

Document Pack



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

TUESDAY, 16 MARCH 2021

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

I HEREBY SUMMON YOU TO ATTEND A **VIRTUAL MEETING** OF THE
WALES PENSION PARTNERSHIP JOINT GOVERNANCE COMMITTEE
WHICH WILL BE HELD **AT 10.00 AM, ON WEDNESDAY, 24TH MARCH,
2021** FOR THE TRANSACTION OF THE BUSINESS OUTLINED ON THE
ATTACHED AGENDA

Wendy Walters

**CHIEF EXECUTIVE
CARMARTHENSHIRE COUNTY COUNCIL**

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

Democratic Officer:	Jessica Laimann
Telephone (direct line):	01267 224178
E-Mail:	JMLaimann@carmarthenshire.gov.uk

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

(1 Member from each Constituent Authority)

CARMARTHENSHIRE COUNTY COUNCIL

COUNCILLOR ELWYN WILLIAMS

CITY & COUNTY OF SWANSEA

COUNCILLOR CLIVE LLOYD

CITY OF CARDIFF

COUNCILLOR CHRISTOPHER WEAVER

FLINTSHIRE COUNTY COUNCIL

COUNCILLOR TED PALMER

GWYNEDD COUNTY COUNCIL

COUNCILLOR PEREDUR JENKINS

POWYS COUNTY COUNCIL

COUNCILLOR PETER LEWIS

RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL

COUNCILLOR MARK NORRIS

TORFAEN COUNTY BOROUGH COUNCIL

COUNCILLOR GLYN CARON

A G E N D A

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2. DECLARATIONS OF INTEREST
3. TO SIGN AS A CORRECT RECORD THE MINUTES OF THE MEETING OF THE JOINT COMMITTEE HELD ON THE 10TH DECEMBER 2020 5 - 12
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12. EXCLUSION OF THE PUBLIC
THE REPORTS RELATING TO THE FOLLOWING ITEM ARE NOT FOR PUBLICATION AS THEY CONTAIN EXEMPT INFORMATION AS DEFINED IN PARAGRAPH 14 OF PART 4 OF SCHEDULE 12A TO THE LOCAL GOVERNMENT ACT 1972 AS AMENDED BY THE LOCAL GOVERNMENT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

Thursday, 10 December 2020

PRESENT: Councillor G. Caron (Chair)

Councillors:

P. Lewis, C. Lloyd, M. Norris, T. Palmer, J. Pughe Roberts, C. Weaver, and
D.E. Williams.

The following officers were in attendance:

C. Moore, Joint Committee Section 151 Officer (CCC)
L.R. Jones, Joint Committee Monitoring Officer (CCC)
N. Aurelius, Assistant Chief Executive - Resources (TCC)
B. Davies, Director of Financial Services (RCT)J. Dong, Deputy S151 Officer/ Chief
Finance Officer (C&CS)
D. Edwards, Chief Finance Officer (GCC)
C. Hurst, Pension Fund Manager (PCC)
C. Lee, Corporate Director of Resources (CoC)
D. Fielder, Deputy Head Clwyd Pension Fund (FCC)
A. Parnell, Treasury & Pension Investments Manager (CCC)
T. Williams, Senior Financial Services Officer (CCC)
M. Evans Thomas, Principal Democratic Services Officer (CCC)
J. Laimann, Assistant Democratic Services Officer (CCC)

Also present as observers:

D. Jones-Thomas, Investment Manager (GCC)
Y. Keitch, Principal Accountant (RCT)
K. Cobb, Senior Accountant (C&CS)
A. Bull, Pensions Investment Manager (TCC)

Also present:

A. Tookey, Link Fund Solutions
R. Thornton, Link Fund Solutions
K. Midl, Link Fund Solutions
J. Leggate, Russell Investments
S. Mandich, Russell Investments
T. Paik, Russell Investments
F. Hope, Hymans Robertson
J. Wright, Hymans Robertson
C. Manser, BlackRock
J. Tait, BlackRock
K. Haynes, BlackRock

Remote attendance - 10.25 am - 12.35 pm



1. APOLOGIES FOR ABSENCE AND OTHER MATTERS

Apologies for absence were received from Cllr. Peredur Jenkins.

The Joint Governance Committee was advised that Cllr. John Pughe Roberts had been replaced by Cllr. Peredur Jenkins and thanked Cllr. Pughe Roberts for his contributions. As Cllr. Jenkins had sent his apologies for today's meeting, Cllr. Pughe Roberts was attending the meeting as his deputy.

The Joint Committee welcomed Cllr. Ted Palmer to his first Joint Governance Committee meeting. The Chair advised that Cllr. Palmer had joined the Joint Governance Committee earlier this year but was unable to attend the last meeting.

The Chair extended congratulation to everybody involved with the Wales Pension Partnership for winning the LAFP Investment Innovation Award 2020, which recognised that the WPP made a significant step in innovation, adopting an "Enhanced Portfolio Implementation" (EPI) framework within its equity funds.

2. DECLARATIONS OF INTEREST

G. Caron	Member of the Greater Gwent Pension Fund; Wife is deferred member of the Greater Gwent Pension Fund; Son-in-law is member of the Greater Gwent Pension Fund
P. Lewis	Member of the Powys Pension Fund
C. Lloyd	Member of the City & County of Swansea Pension Fund
M. Norris	Member of the Rhondda Cynon Taf Pension Fund
E. Williams	Member of the Dyfed 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 11 SEPTEMBER 2020

RESOLVED that the minutes of the Joint Governance Committee meeting held on 11th September 2020 be signed as a correct record.

4. HOST AUTHORITY UPDATE

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; and
- Resources, budget and fees.

In response to a query, the Joint Committee was advised that initial discussions regarding the review of the Operator's contract had been undertaken and a timeline would be provided at the next meeting.

RESOLVED that the Host Authority update be received.

5. RISK REGISTER Q4 2020 REVIEW

The Joint Committee received a report on the Q4 Risk Register Review. It was advised that the initial Risk Register had been approved by the JGC on 17 July 2020 and a Risk Register subgroup of the OWG was reviewing the Risk Register on a quarterly basis. Key changes identified in the first review were relating primarily to the Investment and Performance section.

In response to a query on Operator services (Risk G.12), the Joint Committee was advised that initial discussions suggested the risk was not material to the WPP and further updates would be provided.

RESOLVED that the amendments to the Risk Register be approved.

6. ANNUAL POLICY REVIEWS

The Joint Committee received a report on the Annual Policy Reviews of the Beliefs Statement and Governance Matrix. It was advised that the existing Beliefs Statement and Governance Matrix had been approved in December 2019. The OWG had undertaken an annual review of these policies and amendments had been made.

RESOLVED that the updated Beliefs Statement and Governance Matrix be approved.

7. RI POLICY REVIEW AND ANNUAL PROGRESS UPDATE

The Joint Committee received a report on the Responsible Investment Policy Review and Annual Progress Update. It was advised that the Responsible Investment (RI) Policy had been approved in September 2019. The OWG had undertaken an annual review of the RI policy and amendments had been made to reflect the developments over the last 12 months.

The RI Policy was appended with an annual progress update, which provided a detailed assessment of the progress made in several key areas, including Climate Risk, Voting and Engagement, Training and Consultation, the formulation of the RI Sub-Group and the RI work plan for the next 12 months.



A suggestion was made that it may be beneficial to have political representation on the Sub-Group. The Joint Committee Section 151 Officer advised that it may be possible to consider putting Lead members in place for particular areas of work who could be consulted on dedicated service areas, however this would require further consideration.

RESOLVED to

- 7.1. Approve the updated Responsible Investment Policy;**
- 7.2. Note the Annual Progress Update, including the establishment of the WPP Responsible Investment Sub-Group.**

8. TRAINING POLICY

The Joint Committee received a report on the Training Policy. The policy outlined the strategy put in place to ensure Members and officers had the required knowledge base to fulfil their roles and make informed decisions. The policy applied to WPP Personnel, including the Host Authority, Members of the JGC and officers of the OWG but invitations to training events could also be extended to Constituent Authority Pension Committee Members as well as Pension Board Representatives.

The Joint Committee was advised that the Training Policy was designed to supplement existing Constituent Authority training documentation but did not replace local level training policies and plans. Local level training needs would continue to be addressed by the Constituent Authorities while the WPP will offer training that is relevant to the WPP's pooling activities

The Policy would be reviewed on an annual basis. Also, on an annual basis, the WPP would prepare and publish an Annual Training Plan which would outline the training topics for the next twelve months and provide a summary report of training completed during the previous 12 months.

RESOLVED to approve the Training Policy.

9. VOTING POLICY

The Joint Committee received a report on the Voting Policy. It was advised that Robeco had been appointed as the WPP's Voting and Engagement Service provider in March 2020. Following adoption by the JGC, Robeco's voting policy could be developed and tailored specifically to the WPP and its Constituent Authorities over the next 12 months.

In response to a query on potential conflicts with LAPFF voting alerts, Members were advised that the RI subgroup had identified potential for conflict in very limited circumstances and Robeco would draw any disparities to the WPP's attention.

RESOLVED to approve the Voting Policy.



