

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 MARCH 2024

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

I HEREBY SUMMON YOU TO ATTEND A MEETING OF THE **WALES PENSION PARTNERSHIP JOINT GOVERNANCE COMMITTEE** WHICH WILL BE HELD IN THE **COUNTY HALL - LLANDRINDOD WELLS, POWYS AT 2.00 PM, ON WEDNESDAY, 13TH MARCH, 2024** 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..

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Webcast Link	https://powys.public-i.tv/core/portal/webcast_interactive/854116

**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

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2. DECLARATIONS OF INTEREST
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THE REPORTS RELATING TO THE FOLLOWING ITEMS ARE NOT FOR PUBLICATION AS THEY CONTAIN EXEMPT INFORMATION AS DEFINED IN PARAGRAPH 14 OF PART 4 OF SCHEDULE 12A TO THE LOCAL GOVERNMENT ACT 1972 AS AMENDED BY THE LOCAL GOVERNMENT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
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WALES PENSION PARTNERSHIP JOINT GOVERNANCE COMMITTEE

Wednesday, 13 December 2023

PRESENT: Councillor Cllr. C. Weaver (Chair) T. Palmer (Chair)

Councillors: S. Churchman, P. Downing substitute for M. Lewis), P. Lewis, M. Norris, C. Weaver, E. Williams and N. Yeowell

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

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)

J. Thomas – S151 Officer (PCC)

D. Morgan – Head of Finance (GCC)

P. Latham – Head of Clwyd Pension Fund (Clwyd CC)

P. Griffiths - Director Finance and Improvement (RCT)

A. Bull – Head of Pensions (TCC)

A. Parnell – Treasury & Pensions Investment Manager (CCC)

T. Williams – Senior Financial Services Officer (CCC)

M. Runeckles – Member Support Officer (CCC)

D. Hall-Jones – Member Support Officer (CCC)

J. Owens – Democratic Services Officer (CCC) [Note Taker]

C. Walters – Simultaneous Translator

Also in attendance to present reports:

S. Jones - Hymans Robertson

I. Campbell - Hymans Robertson

R. Barrack - Hymans Robertson

K. Midl – Waystone Management (UK) Ltd

R. Thornton – Waystone Management (UK) Ltd

R. Wheeler - Waystone Management (UK) Ltd

P. Ritchie - Waystone Management (UK) Ltd

H. Robinson - Waystone Management (UK) Ltd

A. Quinn – Russell Investments

J. Leggate - Russell Investments

T. Paik - Russell Investments

D. Joyce – Northern Trust (Item 10 only)

A. Knell – Robeco (Item 11 only)

K. Robertson – Robeco (Item 11 only)

Also present as observers:

M. Falconer – Pension Manager (CoC)

D. Fielder - Deputy Head of Clwyd Pension Fund (Clwyd CC)

K. Cobb - Pension Fund Accounting & Investment Manager (C&CS)

G. Watkins – Revenue Services Manager (CoC)

C. Hurst - Pensions Manager (PCC)

Y. Keitch – Principal Accountant (RCT)



Virtual Meeting - 10.05 am - 12.36 pm

(NOTE: The commencement of the meeting was delayed by 5 minutes due to technical issues).

1. APOLOGIES FOR ABSENCE

An apology for absence was received from Cllr. M. Lewis.

2. DECLARATIONS OF INTEREST

Member	Agenda Item No.	Interest
Cllr. P. Lewis	All agenda items	Member of the Powys Pension Fund
Cllr. P. Downing	All agenda items	Brother is a member of the Pension Fund along with his wife.
Cllr. N. Yeowell	All agenda items	Member of the Greater Gwent Pension Fund
Cllr. M. Norris	All agenda items	Member of the RCT Pension Fund
Cllr. C. Weaver	All agenda items	Member of the Cardiff & Vale Pension Fund
Cllr. S. Churchman	All agenda items	Member of the Greater Gwynedd Pension Fund
Cllr. E. Williams	All agenda items	Member of the Dyfed Pension Fund
Cllr. T. Palmer	All agenda items	He, his partner and daughter are members of the Clwyd 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 20TH SEPTEMBER 2023

RESOLVED that the minutes of the Joint Governance Committee meeting held on 20th September, 2023, be signed as a correct record.

4. HOST AUTHORITY UPDATE

(NOTE: Councillors S. Churchman, P. Downing, 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 Q4 2023 REVIEW

(NOTE: Councillors S. Churchman, P. Downing, 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 Q4 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; and
- 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 Investment Risks and the report detailed the review outcome for each of the identified risks.

The Joint Committee was advised that the next review would be undertaken in Q1 2024 and would focus on risks G.1 to G.7 of the Governance & Regulation Risks section.

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

6. ANNUAL POLICY REVIEWS

(NOTE: Councillors S. Churchman, P. Downing, 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 for consideration updated policies in respect of Training and Rebalancing & Alteration.



It was noted that the Training Policy had been approved by the JGC at its meeting in December 2020 and outlined the WPP's approach to training and development. The review resulted in the policy being updated to reflect the method that training needs are identified.

The Rebalancing and Alteration policy had been approved by the JGC at its meeting in December 2021 and set out WPP's approach to rebalancing the assets held within the pools' sub-funds. The policy outlined the framework established to ensure that manager allocations within sub-funds are monitored and rebalanced where appropriate. The review resulted in the policy being updated to take account of the Private Market mandates, as set out in sections 12 and 13 of the policy.

It was noted that the WPP website would be updated to reflect the revisions approved by the JGC.

UNANIMOUSLY RESOLVED that the Training Policy and the Rebalancing and Alteration Policy be approved.

7. OPERATOR UPDATE - Q3 2023 REVIEW

(NOTE: Councillors S. Churchman, P. Downing, 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 Waystone Management (UK) Limited on the progress of the Wales Pension Partnership for Quarter 3 (July – September) 2023 in relation to the following key areas:

- Market update relating to 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

UNANIMOUSLY RESOLVED that the Operator Update be received.

8. PERFORMANCE REPORTS AS AT 30 SEPTEMBER 2023

(NOTE: Councillors S. Churchman, P. Downing, 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 September 2023. Members were advised that the sub funds that had outperformed/underperformed their respective benchmarks, were as follows:

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

Furthermore, it was reported that the Multi Asset Credit Fund and the Absolute Return Bond Fund did not meet their targets whereas the Sterling Credit Fund exceeded its target.

UNANIMOUSLY RESOLVED that the Performance Reports of the following sub-funds as at 30th September 2023 be received:

- 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

UNANIMOUSLY 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 30 SEPTEMBER 2023

(NOTE: Councillors S. Churchman, P. Downing, 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 September 2023.

UNANIMOUSLY RESOLVED that the Global Securities Lending Relationship and Performance Review as at 30th September 2023 be noted.

11. ROBECO ENGAGEMENT SERVICE - Q3 2023 ENGAGEMENT REPORT

(NOTE: Councillors S. Churchman, P. Downing, 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 Robeco Engagement Report for Q3 of 2023.

UNANIMOUSLY RESOLVED that the Engagement Report for Q3 of 2023 be noted.

12. RESPONSIBLE INVESTMENT & CLIMATE RISK REPORTS

(NOTE: Councillors S. Churchman, P. Downing, 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:-

- Emerging Markets Sub-Fund
- UK Opportunities Sub-Fund

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

13. ALL-WALES CLIMATE REPORT

(NOTE: Councillors S. Churchman, P. Downing, 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 considered the outcome of the All-Wales Climate report which provided an assessment of climate risk across the entirety of the eight Funds.

UNANIMOUSLY RESOLVED that the All-Wales Climate Report be noted.

CHAIR

DATE



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WALES PENSION PARTNERSHIP JOINT GOVERNANCE COMMITTEE

DATE 13 MARCH 2024

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 MARCH 2024

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 3 (1 April to 31 December 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:

- Training Plan and Business Plan
- Policy Reviews – Governance Matrix and Communication policy
- Private Markets:
 - Infrastructure, Private Credit and Private Equity
 - Real Estate – Invitation to Tender (ITT) issued 19 January 2024, responses received and currently being evaluated
- Operator contract – procurement process completed, recommendation report to be approved by the JGC
- Responsible Investment:
 - All Wales Climate Report
 - Stewardship themes – Ocean biodiversity and Hazardous Chemicals to be launched in 2024
 - Escalation strategy to be included within the Stewardship Policy
 - Sustainable Fixed Income
 - Climate focus list

Next Steps / Priorities:

- Real Estate procurement – timeline:
 - March 2024 – ITT evaluated
 - April / May 2024 – Presentation / Interviews
 - July 2024 – Approval of recommendation by the JGC
 - August 2024 – Contract awarded
- TCFD reporting
- Complete 2023/24 year-end closure of accounts and Annual Return

- Formulate the 2023/24 Annual Update and Annual Report
- Oversight Advisor procurement process
- Voting & Engagement Service provider procurement process

Value of pooled assets as at 31 December 2023:

	31 March 2023 (£m)	31 December 2023 (£m)
ACS operator	10,587	12,371
Passive Equities	5,073	4,870
Infrastructure – closed ended		77*
Private Credit		64*
Private Equity		30*
Total	15,660	17,412

* Amount drawn down as at 31 December 2023

Other key areas:

- Stewardship Code – the WPP remains a signatory of the UK Stewardship Code
- 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	Biodiversity and Climate change 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



Wales Pension Partnership
Business Plan
2023 -2024
Q3 Review
(April to Dec 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 ITT issued 19 January 2024
<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	Recommendation report to be approved at the March 2024 JGC
<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 	In progress	To be completed by the end of June 2024

<ul style="list-style-type: none"> Annual performance review of WPP Sub Funds (Equity and Fixed Income) 	In progress	To be completed by the end of 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 	Yes	2024/25 training plan being taken to the March 2024 JGC for approval
<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 	Yes	Reviewed when formulating the 2024/25 budget
<ul style="list-style-type: none"> Formulation of Annual WPP Budget 	Yes	Formulated and included in the 2024-27 Business Plan
<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	Yes	13 December 2023
• Performance reporting	Yes	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	Yes	5 March 2024
• Pooling Guidance	Yes	5 March 2024

Budget

2023-2024 Budget Monitoring Report:

	Budget 2023 – 2024 £000	Forecast 2023 – 2024 £000	Variances 2023 – 2024 £000
Host Authority *	200	174	26
External Advisors *	1,448	1,573	(125)
TOTAL to be recharged	1,648	1,747	(99)
Operator Services **	37,257	36,079	1,178
TOTAL to be deducted from the NAV	37,257	36,079	1,178

**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 Capital

* Portfolio Values as at launch date



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



WALES PENSION PARTNERSHIP JOINT GOVERNANCE COMMITTEE

DATE 13 MARCH 2024

SUBJECT

WPP TRAINING PLAN – 2024/25

RECOMMENDATIONS / KEY DECISIONS REQUIRED:

To approve the WPP training plan for 2024/25

REASONS:

A 2024/25 training plan has been developed for the WPP that requires approval by the JGC.

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 MARCH 2024

WPP TRAINING PLAN – 2024/25

BRIEF SUMMARY OF PURPOSE OF REPORT

It is important that individuals have, and maintain, an ‘appropriate’ level of knowledge and understanding of the activities relevant to their duties within the WPP. The WPP has a dedicated training policy which can be found on the WPP website.

A Training Requirements Questionnaire was issued to all OWG and JGC members in December 2023 and the responses from the completed questionnaires have been assessed in the preparation of the 2024/25 WPP training plan.

This training plan is devised to supplement existing Constituent Authority training and will be relevant to the WPP’s pooling activities. This training is primarily focussed on meeting the training needs of members of the OWG and JGC, however it may be extended to Pension Committee members, as well as Pension Board representatives, if relevant.

The 2024/25 training sessions will be held quarterly and will cover the following topics:

- Product Knowledge and Cyber Security
- Policies
- Responsible Investment
- Market Understanding & Regulatory Requirements

DETAILED REPORT ATTACHED?

YES

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Wales Pension Partnership Training Plan 2024/25

Background and Introduction

It is best practice for WPP personnel to have:

Appropriate knowledge and understanding of:

- the regulations and markets relating to pensions
- the pooling of Local Authority Pension Schemes and
- relevant investment opportunities.

The WPP's training plan is designed to supplement existing Constituent Authority training plans. Local level training needs will continue to be addressed by Constituent Authorities while the WPP training plan will offer training that is relevant to the WPP's pooling activities.

WPP personnel should obtain a degree of knowledge and understanding that ensures they are able to carry out their duties associated with the WPP.

WPP personnel should also be aware of the WPP's framework, beliefs, policies, governance matrix, the decision-making process and decision logging process.

New WPP personnel must conduct formal introductory training to reach the level of knowledge set out above. Following any introductory training, personnel are expected to maintain their understanding of items set out above, completing any additional training as necessary.

To aid WPP personnel, the Host Authority will arrange quarterly training sessions which will cover major areas such as investments, administration, regulation requirements, government guidance and market developments. Please note that the Host Authority will maintain a training plan 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.

The WPP's training events will primarily focus on meeting the training needs of members of the OWG and JGC, however Constituent Authorities are encouraged to invite Pension Committee Members, as well as Pension Board Representatives if they believe that the training would be beneficial to these individuals.

The WPP has put in place a dedicated Training Policy, this can be found on the WPP website, the policy provides additional detail on how the WPP approaches training and development.

Individual Training

It is important that individuals have an 'appropriate' level of knowledge and understanding of the activities relevant to their duties within the WPP.

It is best practice for individuals to review their own knowledge and understanding at least annually and undertake further learning for any areas that are identified as requiring further attention or development.

2024/25 Training

We have set out below a list of training topics which the Host Authority will arrange during the 2024/25 financial year. The topics outlined below are based on current WPP topical priorities and from an analysis of the WPP training requirements questionnaire/ assessment responses, completed by members of the Joint Governance Committee ('JGC') and Officers Working Group ('OWG').

Topic	Date *
Product Knowledge and Cyber Security	
<ul style="list-style-type: none"> WPP pooled investments 	Q1
<ul style="list-style-type: none"> Overview of cyber security and consideration for WPP 	April – June 2024
Policies	
<ul style="list-style-type: none"> Responsible Investment Policy 	Q2 July – September 2024
<ul style="list-style-type: none"> Climate Risk Policy 	
<ul style="list-style-type: none"> Stewardship Policy 	
Responsible Investment (RI)	
<ul style="list-style-type: none"> Net Zero journey planning 	Q3
<ul style="list-style-type: none"> Climate Metrics 	October – December 2024
Market Understanding & Regulatory Requirements	
<ul style="list-style-type: none"> Progress of other LGPS pools & Collaboration Opportunities 	Q4
<ul style="list-style-type: none"> Any new regulatory / guidance developments 	January – March 2025

* Please note that these are estimated dates and they may be subject to change



WALES PENSION PARTNERSHIP JOINT GOVERNANCE COMMITTEE

DATE 13 MARCH 2024

SUBJECT

WPP BUSINESS PLAN 2024 - 2027

RECOMMENDATIONS / KEY DECISIONS REQUIRED:

To agree the WPP Business Plan which shall be sent to all eight Constituent Authorities for written approval

REASONS:

A WPP business plan has been drafted for 2024 – 2027 which is to be approved by the Joint Governance Committee in accordance with Section 6 of the Inter Authority Agreement. Following approval by the Joint Governance Committee the Business Plan shall be sent to all Constituent Authorities for their written approval.

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**EXECUTIVE SUMMARY
JOINT GOVERNANCE COMMITTEE**

DATE 13 MARCH 2024

WPP BUSINESS PLAN 2024 - 2027

BRIEF SUMMARY OF PURPOSE OF REPORT

A WPP business plan has been drafted in line with Section 6 of the Inter Authority Agreement.

The purpose of the business plan is to:

- Explain the background and governance structure of the WPP
- Outline the priorities and objectives of the WPP over the next three years
- Introduce the WPP's policies and plans
- Outline the financial budget for the relevant Business Plan period
- Summarise the WPP's Investments & Performance Objectives

This plan will be constantly monitored and will be formally reviewed and agreed annually.

DETAILED REPORT ATTACHED?

YES

IMPLICATIONS

Policy, Crime & Disorder and Equalities YES	Legal NONE	Finance NONE	Risk Management Issues NONE	Staffing Implications NONE	Biodiversity and Climate change NONE
Policy					
A business plan has been prepared which will be a formal document for the Wales Pension Partnership.					

CONSULTATIONS

Details of any consultations undertaken are to be included here:

This Business Plan has been drafted in consultation with officers of the Officers Working Group and Hymans Robertson, the WPP’s Oversight Advisors.

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 2024 -2027



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Introduction

This is the business plan for the Wales Pension Partnership ('WPP'), the business plan details the WPP's priorities and areas of focus for, 2024/25, 2025/26 and 2026/27. The business plan is constantly monitored and is formally reviewed and agreed every year. The purpose of the business plan is to:

- Explain the background and governance structure of the WPP
- Outline the priorities and objectives of the WPP over the next three years
- Outline the financial budget for the relevant Business Plan period
- Summarise the WPP's Investments & Performance Objectives

About the Wales Pension Partnership

Established in 2017, the WPP is a collaboration of the eight LGPS funds (Constituent Authorities) covering the whole of Wales and is one of eight national Local Government Pension pools. We have a long, successful history of collaboration, including examples that pre-date the Government's pooling initiative. We are proud of our unique identity as a Pool – our Constituent Authorities represent and span the entirety of Wales. Being democratically accountable means, we provide the best of strong public sector governance and transparency.

Our operating model is designed to be flexible and deliver value for money. We appointed an external fund Operator and make use of external advisers to bring best of breed expertise to support the running of the Pool, this includes Hymans Robertson who have been appointed as the WPP's Oversight Advisor. The Operator is Waystone Management (UK) Limited (Waystone) and they have partnered with Russell Investments to deliver effective investment management solutions with the aim of achieving strong net of fee performance for all the Constituent Authorities. We have a shared vision and agreement on the means and pace at which this vision will be achieved. The eight LGPS Funds (Constituent Authorities) of the Wales Pension Partnership are:



Governance

The WPP is responsible for ensuring that its business is conducted in accordance with regulation and guidance. We must also ensure that: public money is safeguarded and properly accounted for, used economically, efficiently and effectively to ensure value for money. We also strive for continuous improvement and to conform with industry best practice.

The WPP details how it deals with all aspects of Governance through its Inter Authority Agreement (IAA), which defines the standards, roles and responsibilities of the Constituent Authorities, its Members, Committees and Officers. The IAA includes a Scheme of Delegation outlining the decision-making process, taking into account the relevant legislation. In line with its belief that good governance should lead to superior outcomes for stakeholders, the WPP has put in place a robust governance structure, which has been designed to:



Risk Management

The Wales Pension Partnership ('WPP') recognises that it faces numerous risks which, if left unmanaged, can limit the WPP's ability to meet its objectives and to act in the best interest of its stakeholders and beneficiaries. However, the WPP also understands that some risks cannot be fully mitigated and that in these instances' risks need to be embraced through active and effective management.

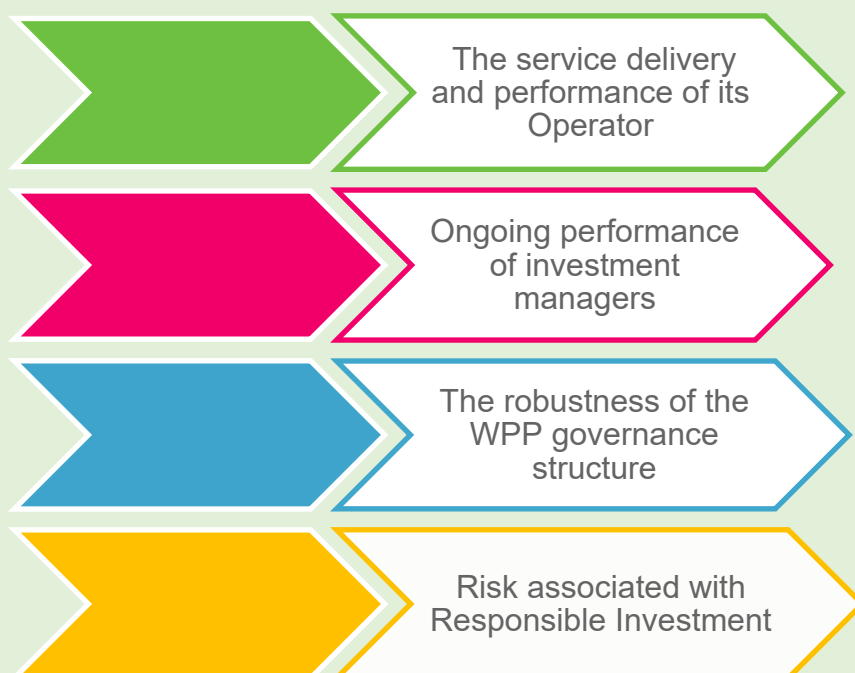
Risk management is a critical element of WPP's commitment to good governance, the WPP has developed a structured, extensive and robust risk strategy. This strategy will be embedded into the WPP's governance framework to ensure better decision-making, improved outcomes for stakeholders and greater efficiency.

