



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.

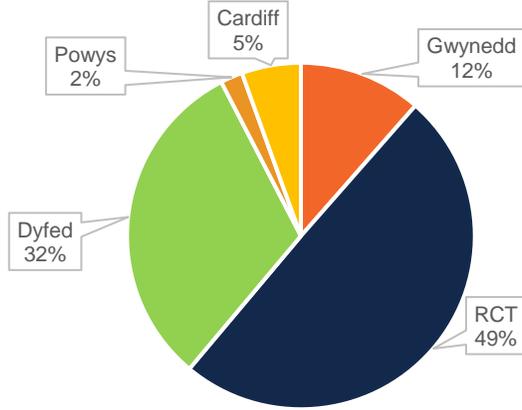
December 2023 WS Wales PP Fund Summary AUM

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	

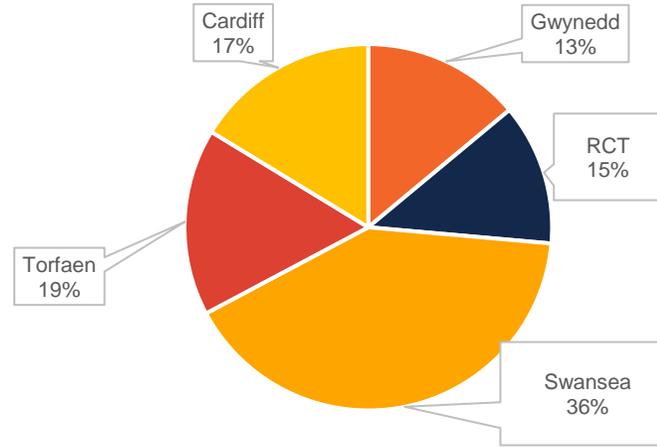
December 2023 Fund Snapshot - Equities

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

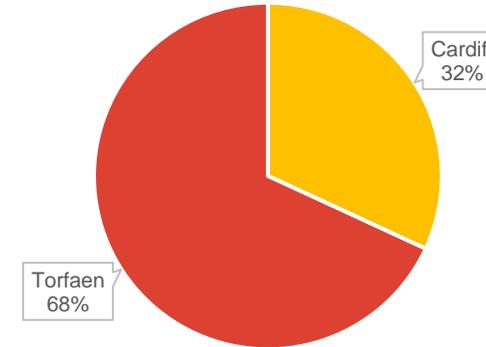
Global Growth



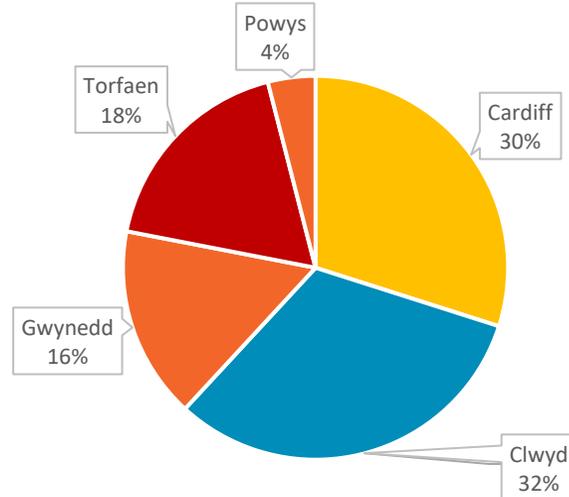
Global Opportunities



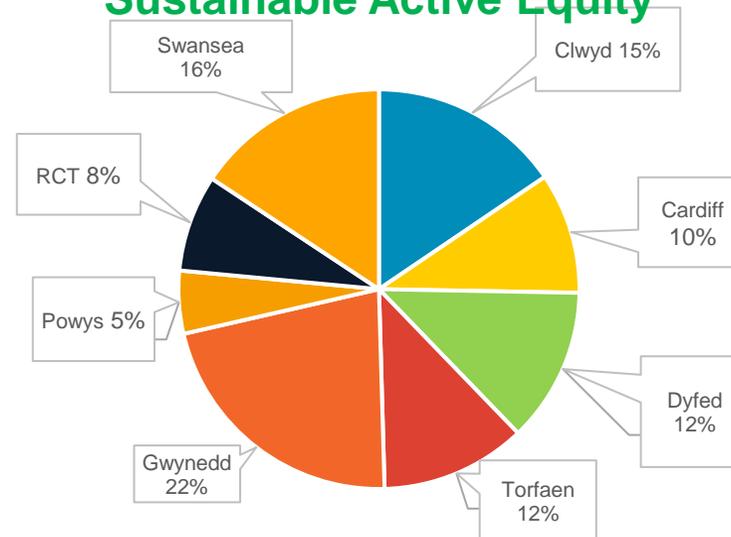
UK Opportunities



Emerging Markets

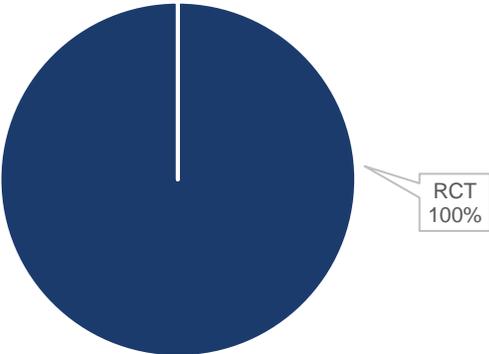