10. SCHEME MEMBER REPRESENTATION

The Joint Committee considered a report on Scheme Member Representation. It was advised that the JGC was a joint committee constituted under the Local Government Act 1972 and therefore Member Representatives could only join the JGC as co-opted Members in a non-voting capacity. To allow this to happen, the IAA would need to be amended and the amendments would need to be taken to all eight constituent authorities for approval. The OWG could prepare a person specification and selection process to ensure that the nominated person had the appropriate knowledge and experience to carry out the role

RESOLVED to

- 10.1. Approve that there is provision for a co-opted (non-voting) pension board scheme member representative on the Joint Governance Committee (JGC);**
- 10.2. Approve that each Constituent Authority is asked to confirm the inclusion of the co-opted scheme member representative on the JGC and that the necessary amendments be made to the Inter Authority Agreement (IAA);**
- 10.3. Agree that the Officers Working Group prepares a person specification and selection process to be presented at a future JGC for formal approval.**

11. OPERATOR UPDATE

The Joint Committee received a presentation on the progress of the Wales Pension Partnership in relation to the following key areas:

- Current Fund Holdings;
- Fund Launch Progress;
- Corporate Update and Engagement.

The Joint Committee noted that the Fixed Income sub fund launch had been completed. With regard to the Emerging Markets sub fund, the launch date was expected to be deferred to July 2021 due to detailed Depositary work around the carbon overlay model.

RESOLVED that the Operator Update be received.

12. PERFORMANCE REPORTS AS AT 30 SEPTEMBER 2020

The Joint Committee received a presentation on the Performance Reports as at 30 September 2020. It noted a correction on the published Executive Summary (p.112-113), which showed an underperformance for the UK Opportunities Fund. The brackets around the Excess Return figure should be removed, resulting in an outperformance of 1.33% gross and 0.95% net.

Other sub funds had outperformed/underperformed their respective benchmarks, as follows:

- Global Opportunities outperformed by 0.43% gross / 0.06% net;



- Global Growth outperformed by 0.22% gross / underperformed by 0.22% net;
- Global Government Bond underperformed by 0.33% gross / 0.30% net;
- Global Credit underperformed by 0.01% gross / 0.03% net;
- Multi Asset Credit underperformed by 0.77% gross / 0.83% net;
- UK Credit underperformed by 2.77% gross / 2.79% net.

RESOLVED that the Performance Reports of the following sub-funds as at 30 September 2020 be approved:

- 12.1. Global Opportunities Equity Fund;
- 12.2. Global Growth Equity Fund;
- 12.3. UK Opportunities Equity Fund;
- 12.4. Global Government Bond Fund;
- 12.5. Global Credit Fund;
- 12.6. Multi Asset Credit Fund;
- 12.7. UK Credit Fund.

13. EXCLUSION OF THE PUBLIC

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

14. GLOBAL SECURITIES LENDING REPORT AS AT 30 SEPTEMBER 2020

Following the application of the public interest test it was RESOLVED, pursuant to the Act referred to in Minute 13 above, to consider this matter in private, with the public excluded from the meeting, as disclosure would adversely impact on the WPP by prejudicing negotiations.

The Joint Committee received a report on Global Securities Lending.

RESOLVED that the Global Securities Lending Review as at 30 September 2020 be noted.

15. LEGAL ADVISOR CONTRACT

Following the application of the public interest test it was RESOLVED, pursuant to the Act referred to in Minute 13 above, to consider this matter in private, with the public excluded from the meeting, as disclosure would adversely impact on the WPP by undermining the procurement process prior to the formal award of the contract following the end of the statutory standstill period.

The Joint Committee received a report on the Legal Advisor Contract.

RESOLVED to appoint bidder 1 as the preferred bidder for the Wales Pension Partnership Legal Services Provider, subject to the completion of



the standstill period and the finalisation of the Legal Services Provider Contract.

16. FIXED INCOME POST TRADE TRANSITION REPORT

Following the application of the public interest test it was **RESOLVED**, pursuant to the Act referred to in Minute 13 above, to consider this matter in private, with the public excluded from the meeting, as disclosure would adversely impact on the WPP by undermining the commercial position of fund managers.

The Joint Committee considered a report on the Fixed Income Trade Transition.

RESOLVED that the Fixed Income Post Transition Analysis Report be received.

CHAIR

DATE



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WALES PENSION PARTNERSHIP JOINT GOVERNANCE COMMITTEE

24 MARCH 2021

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

**Carmarthenshire County
Council**

Tel No. 01267 224160

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CMoore@carmarthenshire.gov.uk

EXECUTIVE SUMMARY JOINT GOVERNANCE COMMITTEE

24 MARCH 2021

HOST AUTHORITY UPDATE

BRIEF SUMMARY OF PURPOSE OF REPORT

The WPP Business Plan for 2020/21 was approved on 12 March 2020. A Quarter 4 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:

- Governance Manual and Business Plan
- Working with Robeco, the WPP's Voting and Engagement Service providers in finalising reporting requirements
- OWG Sub-Groups:
 - Private Markets sub-group
 - Responsible Investment sub-group
 - Risk Register sub-group

Next Steps / Priorities:

- Launch of the Emerging Markets Sub-fund
- Continuing the work of the private markets sub-group
- Complete 2020/21 year-end closure of accounts
- Formulate the 2020/21 Annual Update and Annual Return

Other key areas:

- Training – virtual training sessions have continued over the last quarter
- Website – the website continues to be updated with approved policies, press releases and details of sub fund launches

DETAILED REPORT ATTACHED?	YES
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IMPLICATIONS

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

CONSULTATIONS

Details of any consultations undertaken are to be included here

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

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



Wales Pension Partnership Business Plan 2020-2021 Q4 Review

Governance

Work to be completed	Completed	Comments
<ul style="list-style-type: none"> Development of Climate Risk Policy 	Yes	N/A
<ul style="list-style-type: none"> Development of Conflict of Interest Policy 	Yes	N/A
<ul style="list-style-type: none"> Development of a WPP Voting Policy 	Yes	N/A
<ul style="list-style-type: none"> Formulation of a WPP Governance Manual 	Yes	N/A
<ul style="list-style-type: none"> Formulation of a WPP Risk Register 	Yes	N/A
<ul style="list-style-type: none"> Annual review and update of WPP Business Plan 	In progress	Paper being taken to the March 2021 JGC for approval
<ul style="list-style-type: none"> Annual review of RI policy 	Yes	N/A

Ongoing Establishment

Work to be completed	Completed	Comments
<ul style="list-style-type: none"> Launch of Emerging Market equity tranche 	In progress	Launch date delayed until September 2021
<ul style="list-style-type: none"> Launch of Fixed Income sub-funds 	Yes	N/A
<ul style="list-style-type: none"> Launch of Private Markets sub-funds 		Delayed until 2021-2022

Operator Services

Work to be completed	Completed	Comments
<ul style="list-style-type: none"> Formulation of a WPP Operator Oversight Framework 	In progress	
<ul style="list-style-type: none"> Review of Operator's contract 	In progress	
<ul style="list-style-type: none"> Review and development of Operator KPI reporting 	In progress	

Communication, Training and Reporting

Work to be completed	Completed	Comments
<ul style="list-style-type: none"> Development of Investment Manager performance reporting, including ESG metrics and climate change risk 	In progress	In progress – the RI Sub Group are currently formulating the WPP Responsible Investment Monitoring Report
<ul style="list-style-type: none"> Formulation of the WPP's annual training plan 	In progress	Paper being taken to the March 21 JGC for approval
<ul style="list-style-type: none"> Formulation of the WPP's Annual Newsletter 	Yes	Annual Update published in June 2020

Resources, budget and fees

Work to be completed	Completed	Comments
<ul style="list-style-type: none"> Appointment of legal advisor 	Yes	N/A
<ul style="list-style-type: none"> Annual review of resources and capacity 	Yes	N/A
<ul style="list-style-type: none"> Formulation of Annual WPP Budget 	In progress	Part of the Business Plan which is being taken to the March 2021 JGC for approval
<ul style="list-style-type: none"> Review and Monitoring of Fees (including Link & Russell) 	In progress	

Training Plan

Training topics to be completed during 2020–2021 as per approved 2020-2021 Training Plan and progress to date:

	Completed	Comments
• Managing Conflict of interest	Yes – June 2020	
• Operator Monitoring		Arranged for March 2021
• Performance metric (including RI metrics)	Yes – October 2020	
• Progress of other LGPS Pools	Yes – November 2020	
• Collaboration Opportunities	Yes – November 2020	
• Climate Risk	Yes – June 2020	
• Asset Class – Alternatives (Private Markets)	Yes – October 2020	
• Decision Logging	Yes – February 2021	
• Identifying lessons to be learnt	Yes – February 2021	
• Transparency Requirements	Yes – February 2021	
• Enacting guidance and regulation	Yes – February 2021	

Robeco training sessions were also held in September and October 2020.

All the above training that has taken place to date has been extended to Pension Committee and Pension Board members and all training sessions have been held virtually.