The WPP's risk strategy seeks to identify and measure key risks and ensure that suitable controls and governance procedures are in place to manage these risks. The WPP believes that risks are fluid in nature and that the severity and probability of risks can change rapidly and without warning. To reflect this belief, the WPP's Risk Policy has been developed in such a way that risks can be anticipated and dealt with in a swift, effective manner to minimise potential loss or harm to the WPP and its stakeholders.

To deliver on its objectives, the WPP needs to carry out activities or seize opportunities that subject it to risk. The extent to which the WPP is able to effectively balance risk and return will depend on the success of its Risk Policy. It is critical that prior to making decisions the WPP understands the associated risks and considers the means by which these risks could be managed.

The greatest risk to the WPP's continued operation is its ability to deliver on its primary objectives. The WPP's Business Plan is an additional means through which the WPP will give special recognition to risks that pose a material threat to the delivery of its objectives and the actions required to manage these risks.

During the course of this business plan the WPP will seek to develop mechanisms, frameworks and process for managing the following key risks:



Objectives

The WPP is proud to represent the eight Constituent Authorities and recognises its duty to ensure the needs and requirements of all stakeholders are met. The WPP, through consultation with all eight Constituent Authorities, has formulated a list of primary objectives these can be summarised as follows:

- To provide pooling arrangements which allow individual funds to implement their own investment strategies (where practical)
- To achieve material cost savings for participating funds while improving or maintaining investment performance after fees
- To put in place robust governance arrangements to oversee the Pool's activities.
- To work closely with other pools in order to explore the benefits that all stakeholders in Wales might obtain from wider pooling solutions or potential direct investments
- To deliver an investment framework that achieves the best outcomes for its key stakeholders; the Constituent Authorities. The Constituent Authorities will be able to use this framework to deliver the best outcomes for their Scheme Members & Employers
- To embed the delivery of long-term, sustainable investment outcomes into decision making, through capital allocation, the ongoing scrutiny of asset managers, and the exercise of the rights and responsibilities that arise as asset owners.

The eight Constituent Authorities recognise that their strength derives from their shared beliefs and their ability to work together to deliver on their unified objectives for the benefit of all WPP stakeholders.

Beliefs

The WPP's Beliefs reflect the collaborative nature and shared values of the Constituent Authorities, they are as follows:

- The WPP's role is to facilitate and provide an investment pooling platform through which the interests of the Constituent Authorities can be implemented
- Good governance should lead to superior outcomes for the WPP's stakeholders
- Internal collaboration between the Host and Constituent Authorities is critical to achieving the WPP's objectives. External collaboration may also be beneficial in delivering cost savings and better outcomes for stakeholders
- Responsible Investment and effective Climate Risk mitigation strategies, alongside consideration and evidential management of broader Environmental, Social and Governance issues, should result in better outcomes for the WPP's stakeholders
- Effective internal and external communication is vital to achieving the WPP's objectives
- External suppliers can be a cost-effective means of enhancing the WPP's resources, capabilities and expertise
- Fee and cost transparency will aid decision making and improve stakeholder outcomes
- Continuous learning, innovation and development will help the WPP and its Constituent Authorities to evolve
- Flexible approach to the WPP pool structure and implementation methods will enable the WPP pool to adapt in future and continue to meet the needs of its stakeholders.

The WPP's beliefs are the foundation for WPP's governance framework and have been used to guide all of the WPP's activities and decision making, including its objectives and policies.

Policies

The WPP believes that good governance should lead to superior outcomes for the WPP’s stakeholders. In recognition of this belief, the WPP, in consultation with the Constituent Authorities, has developed a robust governance structure and framework and a set of governing policies. In all instances the WPP’s policies and procedures have been developed to either complement or supplement the existing procedures and policies of the Constituent Authorities. The WPP understands the importance of formulating and codifying its policies and procedures. This process allows the WPP and the Constituent Authorities, to:



The WPP’s key policies, registers and plans are listed below and can be found on the WPP website.



The WPP’s policies are reviewed on a regular basis and the WPP will continually assess whether any additional policies, registers or plans are required. The policies play a vital role in the WPP’s governance arrangements and have been formulated with the sole purpose of providing a codified framework which will ensure that the WPP achieves its objectives in an effective and transparent means.

Work Plan

The table below shows key priorities and objectives that the WPP aims to complete over the next three years. The workplan has been broken down into a number of key sections which are all vital to the continued success of the WPP

- **Governance** - The WPP believes that good governance leads to better outcomes for its stakeholders, as such it will further develop its governance framework and carry out ongoing reviews of its existing governance documents and structure.
- **Ongoing Sub-Fund development** – To date the WPP has pooled c70% of its assets and a number of other sub funds are in the process of being developed. The WPP will continue to consult with the Constituent Authorities to ensure that all suitable assets are pooled.
- **Operator Services** - The Operator, alongside the third parties that it employs on behalf of the WPP, are critical to the ongoing activities of the WPP, therefore service delivery of the Operator and third-party suppliers are crucial. The current operator contract comes to an end in December 2024 and the procurement process for the new operator contract is underway.
- **Investments and Reporting** - The WPP recognises the importance of ensuring that existing investment solutions remain optimal and aligned to Constituent Authority requirements, while also delivering the investment return expectations of the Constituent Authorities. The WPP will continue to deliver on its reporting requirements covering areas such as investment performance, risk, Stewardship activities, Responsible Investment and Climate, and will develop further reporting, as and when required.
- **Communication and Training** - The WPP wants to ensure that internal stakeholders and external parties are aware of the WPP's progress and publishes numerous report and updates to ensure that it proactively communicates its progress to stakeholders. These can all be found on the WPP website.
- **Resources, Budget and Fees** - The WPP recognises that insufficient resources pose a significant risk to its ability to deliver an investment framework that achieves the best outcomes for its key stakeholders, the WPP carries out a number of reviews to guarantee that it has suitable resources to deliver on this commitment.

Work to be completed	2024 - 2025	2025 - 2026	2026 - 2027
Governance			
Oversight Advisor procurement process	✓		
Voting & Engagement Service provider procurement process	✓		
Legal Services provider procurement process		✓	
Annual review of WPP's policies and plans	✓	✓	✓
Quarterly reviews of the Risk Register	✓	✓	✓
Respond to any pooling related consultations and carry out any necessary changes as a result of consultation outcomes	✓	✓	✓
Ongoing Sub-Fund development			
Launch the real estate investment programmes	✓		
Launch additional Private Market vintages	✓	✓	✓

Consideration of WPP's Levelling up / impact requirements	✓	✓	✓
Consultation with CAs on need for further Sub-Funds, review and develop, as required	✓	✓	✓
Consideration of Local Investment opportunities	✓	✓	✓
Operator Services			
Complete Operator contract procurement process and implement new operator contract	✓		
Operator and Sub-Fund governance Oversight	✓	✓	✓
Investments and Reporting			
Develop & Implement Private Markets reporting	✓		
Climate-related / TCFD reporting	✓	✓	✓
Stewardship Code reporting	✓	✓	✓
Consider additional reporting that demonstrates WPP's commitment to Responsible Investment	✓	✓	✓
On-going Sub-Fund responsible investment and climate risk performance reporting, scrutiny and challenge	✓	✓	✓
Annual performance review of WPP Sub-Funds	✓	✓	✓
Review of Russell Investment's service delivery in delivering WPP's objectives across Sub-Funds	✓		
On-going engagement with Constituent Authorities regarding ESG / RI standards and their climate ambitions	✓	✓	✓
Communication and Training			
Formulation of WPP's Annual Responsible Investment Progress Report	✓	✓	✓
Formulation of WPP's Annual Training Plan	✓	✓	✓
Formulation of WPP's Annual Update	✓	✓	✓
Formulation of WPP's Annual Report	✓	✓	✓
Resources, Budget and Fees			
Annual review of resources and capacity	✓	✓	✓
Formulation of Annual WPP Budget	✓	✓	✓
Review and Monitoring of Operator / external provider fees	✓	✓	✓

Training Plan

It is best practice for WPP personnel to have appropriate knowledge and understanding of:

- the regulations and markets relating to pensions;
- the pooling of Local Authority Pension Schemes; and
- relevant investment opportunities.

The WPP's training plan is designed to supplement existing Constituent Authority training plans. Local level training needs will continue to be addressed by Constituent Authorities while the WPP training plan will offer training that is relevant to the WPP's pooling activities.

WPP personnel should obtain a degree of knowledge and understanding that ensures they are able to carry out their duties associated with the WPP. WPP personnel should also be aware of the WPP's framework, beliefs, policies, governance matrix, the decision-making process and decision logging process.

To aid WPP personnel, the Host Authority will arrange quarterly training sessions which will cover major areas such as investments, administration, regulation requirements, government guidance and market developments. The WPP's training events will primarily focus on meeting the training needs of members of the OWG and JGC, however Constituent Authorities are encouraged to invite Pension Committee Members, as well as Pension Board Representatives if they believe that the training would be beneficial to these individuals.

We have set out below a list of training topics which the Host Authority will arrange training for during the 2024/25 financial year. WPP's training topics are based on current WPP topical priorities and from an analysis of the WPP training requirements questionnaire/ assessment responses, completed by members of the Joint Governance Committee ('JGC') and Officers Working Group ('OWG').

Product Knowledge and Cyber Security:

- o WPP Pooled Investments
- o Overview of cyber security and consideration for WPP

Policies:

- o Responsible Investment Policy
- o Climate Risk Policy
- o Stewardship Policy

Responsible Investment (RI):

- o Net Zero journey planning
- o Climate Metrics

Market Understanding & Regulatory Requirements:

- o Progress of other LGPS pools & Collaboration Opportunities
- o Any new regulatory / guidance developments

Budget

The table below outlines the WPP's budget for the next three years.

	Forecast 2023-24 outturn	2024-25	2025-26	2026-27
	£'000	£'000	£'000	£'000
Host Authority *	173	231	239	245
External Advisors *	1,559	1,411	1,435	1,541
TOTAL to be recharged	1,732	1,642	1,674	1,786
Operator **	36,079	40,734	45,705	50,231
Allocator **	1,796	7,006	7,016	7,302
TOTAL to be deducted from the NAV	37,875	47,740	52,721	57,533

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

Investments & Performance

The WPP's Constituent Authorities have total assets of circa £22.5bn (as at 31 March 2023). The Constituent Authorities' passive investments are effectively within the Pool but are held by the respective WPP authorities in the form of insurance policies.

The Officers Working Group receives quarterly, six monthly and annual performance reports, the group reviews and challenges the performance of Investment Managers on behalf of the WPP. The WPP hosts annual manager engagement days, which are used to challenge managers and to facilitate engagement with Constituent Authority Pension Committee and Board Members and the WPP's Investment Managers. The Constituent Authorities also carry out their own analysis of WPP's investment performance at local level, this will include manager attendance at Pension Committees. Below we outline the WPP's existing Sub-Funds.

Equity Sub-Funds



Sub Fund	Performance Benchmark	Participating Funds	Underlying Investment Managers	Launch Date
Global Growth	MSCI ACWI ND	RCT, Dyfed, Gwynedd, Cardiff and Powys	Baillie Gifford, Veritas and Pzena	Feb 19
Global Opportunities	MSCI ACWI ND	Swansea, Torfaen, Gwynedd, RCT and Cardiff	Morgan Stanley, Numeric, Sanders, Jacobs Levy, SW Mitchell, Nissay, Intermede and Oaktree	Feb 19
UK Opportunities	FTSE All Share	Cardiff and Torfaen	Baillie Gifford, Ninety-One, J O Hambro, Liontrust and Fidelity	Sept 19
Emerging Markets	MSCI Emerging Markets ND +1.5%	Cardiff, Clwyd, Gwynedd, Powys and Torfaen	Artisan, Bin Yuan, Barrow Hanley, Axiom, Numeric and Oaktree	Oct 21
Sustainable Active Equity	MSCI ACWI ND	Cardiff, Clwyd, Dyfed, Gwynedd, Powys, RCT, Swansea and Torfaen	Sparinvest, Mirova, Neuberger Berman, Wellington and Artemis	June 23

Fixed Income Sub-Funds

Absolute Return Bond Fund

Managed by Russell Investments

Global Government Bond Fund

Managed by Russell Investments

Multi-Asset Credit Fund

Managed by Russell Investments

Global Credit Fund

Managed by Russell Investments

UK Credit Fund

Managed by Waystone Management (UK) Limited

Sub Fund	Performance Benchmark	Participating Funds	Underlying Investment Managers	Launch Date
Global Credit	Bloomberg Barclays Global Aggregate Credit Index (GBP Hedged)	Cardiff, Dyfed, Gwynedd, Powys and Torfaen	Western, Metlife, Fidelity and Robeco	July 20
Global Government	FTSE WGBI Index (GBP Hedged)	Cardiff and Torfaen	Bluebay and Colchester	July 20
Multi-Asset Credit	3 Month GBP SONIA plus 4%	Cardiff, Clwyd, Gwynedd, Powys, and Swansea	ICG, Man GLG, BlueBay, Barings and Voya	July 20
Absolute Return Bond Fund	3 Month GBP SONIA plus 2%	Gwynedd, Powys and Swansea	Wellington, Aegon and Insight	Sept 20
UK Credit Fund	ICE BofA ML Eur-Stg plus 0.65%	RCT	Fidelity	July 20

Private Markets

Infrastructure – closed ended

Managed by GCM Grosvenor

Participating Funds: Clwyd, Dyfed, Gwynedd, Powys, RCT, Swansea and Torfaen

Infrastructure – open ended

Managed by CBRE, IFM and Octopus

Participating Funds: Cardiff, Gwynedd, Powys, Swansea, Torfaen

Private Credit

Managed by Russell Investments

Participating Funds: Cardiff, Clwyd, Dyfed Gwynedd, Powys, Swansea and Torfaen

Private Equity

Managed by Schroders Capital

Participating Funds: Cardiff, Clwyd, Gwynedd, Powys and Swansea

Contact Details

If you require further information about anything in or related to this business plan, please contact the Wales Pension Partnership:

Postal Address - Wales Pension Partnership

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Treasury & Pension Investments Section

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Carmarthen

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E-mail - WalesPensionPartnership@carmarthenshire.gov.uk

Telephone - (01267) 224136

Further information on the WPP and ongoing updates on the WPP's progress can be found on the website and LinkedIn page.

The website can be found here:

<https://www.walespensionpartnership.org/>





WALES PENSION PARTNERSHIP JOINT GOVERNANCE COMMITTEE

DATE 13 MARCH 2024

SUBJECT

RISK REGISTER Q1 2024 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 first half of the Governance and Regulation section, risks G.1 to G.7.

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**EXECUTIVE SUMMARY
JOINT GOVERNANCE COMMITTEE**

DATE 13 MARCH 2024

RISK REGISTER Q1 2024 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 the last quarter, a review has taken place of some of the risks within the Governance and Regulation section of the Risk Register, risks G.1 to G.7. During this review, the sub-group also reviewed the following risks:

- Risk G.12 - The WPP's Operator fails to deliver on its contractual obligations or stops providing Operator services due to exiting the market or regulatory restrictions, and
- Risk G.15 - The WPP is not prepared for the outcomes of any consultation or regulatory change.

The summary sheet attached summarises 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 Q2 2024 and will focus on the remaining risks within the Governance & Regulation Risks section.

DETAILED REPORT ATTACHED?

YES

IMPLICATIONS

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

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Governance & Regulation 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
G.1	WPP fails to comply with relevant regulation and LGPS guidance.	<ul style="list-style-type: none"> WPP is unaware and/ or ignores relevant regulation, guidance and recent updates. No means of monitoring regulatory compliance. Mis-interpretation of how regulation and guidance applies to WPP. Insufficient resources to meet guidance and regulatory requirements, this includes Pooling Guidance. 	Potential Fines, loss of sovereignty and a negative impact on the WPP's reputation.	<ul style="list-style-type: none"> Ensure sufficient training takes place Maintain a mechanism for monitoring recent regulations changes and progression toward meeting the new requirements Engagement with relevant regulatory bodies (such as Scheme Advisory Board, Pension Regulator and DLUHC) Appointment of an expert legal advisor Regulation and Governance Updates is a standing item at each OWG meeting. The Operator now provides quarterly regulatory developments updates to the OWG The WPP has facilitated and hosted training sessions with DLUHC and the SAB over the past twelve months. It has also hosted a dedicated training session on the different regulation and guidance that the WPP needs to be aware of and the different bodies and institutions that produce relevant guidance/ regulation. 	Current			👍	N/A	OWG (RR Sub-Group)	N/A
	Operational / Reputational				Medium Term	5	2				
G.2	The WPP becomes overly dependant on a single or limited decisions maker or decision making body.	<ul style="list-style-type: none"> A number of decision makers or a decision-making body has a knowledge gap which limits their ability to contribute/ influence the decision-making process. Resources and other commitments limit the availability and input of relevant decision makers and decision-making bodies. A number of decision makers or a decision-making body is given or gains excessive decision-making power. Unjustifiable levels of decision-making power concentration 	The WPP is inefficiently managed. Unsuitable decisions are made due to a lack of challenge / debate/ input and variety of views.	<ul style="list-style-type: none"> Ensure sufficient training takes place Appointment of an Oversight Advisor to advise on the WPP's governance structure Procurement and use of external advisors and suppliers that add inform/ provide guidance and bring a diversity of views to the decision-making process Use of a governance structure that ensure sufficient scrutiny prior to decisions being approved Adoption of a governance structure that does not allow high levels of decision-making concentration Annual review of WPP's resource requirements Bi-Annual meeting with Pension Boards held, which provide an invaluable source of knowledge and variety of views Scheme Member Representative appointed to the JGC Dedicated Training Policy in place Sub Groups used when additional debate/ discussion is required on a certain matter WPP has formulated a governance manual that provides transparency on the WPP's governance arrangement as well as reaffirms the WPP's governance structure 	Current			👍	N/A	OWG (RR Sub-Group)	The target score has now been reduced to 3, due to the effectiveness of current controls.
	Operational				Long Term	3	1				
G.3	The WPP fails to adhere to its pre-agreed budget.	<ul style="list-style-type: none"> Inappropriate estimation of required budget. Failure to effectively manage costs of WPP activities and external provider fees. Failure to maintain a means of monitoring expenditure and remaining budget. 	The WPP fails to meet its pre-agreed budget and/or has inadequate monitoring of budget activities.	<ul style="list-style-type: none"> Monitoring of current expenditure and remaining budget Engagement with relevant suppliers to ascertain whether fees are due to change and/or in line with expectation Annual Budget approved by the Constituent Authorities Budget variance is reported to the JGC on a quarterly basis as part of the Host Authority Update Host Authority has put in place additional fee check for its external advisors 	Current			👍	N/A	HA/ OWG	The controls put in place in 2022 have proven to be sufficient and therefore the current probability score has been reduced to 1. This is now in line with the target score.
	Financial / Reputational				Short Term	4	1				
G.4	The WPP fails to maintain suitable records, documentation is not filed in a suitable manner and personal data is not stored securely.	<ul style="list-style-type: none"> Back of adequate procedures. Insufficient knowledge of best practice in regards to how to store personal data, documentation and records. Lack of suitable systems and IT solutions to facilitate and assist in the storing and maintenance of personal data, documentation and records. 	The WPP loses valuable data and intellectual property. The WPP's reputation is negatively impacted. The WPP is subject to financial penalties or fines.	<ul style="list-style-type: none"> Ongoing training on best practice Relevant WPP personnel are expected to complete GDPR training Adoption of a secure documents portal to hold relevant records and documentations Legal Advisor appointed to provide guidance on relevant regulation and interpretation of this regulation External audit carried out Suitable internal controls in place at the Host Authority, including a cyber security policy The WPP in all instances minimise the amount of personal data that it processes or stores. It does not hold or process any Member data 	Current			👍	N/A	HA	N/A
	Financial / Reputational				Medium Term	4	2				

