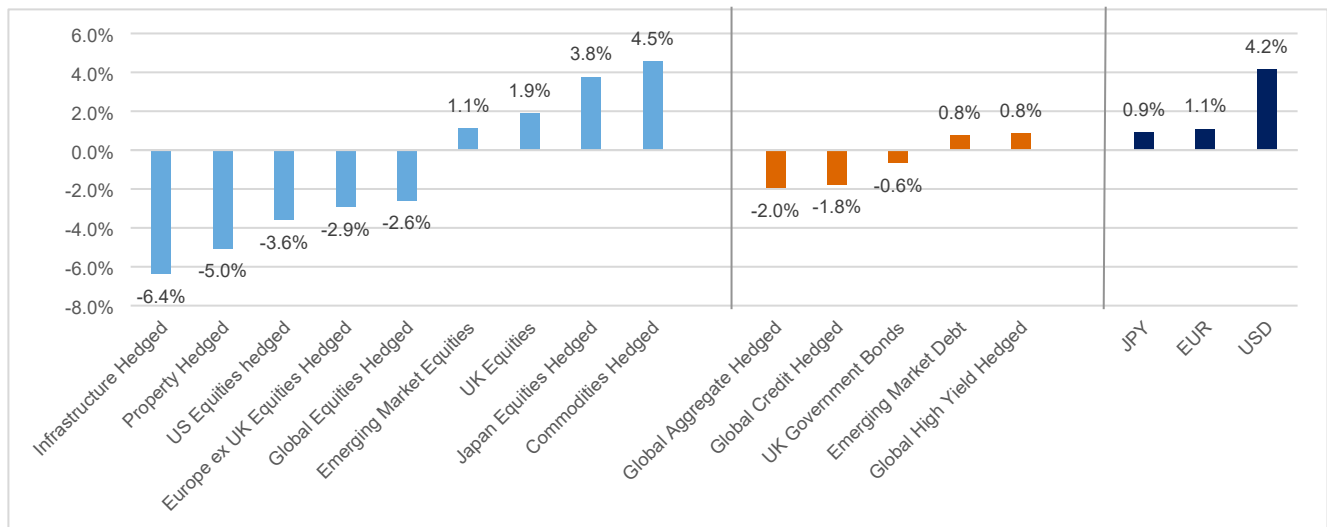
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JGC - WPP Performance Summary Q3 2023

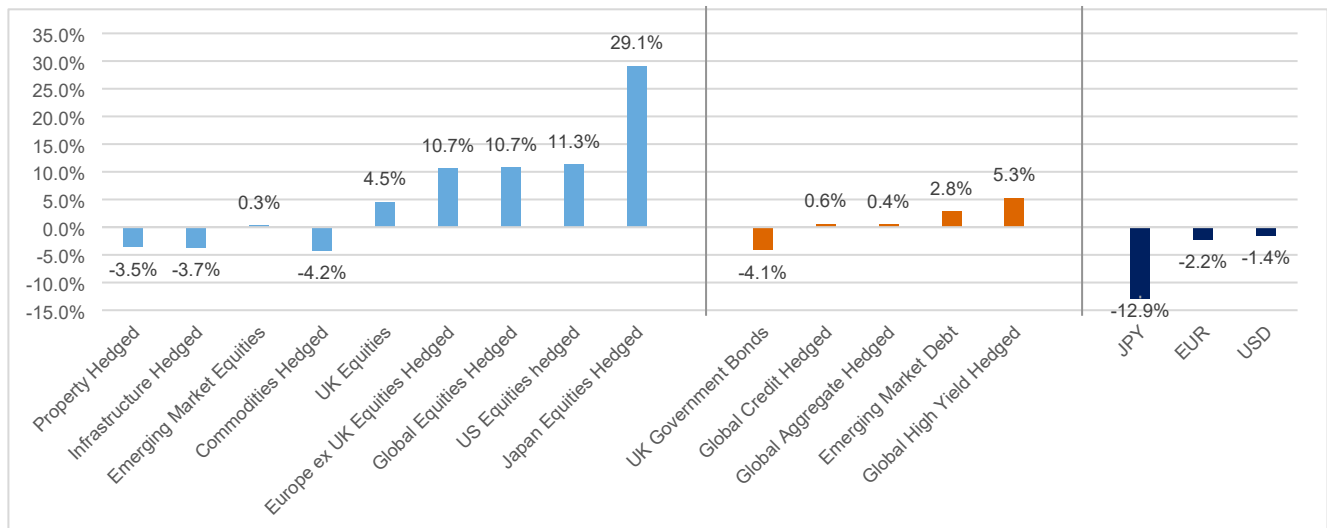
Global Market Commentary

Equities retreated following earlier gains on rising expectations that interest rates would stay higher for longer prompted by hawkish comments from central banks. Soaring oil prices added to concerns that the battle over inflation may be prolonged. Worries over the Chinese economy, particularly the property sector, prompted a sell-off in Chinese equities mid-quarter although new stimulus measures from Beijing and a pick-up in manufacturing stemmed some of the falls. The US dollar strengthened against most currencies. The Federal Reserve (Fed) and Bank of England (BoE) both raised rates by 25 basis points (bps) earlier in the quarter but left them unchanged at their September meetings. The European Central Bank (ECB) raised rates twice, each by 25 bps, bringing them to the bloc's all-time high of 4.0%.

Asset class performance – Quarter to Date (September) 2023



Asset class performance – Year to Date (September) 2023



Benchmarks : Global equity hedged (MSCI World ACWI), UK equity (FTSE All Share), US equity hedged (Russell 1000 Net GBPH), Europe ex UK equity (MSCI Europe ex UK Equity Net GBPH), Japan equity (TOPIX Net GBPH), Emerging equity (MSCI Emerging Markets Net), Global HY bonds (BofAML Global High Yield 2% Constrained Index), EMD LC (JP Morgan GBI-EM Global Diversified Index), Global credit hedged (Bloomberg Barclays Global Aggregate Credit Index), Global aggregate hedged (Bloomberg Barclays Global Aggregate Bond Index GBPH), UK Government Bonds (ICEBofAML UK Gilts All Stocks (GB), Property hedged (FTSEEPRA Nareit Dev Re GBP)

Global Growth Equity Fund:

	Three Months	1 Year	Since Inception
Gross	-0.5	10.8	9.1
Net	-0.6	10.3	8.7
MSCI AC World Index Net	0.6	10.5	10.1
Excess returns (gross)	-1.1	0.3	-1.0

Inception Date: 31st January 2019

Source: Northern Trust as of 30 September 2023

Overall Fund Commentary

Energy and Communication Services were the best performing sectors over the quarter. Utilities, Real Estate and Consumer Staples were the worst performers. Value outperformed the benchmark which supported the outperformance of Pzena. Veritas' value bias helped deliver small outperformance. Growth broadly underperformed which impacted the returns of Baillie Gifford as a number of holding experienced significant drawdowns. This caused underperformance at the total fund level.

Global Opportunities Equity Fund:

	Three Months	1 Year	Since Inception
Gross	1.4	10.4	11.4
Net	1.4	10.1	11.0
MSCI AC World Index Net	0.6	10.5	10.1
Excess returns (gross)	0.8	-0.1	1.3

Inception Date: COB 14th February 2019

Source: Source: Northern Trust as of 30 September 2023

Overall Fund Commentary

High dividend yield and value were the best performing styles over the quarter. Growth broadly underperformed. In developed markets large caps outperformed small and mid-caps, notably in the US, while the trend reversed in emerging markets where small caps outperformed large cap stocks. Energy was the standout performer due to soaring oil prices. In contrast, utilities, real estate, and consumer staples were the weakest-performing sectors given their bond proxy exposures.

Sustainable Active Equity Fund:

	Three Months	1 Year	Since Inception
Gross	-1.7	-	-0.1
Net	-1.8	-	-0.2
MSCI AC World Index Net	0.6	-	2.6
Excess returns (gross)	-2.3	-	-2.7

Inception Date: COB 17th July 2023

Source: Source: Northern Trust as of 30 September 2023

Overall Fund Commentary

High dividend yielding and value were the best performing styles over the quarter. Growth broadly underperformed in the market environment followed by small caps. Energy was the best sector on rising oil prices, the Funds underweight to this sector drove underperformance. Bond-like sectors (Utilities, Real Estate) were weak as the term-premium for bonds rose strongly. A further tilt of the Fund away from large caps was a detractor on performance. With the tilt towards value adding positive performance over the period.