Budget

2020-2021 Budget Monitoring Report:

	Budget 2020 – 2021 £000	Forecast 2020 – 2021 £000	Variances 2020 – 2021 £000 (See below)
Host Authority *	181	148	33
External Advisors *	580	580	0
TOTAL to be recharged	761	728	33
Operator Services **	27,557	24,819	2,738
TOTAL to be deducted from the NAV	27,557	24,819	2,738

**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).*

Variances:

- Host Authority – Assistant Accountant post vacant and underspend on travelling and subsistence costs due to Covid 19
- Operator Services - Delay in the launching of the Fixed Income and Emerging Markets sub funds

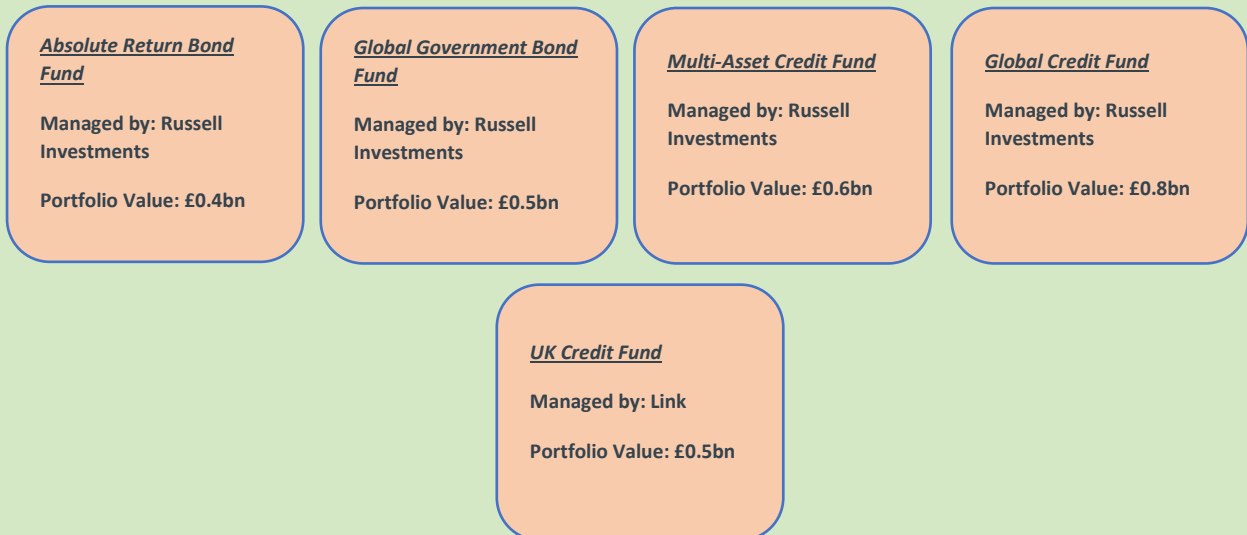
Investments

Equity Sub-Funds



- Emerging Markets sub-fund launch has been postponed to September 2021

Fixed Income Sub-Funds



* Portfolio Values as at launch date



Wales Pension Partnership

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

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Wales Pension Partnership

Governance Manual



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Introduction

Welcome to the Wales Pension Partnership ('WPP') Governance Manual.

The purpose of this manual is to provide a detailed overview of the WPP's governance structure, framework and policies. This manual collates all the essential details on how the WPP is governed, as well as articulating the roles, responsibilities and procedures that the WPP has put in place.

One of the documents main objective is to act as a reference point that can be of benefit to WPP personnel, as well as external parties who may wish to learn more about how the WPP is governed. The WPP is very proud of the governance structure, framework and procedures that it has put in place and is keen to articulate and illustrate these to both internal and external audiences. This manual is intended to provide full transparency on the WPP's governance matters. By providing this transparency the WPP hopes that people will be able to fully understand how it operates and that this understanding will improve the levels of engagement between the WPP and all parties.

It is also our hope that this document will meet a second objective - which is to demonstrate how seriously the WPP takes governance matters. The WPP is fully committed to putting in place a robust governance structure through which the pooling activities of the eight Welsh Constituent Authorities can be facilitated. The WPP firmly believes that good governance will lead to better decision making, greater value for money and most importantly better outcomes for the WPP's stakeholders. This document will hopefully provide you with a solid understanding of:

- Who the WPP are, what are our objectives and beliefs which guide us
- How the WPP operates, what our roles and responsibilities are
- Which policies and procedure we follow and adhere too.

Please note that this document will evolve and will be subject to ongoing alterations and amendments as the WPP refines, reviews and up-dates its governance arrangements. This document will be regularly updated to reflect any notable changes in WPP's governance matters, and it will also be amended to reflect updates to the WPP's underlying policies and procedures.

This manual brings together all of the WPP's governance arrangements including the Inter Authority Agreement ('IAA') which is a foundation of these governance arrangements and binds the Constituent Authorities in their common objective of delivering best in class investment pooling for the benefit of LGPS members, participating employers and local tax-payers.

I hope that you will find this WPP Governance Manual helpful and informative and that it will give you a sense of how the WPP is structured and the means by which it operates. Please do feel free to contact us, using the contact details on Page 32, if you have any questions or feedback.

Yours Sincerely,

Chris Moore

Section 151 Officer at the Host Authority (Carmarthenshire County Council)

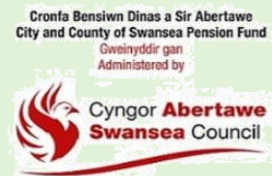
About the Wales Pension Partnership

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.

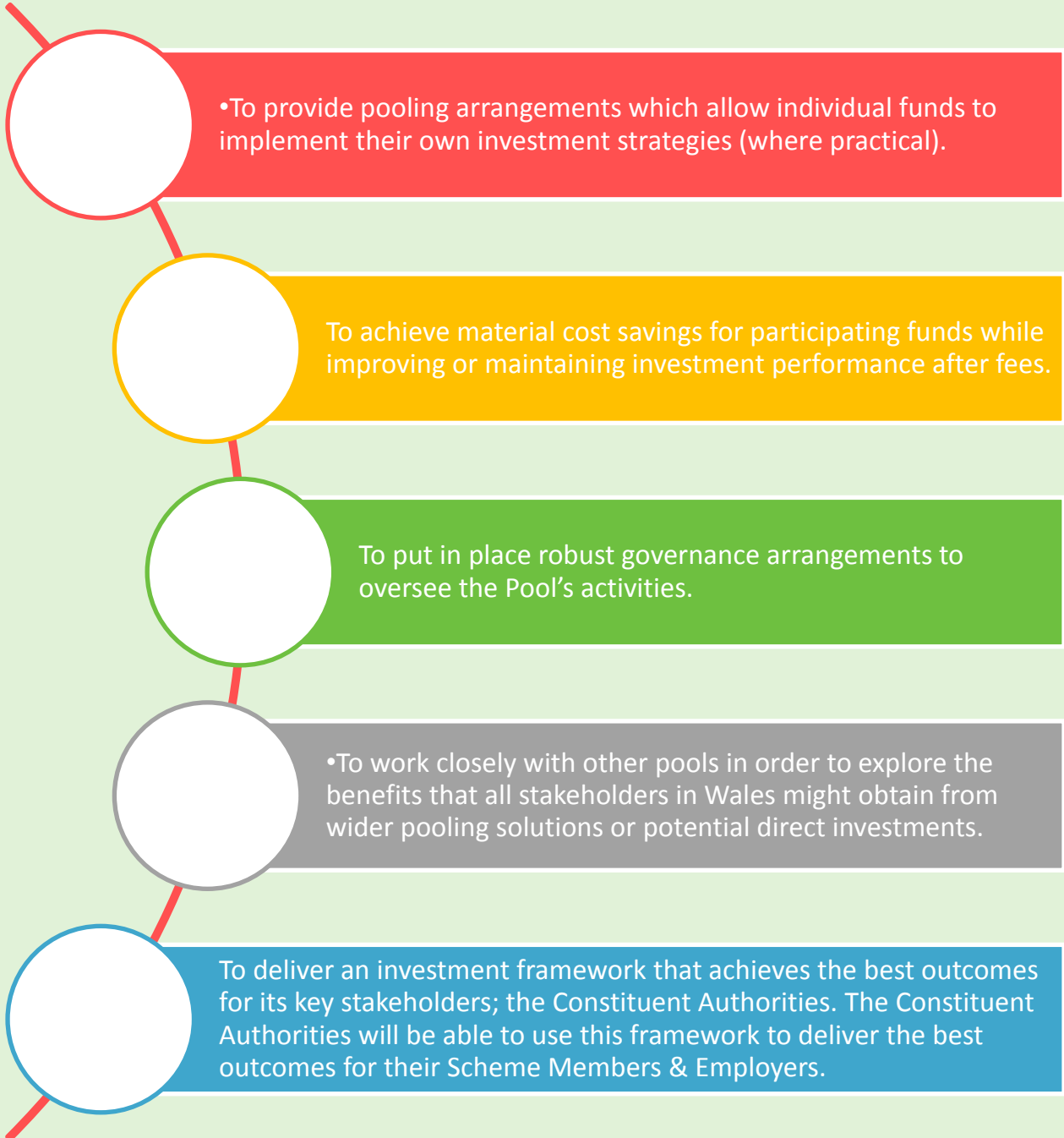
Our operating model is designed to be flexible and deliver value for money. We appointed an external fund Operator and make use of external advisers to bring best of breed expertise to support the running of the Pool, this includes Hymans Robertson who have been appointed as the WPP's Oversight Advisor. The Operator is Link Fund Solutions 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:



Objectives of the WPP

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:



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.

WPP 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.

- A 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.