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
G.5	The WPP fails to provide suitable and accurate accounts by the statutory deadline.	<ul style="list-style-type: none"> •Lack of adequate planning for closure of accounts. •Lack of resources leads to late or inadequate accounts. •Lack of sufficient knowledge/ expertise. •JGC approval cannot be provided due to certain circumstances. 	The WPP's reputation is negatively impacted. Potential referral to the Scheme Advisory Board and the DLUHC.	<ul style="list-style-type: none"> •Ongoing training •Inmetabled audit process •Engagement with external audit to discuss deadlines and forward planning •Appropriate level of expertise in place at Host Authority •Accounts are externally audited by an expert 	Current			👍	N/A	HA	N/A
	Reputational				Medium Term	4	1				
G.6	The WPP does not manage conflicts of interests.	<ul style="list-style-type: none"> •Failure of WPP Personnel to state any potential conflicts. •No policy in place which outlines how conflicts of interests should be managed. •Inability of WPP personnel to disassociate personnel interest from the interests of the WPP's stakeholders. 	Inappropriate decisions are made that are not in the best interest of the WPP's stakeholders. The WPP's reputation is negatively impacted. Potential referral to the Scheme Advisory Board and the DLUHC.	<ul style="list-style-type: none"> •Declaration of conflict is an ongoing agenda item at the Joint Governance Committee •Conflict of interest policy in place •Engagement with relevant bodies such as the Scheme Advisory Board on best practice and relevant guidance •OWG Members need to notify the OWG at the beginning of the meeting if their declarations of interest have changed since the last meeting, written confirmation also need to be provided to the HA. 	Current			👍	N/A	HA/ OWG	N/A
	Operational / Reputational				Medium Term	3	1				
G.7	The WPP is unable to operate efficiently or carry out its duties due to uncontrollable events.	<ul style="list-style-type: none"> • WPP Personnel and/or key suppliers are unable to carry out work due to fire, extreme weather, epidemics. • Key system, IT systems, communication methods and portals fail. 	The WPP is unable to work efficiently, required work is not completed, key decisions are unable to be made. Potential financial loss to assets held within the WPP. Alongside, potential reputational risk or referral to Scheme Advisory Board, Pension Regulator or the DLUHC	<ul style="list-style-type: none"> • Host Authority has business continuity/ disaster recovery plan in place. • Majority of Personnel and Advisors are able to work remotely • Numerous communications mechanisms in place • WPP Personnel are located across several geographical locations • The Constituent Authorities have their own disaster recovery policies, plan and procedures in place at local level. • WPP's key suppliers have business continuity/ disaster recovery plans in place 	Current			👍	N/A	HA	The Host Authority and WPP's key suppliers have business continuity/ disaster recovery plans in place
	Financial / Reputational				Short Term	4	2				
G.12	The WPP's Operator fails to deliver on its contractual obligations or stops providing Operator services due to exiting the market or regulatory restrictions.	<ul style="list-style-type: none"> • Operator is not adequately resourced. • Operator does not put sufficient performance/risk reporting systems in place. • The Operator does not have the resources/ expertise to carry out Manager monitoring, fee negotiations, facilitate vehicles & establishment services. • The Operator does not put in place sufficient checks and balances to ensure compliance with all relevant regulations. • The Operator lacks the ability or regulatory approval to provide Depository and Custody services (via ACS). • Insufficient monitoring of appointed entities for fund administration & transfer agency (Northern Trust). • The Operator fails to put in place suitable Risk Management (RM), including: RM policy, procedures and mitigation strategies. • The Operator is not adequately resourced to provide adequate relationship management and service delivery. 	The WPP assets held within the Operator ACS are put at risk. A number of the WPP's contracts are broken, as these are currently mandated via the Operator. The WPP is unable to work efficiently, required work is not completed, sub-funds are unable to be managed or launched.	<ul style="list-style-type: none"> • Designated Operator Oversight Advisor in place • Intensive engagement protocols with Operator • Operator Oversight Framework currently in development • Engagement with the wider Operator market (and other suitable suppliers) is built into the WPP business plan • The WPP has formulated contracts that have natural break or exit points and minimal exit fees • The WPP has put in place an Operator Workplan to monitor the various workstreams relating to Operator Oversight • The revised MI pack is monitored on a quarterly basis • The FCA maintains a list of replacement ACS Operators which could step in if the WPP's Operator were to exit the market 	Current			👍	N/A	OWG	The OWG has continued to receive regular updates on the progress the Link Group sale. On 9 October 2023, the sale to Waystone Management (UK) limited was completed. Waystone are now the Operator of the WPP ACS until the end of the current contract (December 2024).
	Financial / Operational				Short Term	5	2				
					Target						
					5	2	10				



G.15	The WPP is not prepared for the outcomes of any consultation or regulatory change	<ul style="list-style-type: none"> Failure to be aware of upcoming consultations or regulatory change Failure to identify possible outcomes and implications Failure to leverage existing relationships to 'lobby' government around proposed changes 	The WPP is negatively impacted by the outcomes of any government consultation or regulatory change	OWG/ CAs, Advisers	<ul style="list-style-type: none"> Respond to consultations, seeking advice where required Consider possible consultation outcomes and undertake preparatory actions Maintain engagement with key individuals and organisations to ensure early notification of any change Maintain engagement with the Welsh Government, especially around consultations on pooling and associated mechanisms 	<table border="1"> <tr> <th colspan="3">Current</th> </tr> <tr> <td>5</td> <td>2</td> <td>10</td> </tr> <tr> <th colspan="3">Target</th> </tr> <tr> <td>5</td> <td>1</td> <td>5</td> </tr> </table>			Current			5	2	10	Target			5	1	5		Further actions will depend on the regulations following the Governments pooling consultation response and the outcomes of any future consultations which may have an impact on WPP.	OWG	<p>WPP responded to the Government consultation on the future of LGPS Investments on 2 November 2023</p> <p>The Governments response to this consultation was published on 23 November and gave a strong indication of the direction of travel.</p> <p>It is expected that the Government will issue the regulations at some point in 2024, but the exact date is unknown.</p> <p>The risk rating will be monitored and discussed on a regular basis.</p>
	Current																							
5	2	10																						
Target																								
5	1	5																						
Financial/ Reputational	Long term	Q2 2024																						

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Risk	Focus of the Risk	Target Risk Score	Current Risk Score	Current Status	Responsible Party	Comments
G.1	WPP fails to comply with relevant regulation and LGPS guidance.	10	10	👍	OWG (RR Sub-Group)	<ul style="list-style-type: none"> No significant updates
G.2	The WPP becomes overly dependent on a single or limited decisions maker or decision-making body.	3	3	👍	OWG (RR Sub-Group)	<ul style="list-style-type: none"> The target score has now been reduced to 3, due to the effectiveness of current controls.
G.3	The WPP fails to adhere to its pre-agreed budget.	4	4	👍	HA/OWG	<ul style="list-style-type: none"> The controls put in place in 2022 have proven to be sufficient and therefore the current probability score has been reduced to 1. This is now in line with the target score
G.4	The WPP fails to maintain suitable records, documentation is not filed in a suitable manner and personal data is not stored securely.	8	8	👍	HA	<ul style="list-style-type: none"> No significant updates
G.5	The WPP fails to provide suitable and accurate accounts by the statutory deadline.	4	4	👍	HA	<ul style="list-style-type: none"> No significant updates

G.6	The WPP does not manage conflicts of interests.	3	3		HA/OWG	<ul style="list-style-type: none"> No significant updates
G.7	The WPP is unable to operate efficiently or carry out its duties due to uncontrollable events	8	8		HA	<ul style="list-style-type: none"> The Host Authority and WPP's key suppliers have business continuity/ disaster recovery plans in place

The following risks are usually reviewed in Q2 but they have been included as part of this review, due to key updates.

G.12	The WPP's Operator fails to deliver on its contractual obligations or stops providing Operator services due to exiting the market or regulatory restrictions.	10	10		OWG	<ul style="list-style-type: none"> The OWG has continued to receive regular updates on the progress of the Link Group sale. On 9 October 2023, the sale to Waystone Management (UK) limited was completed. Waystone are now the Operator of the WPP ACS until the end of the current contract (December 2024). The current risk rating has been reduced to 10, in line with the target score, due to the satisfactory conclusion of the Link sale to Waystone.
Page 60 G.15	The WPP is not prepared for the outcomes of any consultation or regulatory change	5	10		HA	<ul style="list-style-type: none"> WPP responded to the Government consultation on the future of LGPS Investments on 2 November 2023 The Governments response to this consultation was published on 23 November and gave a strong indication of the direction of travel. It is expected that the Government will issue the regulations at some point in 2024, but the exact date is unknown. The risk rating will be monitored and discussed on a regular basis.



WALES PENSION PARTNERSHIP JOINT GOVERNANCE COMMITTEE

DATE 13 MARCH 2024

SUBJECT

ANNUAL POLICY REVIEWS

RECOMMENDATIONS / KEY DECISIONS REQUIRED:

To approve the updated Communication Policy

REASONS:

The current Communication Policy was initially approved by the JGC in December 2019. This policy has been reviewed and the updated document requires approval by the JGC.

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Designation:
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**Carmarthenshire County
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**EXECUTIVE SUMMARY
JOINT GOVERNANCE COMMITTEE**

DATE 13 MARCH 2024

ANNUAL POLICY REVIEWS

BRIEF SUMMARY OF PURPOSE OF REPORT

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

The Communication Policy was formally approved by the JGC in December 2019 and was reviewed and updated in March 2021 and March 2022. This policy is now reviewed on a biennial basis. Following this year's review, the policy has been updated to reflect WPP's commitment to Sustainable and Local Investment (point 14.4) and to the Future Generations Act 2015 (point 14.7).

The Governance Matrix was also reviewed during this quarter. The matrix was originally approved by the JGC in December 2019 and is reviewed annually. During this year's review, no changes have been made.

If approved, the Communication Policy 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	Biodiversity and Climate change NONE
Policy					
The Communication Policy and Governance Matrix 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

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Wales Pension Partnership - Communication Policy

Introduction

1. The Wales Pension Partnership (“WPP”) believes that effective internal and external communication is vital to achieving its objectives. The WPP, as part of its commitment to this belief, has agreed to formulate and maintain a communication policy.
2. This communication policy sets out how the WPP will carry out its internal and external communication strategies. The policy outlines the WPP’s:
 - 2.1 Target Audience
 - 2.2 Key Messages / Key Purpose
 - 2.3 Means of Communication
 - 2.4 Responsibilities
 - 2.5 Review & Reflection Process
3. WPP’s objective in preparing and implementing this policy is to:
 - 3.1 demonstrate its commitment to effective communication.
 - 3.2 adhere to the WPP’s belief that effective internal and external communication will help the WPP achieve its objectives.
 - 3.3 put in place procedures and mechanisms to ensure that the WPP continues to communicate and inform its stakeholders.
4. WPP recognises that a failure to communicate effectively poses a material risk to the WPP and the best interests of the WPP’s stakeholders, the consequences of which may include miscommunication, poor decision making and delayed timescales. There are several factors that need to be monitored and managed to allow for the successful implementation of this policy, these include:
 - 1.6 Effective communication of the responsibilities outlined in this policy.
 - 1.7 Clear identification and ownership of the roles outlined in this policy.
 - 1.8 Suitable training and understanding of the roles and responsibilities outlined in this policy.
5. This Policy is designed to provide guidance and detail to WPP Personnel and its stakeholders. This policy has been developed by WPP in consultation with the Constituent Authorities.
6. The WPP recognises that its audience, key messages, responsibilities and means of communications will evolve. The WPP will carry out a full review of its Communication Policy on a biennial basis.
7. The biennial review will be carried out by the Officer Working Group (‘OWG’), the purpose of the review will be to assess whether the WPP’s Communication Policy continues to be appropriate or should be updated. During the review the OWG will consider potentially challenging questions that could be asked of the WPP and will formulate suitable responses to these questions. Following the completion of the WPP’s policy review the OWG will put forward the policy amendments for the JGC’s approval.

Internal Communication

8. As part of its internal communication policy the WPP will seek to communicate and engage with the following internal bodies:
 - 1.9 Constituent Authorities
 - 1.10 Officers
 - 1.11 JGC Members
 - 1.12 Scheme Members
 - 1.13 Pension Committees
 - 1.14 Pension Boards
 - 1.15 Pension Forums
 - 1.16 Employers
 - 1.17 Suppliers (e.g. The Operator)
9. The WPP recognises that internal communication will foster greater collaboration amongst WPP personnel and will help ensure that everyone is fully informed and aligned with WPP's beliefs, objectives and priorities.
10. Improved internal communication will allow for greater levels of information sharing within the WPP and improve the WPP's decision making process. In addition, internal communication will let the WPP foster its unique identity and culture, which will allow it to further develop its unified vision and journey plan.
11. The WPP has identified the following methods and communications channels as the means by which it will communicate and engage with its internal stakeholders:
 - 1.18 WPP Annual Update
 - 1.19 WPP Annual Report
 - 1.20 Website
 - 1.21 Social media (LinkedIn)
 - 1.22 Emails
 - 1.23 Meeting summary notes
 - 1.24 Host Authority Quarterly Update
 - 1.25 Surveys, Questionnaires and Consultations
 - 1.26 Internal document portal
 - 1.27 Bi-Weekly virtual meetings
 - 1.28 OWG meetings
 - 1.29 JGC meetings

- 1.30 Sub-Group meetings
- 1.31 Pension Board Engagement meetings
- 1.32 Engagement days
- 1.33 Training sessions

12. The table below outlines who is responsible for certain elements of the WPP's internal communication policy:

Task/ Communication Channel:	Responsibility of:
Annual WPP Update	JGC Chair & The Host Authority
WPP Annual Report	JGC Chair & The Host Authority
Website	The Host Authority
Social media	The Host Authority
Emails	All WPP Personnel
Meeting summary notes	The Host Authority
Host Authority Quarterly Update	The Host Authority
Surveys, Questionnaires and Consultations	The Host Authority
Internal document portal	The Host Authority
Bi- Weekly Virtual Meetings	The Host Authority/ Operator/ Advisors
OWG meetings	Members of the OWG
JGC meetings	Members of the JGC & OWG
Sub-Group Meetings	Members of the OWG
Pension Board Engagement Meetings	The Host Authority
Engagement days	The Host Authority/ Operator/ Investment Managers
Training Sessions	The Host Authority

External Communication

13. As part of its external communication policy the WPP will seek to communicate pro-actively with the following bodies:
 - 1.34 Central Government (including Ministers)
 - 1.35 Welsh Government (including Ministers)
 - 1.36 Welsh Local Government Association (WLGA)
 - 1.37 Unions
 - 1.38 Media
 - 1.39 Scheme Advisory Board (SAB)
 - 1.40 Local Government Association (LGA)
 - 1.41 Local Authority Pension Fund Forum (LAPFF)
 - 1.42 Society of Welsh Treasurers
 - 1.43 Lobby Groups
 - 1.44 Other pools

14. The WPP has identified the following as key messages that it wants to articulate to external audiences:
 - 1.45 Achieving Success and Delivering Cost Savings – The WPP is proud of its success to date and is committed to delivering continued success. The WPP has put value for money at the heart of its decision-making process with the objective of delivering cost savings. The pooling model adopted by WPP has allowed it to avoid expensive set up and implementation costs. The WPP’s model has and continues to provide a framework that delivers attractive and cost-efficient investment opportunities for Constituent Authorities. To date our choice of Pooling model has delivered on our objectives of Investment Manager fee savings and operational cost savings while continuing to deliver investment performance.
 - 1.46 Collaboration – The WPP is founded on the principle that the Constituent Authorities of Wales are fully committed to working together to serve the best interests of their underlying members, employers and other stakeholders. The WPP builds on the strong relationships and proven track record of collaboration that Constituent Authorities initiated as part of their ‘Working Together’ initiative. WPP’s strength and progress towards better outcomes for its beneficiaries is founded in the Constituent Authorities’ ability to work together and to collaborate effectively with one other. We recognise that as Constituent Authorities we can collectively achieve far better outcomes for our stakeholders than we could if we were to act individually.
 - 1.47 Size of the Pool – WPP’s size assists its collaborative nature, the eight Constituent Authorities, due to their similar size, have the similar requirements and needs which ultimately lends itself to great levels of collaboration. Having eight Constituent Authorities allows for a variety of thinking while also ensuring that no Constituent Authority’s views are lost among too many conflicting voices. We have been able to demonstrate that our size has in no way limited our ability to achieve Investment Manager fee savings and operational cost savings.

- 1.48 Commitment to Sustainable and Local Investment – the WPP is strongly committed to ensuring all sub funds seek to capture opportunities to make investment which support the responsible investment ambitions of the Constituent Authorities.
 - 1.49 Innovative & Forward Thinking – The WPP is a forward-thinking institution which is always willing and actively seeking to improve its current methods and procedures. Self-assessment and learning from experience are a critical element of our governance framework. We believe that learning and innovation will ensure that we continue to be able to meet the needs and requirements of our stakeholders. We have adopted innovative approaches throughout all aspects of the WPP, but we are particularly pleased with the ways in which we have been able to incorporate innovation into the WPP’s investment offerings.
 - 1.50 Delivering Benefits to Scheme Members and Employers – The WPP is proud of its pooling model which is designed to meet the needs of WPP’s Constituent Authorities, who will in turn meet the needs of their members and employers. WPP strives for the highest standards of governance and to fulfil the interest of beneficiaries.
 - 1.51 Commitment to the Future Generations Act 2015 – The Well-being of Future Generations Act 2015 requires public bodies in Wales to think about the long-term impact of their decisions, to work better with people, communities and each other, and to prevent persistent problems such as poverty, health inequalities and climate change. The WPP is committed to considering the Act via our decision making process, as far as our remit allows.
 - 1.52 Welsh Identity – The WPP is proud to represent the entirety of Wales and Wales’ unique cultural identity. The WPP represents the shared vision of the Welsh Constituent Authorities and the roadmap that they have developed to deliver this vision. We incorporate our Welsh identity into the management and procedures of the WPP and will ensure that our website and public meetings continue to be available bilingually.
 - 1.53 A Proud Member of the LGPS Community – The WPP is proud of its LGPS heritage and has embedded the following LGPS characteristics into its structure: robust governance, transparency and high levels of local accountability. The WPP is firmly rooted to incorporating LGPS principles and characteristics into its structure and ensuring that there is no cultural drift from its firm commitment to democracy and Pension Board engagement. The WPP continues to be governed through a democratic process and we are honoured to have continually high levels of engagement with Pension Boards.
15. The WPP has identified the following methods and communications channels as the means by which it will implement its external communication policy and articulate key messages to its target audience:
- 1.54 The WPP website
 - 1.55 Social Media (e.g. LinkedIn)
 - 1.56 WPP Annual Progress Update
 - 1.57 WPP Annual Report
 - 1.58 External press releases and press statements
 - 1.59 Publicly available Joint Governance Committee (‘JGC’) meeting papers

2 The WPP will also engage with the following institutions and bodies. The WPP recognises that engagement and collaboration with these bodies also plays an important in its Communication strategy.

- 2.1 Scheme Advisory Board Meetings (SAB)
- 2.2 DLUHC Consultations
- 2.3 Attendance at external conferences and events
- 2.4 Representation at relevant working groups or collaboration opportunities
- 2.5 Cross-Pool Meetings

17. The table below outlines who is responsible for certain elements of the WPP’s external communication policy:

Communication Channel/ Engagement:	Responsibility of:
Articulating the WPP’s key messages and implementing WPP’s Communication Policy	All WPP Personnel
Maintenance of the WPP’s website	The Host Authority
DLUHC Consultations	The Host Authority (with assistance from relevant parties)
Maintenance of the WPP’s social media	The Host Authority
WPP Annual progress update	JGC Chair & The Host Authority
WPP Annual Report	JGC Chair & The Host Authority
Press statements & releases*	JGC Chair, OWG Chair and the Host Authority
Publicly available JGC meeting papers	All WPP Personnel
Scheme Advisory Board Meetings (SAB)	JGC Members
Attendance at external conferences and events	All WPP Personnel
Representation at relevant working groups or collaboration opportunities	Relevant WPP Personnel
Cross-Pool Meetings	Relevant WPP Personnel

*Press statements & releases will be made by the JGC chair, unless there are mitigate circumstances that inhibit the JGC chair from being able to make or release statements. Draft press statements will be circulated to members of both the JGC & OWG for their approval.