EM Market Commentary

Emerging markets outperformed the index. In contrast to its position in the second quarter as the laggard, Turkey was the standout performer over the last quarter. Equities reached record highs as foreign investors returned to the market following the central bank's interest rate rises of 250 bps, 750 bps and 500 bps in July, August and September, respectively, which brought borrowing costs to the highest since September 2003. Investors have been encouraged by evidence of the country's adoption of more orthodox monetary policy. Egypt also performed well with the EGX index reaching a record high propelled by investors seeking to protect their savings from rampant inflation. In addition, United Arab Emirates, Malaysia and India recorded notable positive gains. Among the worst performers were Chile, Poland and Argentina.

EM Opportunities Equity Fund:

	Three Months	1 Year	Since Inception
Gross	0.2	3.4	-6.7
Net	0.1	2.9	-7.1
MSCI Emerging Market Index + 1.5%	1.5	3.7	-5.2
Excess returns (gross)	-1.3	-0.3	-1.5

Performance Target is MSCI Emerging Market Index + 1.5%

Inception Date: 20th October 2021

Source: Source: Northern Trust as of 30 September 2023

Overall Fund Commentary

Within the emerging market environment, the Fund's positive exposure to momentum contributed positively. However, stock selection within China, and within consumer discretionary names (overweight Ecovacs Robotics, underweight online retailer PDD), detracted. Stock selection within Brazil (overweight Banco Bradesco) was also negative. At the country level, an underweight to India did not suit the market environment. However, an underweight to and stock selection within Taiwan (underweight semiconductor giant TSMC, overweight smaller players) mitigated additional underperformance.

UK Market Commentary

UK equities outperformed other markets and the wider index (in USD) due to strong performance from the energy sector. The BoE raised interest rates by 25 bps in August but left them unchanged in September, at 5.25%. Warning that borrowing costs would remain high for at least the next two years the bank claimed the economy had proved more resilient than expected and that strong wage growth was the main reason for higher interest rates. Later in the quarter, revised figures from the Office of National Statistics supported the BoE's claim, revealing that the economy recovered from the pandemic faster than previously estimated. In the second quarter, GDP was 1.8% above the pre-pandemic level in the last quarter of 2019, rather than the initial estimate of a 0.2% contraction.

UK Opportunities Equity Fund:

	Three Months	1 Year	Since Inception
Gross	2.1	20.4	3.7
Net	2.0	19.9	3.3
FTSE All Share	1.9	13.8	4.1
Excess returns (gross)	0.2	6.5	-0.4

Inception Date: 23rd September 2019

Source: Northern Trust as of 30 September 2023

Overall Fund Commentary

The Funds overweight to Quality and underweight to Low Volatility supported performance over the quarter. The exposure to value helped bolster performance as value stocks outperformed over the period. In particular, JO Hambro and Ninety-One benefitted from their value exposure. With small cap stocks underperforming large caps the Funds exposure to small caps acted as a headwind to performance.

Fixed Income Market Commentary

The Bloomberg Global Aggregate Bond Index (USDH) was down 1.8% over the quarter. Corporate bond markets struggled while government bond yields climbed. Continued hawkish comments from central bank officials and soaring oil prices dampened investor optimism prompting an adjustment to interest rate expectations. Ten-year government bond yields reached new year-to-date highs in the US and eurozone. High yield corporate credit outperformed investment grade equivalents. The Federal Reserve (Fed) and Bank of England (BoE) both raised interest rates by 25 basis points (bps) early in the quarter but left them unchanged at their September meetings. The European Central Bank (ECB) raised rates twice, each by 25 bps, bringing them to the bloc's all-time high of 4.0%.

Global Government Bond Fund:

	Three Months	1 Year	Since Inception
Gross	-2.3	0.7	-4.3
Net	-2.5	0.5	-4.5
FTSE World Gvt Bond Index (GBP Hedged)	-2.5	-0.7	-5.4
Excess returns (gross)	-0.2	1.4	1.1

Inception Date: 30th July 2020

Source: Source: Northern Trust as of 30 September 2023

Overall Fund Commentary

The Fund's underweight to benchmark 10-year Japanese bonds was a key contributor this quarter. UK gilt positioning suited the market environment, particularly towards short-dated issues as these yields declined from elevated levels seen in the previous quarter. An underweight to core eurozone bonds also contributed positively. In contrast to the second quarter, an overweight to Mexican rates detracted this period.

Global Credit Fund:

	Three Months	1 Year	Since Inception
Gross	-1.7	2.8	-4.9
Net	-1.8	2.6	-5.0
Bloomberg Barclays Global Agg Credit Index (GBP Hedged)	-1.8	3.1	-4.7
Excess returns (gross)	0.1	-0.3	-0.1

Inception Date: 27th July 2020

Source: Source: Northern Trust as of 30 September 2023

Overall Fund Commentary

The Fund's overweight to European high yield (financials) and investment grade credit contributed positively. Overweight exposure to US high yield credit financials also helped. However, an underweight to US investment grade industrials and utilities detracted. In hard currency emerging market debt, underweights to investment grade credit in Asia, Europe, and Latin America were ineffective.

Multi Asset Credit Fund:

	Three Months	1 Year	Since Inception
Gross	0.1	10.4	0.4
Net	0.0	10.0	0.1
3 Month GBP SONIA + 4%	2.3	8.3	5.6

Performance Target is 3 Month GBP SONIA + 4%, we have not shown excess return as this is a target.

Inception Date: 27th July 2020

Source: Source: Northern Trust as of 30 September 2023

Overall Fund Commentary

As in the second quarter, high yield (HY) was stronger than investment grade corporate debt, except for US HY where spreads widened. The Funds exposure to the sub asset class helped deliver over the period. In the rising interest rate environment, the Funds exposure to bank loans through ICG helped to stem underperformance. The exposure of the Fund to EM local currency was a detractor on performance due to the US dollar strength over the period. Positive performance from Voya through exposure to residential mortgage backed securities helped stem further underperformance over the quarter.

Absolute Return Bond Strategy Fund:

	Three Months	1 Year	Since Inception
Gross	2.7	6.3	2.9
Net	2.6	5.9	2.6
3 Month GBP SONIA + 2%	1.8	6.2	3.7

Performance Target is 3 Month GBP SONIA + 2%, we have not shown excess return as this is a target.

Inception Date: 30th September 2020

Source: Source: Northern Trust as of 30 September 2023

Overall Fund Commentary

The Funds exposure to high yield was a main driver of its outperformance over the quarter as spreads tightened. With increased volatility in the market over the quarter due to the expectation that interest rates would be higher for longer. Investors were attracted to asset backed securities (ABS) increasing these securities values. The Funds exposure to ABS through Aegon was a driver of its outperformance over the quarter.

Sterling Credit Fund:

	Three Months	1 Year	Since Inception
Gross	2.4	8.4	-4.6
Net	2.4	8.3	-4.8
ICE Bank of America Merrill Lynch Euro-Sterling Index plus 0.65%	2.4	8.1	-5.0
Excess returns (Gross)	0.0	0.3	0.4

Inception Date: 27th July 2020

Source: Northern Trust as of 30 September 2023

Overall Fund Commentary

During the quarter, the fund performed in line with the benchmark, returning 2.2%, with credit positioning supporting returns while term structure positioning detracted from performance. An overweight credit beta position supported returns as credit spreads broadly tightened over the quarter amid signs of improving consumer confidence and hopes that interest rates may have peaked. At a sector level, the overweight stance in banks & brokers, insurance and other financials supported performance. Our overweight position in legacy Credit Suisse debt (now UBS) contributed to performance, as we exploited the spreads differential between Credit Suisse and UBS, on the announcement of the merger. Our underweight positioning in quasi/sovereign names such as KfW and European Investment Bank detracted from performance. On the duration front, an overweight position in the Euro duration detracted from performance as central banks stuck to their message to keep rates high for longer. The fund's adverse sterling duration position also detracted from performance. Gilt yields remain volatile and rose during the quarter. However, Gilts recovered as weaker growth data forced investors to dial down their expectations for terminal rates.

UK bonds posted positive returns during the quarter, with corporate bonds outperforming government bonds. In the corporate credit space, credit spreads tightened amid signs of improving consumer confidence and hopes that interest rates may have peaked. The European Central Bank (ECB) raised interest rates by 25 basis points in July however, the overall tone moved in a dovish direction. Furthermore, the ECB regarded the outlook for inflation as highly uncertain, thereby emphasising sticking to a data-dependent, meeting-by-meeting approach. However, investors remained cautious about the possibility of further monetary tightening by the ECB on the back of mixed economic data. US treasuries sold off at the start of the quarter amid the tight labour market and a relatively hawkish stance from the US Federal Reserve (Fed). The trend continued when the credit rating agency, Fitch, lowered the US government's long-term debt rating to AA+ from AAA due to concerns over fiscal and governance-related issues.