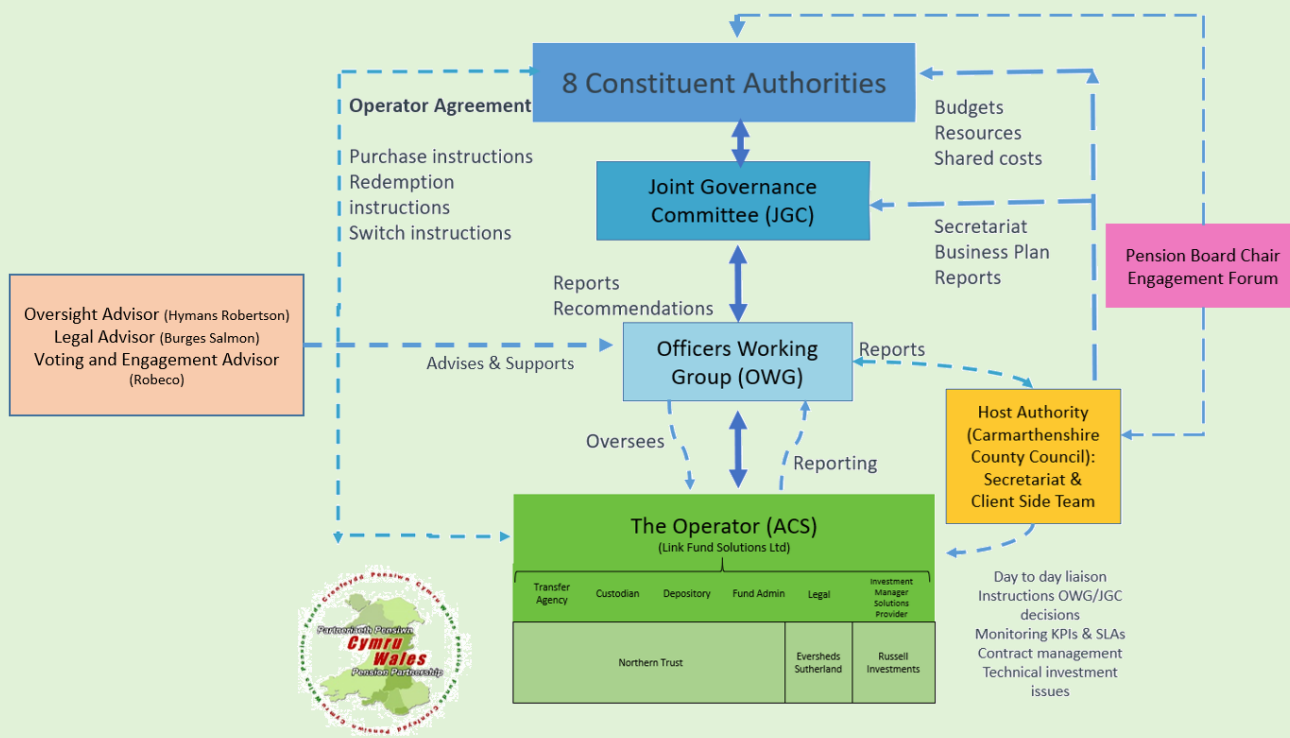
Governance Structure & Principles

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. The WPP's IAA can be found in its entirety in Appendix A. 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:



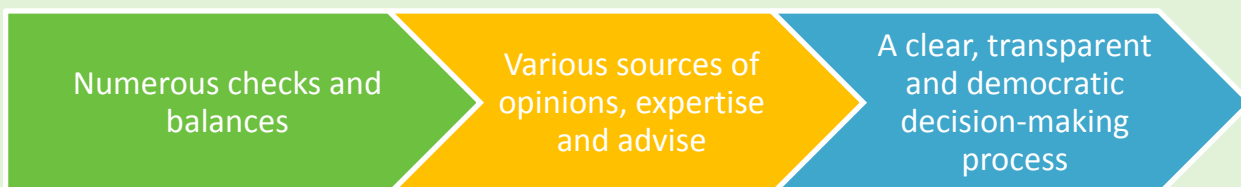
The diagram below shows WPP’s governance structure.



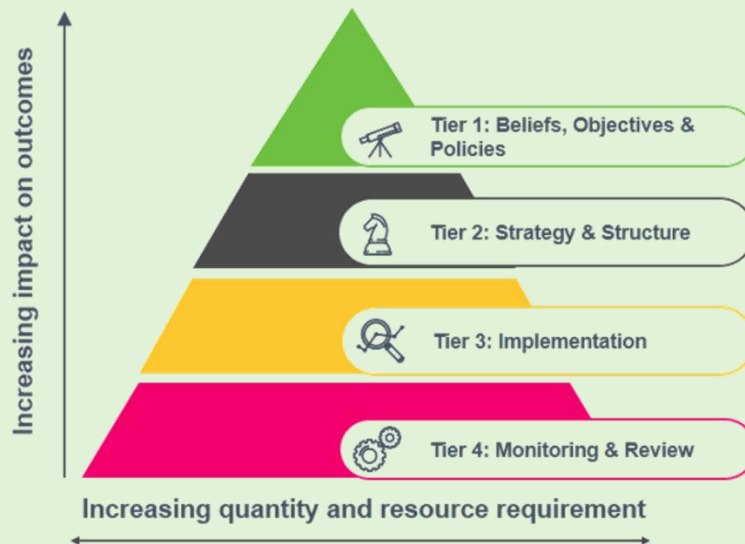
The Constituent Authorities sit at the top of the WPP’s governance structure. They retain control of all activity carried out by the WPP and remain responsible for approving the WPP’s Business Plan, which outlines the WPP’s budget and workplan, as well as its Beliefs and Objectives. The WPP Business Plan can be found on our website. The Constituent Authorities are heavily involved in all aspects of the WPP’s governance structure, while the WPP’s Joint Governance Committee and Officers Working Group are comprised respectively of elected councillor and officer representatives from the Constituent Authorities.

As previously noted, the WPP Inter Authority Agreement outlines the governance bodies that make up the WPP’s governance structure and identify how these bodies interact with one another and roles that each of these bodies play. The governance decision matrix (Appendix B) provides a concise summary of the different roles, responsibilities and interaction between all the WPP’s committees, groups and suppliers. In particular, it shows which governance body is responsible for which decisions

The WPP has created a number of committees, groups and roles as part of its governance structure, the creation of which has ensured that the WPP has been able to deliver a robust governance structure to its stakeholders. In particular, the WPP’s governance structure seeks to achieve:



Alongside this governance structure, the WPP has developed a governance framework which can be used to evaluate, categorise and attribute resources to the WPP’s ongoing workstreams. The WPP’s governance framework is outlined below, this framework aims to ensure that key decisions are given priority and resources are focussed on areas most likely to contribute to the future success of the WPP:



As illustrated in the diagram above, the framework is based on the principle that your beliefs, objectives and policies are of the utmost importance as they inform all work and activities that the WPP undertakes. Formulation and review of the WPP's Beliefs, Objectives and Policies represent a relatively small proportion of the WPP's overall time and activity – however they have the potential to produce the greatest impact on the outcomes that the WPP is able to provide to its stakeholders. We set out below in more detail the different Tiers of the WPP's governance framework:



- Overriding Beliefs, Objectives - Clear and well defined objectives are essential to achieving future success
- Policies that codify the WPP's beliefs and objectives and set the requirements of strategy and structure
- *E.g. WPP objectives, WPP beliefs and specific policies such as WPP Climate Risk Policy*

- Agreement on the WPP's governance structure, relationship with the Constituent Authorities and third party suppliers (e.g. the Operator)
- Identification of required sub-funds and investment solutions
- *E.g. IAA, Governance Matrix, Operator Agreement and sub-fund offerings*

- Appointing suitable suppliers and service providers
- Formulating and implementing sub-funds
- Identify approach to assessing investment managers and approach to management
- *E.g. choice of regional equity allocation, credit quality and liquidity of bonds. Choice of managers, decision on active or passive management, mandate guidelines prior to investing.*

- Approach to implementing agreed changes and ongoing management and monitoring of assets
- Identify lessons to be learnt and areas of improvement across all four tiers
- *E.g. operator oversight assessment of transition activity, changes to sub-fund guidelines when already established.*

Governance Roles & Responsibilities

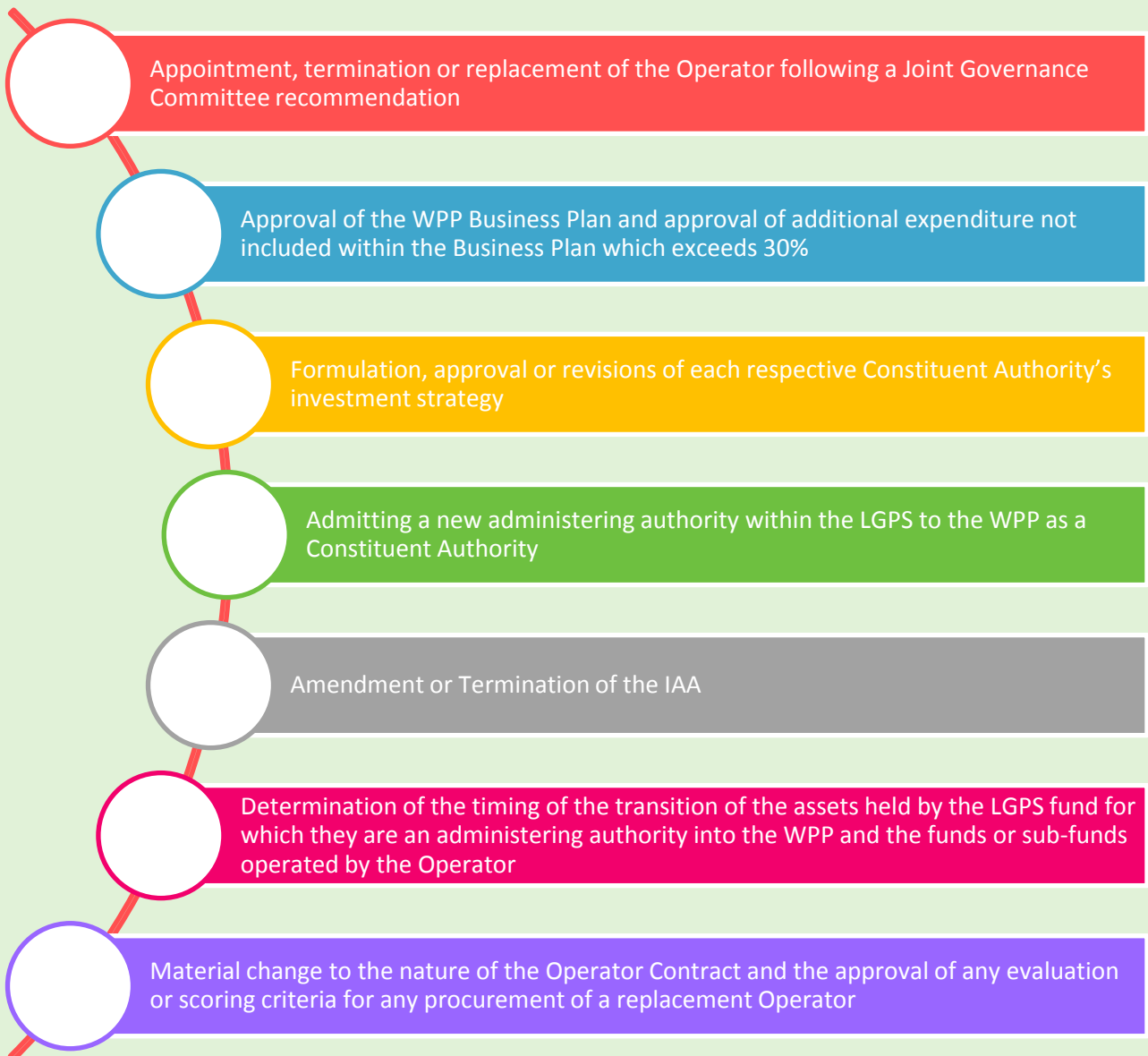
A brief introduction to the purpose, membership and functionality of the WPP's Committees, Groups and Roles can be found below:

The Constituent Authorities

As previously noted, the Constituent Authorities are the most important element of the WPP, they not only represent the founding members of the WPP but also its key stakeholders. The Constituent Authorities formed the WPP's Joint Governance Committee to oversee and report on the WPP. Prior to formulating the JGC the Constituent Authorities agreed that a number of decision-making matters should be reserved to the Constituent Authorities, while the remainder could be considered to be matters for the WPP's Joint Governance Committee.

Constituent Authority Matters

The matters reserved to the Constituent Authorities are set out in Schedule 2 of the Inter Authority Agreement, they can be summarised as follow:



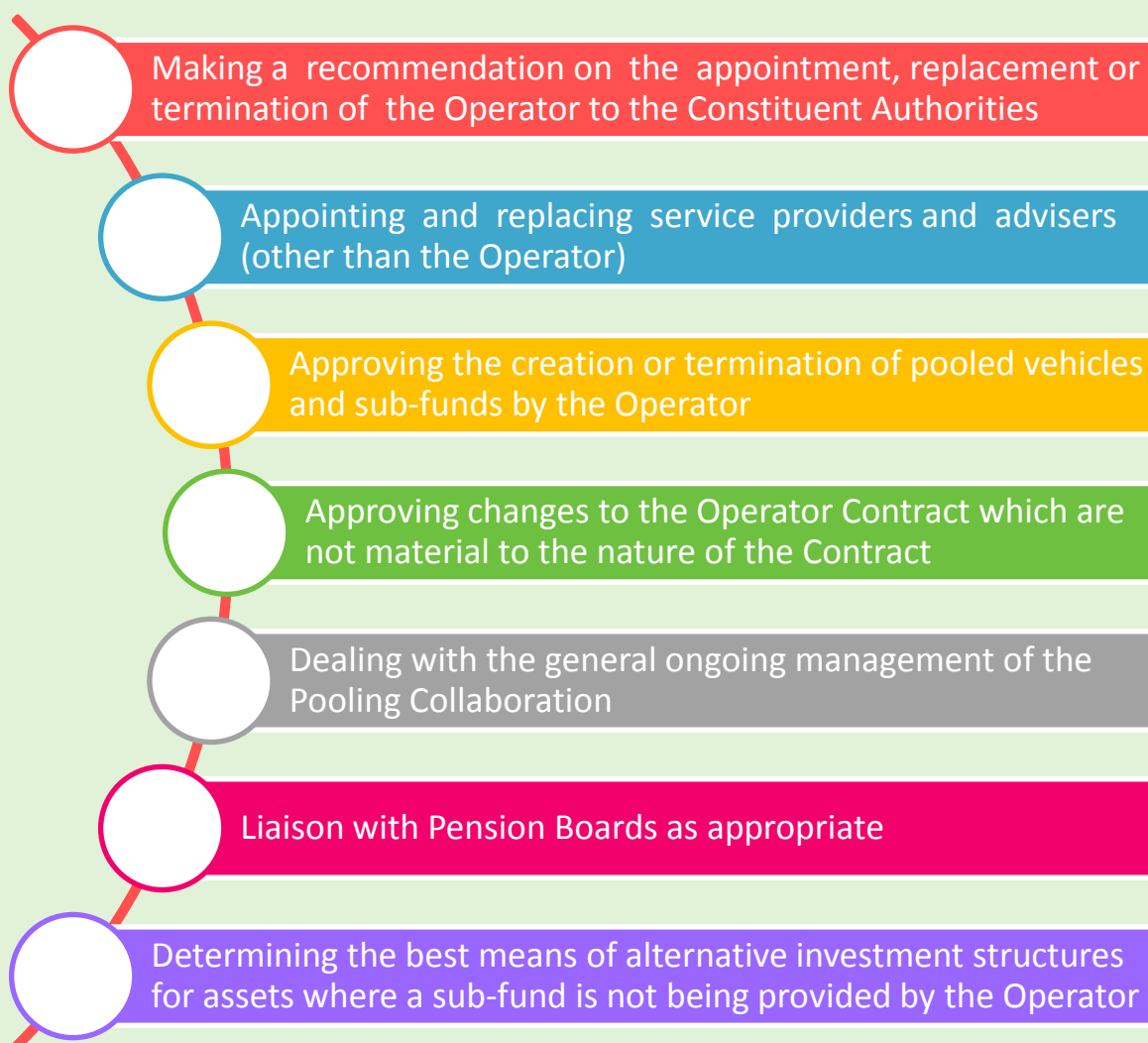
Joint Governance Committee

The Wales Pension Partnership Joint Governance Committee (JGC) was formalised in June 2017 and meets at least four times a year. The JGC is comprised of one elected member from each of the eight Constituent Authorities. The elected member must be a member of that Constituent Authority and that Constituent Authority's Pensions Committee. The Chair and Vice-chair are rotated on an annual basis.

In December 2020, the JGC approved a provision for a co-opted (non-voting) pension board scheme member representative on the JGC.

The JGC is responsible for overseeing the pooling of the investments of the eight Local Government Pension Scheme funds in Wales. The JGC's full set of responsibilities are set out in Schedule 3 (JGC Matters) and Schedule 4 (JGC Terms of Reference) of the Inter Authority Agreement, brief summary of JGC Matters and its Terms of References are outlined below.

JGC Matters



JGC Terms of Reference

The Joint Governance Committee responsibilities are:

- Making recommendations to the Constituent Authorities on the termination of the Operator Contract where the performance is considered unacceptable;
- Ensuring that there are an appropriate range of sub-funds available to allow the Constituent Authorities to meet their strategic investment aims;
- Monitoring the performance of the Operator against the agreed set of key performance indicators;
- Reporting on the performance of the Investment Pool, its costs and other activities;
- Review the appropriateness of the existing structures, including the number and make-up of sub-funds;
- Liaising with the Operator on the appointment of suppliers, for example manager preferences or the appointment of depositories;
- Liaising with the Constituent Authorities on the appropriate range of sub-funds to be provided in the Investment Pool;
- Reviewing policies in respect of ethical, social and governance matters and voting rights and where appropriate make recommendations to the Constituent Authorities;
- Applying any processes or policies that are assigned to it within the IAA;
- Recommend a high-level plan for the transition of assets into the pool;
- Ensuring that the OWG acts within its remit;
- Providing any analysis or commentary on annual accounts to the Constituent Authorities;
- Monitoring the implementation and effectiveness of policies and initiating reviews where required;
- Delivery and ongoing monitoring against the Pooling Collaboration objectives, Business Plan and budgets;
- Approving responses from the Pooling Collaboration in relation to consultations or other matters considered appropriate;
- Seeking advice from professional and authorised and regulated advisers where necessary;
- Agreeing the Business Plan to be put forward to the Constituent Authorities for approval;
- Report to the Constituent Authorities quarterly on the matters within their remit;
- Agreeing criteria for the evaluation of bids or tenders for any procurement (other than the Operator) to be put forward for the approval of the Constituent Authorities.

The WPP prides itself on being open and transparent and this is evidenced by the fact that JGCs are publicly webcasted, while agendas and minutes are also made publicly available. Additionally, the WPP has put in place the following meeting procedure to ensure that JGC meetings operate in an efficient, transparent and democratic fashion.