Further Information

18. If you require any further details on the WPP’s Communication Policy, please contact walespensionpartnership@cararthenshire.gov.uk.

December 2023



WALES PENSION PARTNERSHIP JOINT GOVERNANCE COMMITTEE

DATE 13 MARCH 2024

SUBJECT

OPERATOR UPDATE – Q4 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 MARCH 2024

OPERATOR UPDATE – Q4 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 Q4 (October to December) 2023 review is being presented to the JGC and provides the following updates:

- Market update re the completed acquisition of Link Fund Solutions
- AUM summary as at 31 December 2023
- Fund changes in relation to the Global Credit fund, Global Growth fund, UK Opportunities fund, Absolute Return Bond fund and Cash Yield Options.
- Market updates in relation to Russia / Ukraine and the Middle East
- Corporate update and engagement

DETAILED REPORT ATTACHED?

YES

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Wales Pension Partnership
Joint Governance Committee
Q4 2023 review – 13 March 2024



Market Updates

Acquisition Complete

As discussed since the last Joint Governance Committee on 13 December 2023;

Waystone Management (UK) Limited's (WMUK) acquisition of the business and certain assets of Link Fund Solutions Limited (LFSL) completed on 9th October 2023.

WMUK has adopted LFSL's systems, processes and governance framework, including the personnel the WPP interact with.

In early 2024, WMUK will also become the authorised fund manager of funds currently managed by Waystone Fund Services (UK) Limited (formerly known as T Bailey Fund Services Limited) to consolidate Waystone Groups' UK AFM service offering.

A full integration project is underway to migrate former LFSL employees on to WMUK's systems (e.g. email) before October 2024. In addition, Waystone are undertaking a full review of all systems and controls to ensure the processes remain best in class.

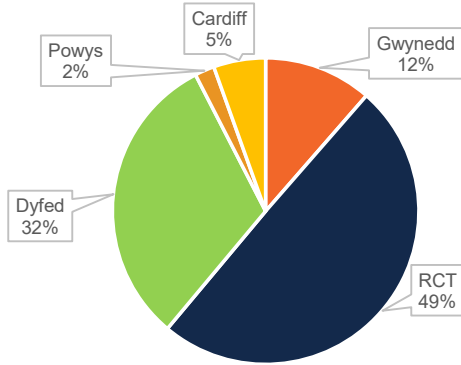
December 2023 WS Wales PP Fund Summary AUM

Fund	AUM	Inception date
Global Growth	£3,327,480,855	6th Feb 2019
Global Opportunities	£3,018,831,796	14th Feb 2019
UK Opportunities	£800,855,747	10th Oct 2019
Multi Asset Credit	£716,414,184	12th Aug 2020
Emerging Markets	£366,093,235	20th Oct 2021
Global Credit	£1,030,553,518	21st Aug 2020
Global Government Bond	£493,395,045	20th Aug 2020
Absolute Return Bond	£573,475,710	30th Sept 2020
Sterling Credit	£702,347,034	19th Aug 2020
Sustainable Active Equity Fund	£1,341,831,467	20th June 2023
Total Active Investments	£12,371,278,591 as at 31 December 2023	

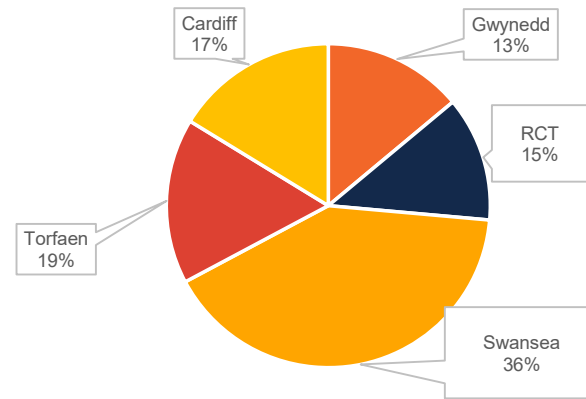
December 2023 Fund Snapshot - Equities

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

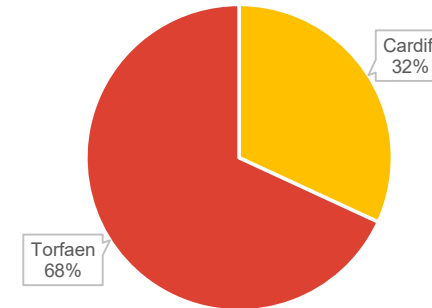
Global Growth



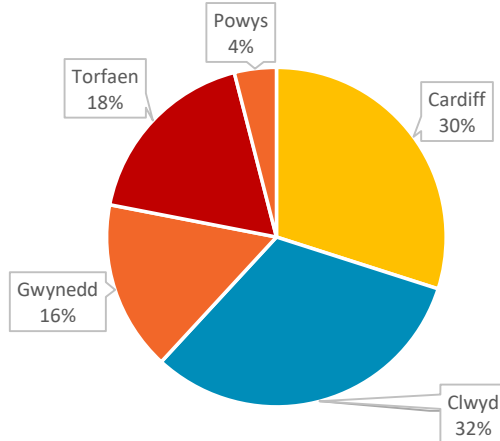
Global Opportunities



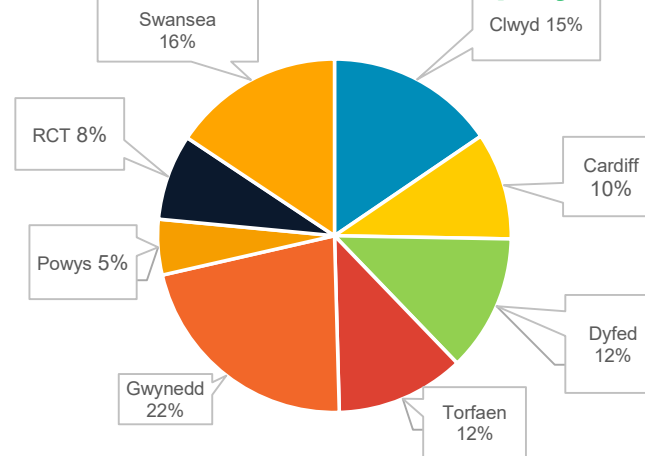
UK Opportunities



Emerging Markets

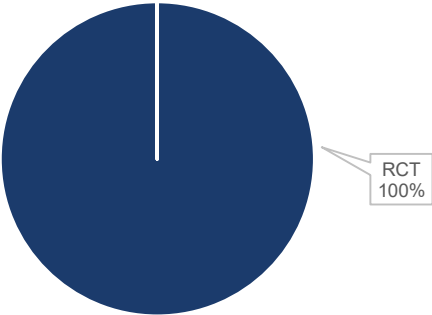


Sustainable Active Equity

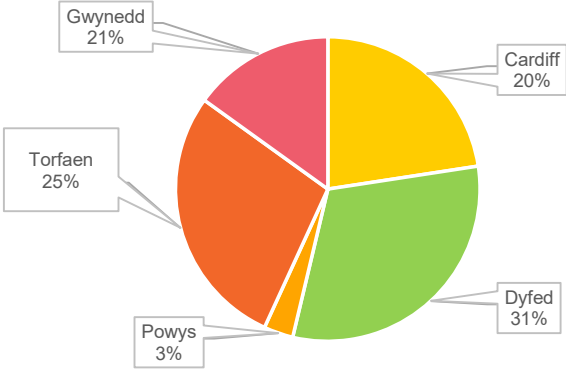


December 2023 Fund Snapshot - Fixed Income

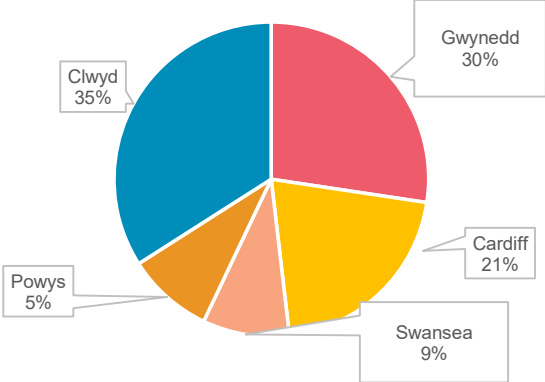
Sterling Credit



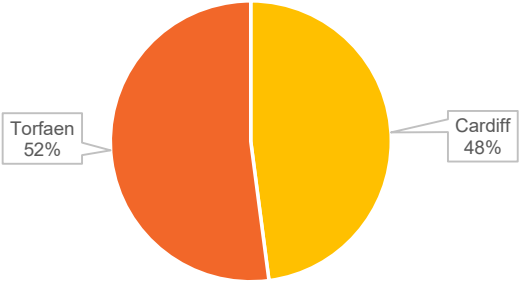
Global Credit



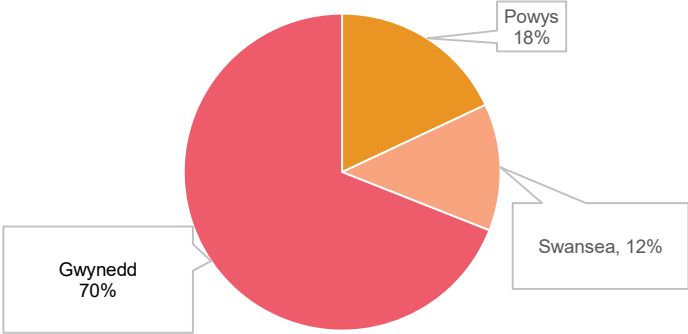
Multi Asset Credit



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" Completed 18 December 2023
	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. Completed 16 October 2023
	Manager Changes on Absolute Return Bond Fund	✓	WS WPP Absolute Return Bond Fund - Terminate Putnam and increase the weightings of Wellington, Insight and Aegon. Completed 16 October 2023
	Cash Yield Options for current fund range	✓	Cash Yield Options currently being investigated by WMUK Governance. Confirmation sent to all CAs with details provided to change from Income reinvest to income paid out.
	Addition of New Investment Manager to the Global Growth Fund, as an addition to current Managers	✓	Proposed addition new manager discussed with CA's at Septembers 2023 OWG. Further meetings to be arranged following feedback with updated paper to be shared in early 2024.

Status key:

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

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	✓	<p>Currently 9 securities held in Israeli companies across four sub funds; Global Opportunities Fund - 3 companies with 0.172% exposure. Global Credit Fund – 2 companies with 0.002%. Multi Asset Credit Fund – 3 companies with 0.627%. Absolute Return Fund – 1 company with 0.043%.</p> <p>Total value of approx. £9.6m.</p> <p>Situation currently being monitored as part of the BAU oversight process</p>

Status key:

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

WMUK Corporate Update & Engagement

Key Q4 and future WPP Engagement

Waystone attendance at OWG/JGC meetings in period:

- OWG 24 October 2023
- WPP JGC 13 December 2023

Waystone attendance at OWG/JGC meetings in next quarter:

- OWG 2 February 2024
- WPP JGC 13 March 2024

Waystone - Pension Committee attendance in period:

- Powys Pensions and Investment Committee meeting – 6 October 2023

Waystone - Pension Committee attendance in next quarter :

- No meetings scheduled

Other meetings in period

- Host Authority update – occurs bi-weekly
- WPP briefing / training session – (Reporting Session)

Other meetings in next quarter

- Host Authority update – occurs bi-weekly

WMUK Engagement Protocol – Business as Usual

Strategic Relationship Review	Frequency	Objective
	<ul style="list-style-type: none"> ▪ Bi-annual 	<ul style="list-style-type: none"> ▪ Ensure strategic alignment between Host Authority and WMUK
WPP Attendees <ul style="list-style-type: none"> ▪ Chris Moore ▪ Anthony Parnell ▪ Two Section 151 / Deputy Section 151 officers 		Waystone Attendees <ul style="list-style-type: none"> ▪ Karl Midl, Country Head, UK and CEO ▪ Rachel Wheeler, Product Head – Regulated Fund Solutions ▪ Richard Thornton, Head of Relationship Management, Asset Owners
JGC Engagement	Frequency	Objective
	<ul style="list-style-type: none"> ▪ Quarterly 	<ul style="list-style-type: none"> ▪ Engage with JGC on pertinent matters and strategic deliverables
WPP Attendees <ul style="list-style-type: none"> ▪ Joint Governance Committee (JGC) 		Waystone Attendees <ul style="list-style-type: none"> ▪ Karl Midl, Country Head, UK and CEO / Peter Ritchie, Head of Investment Management required ▪ Richard Thornton, Head of Relationship Management, Asset Owners ▪ James Zealander, Senior Relationship Manager ▪ Russell Investments
OWG Engagement	Frequency	Objective
	<ul style="list-style-type: none"> ▪ Quarterly 	<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 quarterly)
WPP Attendees <ul style="list-style-type: none"> ▪ Officers Working Group (OWG) 		Waystone Attendees <ul style="list-style-type: none"> ▪ James Zealander, Senior Relationship Manager ▪ Richard Thornton, Head of Relationship Management, Asset Owners ▪ Peter Ritchie, Head of Investment Management Oversight ▪ Heidi Robinson, Relationship Managers (as required) ▪ Ad-hoc Link attendance from functional departments: Tax, Compliance, Product, etc. ▪ Russell Investments

WMUK Engagement Protocol continued...

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

Thank you

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WALES PENSION PARTNERSHIP JOINT GOVERNANCE COMMITTEE

DATE 13 MARCH 2024

SUBJECT

PERFORMANCE REPORTS AS AT 31 DECEMBER 2023

RECOMMENDATIONS / KEY DECISIONS REQUIRED:

To note the performance reports of the following sub funds as at 31 December 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:

Performance reports have been provided for the WPP sub funds as at 31 December 2023.

Report Author:
Chris Moore

Designation:
Director of Corporate Services

Carmarthenshire County
Council

Tel No. 01267 224160

E. Mail:
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**EXECUTIVE SUMMARY
JOINT GOVERNANCE COMMITTEE**

DATE 13 MARCH 2024

PERFORMANCE REPORTS AS AT 31 DECEMBER 2023

BRIEF SUMMARY OF PURPOSE OF REPORT

Northern Trust and Waystone / Russell Investments have provided performance reports for the WPP's sub funds as at 31 December 2023.

Performance - Inception to date:

Global Opportunities Fund	Gross of Fees (%)	Net of Fees (%)
Actual	12.0	11.7
Benchmark	10.9	10.9
Excess Return	1.1	0.8

Global Growth Fund	Gross of Fees (%)	Net of Fees (%)
Actual	10.0	9.6
Benchmark	10.9	10.9
Excess Return	(0.9)	(1.3)

Sustainable Active Equity Fund	Gross of Fees (%)	Net of Fees (%)
Actual	6.5	6.3
Benchmark	9.1	9.1
Excess Return	(2.6)	(2.8)

Emerging Markets Fund	Gross of Fees (%)	Net of Fees (%)
Actual	(4.8)	(5.3)
Benchmark	(4.5)	(4.5)
Excess Return	(0.3)	(0.8)

UK Opportunities Fund	Gross of Fees (%)	Net of Fees (%)
Actual	4.3	3.9
Benchmark	4.6	4.6
Excess Return	(0.3)	(0.7)

Global Government Bond Fund	Gross of Fees (%)	Net of Fees (%)
Actual	(2.1)	(2.4)
Benchmark	(3.4)	(3.4)
Excess Return	1.3	1.0

Global Credit Fund	Gross of Fees (%)	Net of Fees (%)
Actual	(2.6)	(2.8)
Benchmark	(2.5)	(2.5)
Excess Return	(0.1)	(0.3)

Multi Asset Credit Fund	Gross of Fees (%)	Net of Fees (%)
Actual	2.1	1.7
Target *	5.9	5.9

Absolute Return Bond Strategy Fund	Gross of Fees (%)	Net of Fees (%)
Actual	3.1	2.7
Target *	3.9	3.9

Sterling Credit Fund	Gross of Fees (%)	Net of Fees (%)
Actual	(2.2)	(2.4)
Target *	(2.6)	(2.6)

* EXCESS RETURN IS NOT SHOWN AS THIS IS A TARGET

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	Biodiversity and Climate change NONE
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Finance

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

- Global Opportunities – outperformed by 1.1% gross / 0.8% net
- Global Growth – underperformed by 0.9% gross / 1.3% net
- Sustainable Active Equity – underperformed by 2.6% gross / 2.8% net
- Emerging Markets – underperformed by 0.3% gross / 0.8% net
- UK Opportunities – underperformed by 0.3% gross / 0.7% net
- Global Government Bond – outperformed by 1.3% gross / 1.0% net
- Global Credit – underperformed by 0.1% gross / 0.3% 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

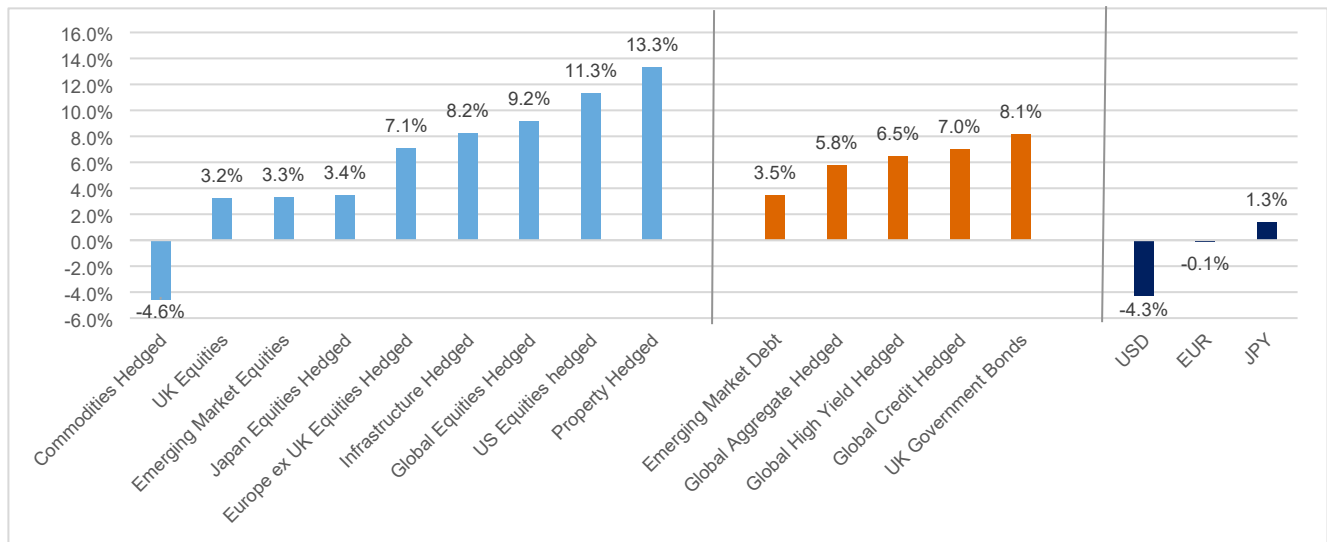
Title of Document	File Ref No.	Locations that the papers are available for public inspection/WEBSITE LINK

JGC - WPP Performance Summary Q4 2023

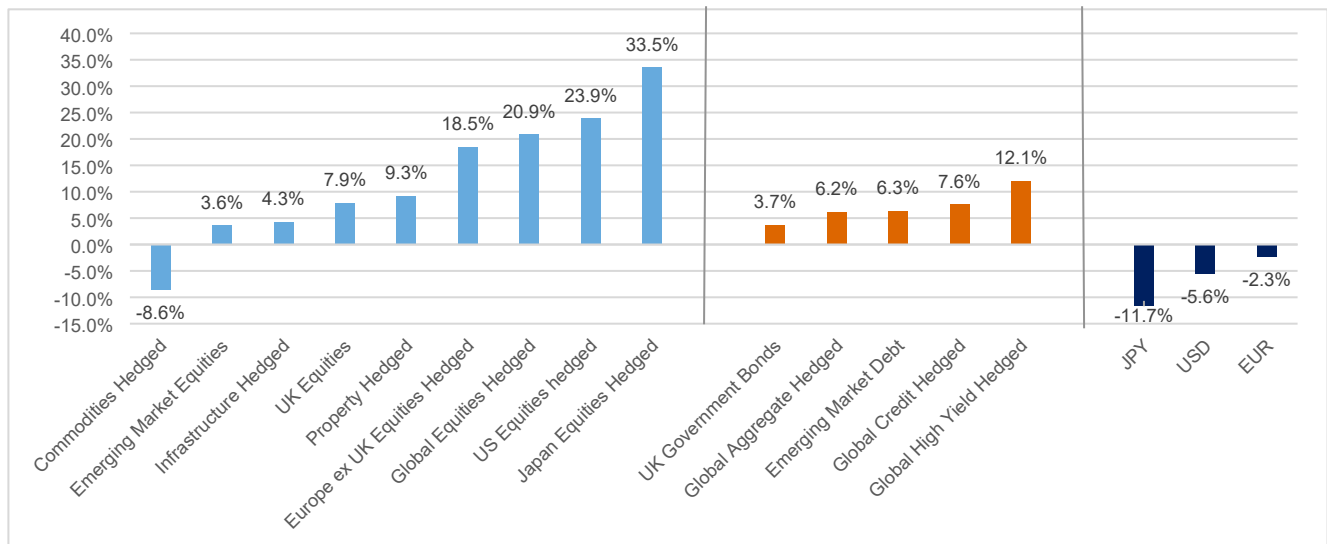
Global Market Commentary

Equities climbed in the fourth quarter with the global indices achieving double-digit gains. Third-quarter market weakness continued into October on concerns about persistent inflation and a prolonged period of high interest rates. Geopolitical worries triggered by conflict in the Middle East added to investor caution. However, this pessimism faded rapidly in November, as evidence of falling inflation raised expectations of interest rate cuts ahead, fuelled further by comments from Federal Reserve (Fed) Chair Jerome Powell in December. The US dollar retreated, losing its year-to-date gains, as markets priced in rate cuts by mid-2024, extending the rally in gold prices. The Fed, European Central Bank and the Bank of England all left interest rates unchanged at their rate-setting meetings.