Wales Pension Partnership

Investment Risk & Analytical Services

September 30, 2023

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SECTION 1

Wales Pension Partnership

Investment Risk & Analytical Services

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Investment Hierarchy

Account/Group	Ending Market Value GBP	Ending Weight	% Rate of Return					
			One Month	Three Months	One Year	Inception to Date	Inception Date	
Wales Pension Partnership	11,534,751,273	100.00	-0.72	0.21	9.16	7.01	31/01/2019	
Equity	8,441,439,374	73.18	-0.64	0.25	10.50	9.41	31/12/2018	
Global Growth Fund	3,135,550,956	27.18	-1.59	-0.48	10.75	9.11	31/01/2019	
MSCI ACWI ND			-0.48	0.62	10.48	10.08	31/01/2019	
Excess Return			-1.12	-1.09	0.27	-0.98	31/01/2019	
Emerging Markets Equity Fund	357,347,757	3.10	0.96	0.20	3.41	-6.68	20/10/2021	
MSCI Emerging Markets ND +1.5%			1.23	1.49	3.69	-5.23	20/10/2021	
Excess Return			-0.27	-1.29	-0.28	-1.45	20/10/2021	
Global Opportunities Equity	2,912,487,428	25.25	0.20	1.43	10.43	11.37	31/01/2019	
MSCI ACWI ND			-0.48	0.62	10.48	10.08	31/01/2019	
Excess Return			0.67	0.81	-0.06	1.28	31/01/2019	
UK Opportunities Equity	775,789,042	6.73	0.95	2.09	20.36	3.70	23/09/2019	
FTSE All-Share			1.82	1.88	13.84	4.10	23/09/2019	
Excess Return			-0.87	0.21	6.52	-0.40	23/09/2019	
Sustainable Active Equity Fund	1,260,264,190	10.93	-1.54	-1.67	-	-0.12	23/06/2023	
MSCI ACWI ND			-0.48	0.62	-	2.59	23/06/2023	
Excess Return			-1.07	-2.29	-	-2.72	23/06/2023	
Fixed Income	3,093,311,899	26.82	-0.94	0.09	5.69	-2.32	11/08/2020	
Absolute Return Bond Fund	577,286,453	5.00	1.14	2.71	6.26	2.90	30/09/2020	
3 month GBP Sonia plus 2%			0.60	1.81	6.19	3.65	30/09/2020	
Excess Return			0.54	0.90	0.07	-0.75	30/09/2020	
Sterling Credit Fund	517,413,713	4.49	0.26	2.43	8.43	-4.64	27/07/2020	
ICE BofA ML Eur-Stg plus 0.65%			0.21	2.39	8.12	-5.03	27/07/2020	
Excess Return			0.05	0.04	0.31	0.39	27/07/2020	
Multi Asset Credit Fund	677,739,288	5.88	-1.31	0.12	10.37	0.43	27/07/2020	
3 month GBP Sonia plus 4%			0.76	2.30	8.27	5.59	27/07/2020	
Excess Return			-2.07	-2.18	2.10	-5.16	27/07/2020	
Global Government Bond Fund	463,598,954	4.02	-2.18	-2.30	0.69	-4.25	30/07/2020	
FTSE WGBI Index			-1.97	-2.47	-0.70	-5.35	30/07/2020	
Excess Return			-0.21	0.17	1.38	1.10	30/07/2020	
Global Credit Fund	857,273,490	7.43	-2.04	-1.71	2.77	-4.85	27/07/2020	
BBB Global Aggregate Credit Index hedged into GBP			-1.95	-1.77	3.05	-4.71	27/07/2020	
Excess Return			-0.09	0.06	-0.28	-0.13	27/07/2020	

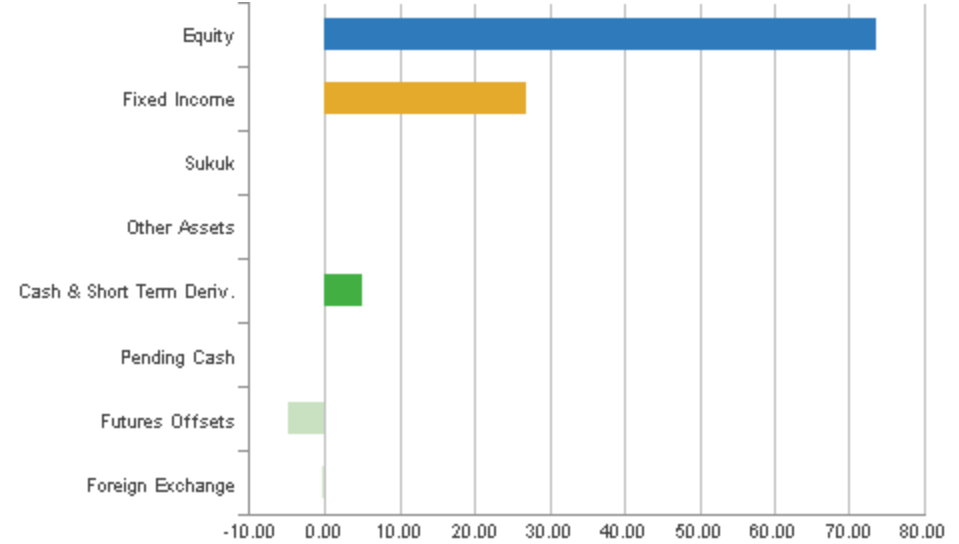
Wales Pension Partnership Summary

Account/Group -Rate of Return	E.MV-GOF	End Wt	1 Mo	3 Mos	1 Yr	ITD	Inc Date
Wales Pension Partnership	11,534,751,273	100.00	-0.72	0.21	9.16	7.01	31/01/2019
Equity	8,441,439,374	73.18	-0.64	0.25	10.50	9.41	31/12/2018
Global Growth Fund	3,135,550,956	27.18	-1.59	-0.48	10.75	9.11	31/01/2019
Emerging Markets Equity Fund	357,347,757	3.10	0.96	0.20	3.41	-6.68	20/10/2021
Global Opportunities Equity	2,912,487,428	25.25	0.20	1.43	10.43	11.37	31/01/2019
UK Opportunities Equity	775,789,042	6.73	0.95	2.09	20.36	3.70	23/09/2019
Sustainable Active Equity Fund	1,260,264,190	10.93	-1.54	-1.67	-	-0.12	23/06/2023
Fixed Income	3,093,311,899	26.82	-0.94	0.09	5.69	-2.32	11/08/2020
Absolute Return Bond Fund	577,286,453	5.00	1.14	2.71	6.26	2.90	30/09/2020
Sterling Credit Fund	517,413,713	4.49	0.26	2.43	8.43	-4.64	27/07/2020
Multi Asset Credit Fund	677,739,288	5.88	-1.31	0.12	10.37	0.43	27/07/2020
Global Government Bond Fund	463,598,954	4.02	-2.18	-2.30	0.69	-4.25	30/07/2020
Global Credit Fund	857,273,490	7.43	-2.04	-1.71	2.77	-4.85	27/07/2020