Sustainable Active Equity

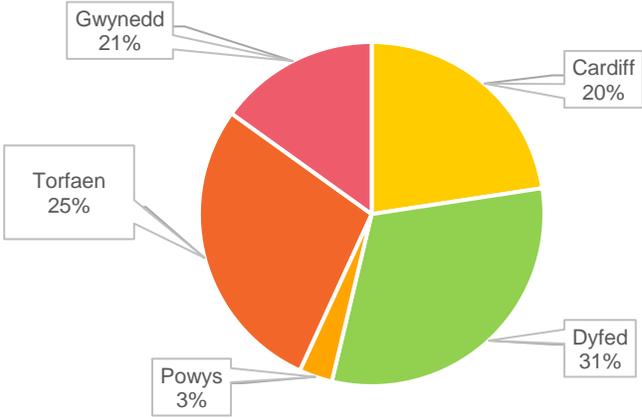


December 2023 Fund Snapshot - Fixed Income

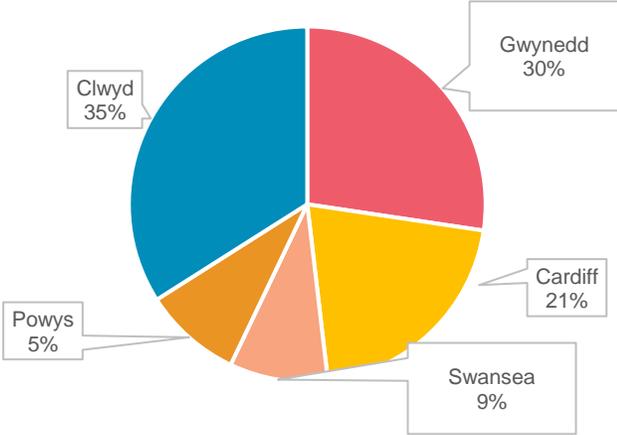
Sterling Credit



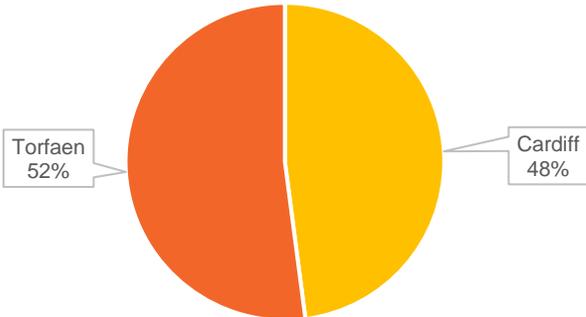
Global Credit



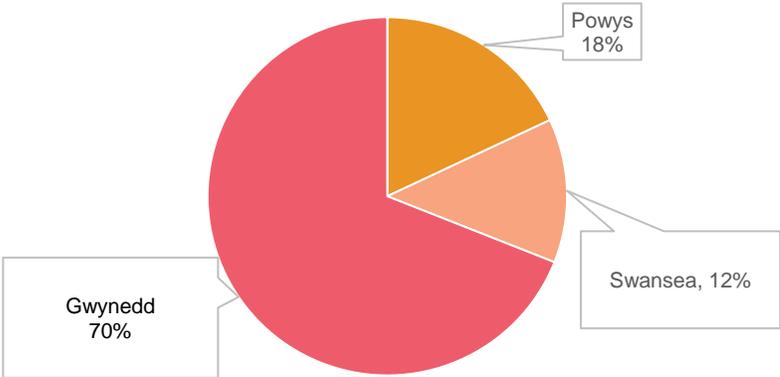
Multi Asset Credit



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

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

WMUK Engagement Protocol continued...

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

Thank you

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