Asset class performance – Quarter to Date (December) 2023



Asset class performance – Year to Date (December) 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	6.3	13.6	10.0
Net	6.2	13.2	9.6
MSCI AC World Index Net	6.3	15.3	10.9
Excess returns (gross)	-0.1	-1.7	-0.9

Inception Date: 6th February 2019

Source: Northern Trust as of 31 December 2023

Overall Fund Commentary

Equity markets performed well in the fourth quarter delivering the highest quarterly returns of 2023 in GBP term. Growth stocks rebounded driving out-performance for Baillie Gifford and largely reversing the underperformance of the prior quarter. Value styles underperformed. Pzena outperformed the value style but still trailed the fund's benchmark. Quality styles matched the returns to Growth however Veritas' value bias dominated to leave returns for the quarter trailing the index.

Global Opportunities Equity Fund:

	Three Months	1 Year	Since Inception
Gross	5.6	14.1	12.0
Net	5.5	13.8	11.7
MSCI AC World Index Net	6.3	15.3	10.9
Excess returns (gross)	-0.7	-1.2	1.1

Inception Date: COB 14th February 2019

Source: Northern Trust as of 31 December 2023

Overall Fund Commentary

Growth was the best-performing style over the quarter spurred by strengthening expectations that interest rates have peaked with cuts to come in the first half of 2024. Although large cap growth was the standout performer, generally small and mid-caps did better than large caps, except in Europe. Value generally underperformed with the exception of small cap value stocks (the best performing style in the UK). High dividend yielding and minimum volatility styles were the worst-performing factors over the quarter. The Fund's tilt to small caps was additive, although stock selection was negative. In sectors, stock selection within industrials was unhelpful.

Sustainable Active Equity Fund:

	Three Months	1 Year	Since Inception
Gross	6.6	-	6.5
Net	6.5	-	6.3
MSCI AC World Index Net	6.3	-	9.1
Excess returns (gross)	0.3	-	-2.6

Inception Date: COB 17 July 2023

Source: Northern Trust as of 31 December 2023

Overall Fund Commentary

In a reversal from the preceding period, equity markets rose to deliver the best quarterly performance since the fourth quarter of 2020. All sectors made gains over the quarter except energy, which suffered from falling oil prices amid a volatile market, and real estate which was flat. Within this market environment, the Fund's underweight to energy was additive. Selection within financials was also positive. However, selection within technology detracted.

EM Market Commentary

Emerging Markets brought the end to a positive year with a positive final quarter. However, the market lagged developed markets this period, primarily due to underperformance within China. Elsewhere, Brazil recorded a strong return following a weak third quarter. Mexico also rebounded. The economy showed signs of improvement as inflation eased, the currency strengthened and GDP growth was upwardly-revised. India also outperformed, with third-quarter GDP growth ahead of expectations. Taiwan, South Korea and South Africa were other outperformers. Quality was the standout factor in the fourth quarter. Value slightly outperformed growth with a smaller dispersion compared to developed markets. Meanwhile, small and mid-capitalisation stocks extended their positive 2023 outperformance over large cap stocks. Momentum and low volatility were the weakest-performing factors.

EM Equity Fund:

	Three Months	1 Year	Since Inception
Gross	2.6	3.1	-4.8
Net	2.5	2.6	-5.3
MSCI Emerging Market Index	3.3	3.6	-4.5
Excess returns (gross)	-0.7	-0.5	-0.3

Inception Date: COB 29th October 2021

Source: Northern Trust as of 31 December 2023

Overall Fund Commentary

Quality was the standout factor in the fourth quarter. Value slightly outperformed growth with a smaller dispersion compared to developed markets. Meanwhile, small and mid-capitalisation stocks extended their positive 2023 outperformance over large cap stocks. Momentum and low volatility were the weakest-performing factors. The Fund's positive exposure to growth slightly weighed on relative performance. Stock selection within China across consumer-oriented sectors was a key detractor. Positioning and selection within Thailand (overweight) and South Africa (underweight) was also negative. However, an overweight to Brazil suited the market environment. Stock selection within Taiwan (semiconductor names) also contributed positively.

UK Market Commentary

UK equities underperformed the index and most other markets as investors were wary of stubborn inflation and lack of growth in the economy. Shares rose mid-November on reports that inflation eased sharply in October to 4.6% YoY from 6.7% in September, compared to market expectations of 4.7%, although this was largely due to falling energy prices. Core inflation also fell, to 5.7% YoY from 6.1% in September. The trend continued in November when inflation also fell more than expected, to 3.9% YoY, the lowest annual rise since September 2021. Core inflation was also lower, at 5.1%. Meanwhile, retail sales rose 1.3% MoM in November, more than expected following two months of no growth. Although revised figures issued near year-end revealed that the economy contracted in the third quarter, by 0.1%, versus the previous estimate of zero growth, there was better news in PMI data, which exceeded expectations and indicated an expansion in business activity. In factors, small cap value and mid cap stocks were the best performers, outperforming the index. Small cap stocks, small cap growth and growth stocks also fared well. In contrast, large cap value, large cap, value and large cap growth stocks underperformed the index. In sectors, technology was the best performer, followed by industrials and utilities. Consumer discretionary also did well. On the other hand, energy lagged the most, followed by healthcare and consumer staples.

UK Opportunities Equity Fund:

	Three Months	1 Year	Since Inception
Gross	3.4	12.1	4.3
Net	3.3	11.6	3.9
FTSE All Share	3.2	7.9	4.6
Excess returns (gross)	0.1	4.2	-0.3

Inception Date: COB 11th October 2019

Source: Northern Trust as of 31 December 2023

Overall Fund Commentary

The Fund's tilt towards small cap stocks was favourable. In sectors, an underweight to and selection within health care (underweight AstraZeneca) was additive. An underweight to and selection within consumer staples (underweight Unilever) was also positive. However, selection within utilities (overweight Centrica) detracted from further excess returns.

Fixed Income Market Commentary

Bond markets rose over the quarter. In October, signs of a resilient US economy pushed yields up, with the 10-year US Treasury yield breaking through the 5.0% threshold for the first time in 16 years. However, in November the higher-for-longer interest rate narrative was abandoned amid growing optimism that the battle against inflation has been won with rising expectations of rate cuts ahead. This pushed bond prices upward, propelling a strong market rally. Speculation that the Federal Reserve (Fed) will achieve a “soft landing” for the US economy and avoid a recession fuelled investor appetite for riskier assets. In this environment, high yield outperformed investment grade corporate credit. The Fed, European Central Bank and the Bank of England all left interest rates unchanged at their rate-setting meetings.

Global Government Bond Fund:

	Three Months	1 Year	Since Inception
Gross	6.6	5.4	-2.1
Net	6.5	5.1	-2.4
FTSE World Gvt Bond Index (GBP Hedged)	5.6	5.5	-3.4
Excess returns (gross)	1.0	-0.2	1.3

Inception Date: COB 19th August 2020

Source: Northern Trust as of 31 December 2023

Overall Fund Commentary

The Fund's overweight to rates within New Zealand and non-classic markets such as Mexico contributed positively to relative returns, in a period where the country's benchmark 10-year yields decreased by 99 and 93 basis points respectively. An underweight to core eurozone bonds and UK gilts did not suit the market environment

Global Credit Fund:

	Three Months	1 Year	Since Inception
Gross	7.0	6.7	-2.6
Net	7.0	6.5	-2.8
Bloomberg Barclays Global Agg Credit Index (GBP Hedged)	7.0	7.6	-2.5
Excess returns (gross)	0.1	-1.0	-0.1

Inception Date: COB 20th August 2020

Source: Northern Trust as of 31 December 2023

Overall Fund Commentary

The Fund's overweight to European high yield and investment grade credit financials and industrials contributed positively. An overweight to UK high yield debt was also helpful. In US credit, although an overweight to US high yield industrials was effective this was offset by an underweight to high yield financials which detracted. An underweight to US investment grade detracted due to underweights in utilities and industrials, which weighed on returns. In hard currency emerging market debt, underweights to investment grade credit in Europe, the Middle East and Latin America were ineffective. Elsewhere, an underweight to Spanish sovereign debt was detrimental.

Multi Asset Credit Fund:

	Three Months	1 Year	Since Inception
Gross	5.9	12.1	2.1
Net	5.8	11.7	1.7
3 Month GBP SONIA + 4%	2.3	9.0	5.9

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

Inception Date: COB 11th August 2020

Source: Northern Trust as of 31 December 2023

Overall Fund Commentary

As in the previous two quarters, high yield (HY) credit outperformed investment grade. From November investors became increasingly comfortable about taking on more risk, prompted by growing conviction that the Fed will achieve a “soft landing” for the US economy and implement interest rate cuts in the first half of 2024. In this environment, the Fund outperformed its target return. A key contributor to returns was RBC’s overweight exposure to European credit, particularly high yield financials. Barings also contributed to the performance. Their positioning in US credit was beneficial with overweights to investment grade financials and industrials contributing positively.

Absolute Return Bond Strategy Fund:

	Three Months	1 Year	Since Inception
Gross	1.2	5.8	3.1
Net	1.1	5.4	2.7
3 Month GBP SONIA + 2%	1.8	6.9	3.9

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

Inception Date: COB 30th September 2020

Source: Northern Trust as of 31 December 2023

Overall Fund Commentary

The Fund recorded a positive return for the quarter. Insight was a key driver of returns with its exposure to duration, which was a key contributor to positive performance, driven by the long duration position in US treasuries and a short duration position in the UK and Korea. A headwind for performance was Wellington. In contrast to the previous period, macro strategies detracted this quarter. Wellington’s underweight exposure to duration in Japan, the UK and Australia did not suit the market environment.

Sterling Credit Fund:

	Three Months	1 Year	Since Inception
Gross	7.7	9.7	-2.2
Net	7.6	9.5	-2.4
ICE Bank of America Merrill Lynch Euro-Sterling Index plus 0.65%	7.5	9.3	-2.6
Excess returns (Gross)	0.2	0.4	0.4

Inception Date: COB 19th August 2020

Source: Northern Trust as of 31 December 2023

Overall Fund Commentary

During the quarter, the fund outperformed the benchmark, returning 7.7% against a benchmark return of 7.4%. The excess yield over the index was a consistent positive over the quarter. An overweight credit beta position supported returns as credit spreads broadly tightened over the quarter. Investor optimism stemmed from expectations that BoE had largely concluded interest rate hikes in light of cooling inflation and slowing economic growth. At a sector level, the overweight stance in banks & brokers, asset backed securities (ABS) and insurance supported performance. The overweight position in banks & brokers such as UBS and Deutsche Bank positively contributed to relative performance as sector continues to remain resilient amid higher net interest income and attractive valuations in terms of credit spreads. On the issuer front, overweight in CPI Property was a key detractor but Fidelity remains comfortable with the name from fundamental perspective following meetings with the CEO. On the duration front, the tactical sterling duration enhanced gains. Gilt yields fell across the curve amid easing inflation and dovish anticipated path for interest rates.



NORTHERN
TRUST

Wales Pension Partnership

Investment Risk & Analytical Services

December 31, 2023

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SECTION 1

Wales Pension Partnership

Investment Risk & Analytical Services

December 31, 2023

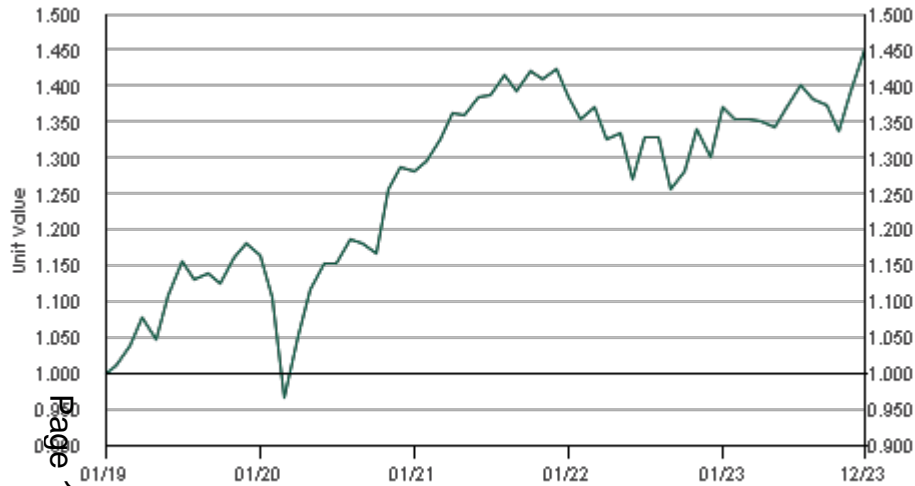
Investment Hierarchy

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	12,378,638,584	100.00	4.21	5.69	11.43	7.85	31/01/2019	
Equity	8,860,396,122	71.58	4.71	5.67	12.76	10.13	31/12/2018	
Global Growth Fund	3,329,715,019	26.90	5.50	6.26	13.63	9.98	31/01/2019	
MSCI ACWI ND			4.08	6.31	15.31	10.92	31/01/2019	
Excess Return			1.42	-0.05	-1.68	-0.94	31/01/2019	
Emerging Markets Equity Fund	366,377,211	2.96	3.07	2.63	3.07	-4.81	20/10/2021	
MSCI Emerging Markets ND +1.5%			3.31	3.66	5.18	-3.07	20/10/2021	
Excess Return			-0.24	-1.02	-2.11	-1.74	20/10/2021	
Global Opportunities Equity	3,020,532,067	24.40	4.09	5.60	14.10	11.99	31/01/2019	
MSCI ACWI ND			4.08	6.31	15.31	10.92	31/01/2019	
Excess Return			0.02	-0.71	-1.21	1.07	31/01/2019	
UK Opportunities Equity	801,404,606	6.47	4.47	3.37	12.06	4.29	23/09/2019	
FTSE All-Share			4.52	3.23	7.92	4.63	23/09/2019	
Excess Return			-0.04	0.14	4.15	-0.34	23/09/2019	
Sustainable Active Equity Fund	1,342,367,218	10.84	4.79	6.62	-	6.49	23/06/2023	
MSCI ACWI ND			4.08	6.31	-	9.07	23/06/2023	
Excess Return			0.71	0.31	-	-2.58	23/06/2023	
Fixed Income	3,518,242,462	28.42	2.96	5.86	8.12	-0.49	11/08/2020	
Absolute Return Bond Fund	573,874,215	4.64	0.29	1.23	5.80	3.06	30/09/2020	
3 month GBP Sonia plus 2%			0.61	1.83	6.86	3.94	30/09/2020	
Excess Return			-0.33	-0.61	-1.07	-0.88	30/09/2020	
Sterling Credit Fund	702,672,123	5.68	4.38	7.70	9.69	-2.22	27/07/2020	
ICE BofA ML Eur-Stg plus 0.65%			4.38	7.49	9.25	-2.64	27/07/2020	
Excess Return			-0.01	0.20	0.44	0.42	27/07/2020	
Multi Asset Credit Fund	717,031,917	5.79	2.52	5.89	12.08	2.09	27/07/2020	
3 month GBP Sonia plus 4%			0.77	2.33	8.95	5.88	27/07/2020	
Excess Return			1.75	3.56	3.13	-3.79	27/07/2020	
Global Government Bond Fund	493,733,882	3.99	3.46	6.57	5.36	-2.14	30/07/2020	
FTSE WGBI Index			3.11	5.60	5.52	-3.44	30/07/2020	
Excess Return			0.35	0.97	-0.16	1.30	30/07/2020	
Global Credit Fund	1,030,930,325	8.33	3.64	7.04	6.66	-2.59	27/07/2020	
BBC Global Aggregate Credit Index hedged into GBP			3.68	6.99	7.64	-2.47	27/07/2020	
Excess Return			-0.04	0.05	-0.98	-0.11	27/07/2020	

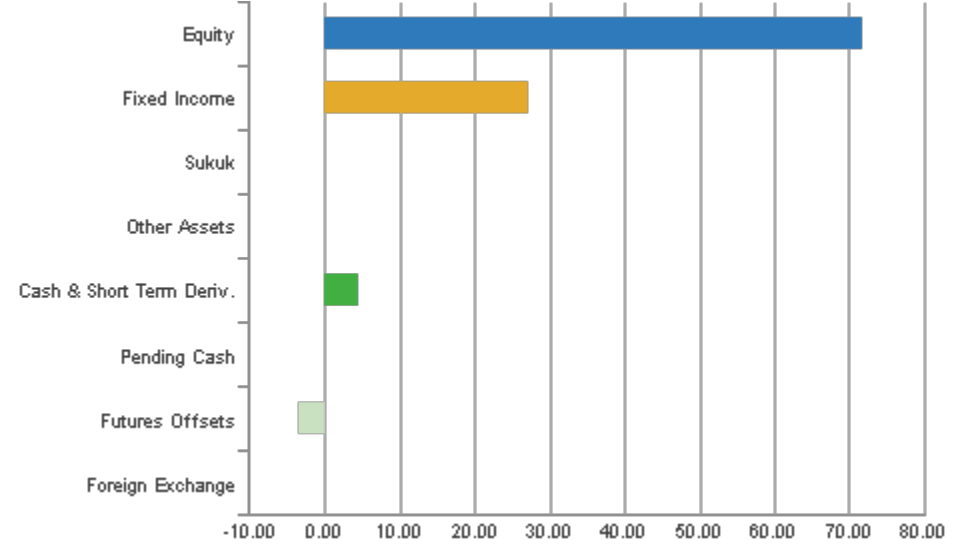
Wales Pension Partnership Summary

Account/Group -Rate of Return	E.MV-GOF	End Wt	1 Mo	3 Mos	1 Yr	ITD	Inc Date
Wales Pension Partnership	12,378,638,584	100.00	4.21	5.69	11.43	7.85	31/01/2019
Equity	8,860,396,122	71.58	4.71	5.67	12.76	10.13	31/12/2018
Global Growth Fund	3,329,715,019	26.90	5.50	6.26	13.63	9.98	31/01/2019
Emerging Markets Equity Fund	366,377,211	2.96	3.07	2.63	3.07	-4.81	20/10/2021
Global Opportunities Equity	3,020,532,067	24.40	4.09	5.60	14.10	11.99	31/01/2019
UK Opportunities Equity	801,404,606	6.47	4.47	3.37	12.06	4.29	23/09/2019
Sustainable Active Equity Fund	1,342,367,218	10.84	4.79	6.62	-	6.49	23/06/2023
Fixed Income	3,518,242,462	28.42	2.96	5.86	8.12	-0.49	11/08/2020
Absolute Return Bond Fund	573,874,215	4.64	0.29	1.23	5.80	3.06	30/09/2020
Sterling Credit Fund	702,672,123	5.68	4.38	7.70	9.69	-2.22	27/07/2020
Multi Asset Credit Fund	717,031,917	5.79	2.52	5.89	12.08	2.09	27/07/2020
Global Government Bond Fund	493,733,882	3.99	3.46	6.57	5.36	-2.14	30/07/2020
Global Credit Fund	1,030,930,325	8.33	3.64	7.04	6.66	-2.59	27/07/2020