GROWTH OVER TIME - INCEPTION TO DATE - TOTAL FUND GROSS OF FEES



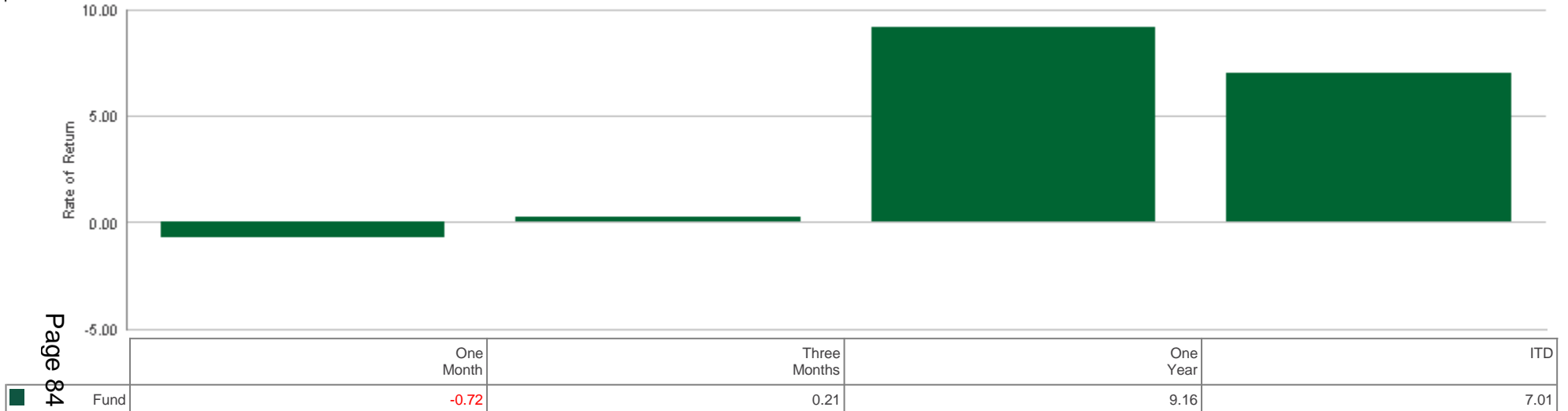
ASSET CLASS ENDING WEIGHTS



Total Fund Gross of Fees

Account/Group -Rate of Return	E.MV-GOF	End Wt	1 Mo	3 Mos	1 Yr	ITD	Inc Date
Wales Pension Partnership	11,534,751,273	100.00	-0.72	0.21	9.16	7.01	31/01/2019
Equity	8,441,439,374	73.18	-0.64	0.25	10.50	9.41	31/12/2018
Global Growth Fund	3,135,550,956	27.18	-1.59	-0.48	10.75	9.11	31/01/2019
Emerging Markets Equity Fund	357,347,757	3.10	0.96	0.20	3.41	-6.68	20/10/2021
Global Opportunities Equity	2,912,487,428	25.25	0.20	1.43	10.43	11.37	31/01/2019
UK Opportunities Equity	775,789,042	6.73	0.95	2.09	20.36	3.70	23/09/2019
Sustainable Active Equity Fund	1,260,264,190	10.93	-1.54	-1.67	-	-0.12	23/06/2023
Fixed Income	3,093,311,899	26.82	-0.94	0.09	5.69	-2.32	11/08/2020
Absolute Return Bond Fund	577,286,453	5.00	1.14	2.71	6.26	2.90	30/09/2020
Sterling Credit Fund	517,413,713	4.49	0.26	2.43	8.43	-4.64	27/07/2020
Multi Asset Credit Fund	677,739,288	5.88	-1.31	0.12	10.37	0.43	27/07/2020
Global Government Bond Fund	463,598,954	4.02	-2.18	-2.30	0.69	-4.25	30/07/2020
Global Credit Fund	857,273,490	7.43	-2.04	-1.71	2.77	-4.85	27/07/2020

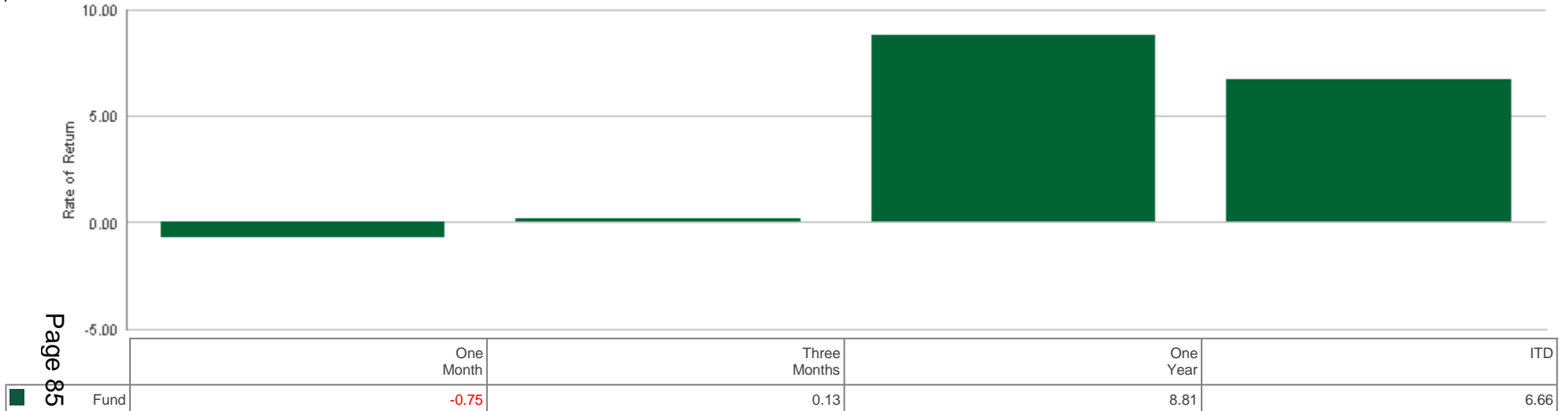
WALES PENSION PARTNERSHIP TOTAL FUND GROSS OF FEES



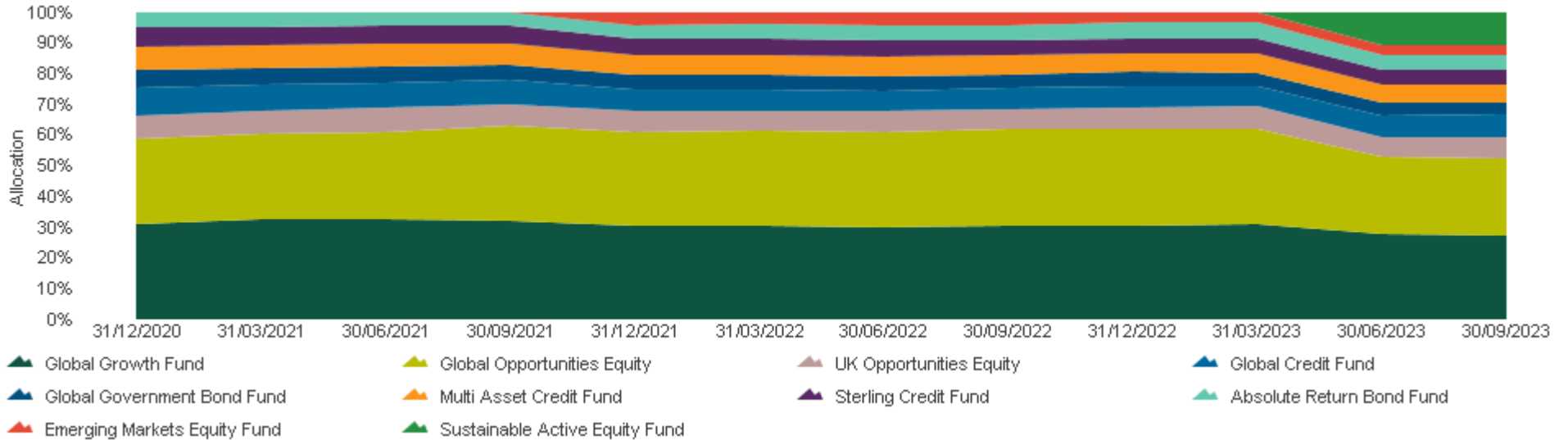
Total Fund Net of Fees

Account/Group -Rate of Return	E.MV-NOF	End Wt	1 Mo	3 Mos	1 Yr	ITD	Inc Date
Wales Pension Partnership	11,530,476,602	100.00	-0.75	0.13	8.81	6.66	31/01/2019
Equity	8,438,084,273	73.18	-0.67	0.17	10.12	9.04	31/12/2018
Global Growth Fund	3,134,282,606	27.18	-1.63	-0.57	10.33	8.69	31/01/2019
Emerging Markets Equity Fund	357,072,830	3.10	0.91	0.14	2.90	-7.10	20/10/2021
Global Opportunities Equity	2,911,450,594	25.25	0.17	1.37	10.11	11.04	31/01/2019
UK Opportunities Equity	775,484,886	6.73	0.91	1.98	19.90	3.30	23/09/2019
Sustainable Active Equity Fund	1,259,793,357	10.93	-1.58	-1.75	-	-0.21	23/06/2023
Fixed Income	3,092,392,329	26.82	-0.96	0.02	5.42	-2.55	11/08/2020
Absolute Return Bond Fund	577,060,215	5.00	1.11	2.60	5.88	2.58	30/09/2020
Sterling Credit Fund	517,323,205	4.49	0.25	2.40	8.29	-4.77	27/07/2020
Multi Asset Credit Fund	677,444,178	5.88	-1.35	0.01	9.96	0.07	27/07/2020
Global Government Bond Fund	463,462,907	4.02	-2.20	-2.36	0.45	-4.48	30/07/2020
Global Credit Fund	857,101,825	7.43	-2.06	-1.75	2.59	-5.02	27/07/2020