Meeting Procedure (JGC)

- All agendas, reports and minutes shall be in both Welsh and English, and simultaneous translation of proceedings will be available throughout all meetings. The Chair will sign the minutes of the proceedings at the next suitable meeting;
- The Chair is responsible for the running of meetings. The Chair shall invite Members expressing a desire to speak in turn. All discussion and debate shall be held through the Chair and the Chair may draw a discussion to a vote at any time where they consider that every Member has been given a fair opportunity to speak;
- Where any item to be discussed forms exempt information the Chair shall move that the public and press from the meeting for the duration of the discussion and voting on that item. Motions to exclude the press and public do not require to be seconded and shall be determined by simple majority vote of the Members present. The Chair may invite any person to remain in the meeting where they consider it to be necessary or appropriate to do so and any members of the OWG present shall be presumed to be invited to remain unless the Chair specifies otherwise;
- Any person may be excluded from a meeting or required to leave a meeting where in the opinion of the Chair they are causing a disturbance to the running of the meeting and have not desisted from doing following a request; or where any person is so disruptive that their conduct if allowed to remain would prevent the meeting from proceeding in a fair and acceptable manner;
- Any Member may propose a motion. All motions must be seconded. Motions which are opposed shall be put to a vote;
- A Member may raise a point of order at any time. The Chair will hear them immediately. The Member must indicate the provision or law or regulation and the way in which he/she considers it has been broken. The ruling of the Chair on the matter will be final. The Chair may take advice on the point of order from the appropriate officer;
- The Chair shall seek consensus wherever possible however where a vote is required each Member present will have one vote and voting will be by means of a show of hands. In the event of a tied vote, the Chair shall have a second or casting vote. All decisions will be determined by simple majority.

Officers Working Group

The WPP's Officers Working Group (OWG) was established with the purpose of providing support and advice to the Joint Governance Committee. The group meets at least four times a year. An overview of the roles and responsibilities of the OWG can be found below:

- Making proposal to the JGC on:
 - Procuring external support to meet the WPP's requirements;
 - Governance arrangements;
 - The most appropriate means of accessing different asset types – including the structure and number and make-up of sub-funds;
 - High level transition plans for the transfer of assets to pool the Investment Pool;
- Challenging and contributing to the development of the Pool and helping the JGC achieve its objectives;
- Making recommendations to the JGC on the appointment, replacement or termination of the Operator;
- Monitoring and reviewing the performance of the Operator;
- Receiving reports on performance of the assets and reporting to the JGC;
- External reporting on the Pooling Collaboration and its progress;
- Liaison with other pools as required;
- Consider, recommend and draft the Business Plan for consideration by the JGC;
- Develop and keep under review the programme of training to be delivered to Members
- Seek advice from professional advisors that are authorised and regulated by competent authorities;
- Managing the procurement process for the procurement of any replacement Operator;
- Any other matters that the JGC has delegated to the OWG.

The OWG is comprised of practitioners and Section 151 officers from all eight Constituent Authorities. The Chair of the OWG is Chris Moore, Section 151 Officer of Carmarthenshire County Council (Host Authority).

The OWG, in a similar fashion to the JGC, has a strong track record in terms of engagement and attendance. There is at least one representative from each Constituent Authority in attendance at OWG meetings and it is common to see both the Section 151 Officer and Practitioner for all eight Constituent Authorities in attendance.

The WPP's providers and external advisors also attend OWG meetings and provide support or advise when required. At present the WPP's Operator, Investment Management Solutions Provider and Oversight Advisor

attend all OWG meetings. Other parties such as cost transparency advisors, Robeco, LAPFF and Audit Wales representatives are also invited to attend OWG when required.

In addition to the OWG meetings, the members of the OWG participate in 2-hours of virtual meetings on a fortnightly basis. The virtual meetings are used to deal with any matters that arise in between formal OWG meetings, they are also used to progress work between OWG meetings. These fortnightly calls are an invaluable mechanism for progressing work and fostering collaboration between the Constituent Authorities and the WPP's suppliers.

The WPP has also established a number of 'sub-groups', these sub-groups are generally formulated to progress or develop certain elements of the WPP's workplan. All the sub-groups are made up from a sub-section of the OWG and are responsible for formally reporting back to the entire OWG. Current WPP sub-groups include:

- The Responsible Investment Sub-Group – which is responsible for formulating and delivering of the WPP's Responsible Investment Workplan as well as liaising with the WPP's Voting and Engagement Provider.
- The Risk Sub-Group – which is responsible for monitoring, maintaining and implementing the WPP's Risk Register and Policy.
- The Private Market Sub-Group – which is responsible for formulating and developing the WPP's Private Market Sub-Fund(s).
- The Procurement Sub-Groups – which are responsible for procurement exercises.

Host Authority

Carmarthenshire County Council has been appointed as the Host Authority for the Wales Pension Partnership. The Host Authority is responsible for providing administrative and secretarial support to the JGC and the OWG, and liaising day to day with the Operator on behalf of all of the LGPS funds in Wales. The role of the Host Authority is set out in Section 6 of the IAA and can be summarised as follows:

- To act as the employing authority for any staff solely engaged in carrying out work on behalf of the WPP;
- Being the point of contact for the purposes of managing the WPP;
- Providing administrative resources and facilities relating to the WPP's activities;
- Providing governance and administrative services relating to the WPP's activities;
- Providing training for Members to support their role;
- Enter into contracts, on behalf of the WPP, for supplies and services that the WPP requires;
- Liaise with the Operator on behalf of the Constituent Authorities and provide any contract management and co-ordination services that are required;
- Provide appropriately qualified and experienced officers who will act as the primary legal and financial advisers to the Pool. This will include a Section 151 Officer and Monitoring Officer to undertake oversight and

review of the operation of the Pool and decisions of the Joint Governance Committee on behalf of all of the Constituent Authorities.

The Host Authority's role is critical to the WPP, it is responsible for the day to day management of the Pool and takes ownership of managing and progressing the WPP's activities and endeavours. The size and nature of the Pool means that the Host Authority is responsible for a broad, and ever changing, range of activities and responsibilities, these range from organising and facilitating the WPP's trainings days to formulating and submitting the WPP's 'Pooling Update' submissions to the Ministry of Housing, Communities & Local Government.

The Host Authority is the main point of contact for all WPP related questions and is also tasked with maintaining the WPP's communication methods (e.g. Website and LinkedIn). The Host Authority has an internal team from which it can draw resources and expertise to help it meet its responsibilities.

Section 151 Officer

Carmarthenshire County Council's Director of Corporate Services is the responsible officer for the administration of the WPP's affairs under Section 151 of the Local Government Act 1972 and carries overall responsibility for the financial administration of the WPP.

Monitoring Officer

The Monitoring Officer Role (Head of Administration & Law) is currently carried out within the Host Authority (Carmarthenshire County Council). The Monitoring Officer is responsible for maintaining the IAA to ensure that it reflects up to date legislative requirements and the WPP's Governance needs. It is also responsible for ensuring that the provisions are fully complied with at all levels. The Monitoring Officer attends all JGC meetings.

The Monitoring Officer is well placed to play a proactive role in supporting Members and Officers in both formal and informal settings to comply with the law and with the WPP's own procedures. As the Head of Service with ultimate responsibility for the Democratic Services Unit, the Monitoring Officer is also responsible for the formal recording and publication of the democratic decision-making process.

The Monitoring Officer works closely with the Section 151 Officer in accordance with the provisions of the Local Government and Housing Act 1989 and will report to the Joint Governance Committee if they consider that any proposal will give rise to unlawfulness.

Current External Providers

The WPP believes that external suppliers can be a cost-effective means of enhancing the WPP's resources, capabilities and expertise. The WPP has undertaken thorough market testing and associated procurement or appointment exercises to contract the following suppliers in the belief that, at present, these suppliers will be able to assist the WPP in delivering the best and most cost-effective outcomes for its stakeholders. Please note that the list below outlines the WPP's current providers and suppliers, this list is continuously reviewed and subject to change.

Link Fund Solutions Ltd (The Operator)

The WPP has designed an operating model which is flexible and able to deliver value for money. Link Fund Solutions Ltd (Link) have been appointed as the external Operator and, with the support of Russell Investments, they will be tasked with delivering effective investment management solutions and provide strong net of fee performance for all the Constituent Authorities. Link is the provider of the WPP's Authorised Contractual Scheme ('ACS') which houses the WPP's investment Sub Funds.

The Operator is FCA-authorized firm and its responsibilities include:

- The day-to-day operation and managing the investments/regulatory compliance/risks;
- Managing / appointing third parties;
- Buying and selling the open-ended collective investment vehicle's shares; and
- Ensuring the accurate pricing of shares at net asset value.

To ensure the ACS meets its regulatory obligations, Link outsources the day-to-day running of the WPP's ACS to service providers such as the fund accountant/ administrator and the transfer agent (Northern Trust). In addition, Link has appointed Northern Trust as the depositary.

There is an Operator Agreement in place with Link Fund Solutions which sets out the contractual duties of the Operator and governs the relationship between the Operator and the WPP. The JGC and OWG, with the support of its Oversight Advisor, oversee the work that Link Fund Solutions carry out on behalf of the WPP. The WPP's Operator Engagement Protocols have also been put in place to ensure that there is sufficient levels of engagement between the Operator and the individual Constituent Authorities. The Operator engages with the Constituent Authorities in two key ways:

- Direct engagement, through regular meetings with the individual CA stakeholders and their investment advisors (committee meetings)
- Indirect engagement with CAs collectively, through the Joint Governance Committee (JGC) and the Officers Working Group (OWG)

Direct Engagement

Link attend committee meetings at a minimum frequency of once per annum with stakeholders and investment advisors of each Constituent Authority. The benefits of this ongoing engagement are as follows.