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



ASSET CLASS ENDING WEIGHTS

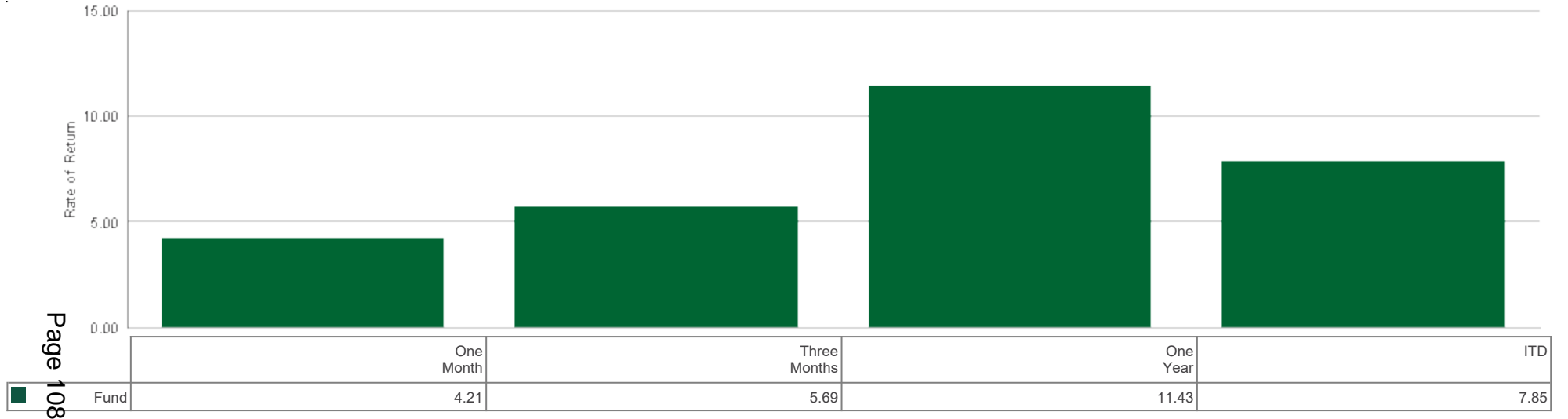


Wales Pension Partnership: 1.45

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	12,378,638,584	100.00	4.21	5.69	11.43	7.85	31/01/2019
Equity	8,860,396,122	71.58	4.71	5.67	12.76	10.13	31/12/2018
Global Growth Fund	3,329,715,019	26.90	5.50	6.26	13.63	9.98	31/01/2019
Emerging Markets Equity Fund	366,377,211	2.96	3.07	2.63	3.07	-4.81	20/10/2021
Global Opportunities Equity	3,020,532,067	24.40	4.09	5.60	14.10	11.99	31/01/2019
UK Opportunities Equity	801,404,606	6.47	4.47	3.37	12.06	4.29	23/09/2019
Sustainable Active Equity Fund	1,342,367,218	10.84	4.79	6.62	-	6.49	23/06/2023
Fixed Income	3,518,242,462	28.42	2.96	5.86	8.12	-0.49	11/08/2020
Absolute Return Bond Fund	573,874,215	4.64	0.29	1.23	5.80	3.06	30/09/2020
Sterling Credit Fund	702,672,123	5.68	4.38	7.70	9.69	-2.22	27/07/2020
Multi Asset Credit Fund	717,031,917	5.79	2.52	5.89	12.08	2.09	27/07/2020
Global Government Bond Fund	493,733,882	3.99	3.46	6.57	5.36	-2.14	30/07/2020
Global Credit Fund	1,030,930,325	8.33	3.64	7.04	6.66	-2.59	27/07/2020

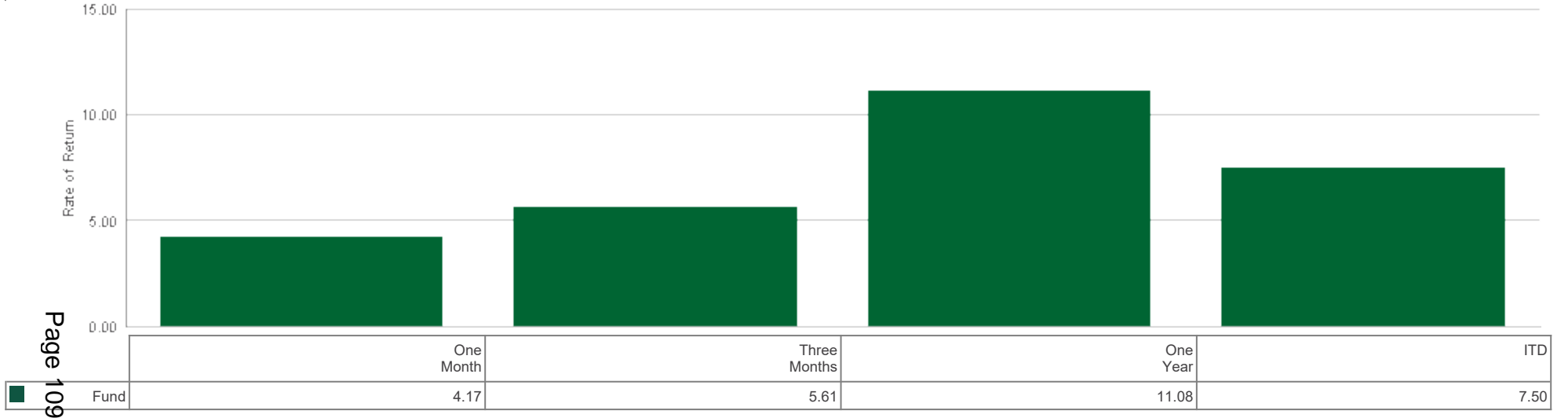
WALES PENSION PARTNERSHIP TOTAL FUND GROSS OF FEES



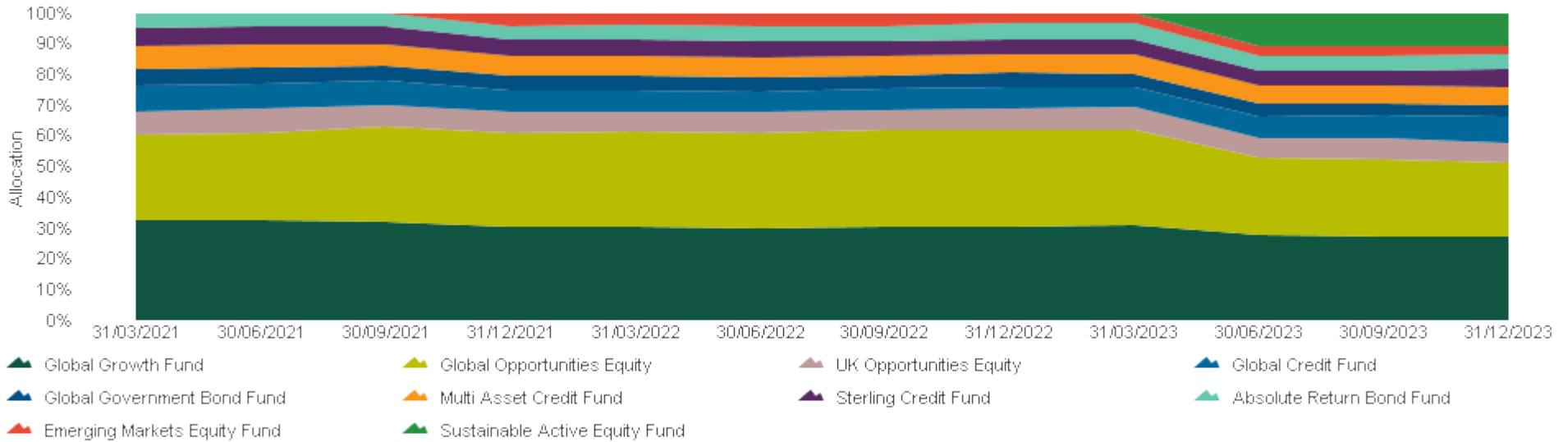
Total Fund Net of Fees

Account/Group -Rate of Return	E.MV-NOF	End Wt	1 Mo	3 Mos	1 Yr	ITD	Inc Date
Wales Pension Partnership	12,371,615,046	100.00	4.17	5.61	11.08	7.50	31/01/2019
Equity	8,854,919,801	71.57	4.68	5.58	12.37	9.75	31/12/2018
Global Growth Fund	3,327,433,121	26.90	5.46	6.16	13.19	9.55	31/01/2019
Emerging Markets Equity Fund	366,089,760	2.96	3.01	2.52	2.64	-5.25	20/10/2021
Global Opportunities Equity	3,018,749,305	24.40	4.06	5.53	13.78	11.67	31/01/2019
UK Opportunities Equity	800,843,130	6.47	4.44	3.27	11.64	3.88	23/09/2019
Sustainable Active Equity Fund	1,341,804,485	10.85	4.75	6.51	-	6.29	23/06/2023
Fixed Income	3,516,695,245	28.43	2.93	5.80	7.86	-0.73	11/08/2020
Absolute Return Bond Fund	573,454,974	4.64	0.25	1.14	5.44	2.74	30/09/2020
Sterling Credit Fund	702,504,431	5.68	4.34	7.64	9.53	-2.36	27/07/2020
Multi Asset Credit Fund	716,501,221	5.79	2.49	5.81	11.69	1.73	27/07/2020
Global Government Bond Fund	493,507,168	3.99	3.41	6.49	5.09	-2.38	30/07/2020
Global Credit Fund	1,030,727,451	8.33	3.61	6.98	6.46	-2.77	27/07/2020

WALES PENSION PARTNERSHIP TOTAL FUND NET OF FEES



Allocation over Time



Account / Group	31/03/2023		30/06/2023		30/09/2023		31/12/2023	
	Market Value	Actual Weight	Market Value	Actual Weight	Market Value	Actual Weight	Market Value	Actual Weight
Wales Pension Partnership	10,572,685,566	100.00	11,472,709,282	100.00	11,534,751,273	100.00	12,378,638,584	100.00
Global Growth Fund	3,275,477,246	30.98	3,154,903,669	27.50	3,135,550,956	27.18	3,329,715,019	26.90
Emerging Markets Equity Fund	355,135,988	3.36	357,045,133	3.11	357,347,757	3.10	366,377,211	2.96
Global Opportunities Equity	3,270,569,883	30.93	2,873,984,950	25.05	2,912,487,428	25.25	3,020,532,067	24.40
UK Opportunities Equity	760,446,373	7.19	760,745,960	6.63	775,789,042	6.73	801,404,606	6.47
Sustainable Active Equity Fund			1,282,290,456	11.18	1,260,264,190	10.93	1,342,367,218	10.84
Absolute Return Bond Fund	559,334,497	5.29	562,841,691	4.91	577,286,453	5.00	573,874,215	4.64
Sterling Credit Fund	520,810,564	4.93	505,359,694	4.40	517,413,713	4.49	702,672,123	5.68
Multi Asset Credit Fund	655,475,201	6.20	677,749,023	5.91	677,739,288	5.88	717,031,917	5.79
Global Government Bond Fund	481,623,788	4.56	474,772,816	4.14	463,598,954	4.02	493,733,882	3.99
Global Credit Fund	693,812,025	6.56	823,015,890	7.17	857,273,490	7.43	1,030,930,325	8.33

SECTION 2

Equity

Investment Risk & Analytical Services

December 31, 2023

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	8,860,396,122	100.00		4.71	5.67	12.76	6.64	10.13	-	10.13	31/12/2018	
Global Growth Fund	3,329,715,019	37.58		5.50	6.26	13.63	5.13	-	-	9.98	31/01/2019	
MSCI ACWI ND				4.08	6.31	15.31	8.24	-	-	10.92	31/01/2019	
Excess Return				1.42	-0.05	-1.68	-3.11	-	-	-0.94	31/01/2019	
LF WPP GGF - BAILLIE GIFFORD	1,218,747,453	13.75	40.00	5.41	8.15	12.00	-1.74	-	-	8.61	06/02/2019	
MSCI ACWI ND				4.08	6.31	15.31	8.24	-	-	10.44	06/02/2019	
Excess Return				1.34	1.84	-3.31	-9.97	-	-	-1.84	06/02/2019	
LF WPP GGF - PZENA INV MGT LLC	1,229,403,295	13.88	35.00	6.71	5.54	13.47	13.22	-	-	10.08	06/02/2019	
MSCI ACWI ND				4.08	6.31	15.31	8.24	-	-	10.44	06/02/2019	
Excess Return				2.63	-0.77	-1.84	4.99	-	-	-0.36	06/02/2019	
LF WPP GGF - VERITAS AM LLP	879,694,037	9.93	25.00	3.97	4.72	16.26	6.65	-	-	9.49	06/02/2019	
MSCI ACWI ND				4.08	6.31	15.31	8.24	-	-	10.44	06/02/2019	
Excess Return				-0.11	-1.59	0.95	-1.59	-	-	-0.95	06/02/2019	
Operator Account	1,848,733	0.02		3.54	0.96	-294.48	-	-	-	-	31/01/2018	
Top Account	0	0.00		0.00	0.00	-	-	-	-	-	31/01/2018	
Transition Account	21,502	0.00		0.54	-0.10	-2.33	-0.99	19.74	-	-	31/01/2018	
Emerging Markets Equity Fund	366,377,211	4.13		3.07	2.63	3.07	-	-	-	-4.81	20/10/2021	
MSCI Emerging Markets ND +1.5%				3.31	3.66	5.18	-	-	-	-3.07	20/10/2021	
Excess Return				-0.24	-1.02	-2.11	-	-	-	-1.74	20/10/2021	
LF WALES PP EM RUSSELL ENHANCE	363,772,087	4.11		3.02	2.60	3.08	-	-	-	-4.13	29/10/2021	
LF WALES PP EM-FA INC COLL A/C	1,094,966	0.01		0.23	-0.59	0.17	-	-	-	-	29/10/2021	
LF WALES PP EMEF RUSSELL CASH	1,510,158	0.02		20.32	13.53	-13.68	-	-	-	-24.26	29/10/2021	
Top Account	0	0.00		-0.00	-	-	-	-	-	-	29/10/2021	
Global Opportunities Equity	3,020,532,067	34.09		4.09	5.60	14.10	9.28	-	-	11.99	31/01/2019	
MSCI ACWI ND				4.08	6.31	15.31	8.24	-	-	10.92	31/01/2019	
Excess Return				0.02	-0.71	-1.21	1.04	-	-	1.07	31/01/2019	
LF WALES PPGOEF	2,914,950,096	32.90	15.00	4.00	5.22	13.46	7.90	-	-	8.87	14/02/2019	
MSCI ACWI ND				4.08	6.31	15.31	8.24	-	-	10.18	14/02/2019	
Excess Return				-0.08	-1.09	-1.85	-0.33	-	-	-1.31	14/02/2019	
LF WALES PPGOEF - MSTANLEY	6,831	0.00	12.00	0.55	-0.07	719.01	187.38	-	-	81.19	14/02/2019	
MSCI ACWI ND				4.08	6.31	15.31	8.24	-	-	10.18	14/02/2019	
Excess Return				-3.52	-6.38	703.70	179.14	-	-	71.01	14/02/2019	
LF WALES PPGOEF JACOBS LEVY	0	0.00	14.00	3.23	6.67	14.04	-2.60	-	-	13.79	14/02/2019	

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			
LF WALES PPGOEF NUMERIC	162,061	0.00	19.00	2.44	0.08	-4.32	24.50	-	-	0.05	14/02/2019	
<i>MSCI World Index</i>				4.18	6.67	16.81	9.80	-	-	11.24	14/02/2019	
<i>Excess Return</i>				-1.74	-6.60	-21.12	14.71	-	-	-11.20	14/02/2019	
LF WALES PPGOEF NWQ INV MGMT	-0	-0.00	14.00	0.00	-44.44	-50.00	-23.11	-	-	-16.48	14/02/2019	
LF WALES PPGOEF SANDERS CAP	70,938	0.00	15.00	4.63	0.25	-5.35	35.33	-	-	15.85	14/02/2019	
<i>MSCI ACWI ND</i>				4.08	6.31	15.31	8.24	-	-	10.18	14/02/2019	
<i>Excess Return</i>				0.56	-6.06	-20.66	27.09	-	-	5.67	14/02/2019	
LF WALES PPGOEF SW MITCHELL	275,551	0.00	11.00	2.21	0.51	-4.05	1.38	-	-	-0.08	14/02/2019	
<i>MSCI Europe ND</i>				4.27	6.32	13.13	8.29	-	-	8.00	14/02/2019	
<i>Excess Return</i>				-2.06	-5.82	-17.18	-6.91	-	-	-8.07	14/02/2019	
Operator Account	1,931,165	0.02		0.21	-0.54	-100.02	-	-	-	-	31/01/2019	
RI - Overlays	103,120,630	1.16		6.92	17.99	45.33	50.37	-	-	30.85	14/02/2019	
Top Account	0	0.00		0.00	-	-	-	-	-	-	31/01/2018	
Transition Account	14,796	0.00		3.83	1.21	-10.99	-6.77	10.16	-	-	31/01/2018	
UK Opportunities Equity	801,404,606	9.04		4.47	3.37	12.06	6.03	-	-	4.29	23/09/2019	
<i>FTSE All-Share</i>				4.52	3.23	7.92	8.61	-	-	4.63	23/09/2019	
<i>Excess Return</i>				-0.04	0.14	4.15	-2.58	-	-	-0.34	23/09/2019	
Collection Account	961,987	0.01		0.23	2.46	2.81	-	-	-	-	11/10/2019	
RI - Overlays	6,250,434	0.07		0.25	0.25	5.28	2.21	-	-	-5.31	11/10/2019	
Top Account	0	0.00		0.00	-	-	-	-	-	-	11/10/2019	
Transition account	3,678	0.00		0.03	0.08	2.23	0.84	-	-	5.01	11/10/2019	
W PP UK OPPS EQ RC	794,188,507	8.96	100.00	4.52	3.40	12.12	6.07	-	-	4.43	11/10/2019	
<i>FTSE All-Share</i>				4.52	3.23	7.92	8.61	-	-	4.86	11/10/2019	
<i>Excess Return</i>				-0.00	0.17	4.20	-2.54	-	-	-0.43	11/10/2019	
Sustainable Active Equity Fund	1,342,367,218	15.15		4.79	6.62	-	-	-	-	6.49	23/06/2023	
<i>MSCI ACWI ND</i>				4.08	6.31	-	-	-	-	9.07	23/06/2023	
<i>Excess Return</i>				0.71	0.31	-	-	-	-	-2.58	23/06/2023	
LF WALES PP SB AT E F-R O A/C	32,369,879	0.37		10.18	3.72	-	-	-	-	-	22/06/2023	
LF WALS PP ST AT EQ FD- FA I C	694,094	0.01		0.22	-0.15	-	-	-	-	0.46	22/06/2023	
LF WL PP SA ETY FD- RS-EPI A/C	1,309,292,470	14.78		4.67	6.69	-	-	-	-	6.08	31/05/2023	
LF WL PP SBL AC EQ FD- C B A/C	10,775	0.00		0.44	-0.29	-	-	-	-	-42.63	22/06/2023	
LF WL PP STL ACT EQ FD- FA N A	0	0.00		-0.00	-	-	-	-	-	-	22/06/2023	