WALES PENSION PARTNERSHIP TOTAL FUND NET OF FEES



Allocation over Time



Account / Group	31/12/2022		31/03/2023		30/06/2023		30/09/2023	
	Market Value	Actual Weight	Market Value	Actual Weight	Market Value	Actual Weight	Market Value	Actual Weight
Wales Pension Partnership	10,170,621,226	100.00	10,572,685,566	100.00	11,472,709,282	100.00	11,534,751,273	100.00
Global Growth Fund	3,105,965,525	30.54	3,275,477,246	30.98	3,154,903,669	27.50	3,135,550,956	27.18
Emerging Markets Equity Fund	342,629,529	3.37	355,135,988	3.36	357,045,133	3.11	357,347,757	3.10
Global Opportunities Equity	3,189,587,194	31.36	3,270,569,883	30.93	2,873,984,950	25.05	2,912,487,428	25.25
UK Opportunities Equity	717,861,949	7.06	760,446,373	7.19	760,745,960	6.63	775,789,042	6.73
Sustainable Active Equity Fund					1,282,290,456	11.18	1,260,264,190	10.93
Absolute Return Bond Fund	529,049,498	5.20	559,334,497	5.29	562,841,691	4.91	577,286,453	5.00
Sterling Credit Fund	507,876,232	4.99	520,810,564	4.93	505,359,694	4.40	517,413,713	4.49
Multi Asset Credit Fund	627,688,349	6.17	655,475,201	6.20	677,749,023	5.91	677,739,288	5.88
Global Government Bond Fund	469,735,945	4.62	481,623,788	4.56	474,772,816	4.14	463,598,954	4.02
Global Credit Fund	680,227,005	6.69	693,812,025	6.56	823,015,890	7.17	857,273,490	7.43

SECTION 2

Equity

Investment Risk & Analytical Services

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Investment Hierarchy

Account/Group	Ending Market Value GBP	Ending Weight	Policy Weight	% Rate of Return							Inception to Date	Inception Date
				One Month	Three Months	One Year	Three Years	Five Years	Ten Years			
Equity	8,441,439,374	100.00		-0.64	0.25	10.50	8.79	-	-	9.41	31/12/2018	
Global Growth Fund	3,135,550,956	37.14		-1.59	-0.48	10.75	7.40	-	-	9.11	31/01/2019	
MSCI ACWI ND				-0.48	0.62	10.48	8.96	-	-	10.08	31/01/2019	
Excess Return				-1.12	-1.09	0.27	-1.57	-	-	-0.98	31/01/2019	
LF WPP GGF - BAILLIE GIFFORD	1,127,616,776	13.36	40.00	-2.77	-4.22	4.88	-0.75	-	-	7.27	06/02/2019	
MSCI ACWI ND				-0.48	0.62	10.48	8.96	-	-	9.59	06/02/2019	
Excess Return				-2.30	-4.84	-5.61	-9.71	-	-	-2.32	06/02/2019	
LF WPP GGF - PZENA INV MGT LLC	1,165,579,590	13.81	35.00	-0.43	2.28	17.48	19.35	-	-	9.38	06/02/2019	
MSCI ACWI ND				-0.48	0.62	10.48	8.96	-	-	9.59	06/02/2019	
Excess Return				0.04	1.66	6.99	10.39	-	-	-0.21	06/02/2019	
LF WPP GGF - VERITAS AM LLP	840,550,845	9.96	25.00	-1.59	0.99	10.15	7.11	-	-	8.95	06/02/2019	
MSCI ACWI ND				-0.48	0.62	10.48	8.96	-	-	9.59	06/02/2019	
Excess Return				-1.11	0.37	-0.33	-1.85	-	-	-0.64	06/02/2019	
Operator Account	1,782,222	0.02		3.24	1.30	-311.23	-	-	-	-	31/01/2018	
Top Account	0	0.00		0.00	-	-	-	-	-	-	31/01/2018	
Transition Account	21,524	0.00		1.27	1.08	-1.16	-1.48	-	-	-	31/01/2018	
Emerging Markets Equity Fund	357,347,757	4.23		0.96	0.20	3.41	-	-	-	-6.68	20/10/2021	
MSCI Emerging Markets ND +1.5%				1.23	1.49	3.69	-	-	-	-5.23	20/10/2021	
Excess Return				-0.27	-1.29	-0.28	-	-	-	-1.45	20/10/2021	
LF WALES PP EM RUSSELL ENHANCE	354,552,317	4.20		0.97	0.24	2.43	-	-	-	-5.92	29/10/2021	
LF WALES PP EM-FA INC COLL A/C	1,465,242	0.02		0.23	-0.18	18.79	-	-	-	-	29/10/2021	
LF WALES PP EMEF RUSSELL CASH	1,330,199	0.02		-0.78	-12.26	-16.84	-	-	-	-31.64	29/10/2021	
Top Account	0	0.00		-0.00	-	-	-	-	-	-	29/10/2021	
Global Opportunities Equity	2,912,487,428	34.50		0.20	1.43	10.43	10.73	-	-	11.37	31/01/2019	
MSCI ACWI ND				-0.48	0.62	10.48	8.96	-	-	10.08	31/01/2019	
Excess Return				0.67	0.81	-0.06	1.77	-	-	1.28	31/01/2019	
LF WALES PPGOEF	2,834,227,637	33.58	15.00	0.40	1.53	11.58	9.71	-	-	8.18	14/02/2019	
MSCI ACWI ND				-0.48	0.62	10.48	8.96	-	-	9.30	14/02/2019	
Excess Return				0.87	0.91	1.10	0.75	-	-	-1.13	14/02/2019	
LF WALES PPGOEF - MSTANLEY	6,836	0.00	12.00	1.22	0.93	1328.85	140.12	-	-	87.18	14/02/2019	
MSCI ACWI ND				-0.48	0.62	10.48	8.96	-	-	9.30	14/02/2019	
Excess Return				1.69	0.31	1318.36	131.15	-	-	77.87	14/02/2019	
LF WALES PPGOEF JACOBS LEVY	0	0.00	14.00	-3.23	-6.25	19.25	-2.53	-	-	13.00	14/02/2019	

Account/Group	Ending Market Value GBP	Ending Weight	Policy Weight	% Rate of Return							
				One Month	Three Months	One Year	Three Years	Five Years	Ten Years	Inception to Date	Inception Date
LF WALES PPGOEF NUMERIC	161,936	0.00	19.00	2.25	2.54	97.40	24.35	-	-	0.03	14/02/2019
<i>MSCI World Index</i>				-0.66	0.56	11.54	10.17	-	-	10.34	14/02/2019
<i>Excess Return</i>				2.91	1.98	85.86	14.18	-	-	-10.31	14/02/2019
LF WALES PPGOEF NWQ INV MGMT	-0	-0.00	14.00	0.00	0.00	-10.00	-9.14	-	-	-6.09	14/02/2019
LF WALES PPGOEF SANDERS CAP	70,759	0.00	15.00	3.38	4.27	157.80	35.69	-	-	16.72	14/02/2019
<i>MSCI ACWI ND</i>				-0.48	0.62	10.48	8.96	-	-	9.30	14/02/2019
<i>Excess Return</i>				3.86	3.65	147.32	26.73	-	-	7.41	14/02/2019
LF WALES PPGOEF SW MITCHELL	274,157	0.00	11.00	2.42	2.43	-3.53	-2.21	-	-	-0.19	14/02/2019
<i>MSCI Europe ND</i>				-0.31	-1.00	17.84	9.31	-	-	7.02	14/02/2019
<i>Excess Return</i>				2.73	3.43	-21.37	-11.51	-	-	-7.21	14/02/2019
Operator Account	2,251,814	0.03		0.25	0.15	-100.01	-	-	-	-	31/01/2019
RI - Overlays	75,479,669	0.89		-6.52	-2.26	-1.49	38.50	-	-	28.12	14/02/2019
Top Account	0	0.00		0.00	-	-	-	-	-	-	31/01/2018
Transition Account	14,619	0.00		1.29	0.90	-10.52	-8.61	-	-	-	31/01/2018
UK Opportunities Equity	775,789,042	9.19		0.95	2.09	20.36	10.51	-	-	3.70	23/09/2019
<i>FTSE All-Share</i>				1.82	1.88	13.84	11.81	-	-	4.10	23/09/2019
<i>Excess Return</i>				-0.87	0.21	6.52	-1.30	-	-	-0.40	23/09/2019
Collection Account	940,566	0.01		0.25	0.17	-693.15	-	-	-	-	11/10/2019
RI - Overlays	5,734,710	0.07		1.34	2.54	6.98	2.80	-	-	-5.70	11/10/2019
Top Account	0	0.00		0.00	-	-	-	-	-	-	11/10/2019
Transition account	3,675	0.00		2.09	2.12	2.45	0.81	-	-	5.32	11/10/2019
W PP UK OPPS EQ RC	769,110,092	9.11	100.00	0.95	2.08	20.42	10.58	-	-	3.83	11/10/2019
<i>FTSE All-Share</i>				1.82	1.88	13.84	11.81	-	-	4.33	11/10/2019
<i>Excess Return</i>				-0.88	0.20	6.57	-1.23	-	-	-0.50	11/10/2019
Sustainable Active Equity Fund	1,260,264,190	14.93		-1.54	-1.67	-	-	-	-	-0.12	23/06/2023
<i>MSCI ACWI ND</i>				-0.48	0.62	-	-	-	-	2.59	23/06/2023
<i>Excess Return</i>				-1.07	-2.29	-	-	-	-	-2.72	23/06/2023
LF WALES PP SB AT E F-R O A/C	31,699,339	0.38		1.12	-	-	-	-	-	-	22/06/2023
LF WALS PP ST AT EQ FD- FA I C	1,380,495	0.02		0.28	0.60	-	-	-	-	0.60	22/06/2023
LF WL PP SA ETY FD- RS-EPI A/C	1,227,063,567	14.54		-1.62	-0.58	-	-	-	-	-0.58	31/05/2023
LF WL PP SBL AC EQ FD- C B A/C	120,789	0.00		2.06	-42.73	-	-	-	-	-42.46	22/06/2023
LF WL PP STL ACT EQ FD- FA N A	0	0.00		0.00	-0.00	-	-	-	-	0.00	22/06/2023