- Development of the ongoing relationship
- Aid Link's understanding of each Constituent Authority's investment strategy - including asset allocation, risk and return requirements and any asset class preferences.
- It also allows Russell Investments, as the Investment Management Solutions Provider to the WPP, an opportunity to provide a fresh perspective and sound advice to CA committees and their advisors

At these meetings, Link present detailed reporting to each individual Constituent Authority. These reports will include:

- Asset allocations summary, including holdings across Pool
- Manager updates and notification of changes to evaluations and rankings
- Transaction reports, including full transparency of all costs
- Performance reports for each sub-fund / strategy

Indirect Engagement

Link hold fortnightly project meetings with designated officers, with the aim of ensuring an efficient flow of information between Link & WPP. Through these fortnightly meetings and formal OWG and JGC meetings the WPP can communicate the following to LINK:

- Expectations for the Sub-Fund structures that need to be created
- Views and input on Manager selections
- Customisations of Manager guidelines requirements, in particular with regard to Responsible Investment and ESG criteria
- Any LGPS specific considerations

Meanwhile Link will be responsible for communicating the following:

- Detailed reporting on assets in ACS and project updates (including launch activity)
- Manager oversight reporting, including performance and Manager ranking changes
- Key Performance Indicators (KPI), which helps JGC/OWG monitor service delivery
- Regulatory and industry updates
- This list is not exhaustive but provides an example of the efficient engagement between the various entities.

Link Fund Solutions carry out a broad range services for the WPP, these include:

- Facilitating Investment Vehicles & Sub-Funds
- Performance reporting
- Transitions implementation
- Manager monitoring and fee negotiations
- Risk reporting
- Provide events and individual meetings to provide education and training

The WPP has also put in place additional engagement mechanisms to ensure sufficient oversight of the Operator and high-quality service delivery:

- A Bi-Weekly Host Authority Update – during the course of these meetings the Host Authority discuss deliverables, workflow and progress update with the Operator to ensure that work is progressing in a timely fashion and in a way that is aligned with the WPP's objectives.
- A 6 Monthly Strategic Relationship Review – This is an opportunity for Section 151 Officers and the Host Authority to outline the WPP's strategic objectives and ensure that the Operator is aware, aligned and able to deliver on these objectives.
- An Annual Shareholder Day – where Constituent Authorities receive a strategic and performance update from the Operator and Underlying Managers. Constituent Authorities have the opportunity to question or challenge any aspects of the Operator's or Investment Manager's performance or strategic thinking.



Russell Investments (Investment Management Solutions Provider)

In collaboration with Link Fund Solutions, Russell Investments provide investment management solution services to the WPP. Alongside Link Fund Solutions, they work in consultation with WPP's eight Constituent Authority to establish investment vehicles. Russell's remit includes advising Link Asset Services (a subsidiary of Link Fund Solutions) and WPP on portfolio construction which includes manager selection. Link Fund Solutions continues to work with Russell Investments, where applicable, to further reduce WPP's costs through multi-manager structures, currency managements solutions, portfolio overlays, transition management and other execution services.



Hymans Robertson (The Oversight Advisor)

Hymans Robertson have been appointed the Oversight Advisors for the WPP. Hymans Robertson's role spans oversight and advice on governance arrangements, operator services, strategic investment aspects and project management support. They attend all OWG and JGC meetings.



Burges Salmon (Legal Advisor)

Burges Salmon provide Legal advice, as and when required. Burges Salmon's remit requires them to provide expertise in FCA regulated funds, tax, public sector procurement and local government. In addition, Burges also advises on governance arrangements, building complex procurement specifications, advising on the procurement process and evaluation criteria. They also support WPP in finalising legal agreements and formulating FCA prospectus applications.



Northern Trust (The Custodian, Depository, Transfer Agent and Fund Accountant)

Northern Trust provides numerous services to the WPP including securities lending, fund administration, compliance monitoring and reporting.

Northern Trust is the Depository for the WPP ACS vehicle. There is a requirement for the depository to be an FCA authorised firm and fully independent of the ACS vehicle. As Depository, Northern Trust holds legal titles to the ACS' investments and is responsible for their safe custody. Northern Trust has responsibility for ensuring that the Operator complies with regulatory requirements. Fundamentally, Northern Trust protects the shareholders of the Fund who have the rights to the vehicle's assets.

Northern Trust are also appointed by the Operator (Link Fund Solutions) to act as Fund Accountant and Administrator. This role means that Northern Trust is responsible for all aspects of the day-to-day accounting of the fund including reporting of the Net Asset Value (NAV). The fund accountant will work closely with the Operator, transfer agent and custodian. In addition, the fund accountant is responsible for:

- Securities data management and corporate actions processing
- Trade capture management and reconciliations
- Derivative support
- Expense processing
- Production of the annual and semi-annual financial statements

Northern Trust is the Transfer Agent for the WPP's ACS, in fulfilling this role Northern Trust carries out the following activities:

- Investor AML and due diligence
- Maintaining the records of the shareholder/unitholder register of the fund
- Establishing the tax status of investors
- Processing investor dealing – subscriptions/redemptions etc
- Working closely with the investment manager to provide cash reporting
- Issuing investor media – contract notes, statements



Robeco UK (Proxy Voting & Engagement Provider)

Robeco UK have recently been appointed the WPP's Voting and Engagement provider and they will assist the WPP in formulating and maintaining a Voting Policy and Engagement Principles that are in keeping with the Welsh Constituent Authorities' membership of the Local Authority Pension Fund Forum ('LAPFF'). Further, Robeco will take responsibility for implementing the Voting Policy across WPP's £5bn active equity portfolio as well as reporting to WPP and the underlying Funds.



WPP 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 and in the appendices.



The WPP’s policies are reviewed on at least an annual basis and the WPP will continually assess whether any additional policies, registers or plans are required. The WPP workplan includes a number of additional governance documents that will be developed, these will be made available on the WPP website once completed.

In the pages below we have provided a brief overview of each policy and the procedures that the WPP has put in place to ensure that it’s polices are effectively implemented and adhered to. The polices below 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.

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. Effective identification, understanding, management and monitoring of risks will allow the WPP to:

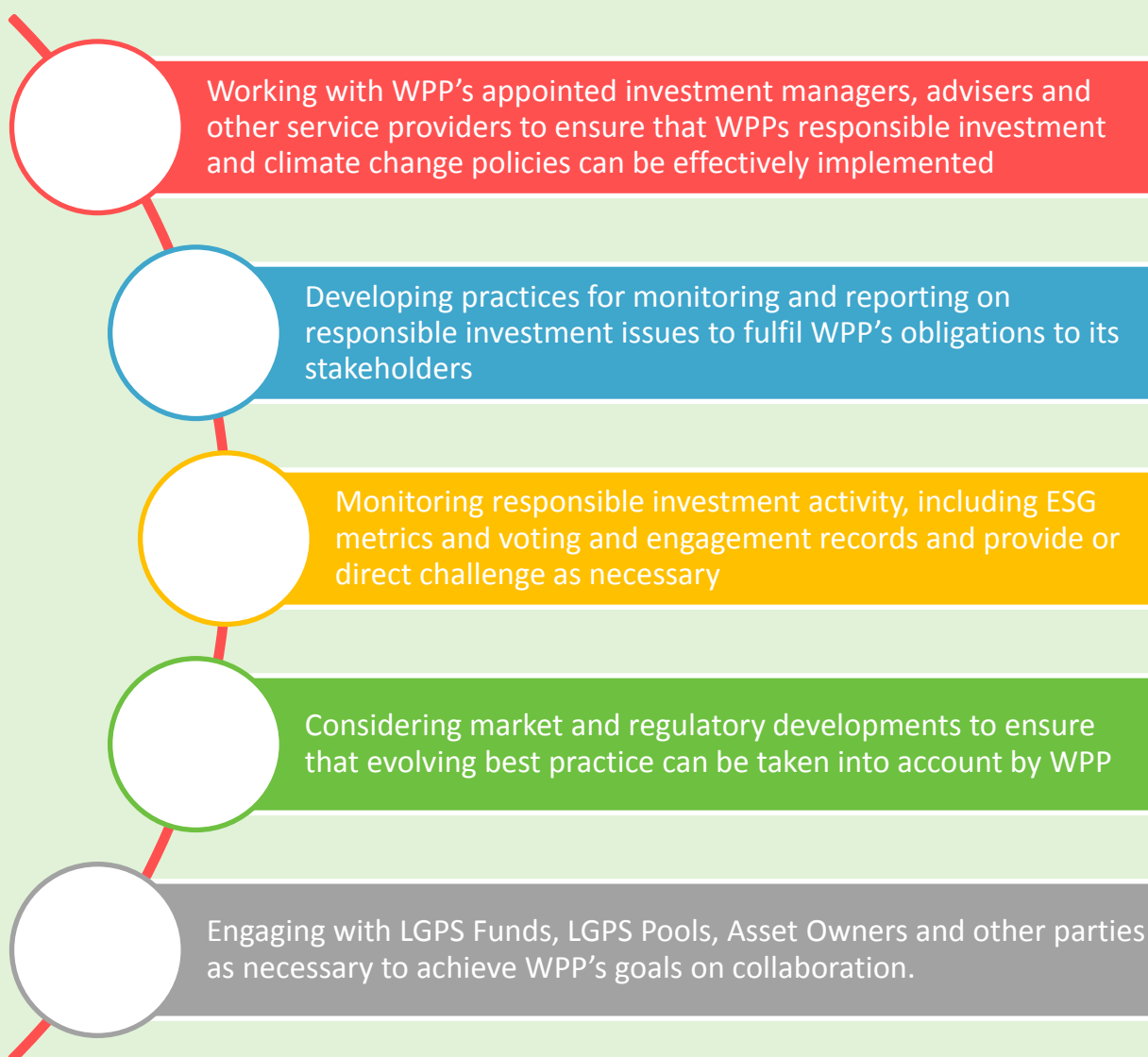


The greatest risk to the WPP's continued operation is its ability to deliver on its primary objectives. The WPP's Business Plan is an additional means through which the WPP will give special recognition to risks that pose a material threat to the delivery of its objectives and the actions required to manage these risks. WPP maintains a Risk Register which is reviewed regularly by a dedicated Risk Sub-Group which reports back to the OWG and JGC on a quarterly basis. The Sub-Group is not only responsible to maintaining the WPP's Risk Register, it is also responsible for reviewing the WPP Risk Policy on an annual basis and progressing any actions that result or arise from its monitoring and review of the WPP Risk Register. The Risk Policy can be found in Appendix C, the Risk Register can be found on the website.