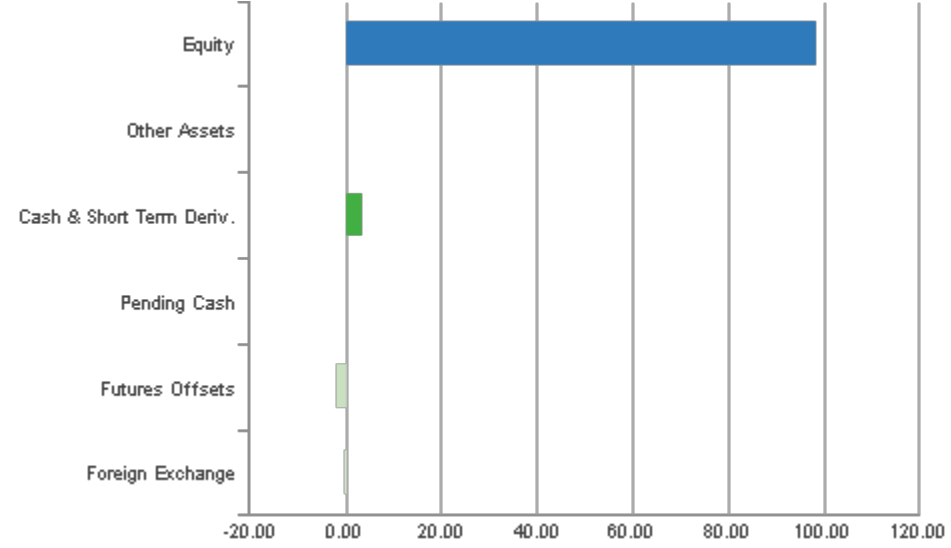
Equity Summary

Account/Group -Rate of Return	E.MV-GOF	End Wt	1 Mo	3 Mos	1 Yr	3 Yrs	ITD	Inc Date
Equity	8,860,396,122	100.00	4.71	5.67	12.76	6.64	10.13	31/12/2018
Global Growth Fund	3,329,715,019	37.58	5.50	6.26	13.63	5.13	9.98	31/01/2019
Emerging Markets Equity Fund	366,377,211	4.13	3.07	2.63	3.07	-	-4.81	20/10/2021
Global Opportunities Equity	3,020,532,067	34.09	4.09	5.60	14.10	9.28	11.99	31/01/2019
UK Opportunities Equity	801,404,606	9.04	4.47	3.37	12.06	6.03	4.29	23/09/2019
Sustainable Active Equity Fund	1,342,367,218	15.15	4.79	6.62	-	-	6.49	23/06/2023

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



ASSET CLASS ENDING WEIGHTS

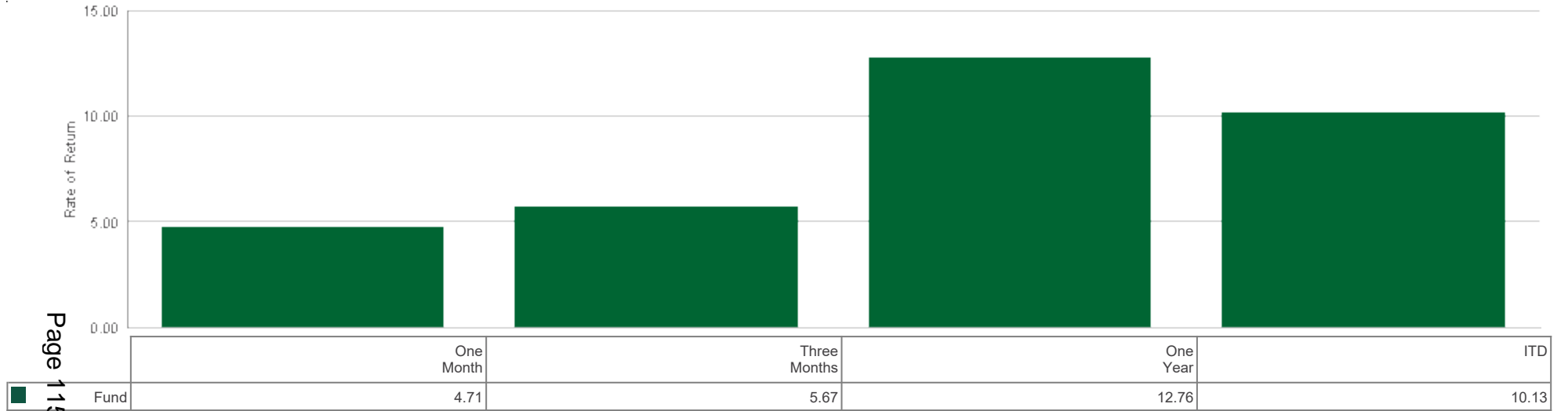


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Equity: 1.62

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	8,860,396,122	100.00	4.71	5.67	12.76	6.64	10.13	31/12/2018
Global Growth Fund	3,329,715,019	37.58	5.50	6.26	13.63	5.13	9.98	31/01/2019
Emerging Markets Equity Fund	366,377,211	4.13	3.07	2.63	3.07	-	-4.81	20/10/2021
Global Opportunities Equity	3,020,532,067	34.09	4.09	5.60	14.10	9.28	11.99	31/01/2019
UK Opportunities Equity	801,404,606	9.04	4.47	3.37	12.06	6.03	4.29	23/09/2019
Sustainable Active Equity Fund	1,342,367,218	15.15	4.79	6.62	-	-	6.49	23/06/2023

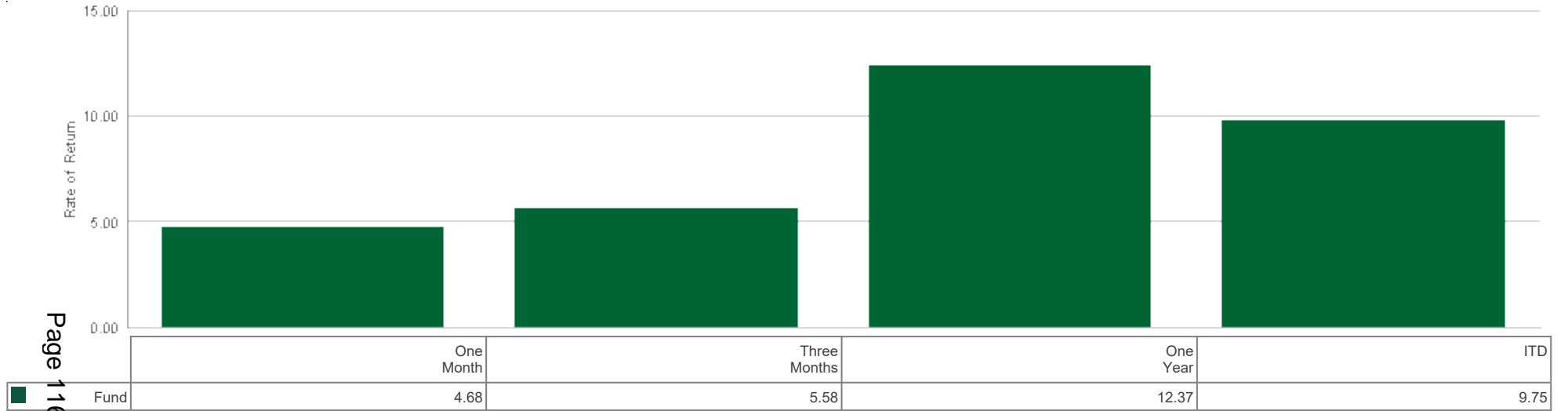
EQUITY TOTAL FUND GROSS OF FEES



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	8,854,919,801	100.00	4.68	5.58	12.37	9.75	31/12/2018
Global Growth Fund	3,327,433,121	37.58	5.46	6.16	13.19	9.55	31/01/2019
Emerging Markets Equity Fund	366,089,760	4.13	3.01	2.52	2.64	-5.25	20/10/2021
Global Opportunities Equity	3,018,749,305	34.09	4.06	5.53	13.78	11.67	31/01/2019
UK Opportunities Equity	800,843,130	9.04	4.44	3.27	11.64	3.88	23/09/2019
Sustainable Active Equity Fund	1,341,804,485	15.15	4.75	6.51	-	6.29	23/06/2023

EQUITY TOTAL FUND NET OF FEES



SECTION 3

Fixed Income

Investment Risk & Analytical Services

December 31, 2023

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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	3,518,242,462	100.00		2.96	5.86	8.12	-1.50	-	-	-0.49	11/08/2020	
Absolute Return Bond Fund	573,874,215	16.31		0.29	1.23	5.80	3.01	-	-	3.06	30/09/2020	
<i>3 month GBP Sonia plus 2%</i>				<i>0.61</i>	<i>1.83</i>	<i>6.86</i>	<i>4.10</i>	-	-	<i>3.94</i>	<i>30/09/2020</i>	
<i>Excess Return</i>				<i>-0.33</i>	<i>-0.61</i>	<i>-1.07</i>	<i>-1.09</i>	-	-	<i>-0.88</i>	<i>30/09/2020</i>	
Collection Account	656,478	0.02		-0.01	-4.17	-1.50	-	-	-	-	30/07/2020	
LF WPP ARF - Aegon	158,843,274	4.51		1.28	1.88	5.67	0.72	-	-	-	30/09/2020	
LF WPP ARF - Insight	154,139,862	4.38		1.47	3.70	9.25	4.30	-	-	-	30/09/2020	
LF WPP ARF - Putnam				-	-	-	-	-	-	-	30/09/2020	
LF WPP ARF - Wellington	249,153,052	7.08		-0.66	-0.79	2.54	3.09	-	-	-	30/09/2020	
Russell Curr Hedge	-146,615	-0.00		-113.13	446.25	-	-	-	-	-	30/06/2020	
Russell Overlay	11,228,165	0.32		-1.38	-0.87	-6.09	1.39	-	-	-	30/06/2020	
Top Account	0	0.00		0.00	-0.00	-	-	-	-	-	30/06/2020	
Sterling Credit Fund	702,672,123	19.97		4.38	7.70	9.69	-3.53	-	-	-2.22	27/07/2020	
<i>ICE BofA ML Eur-Stg plus 0.65%</i>				<i>4.38</i>	<i>7.49</i>	<i>9.25</i>	<i>-4.02</i>	-	-	<i>-2.64</i>	<i>27/07/2020</i>	
<i>Excess Return</i>				<i>-0.01</i>	<i>0.20</i>	<i>0.44</i>	<i>0.49</i>	-	-	<i>0.42</i>	<i>27/07/2020</i>	
Collection Account	0	0.00		0.00	-	-	-	-	-	-	27/07/2020	
LF WPP SCF - Fidelity	702,672,105	19.97		4.38	7.67	6.58	-4.81	-	-	-3.18	19/08/2020	
Top Account	0	0.00		0.00	-0.00	-	-	-	-	-	27/07/2020	
Transition Account	18	0.00		0.06	0.00	-0.00	-	-	-	-	27/07/2020	
Multi Asset Credit Fund	717,031,917	20.38		2.52	5.89	12.08	0.24	-	-	2.09	27/07/2020	
<i>3 month GBP Sonia plus 4%</i>				<i>0.77</i>	<i>2.33</i>	<i>8.95</i>	<i>6.14</i>	-	-	<i>5.88</i>	<i>27/07/2020</i>	
<i>Excess Return</i>				<i>1.75</i>	<i>3.56</i>	<i>3.13</i>	<i>-5.90</i>	-	-	<i>-3.79</i>	<i>27/07/2020</i>	
Collection Account	1,026,472	0.03		0.03	0.06	-56.43	-	-	-	-	27/07/2020	
LF WPP MAC - Barings	184,143,250	5.23		2.68	2.77	6.26	1.32	-	-	2.15	11/08/2020	
LF WPP MAC - BlueBay	84,134,827	2.39		2.80	2.87	5.46	3.78	-	-	4.11	11/08/2020	
LF WPP MAC - GLG	138,023,578	3.92		2.57	2.51	2.32	1.95	-	-	0.94	11/08/2020	
LF WPP MAC - Voya	94,886,290	2.70		-0.84	-4.27	-2.34	3.89	-	-	2.87	11/08/2020	
Russell Curr Hedge	2,740,719	0.08		332.48	-8550.44	-	-	-	-	-	27/07/2020	
Russell Overlay	25,326,048	0.72		-9.27	-10.97	-16.49	-14.94	-	-	-	27/07/2020	
Russell Pooled	186,785,538	5.31		2.11	3.34	19.52	5.72	-	-	-	27/07/2020	
Top Account	-34,800	-0.00		-	-	-	-	-	-	-	27/07/2020	
Transition Account	-5	-0.00		0.00	0.00	0.00	0.07	-	-	451.74	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	493,733,882	14.03		3.46	6.57	5.36	-2.80	-	-	-2.14	30/07/2020
<i>FTSE WGBI Index</i>				3.11	5.60	5.52	-3.88	-	-	-3.44	30/07/2020
<i>Excess Return</i>				0.35	0.97	-0.16	1.07	-	-	1.30	30/07/2020
Collection Account	40,877	0.00		0.31	0.33	-8.97	-	-	-	-	30/07/2020
LF WPP GGB - BlueBay	274,880,847	7.81		3.46	4.11	-1.04	-3.90	-	-	-3.38	19/08/2020
LF WPP GGB - Colchester	196,478,469	5.58		4.51	4.59	0.47	-2.99	-	-	-2.68	19/08/2020
Russell Curr Hedge	-1,518,017	-0.04		-34.37	1083.13	-9713.53	46086.00	-	-	-	18/08/2020
Russell Overlay	23,703,802	0.67		1.85	5.48	-0.17	-1.53	-	-	-1.35	30/07/2020
Top Account	147,895	0.00		0.00	0.00	-	-	-	-	-	30/07/2020
Transition Account	8	0.00		0.36	-0.59	-1.99	-	-	-	-	30/07/2020
Global Credit Fund	1,030,930,325	29.30		3.64	7.04	6.66	-3.65	-	-	-2.59	27/07/2020
<i>BBG Global Aggregate Credit Index hedged into GBP</i>				3.68	6.99	7.64	-3.42	-	-	-2.47	27/07/2020
<i>Excess Return</i>				-0.04	0.05	-0.98	-0.23	-	-	-0.11	27/07/2020
Collection Account	290,767	0.01		0.33	16.97	28.23	-	-	-	-	27/07/2020
LF WPP GCF - Fidelity	157,657,043	4.48		4.43	7.35	6.38	-4.19	-	-	-3.24	20/08/2020
LF WPP GCF - Logan Circle	310,943,490	8.84		3.67	3.53	1.29	-1.08	-	-	-1.28	20/08/2020
LF WPP GCF - Robeco	292,367,723	8.31		0.52	-	-	-	-	-	0.52	30/11/2023
LF WPP GCF - T Rowe Price	2,042	0.00		-0.15	0.71	0.25	-2.65	-	-	-2.34	20/08/2020
LF WPP GCF - Western	214,809,437	6.11		3.41	4.01	2.10	-2.42	-	-	-2.07	20/08/2020
Russell Curr Hedge	2,518,563	0.07		-139.96	-39.28	-	-	-	-	-	27/07/2020
Russell Overlay	52,341,264	1.49		4.28	7.14	-0.31	15.72	-	-	-	27/07/2020
Top Account	0	0.00		-	-	-	-	-	-	-	27/07/2020
Transition Account	-2	-0.00		-0.41	-7.63	-10.04	-48.46	-	-	-43.93	27/07/2020

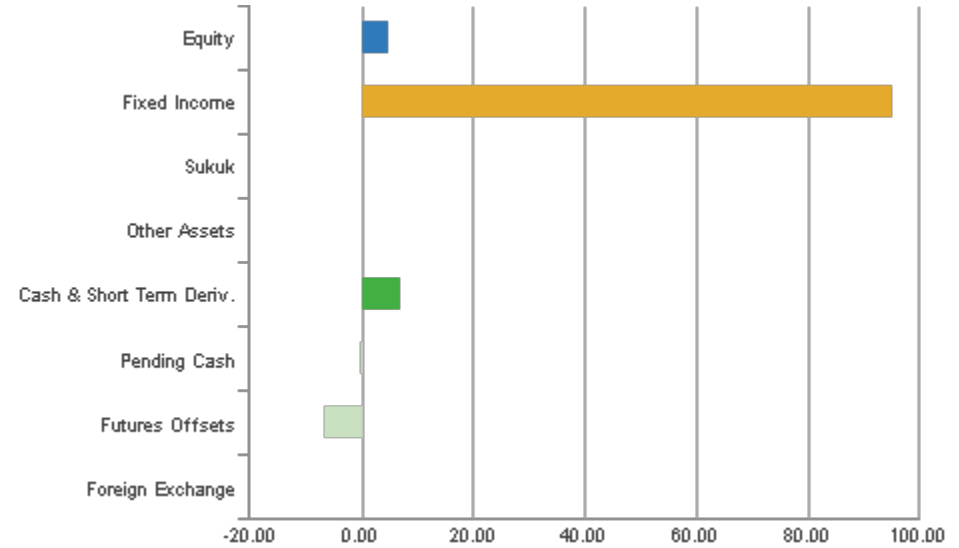
Fixed Income Summary

Account/Group -Rate of Return	E.MV-GOF	End Wt	1 Mo	3 Mos	1 Yr	ITD	Inc Date
Fixed Income	3,518,242,462	100.00	2.96	5.86	8.12	-0.49	11/08/2020
Absolute Return Bond Fund	573,874,215	16.31	0.29	1.23	5.80	3.06	30/09/2020
Sterling Credit Fund	702,672,123	19.97	4.38	7.70	9.69	-2.22	27/07/2020
Multi Asset Credit Fund	717,031,917	20.38	2.52	5.89	12.08	2.09	27/07/2020
Global Government Bond Fund	493,733,882	14.03	3.46	6.57	5.36	-2.14	30/07/2020
Global Credit Fund	1,030,930,325	29.30	3.64	7.04	6.66	-2.59	27/07/2020

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



ASSET CLASS ENDING WEIGHTS



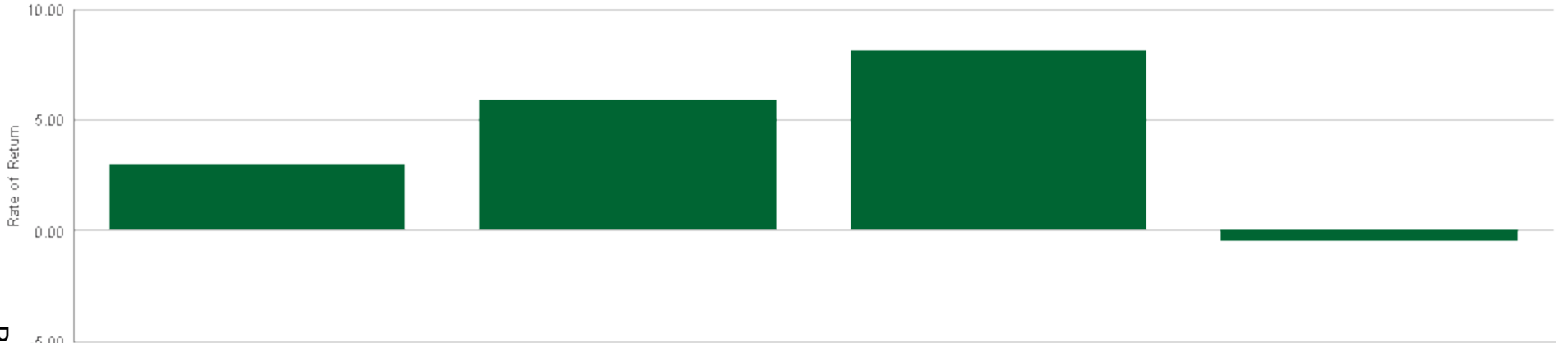
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Fixed Income: 0.98

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	3,518,242,462	100.00	2.96	5.86	8.12	-0.49	11/08/2020
Absolute Return Bond Fund	573,874,215	16.31	0.29	1.23	5.80	3.06	30/09/2020
Sterling Credit Fund	702,672,123	19.97	4.38	7.70	9.69	-2.22	27/07/2020
Multi Asset Credit Fund	717,031,917	20.38	2.52	5.89	12.08	2.09	27/07/2020
Global Government Bond Fund	493,733,882	14.03	3.46	6.57	5.36	-2.14	30/07/2020
Global Credit Fund	1,030,930,325	29.30	3.64	7.04	6.66	-2.59	27/07/2020