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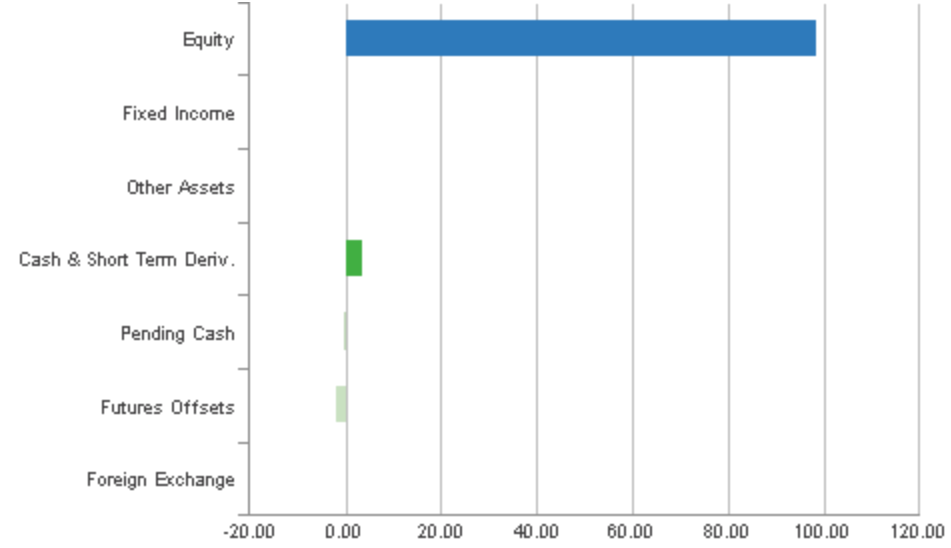
Equity Summary

Account/Group -Rate of Return	E.MV-GOF	End Wt	1 Mo	3 Mos	1 Yr	3 Yrs	ITD	Inc Date
Equity	8,441,439,374	100.00	-0.64	0.25	10.50	8.79	9.41	31/12/2018
Global Growth Fund	3,135,550,956	37.14	-1.59	-0.48	10.75	7.40	9.11	31/01/2019
Emerging Markets Equity Fund	357,347,757	4.23	0.96	0.20	3.41	-	-6.68	20/10/2021
Global Opportunities Equity	2,912,487,428	34.50	0.20	1.43	10.43	10.73	11.37	31/01/2019
UK Opportunities Equity	775,789,042	9.19	0.95	2.09	20.36	10.51	3.70	23/09/2019
Sustainable Active Equity Fund	1,260,264,190	14.93	-1.54	-1.67	-	-	-0.12	23/06/2023

GROWTH OVER TIME - INCEPTION TO DATE - TOTAL FUND GROSS OF FEES



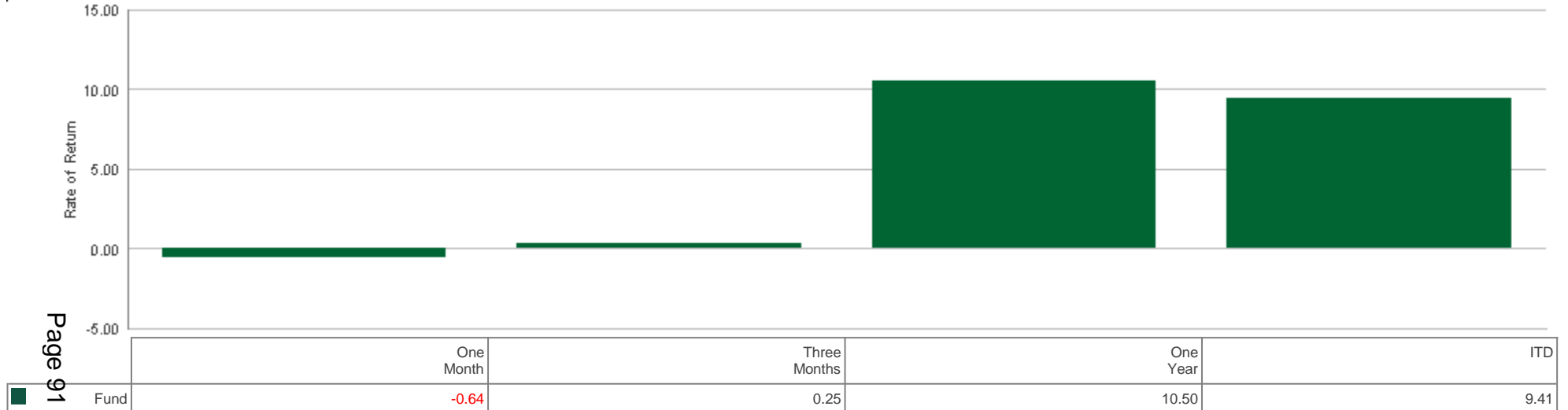
ASSET CLASS ENDING WEIGHTS



Total Fund Gross of Fee

Account/Group -Rate of Return	E.MV-GOF	End Wt	1 Mo	3 Mos	1 Yr	3 Yrs	ITD	Inc Date
Equity	8,441,439,374	100.00	-0.64	0.25	10.50	8.79	9.41	31/12/2018
Global Growth Fund	3,135,550,956	37.14	-1.59	-0.48	10.75	7.40	9.11	31/01/2019
Emerging Markets Equity Fund	357,347,757	4.23	0.96	0.20	3.41	-	-6.68	20/10/2021
Global Opportunities Equity	2,912,487,428	34.50	0.20	1.43	10.43	10.73	11.37	31/01/2019
UK Opportunities Equity	775,789,042	9.19	0.95	2.09	20.36	10.51	3.70	23/09/2019
Sustainable Active Equity Fund	1,260,264,190	14.93	-1.54	-1.67	-	-	-0.12	23/06/2023

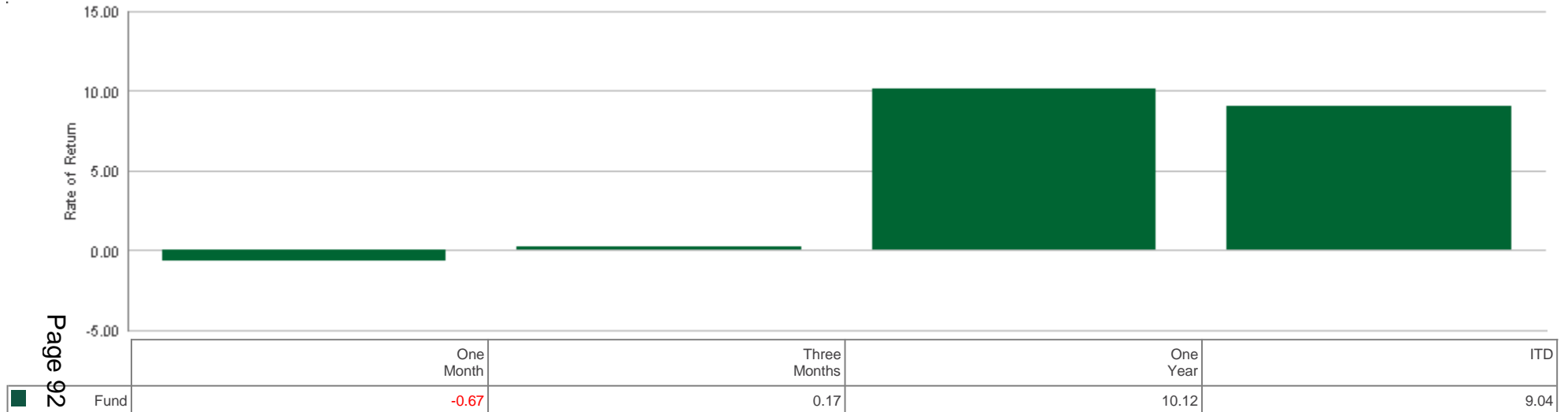
EQUITY TOTAL FUND GROSS OF FEES



Total Fund Net of Fee

Account/Group -Rate of Return	E.MV-NOF	End Wt	1 Mo	3 Mos	1 Yr	ITD	Inc Date
Equity	8,438,084,273	100.00	-0.67	0.17	10.12	9.04	31/12/2018
Global Growth Fund	3,134,282,606	37.14	-1.63	-0.57	10.33	8.69	31/01/2019
Emerging Markets Equity Fund	357,072,830	4.23	0.91	0.14	2.90	-7.10	20/10/2021
Global Opportunities Equity	2,911,450,594	34.50	0.17	1.37	10.11	11.04	31/01/2019
UK Opportunities Equity	775,484,886	9.19	0.91	1.98	19.90	3.30	23/09/2019
Sustainable Active Equity Fund	1,259,793,357	14.93	-1.58	-1.75	-	-0.21	23/06/2023

EQUITY TOTAL FUND NET OF FEES



SECTION 3

Fixed Income

Investment Risk & Analytical Services

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Investment Hierarchy

Account/Group	Ending Market Value GBP	Ending Weight	Policy Weight	% Rate of Return							Inception to Date	Inception Date
				One Month	Three Months	One Year	Three Years	Five Years	Ten Years			
Fixed Income	3,093,311,899	100.00		-0.94	0.09	5.69	-2.30	-	-	-2.32	11/08/2020	
Absolute Return Bond Fund	577,286,453	18.66		1.14	2.71	6.26	2.90	-	-	2.90	30/09/2020	
<i>3 month GBP Sonia plus 2%</i>				<i>0.60</i>	<i>1.81</i>	<i>6.19</i>	<i>3.65</i>	-	-	<i>3.65</i>	<i>30/09/2020</i>	
<i>Excess Return</i>				<i>0.54</i>	<i>0.90</i>	<i>0.07</i>	<i>-0.75</i>	-	-	<i>-0.75</i>	<i>30/09/2020</i>	
Collection Account	984,202	0.03		0.22	0.85	2.95	-100.00	-	-	-	30/07/2020	
LF WPP ARF - Aegon	155,886,938	5.04		1.59	2.81	4.97	-	-	-	-	30/09/2020	
LF WPP ARF - Insight	148,638,481	4.81		1.16	2.71	8.06	-	-	-	-	30/09/2020	
LF WPP ARF - Putnam	1,912,272	0.06		4.07	4.83	-4.68	-	-	-	-	30/09/2020	
LF WPP ARF - Wellington	251,140,648	8.12		1.72	3.20	5.08	-	-	-	-	30/09/2020	
Russell Curr Hedge	-1,258,785	-0.04		906.04	-84.37	-	-	-	-	-	30/06/2020	
Russell Overlay	19,982,696	0.65		-0.61	1.75	0.67	-	-	-	-	30/06/2020	
Top Account	0	0.00		0.00	0.00	-	-	-	-	-	30/06/2020	
Sterling Credit Fund	517,413,713	16.73		0.26	2.43	8.43	-4.68	-	-	-4.64	27/07/2020	
<i>ICE BofA ML Eur-Stg plus 0.65%</i>				<i>0.21</i>	<i>2.39</i>	<i>8.12</i>	<i>-5.26</i>	-	-	<i>-5.03</i>	<i>27/07/2020</i>	
<i>Excess Return</i>				<i>0.05</i>	<i>0.04</i>	<i>0.31</i>	<i>0.58</i>	-	-	<i>0.39</i>	<i>27/07/2020</i>	
Collection Account	0	0.00		-	-	-	-	-	-	-	27/07/2020	
LF WPP SCF - Fidelity	517,413,696	16.73		0.26	2.43	5.39	-5.93	-	-	-5.70	19/08/2020	
Top Account	0	0.00		0.00	0.00	-	-	-	-	-	27/07/2020	
Transition Account	18	0.00		0.06	0.06	-0.00	-	-	-	-	27/07/2020	
Multi Asset Credit Fund	677,739,288	21.91		-1.31	0.12	10.37	0.18	-	-	0.43	27/07/2020	
<i>3 month GBP Sonia plus 4%</i>				<i>0.76</i>	<i>2.30</i>	<i>8.27</i>	<i>5.68</i>	-	-	<i>5.59</i>	<i>27/07/2020</i>	
<i>Excess Return</i>				<i>-2.07</i>	<i>-2.18</i>	<i>2.10</i>	<i>-5.50</i>	-	-	<i>-5.16</i>	<i>27/07/2020</i>	
Collection Account	864,571	0.03		1.89	1.84	-	-	-	-	-	27/07/2020	
LF WPP MAC - Barings	192,529,288	6.22		2.64	4.47	2.81	1.49	-	-	1.44	11/08/2020	
LF WPP MAC - BlueBay	75,118,078	2.43		2.79	4.70	0.28	3.52	-	-	3.51	11/08/2020	
LF WPP MAC - GLG	134,647,145	4.35		1.62	2.20	0.99	0.45	-	-	0.22	11/08/2020	
LF WPP MAC - Voya	84,844,448	2.74		4.25	6.44	-5.63	3.96	-	-	4.55	11/08/2020	
Russell Curr Hedge	-26,641,993	-0.86		315.40	281.63	-	-	-	-	-	27/07/2020	
Russell Overlay	35,661,686	1.15		-0.24	2.07	-7.41	-	-	-	-	27/07/2020	
Russell Pooled	180,747,553	5.84		1.41	3.90	13.02	6.03	-	-	-	27/07/2020	
Top Account	-31,482	-0.00		-	-	-	-	-	-	-	27/07/2020	
Transition Account	-5	-0.00		0.00	0.00	-0.21	0.07	-	-	531.78	27/07/2020	

Account/Group	Ending Market Value GBP	Ending Weight	Policy Weight	% Rate of Return							
				One Month	Three Months	One Year	Three Years	Five Years	Ten Years	Inception to Date	Inception Date
Global Government Bond Fund	463,598,954	14.99		-2.18	-2.30	0.69	-4.24	-	-	-4.25	30/07/2020
<i>FTSE WGBI Index</i>				<i>-1.97</i>	<i>-2.47</i>	<i>-0.70</i>	<i>-5.55</i>	-	-	<i>-5.35</i>	<i>30/07/2020</i>
<i>Excess Return</i>				<i>-0.21</i>	<i>0.17</i>	<i>1.38</i>	<i>1.31</i>	-	-	<i>1.10</i>	<i>30/07/2020</i>
Collection Account	308,178	0.01		-9.22	-9.30	266.64	-	-	-	-	30/07/2020
LF WPP GGB - BlueBay	264,043,479	8.54		0.37	0.28	-5.36	-5.59	-	-	-4.88	19/08/2020
LF WPP GGB - Colchester	187,858,707	6.07		0.17	-0.58	-4.67	-4.66	-	-	-4.29	19/08/2020
Russell Curr Hedge	-11,940,531	-0.39		854.37	107.08	-944.60	-	-	-	-	18/08/2020
Russell Overlay	23,268,055	0.75		-2.09	-0.86	-5.95	-3.27	-	-	-3.10	30/07/2020
Top Account	61,058	0.00		203.26	203.26	-	-	-	-	-	30/07/2020
Transition Account	8	0.00		1.32	1.20	-1.52	-	-	-	-	30/07/2020
Global Credit Fund	857,273,490	27.71		-2.04	-1.71	2.77	-4.84	-	-	-4.85	27/07/2020
<i>BBG Global Aggregate Credit Index hedged into GBP</i>				<i>-1.95</i>	<i>-1.77</i>	<i>3.05</i>	<i>-4.85</i>	-	-	<i>-4.71</i>	<i>27/07/2020</i>
<i>Excess Return</i>				<i>-0.09</i>	<i>0.06</i>	<i>-0.28</i>	<i>0.01</i>	-	-	<i>-0.13</i>	<i>27/07/2020</i>
Collection Account	637,788	0.02		0.21	5.83	-	-	-	-	-	27/07/2020
LF WPP GCF - Fidelity	158,298,150	5.12		-0.26	0.39	3.41	-6.05	-	-	-5.67	20/08/2020
LF WPP GCF - Logan Circle	288,756,406	9.33		1.13	1.18	-5.87	-2.90	-	-	-2.48	20/08/2020
LF WPP GCF - T Rowe Price	78,307,488	2.53		1.27	1.85	-1.87	-3.16	-	-	-2.75	20/08/2020
LF WPP GCF - Western	246,552,239	7.97		1.07	1.45	-2.86	-3.90	-	-	-3.46	20/08/2020
Russell Curr Hedge	-23,578,512	-0.76		390.11	788.05	-	-	-	-	-	27/07/2020
Russell Overlay	108,299,934	3.50		-1.89	-1.67	-3.23	21.65	-	-	-	27/07/2020
Top Account	0	0.00		0.00	-	-	-	-	-	-	27/07/2020
Transition Account	-3	-0.00		7.38	7.82	-14.94	-46.23	-	-	-45.09	27/07/2020