FIXED INCOME TOTAL FUND GROSS OF FEES

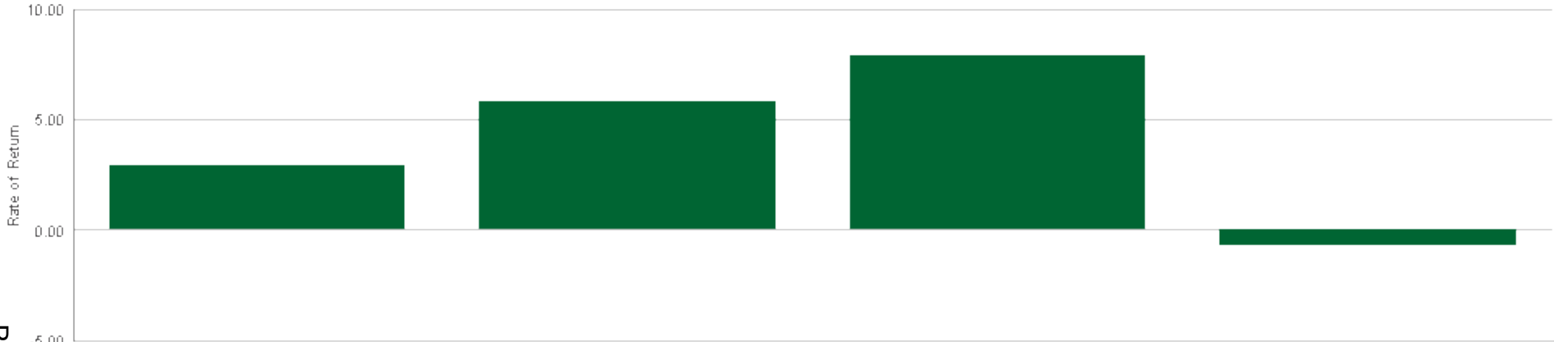


	One Month	Three Months	One Year	ITD
Fund	2.96	5.86	8.12	-0.49

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	3,516,695,245	100.00	2.93	5.80	7.86	-0.73	11/08/2020
Absolute Return Bond Fund	573,454,974	16.31	0.25	1.14	5.44	2.74	30/09/2020
Sterling Credit Fund	702,504,431	19.98	4.34	7.64	9.53	-2.36	27/07/2020
Multi Asset Credit Fund	716,501,221	20.37	2.49	5.81	11.69	1.73	27/07/2020
Global Government Bond Fund	493,507,168	14.03	3.41	6.49	5.09	-2.38	30/07/2020
Global Credit Fund	1,030,727,451	29.31	3.61	6.98	6.46	-2.77	27/07/2020

FIXED INCOME TOTAL FUND NET OF FEES



	One Month	Three Months	One Year	ITD
Fund	2.93	5.80	7.86	-0.73

SECTION 4

Appendix

Investment Risk & Analytical Services

December 31, 2023

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WALES PENSION PARTNERSHIP JOINT GOVERNANCE COMMITTEE

DATE 13 MARCH 2024

SUBJECT

PRIVATE MARKETS UPDATE – INFRASTRUCTURE

RECOMMENDATIONS / KEY DECISIONS REQUIRED:

To receive a presentation from GCM Grosvenor

REASONS:

GCM Grosvenor were appointed WPP's Infrastructure Allocator in March 2022, and the Infrastructure Investment programmes were launched in March 2023. This quarter GCM Grosvenor are providing a progress update to the WPP.

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Council**

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EXECUTIVE SUMMARY JOINT GOVERNANCE COMMITTEE

DATE 13 MARCH 2024

PRIVATE MARKETS UPDATE – INFRASTRUCTURE

BRIEF SUMMARY OF PURPOSE OF REPORT

In 2023, WPP launched their initial Private Market Investment programmes. GCM Grosvenor, WPP's Infrastructure Allocator are providing a progress update on both the Closed-ended and Open-ended programmes.

The Closed-ended program focuses on diversified infrastructure investments across primaries, secondaries, and co-investments in the UK, Europe, and North America. £166m has been committed with £77m invested to date. The funds investing in this program are Clwyd, Dyfed, Gwynedd, Powys, RCT, Swansea and Greater Gwent (Torfaen).

There are three Open-ended managers:

- IFM – The IFM Global Infrastructure Fund invests in a diversified portfolio of infrastructure assets across the transportation, energy, utilities and digital sectors which seek to deliver stable revenues over the long term. £221m has been committed with no investments made to date.
- CBRE – The CBRE Global Infrastructure Fund invests in assets across digital, transportation, energy transition, and utility infrastructure sectors with highly contracted, cash yielding characteristics. £88m has been committed with no investments made to date.
- Octopus - The Octopus Renewable Sky Fund makes investments in predominantly core, contracted, and cash-yielding renewable and energy transition assets across the UK, Europe, North America, and APAC. £133m has been committed with £67m invested to date.

The funds investing in the open-ended program are Cardiff, Gwynedd, Powys, Swansea, and Greater Gwent (Torfaen).

DETAILED REPORT ATTACHED?

YES

IMPLICATIONS

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

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WALES PENSION PARTNERSHIP

GCM GROSVENOR WPP GLOBAL INFRASTRUCTURE LP

13 MARCH 2024

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TABLE OF CONTENTS

Closed-ended	GCM Grosvenor
Open-ended	IFM, CBRE, Octopus
Appendix	Notes and Disclosures

PARTICIPATING FUNDS

Closed-Ended Infrastructure

- Clwyd Pension Fund
- Dyfed Pension Fund
- Gwynedd Pension Fund
- Powys Pension Fund
- Rhondda Cynon Taff Pension Fund
- City and County of Swansea Pension Fund
- Greater Gwent (Torfaen) Pension Fund

Open-Ended Infrastructure

- Cardiff & Vale of Glamorgan Pension Fund
- Gwynedd Pension Fund
- Powys Pension Fund
- City and County of Swansea Pension Fund
- Greater Gwent (Torfaen) Pension Fund



PORTFOLIO CONSTRUCTION

GCM WPP GLOBAL INFRASTRUCTURE LP

Closed-ended program focused on diversified infrastructure investments across primaries, secondaries, and co-investments in the UK, Europe, and North America

PROGRAM OVERVIEW

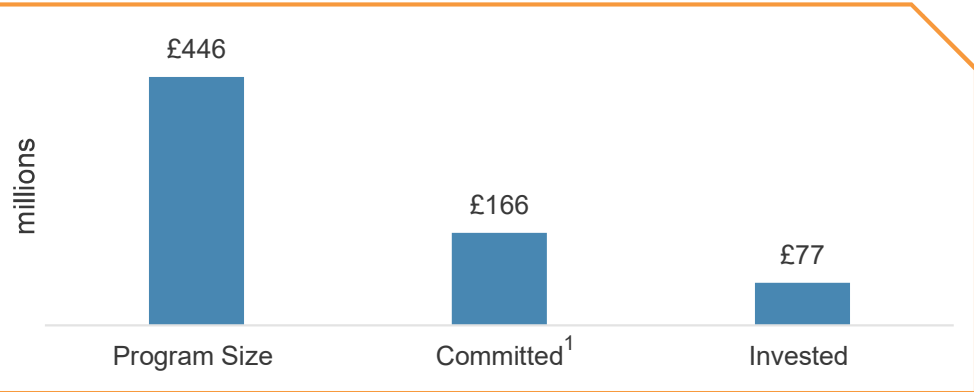
Vintage:
2023

Fund term:
Closed ended

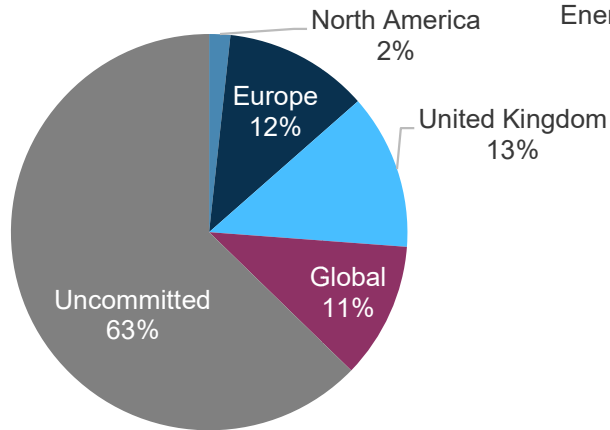
Type: **Primaries,
Secondaries, Co-
investments**

Sub-focus: **Sustainable investments, local impact
within Wales**

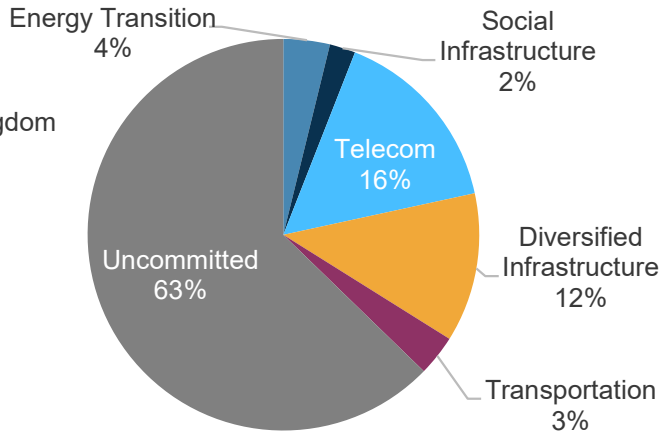
PROGRAM SUMMARY



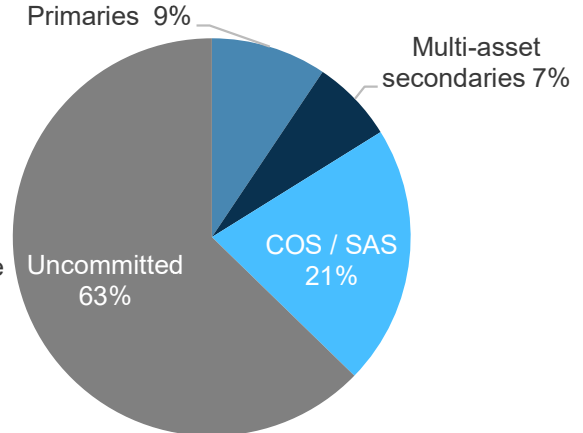
Allocation by Geography



Allocation by Sector



Allocation by Asset Type



¹ Committed to underlying investments. Includes one investment pending commitment. This portfolio is subject to change. No assurance can be given that any investment will achieve its objectives or avoid losses.

IFM GLOBAL INFRASTRUCTURE FUND

The Global Infrastructure Fund invests in a diversified portfolio of infrastructure assets across the transportation, energy, utilities and digital sectors which seek to deliver stable revenues over the long term

PROGRAM OVERVIEW

Vintage:
2004

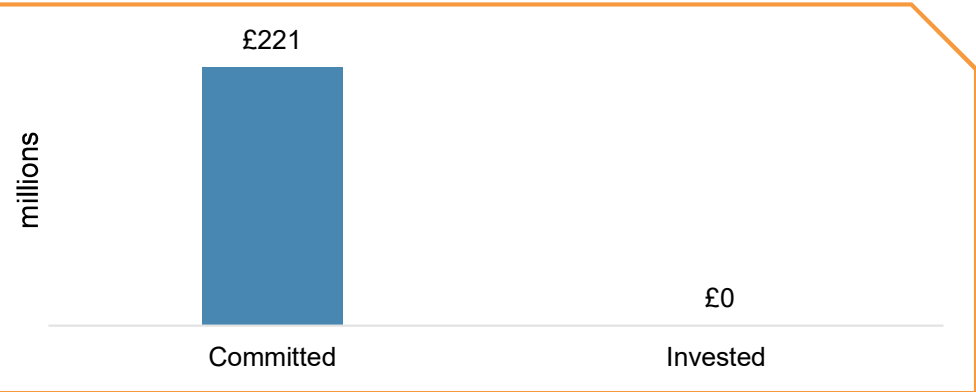
Fund term:
Open ended

Type: Diversified
Infrastructure

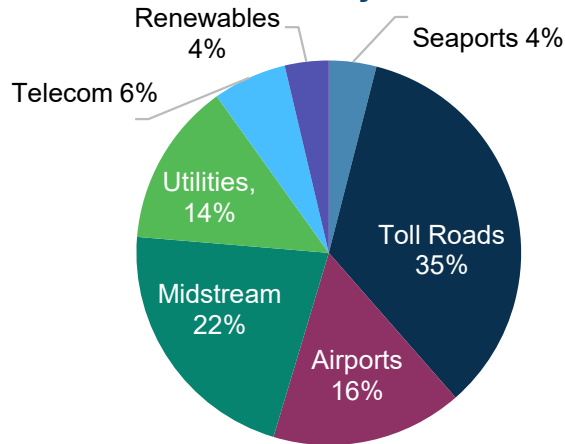
Strategy:

Investments in diversified, core infrastructure platforms and assets with a focus on OECD countries

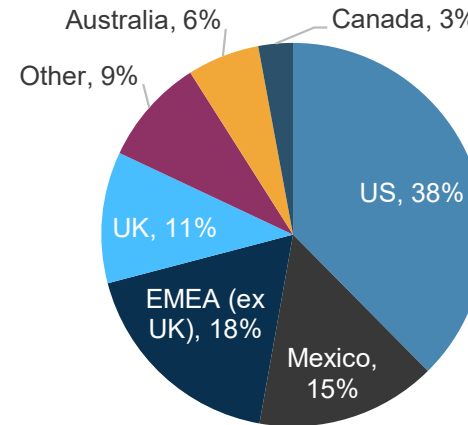
PROGRAM SUMMARY



Allocation By Sector



Allocation By Geography



CBRE GLOBAL INFRASTRUCTURE FUND

CBRE Global Infrastructure Fund invests in assets across digital, transportation, energy transition, and utility infrastructure sectors with highly contracted, cash yielding characteristics

PROGRAM OVERVIEW

Vintage:
2018

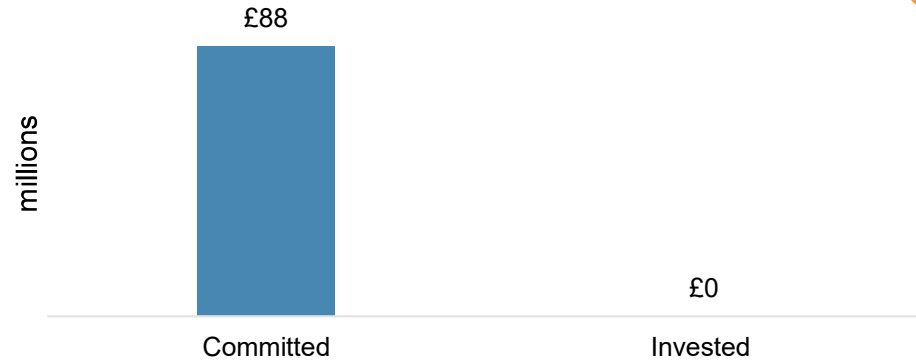
Fund term:
Open ended

Type: Diversified
Infrastructure

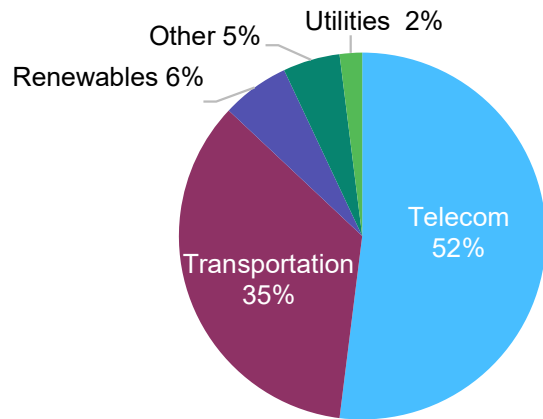
Strategy:

Investments in diversified infrastructure mid-market assets with contracted cash flows with focus on Europe and North America

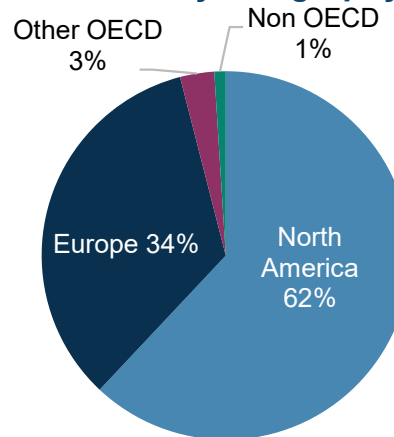
PROGRAM SUMMARY



Allocation By Sector



Allocation By Geography



OCTOPUS RENEWABLE INFRASTRUCTURE SCSP (SKY)

The Sky Fund makes investments in predominantly core, contracted, and cash-yielding renewable and energy transition assets across the UK, Europe, North America, and APAC

PROGRAM OVERVIEW

Vintage:
2021

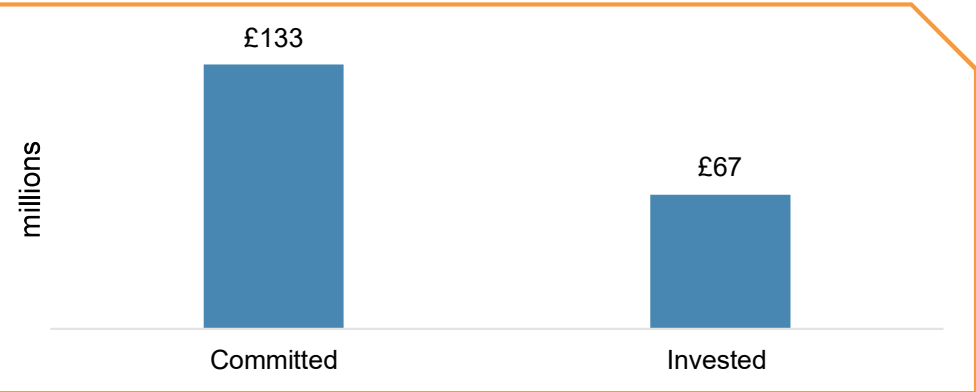
Fund term:
Open ended

Type: **Renewable Infrastructure**

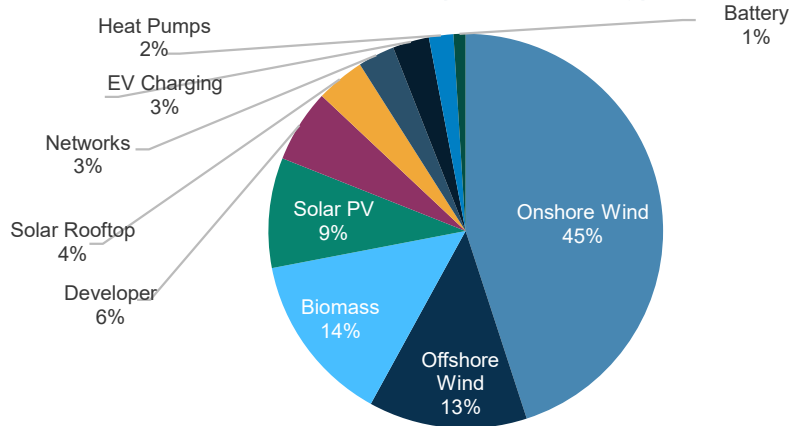
Strategy:

Investments in predominantly core renewable and energy transition assets targeting jurisdictions in the UK, Europe, North America and APAC

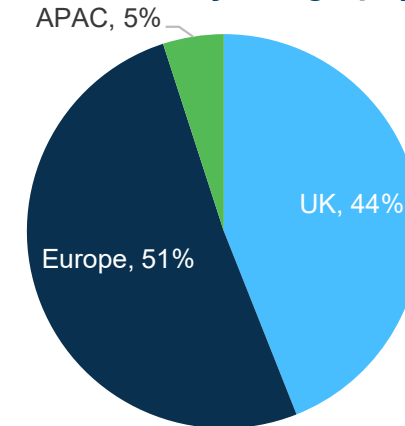
PROGRAM SUMMARY



Allocation by Technology



Allocation by Geography



Appendix

NOTES AND DISCLOSURES

GCM GROSVENOR

Notes and Disclosures (1 of 2)

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GCM GROSVENOR

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