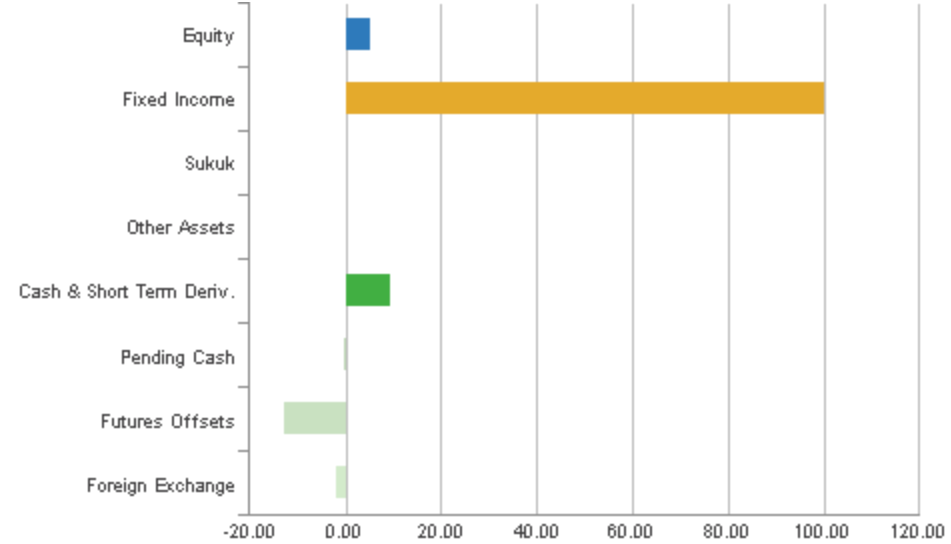
Fixed Income Summary

Account/Group -Rate of Return	E.MV-GOF	End Wt	1 Mo	3 Mos	1 Yr	ITD	Inc Date
Fixed Income	3,093,311,899	100.00	-0.94	0.09	5.69	-2.32	11/08/2020
Absolute Return Bond Fund	577,286,453	18.66	1.14	2.71	6.26	2.90	30/09/2020
Sterling Credit Fund	517,413,713	16.73	0.26	2.43	8.43	-4.64	27/07/2020
Multi Asset Credit Fund	677,739,288	21.91	-1.31	0.12	10.37	0.43	27/07/2020
Global Government Bond Fund	463,598,954	14.99	-2.18	-2.30	0.69	-4.25	30/07/2020
Global Credit Fund	857,273,490	27.71	-2.04	-1.71	2.77	-4.85	27/07/2020

GROWTH OVER TIME - INCEPTION TO DATE - TOTAL FUND GROSS OF FEES



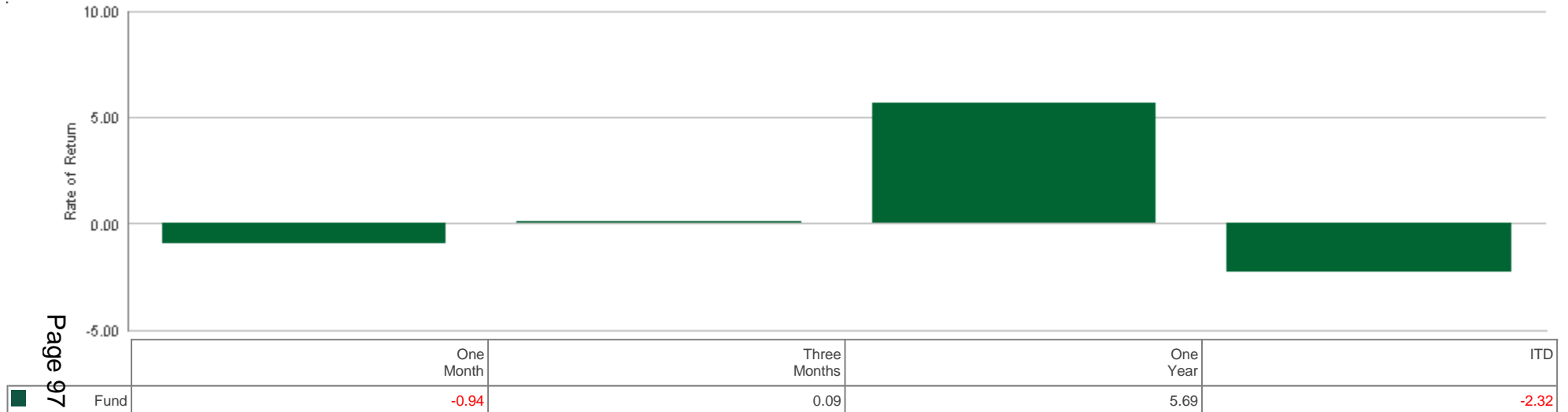
ASSET CLASS ENDING WEIGHTS



Total Fund Gross of Fee

Account/Group -Rate of Return	E.MV-GOF	End Wt	1 Mo	3 Mos	1 Yr	ITD	Inc Date
Fixed Income	3,093,311,899	100.00	-0.94	0.09	5.69	-2.32	11/08/2020
Absolute Return Bond Fund	577,286,453	18.66	1.14	2.71	6.26	2.90	30/09/2020
Sterling Credit Fund	517,413,713	16.73	0.26	2.43	8.43	-4.64	27/07/2020
Multi Asset Credit Fund	677,739,288	21.91	-1.31	0.12	10.37	0.43	27/07/2020
Global Government Bond Fund	463,598,954	14.99	-2.18	-2.30	0.69	-4.25	30/07/2020
Global Credit Fund	857,273,490	27.71	-2.04	-1.71	2.77	-4.85	27/07/2020

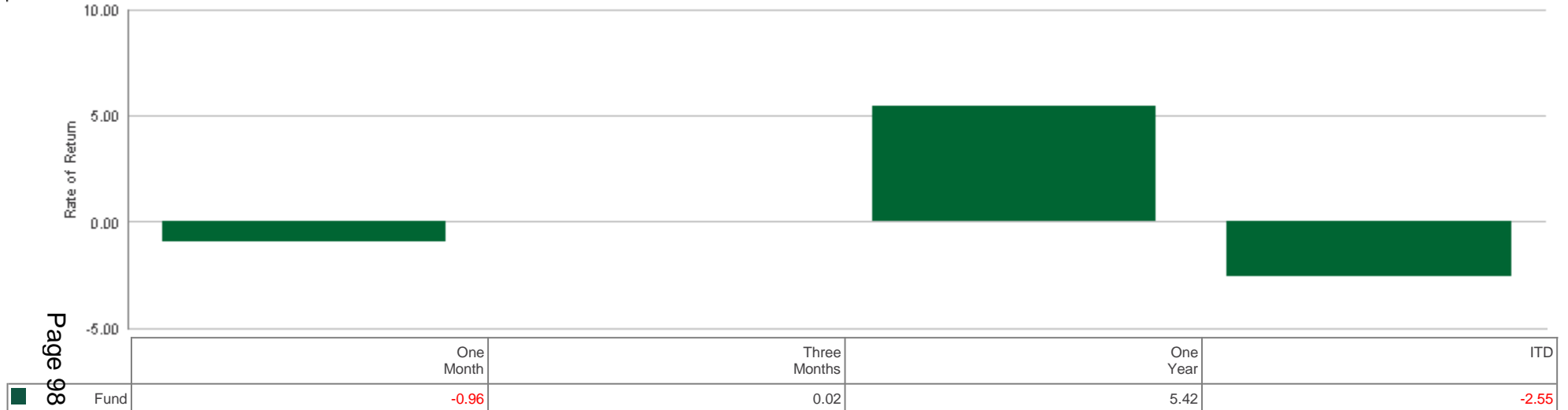
FIXED INCOME TOTAL FUND GROSS OF FEES



Total Fund Net of Fees

Account/Group -Rate of Return	E.MV-NOF	End Wt	1 Mo	3 Mos	1 Yr	ITD	Inc Date
Fixed Income	3,092,392,329	100.00	-0.96	0.02	5.42	-2.55	11/08/2020
Absolute Return Bond Fund	577,060,215	18.66	1.11	2.60	5.88	2.58	30/09/2020
Sterling Credit Fund	517,323,205	16.73	0.25	2.40	8.29	-4.77	27/07/2020
Multi Asset Credit Fund	677,444,178	21.91	-1.35	0.01	9.96	0.07	27/07/2020
Global Government Bond Fund	463,462,907	14.99	-2.20	-2.36	0.45	-4.48	30/07/2020
Global Credit Fund	857,101,825	27.72	-2.06	-1.75	2.59	-5.02	27/07/2020

FIXED INCOME TOTAL FUND NET OF FEES



SECTION 4

Appendix

Investment Risk & Analytical Services

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Agenda Item 11

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