Responsible Investment

The WPP believes that Responsible Investment, alongside consideration and evidence-based management of Environmental, Social and Governance issues, should result in better outcomes for its stakeholders. Hence, it has been a key priority for us since we were established in 2017. Various activities have been undertaken to work towards our ambition of becoming a leader in Responsible Investment. Initially, our focus was on formulating a Responsible Investment Policy, Appendix D. The WPP has since formulated its own Climate Risk Policy, Appendix E, and has worked with its Voting and Engagement Provider, Robeco, to agree a Voting Policy, Appendix F.

In Q3 2020 the WPP RI Sub-Group was formulated and this sub-group has taken ownership of RI related workstreams and actions that are required to achieve the commitments made in the WPP's RI and Climate Risk Policies – this includes;



The Group reports to and advises the OWG and JGC on any changes to WPP's policies or implementation approach that may be necessary to ensure that WPP's goals can be met. The Group's full 'Terms of Reference' can be found in Appendix G.

Conflict of Interest and Procedure

The WPP recognises that a fail to manage conflicts of interest poses a material risks to the WPP, the consequences of which may include decisions that are not in the best interests of the WPP’s stakeholders, the WPP reputation being negatively impacted and referral to regulatory bodies. It is important that good governance principles are followed and that is why the WPP has formulated a Conflict of Interest and Procedure Policy, Appendix H, which outlines how conflicts are identified, managed and monitored. The main objectives of the WPP’s Conflict of Interest and Procedure Policy is to;

- Demonstrate its commitment to identifying, managing and monitoring conflicts of interest.
- Adhere to the WPP’s belief that good governance and transparency will deliver superior outcomes for WPP stakeholders.
- Continue the WPP’s creation of a decision making and governance framework that is focussed on achieving the best outcomes for the WPP’s stakeholders.

Communication

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 formulated a Communication Policy, Appendix I. The Policy is reviewed annually, the review will take account of innovative developments within the communication industry and the expressed views of WPP’s stakeholders. The Policy sets out how the WPP will carry out its internal and external communication strategies, it covers the following topics:



Training

The WPP is commitment to be an organisation that is continually evolving and learning. The formation of the WPP’s Training Policy, and the accompanying WPP Annual Training Plan, in collaboration with the Constituent Authorities was particularly pleasing as it showed the WPP’s continued commitment to providing benefits from Pooling that are not solely investment focussed, it also highlighted the strong levels of engagement and likeminded thinking amongst the Constituent Authorities.

The WPP has committed to hosting at least one quarterly training session and these have already proved to be a great way to further developed the expertise within the WPP and also to increase the means of engagement with the WPP’s stakeholders.

On an Annual basis the WPP will publish an annual training plan to support its overarching Training Policy. The WPP Annual Training Plan will outline the training topics which the WPP will provide training on during the next twelve months. The full WPP Training Policy can be found in Appendix J, meanwhile the Annual WPP Training Plans can be found on the website.

Practices & Protocols

The WPP recognises that its formal policies will be unable to cover all of its endeavours and day to day activity. However, the WPP still believes in the benefits of codifying the mechanisms and procedures that it has adopted informally in the form of WPP Practices & Protocols. The WPP has therefore put in place a list of Practices & Protocols with the objective of ensuring:



The full list of WPP Practices & Protocols are listed below and further details of all of these can be found on the subsequent pages:



Engagement Protocols

The WPP has set itself the objectives of putting in place engagement protocols that;

- Foster effective relationships and lines of communication between WPP personnel, providers and stakeholders.
- Allow for effective debate, evaluation and discussion between WPP personnel, providers and stakeholders
- Ensure that the WPP’s objectives and business plan is reflective and pays due consideration of the strategies and plans of the Constituent Authorities.
- Enable all WPP personnel & stakeholders to contribute and support the WPP in achieving its objectives
- Suitably informs and updates all relevant stakeholders on the WPP’s activities, key messages and progress towards its objectives

JGC meeting papers will also be made publicly available. Local Pension Board engagement days will be held regularly as a means of fostering stakeholder engagement. During the year, we formalised our engagement protocols which will ensure the continued engagement and collaboration amongst the WPP’s Constituent Authorities and providers, this is carried out via the following engagement mechanisms:

Engagement mechanisms	Frequency
Strategic Relationship Review meeting	Bi-Annual
JGC Engagement	Quarterly
Manager Performance Meetings/ Calls	Quarterly
Training Events	Quarterly
OWG Engagement	Every 2/3 Months
Bi-Weekly Meetings	Every 2 Weeks
Annual Shareholder Day	Annual
Pension Fund Committees	Annual
Manager Engagement Days	Annual
Member Communications	Annual
Pension Board Engagement	Every 6 Months
Engagement via the website & LinkedIn	Continuous
Constituent Authority Annual Requirements & Ambitions Questionnaire	Annual

The WPP has always sought the highest possible levels of engagement with its stakeholders and that is why, alongside our communication strategy, we will continue to develop and improve our levels of engagement with our internal, as well as external, stakeholders.

Transparency

The WPP believes in being open and transparent as such the WPP will ensure that the meetings of the Joint Governance Committee are accessible to the public via a live webcast stream, all non-exempt meeting papers will also be made publicly available. Additionally, the WPP has attributed a large amount of time and resources to formulate and publishing the following documents and publication to the public. All these documents and publications have been created to provide transparency on what the WPP is up to and how it operates. We hope that by reading these document and publications our stakeholder and the wider audience will have full transparency on the WPP's activity and progress:

WPP Business Plan

WPP Governance Manual

WPP Annual Report

All WPP Policies

WPP Annual Update

WPP Annual Training Plan

WPP Responsible Investment Progress Report (Due in 2021)

WPP Performance Reports

Cyber Security/ Data Security

The WPP is very aware of the threat posed by cyber security breach and the importance of data security. As noted previously, Carmarthenshire County Council act as Host Authority for the WPP, therefore the WPP has adopted Carmarthenshire County Council's:

- Data Protection Policy and;
- Handling Personal Information Policy

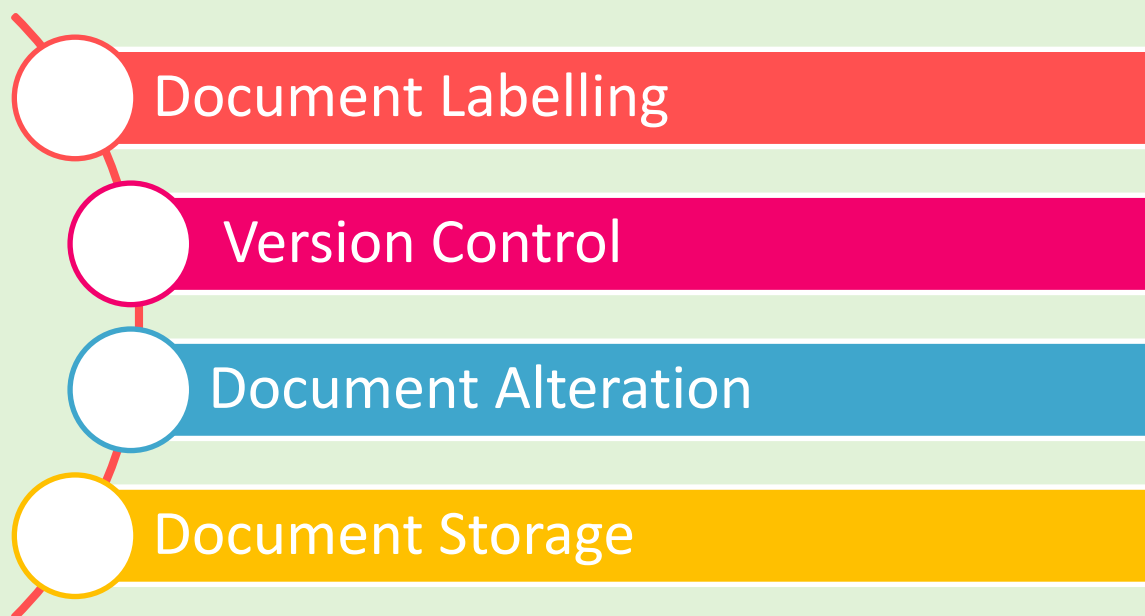
There two policies cover how the Host Authority ensures that data is suitably protected, and that personal information is handled in a way that safeguards data from being lost, stolen, disclosed inappropriately or otherwise misused. In particular, the policies cover the following areas:

- Responsibilities
- Use of portable devices or removable media
- Secure storage of personal information
- Taking personal information out of the office
- Transferring personal information securely
- Retention of personal information
- Breaches of security
- Ensuring equality of treatment

It's worth noting that the WPP retain and process very limited amounts of Personal Data, the Constituent Authorities retain responsibility for individual member data for their respective LGPS Pension Funds. If you are interested in finding out more about these policies, you can find them on the Carmarthenshire County Council Website.

Document Storage & Labelling

The WPP believes that it is important to effectively store and label all relevant WPP paperwork and documentation – as this will reduce the likely of any inefficiencies within the WPP’s governance structure and will help maximise the WPP’s overall efficiency. The WPP has therefore developed a best practice Document Storage & Labelling practice which all WPP Personnel and advisors are encouraged to adhere to, it covers:

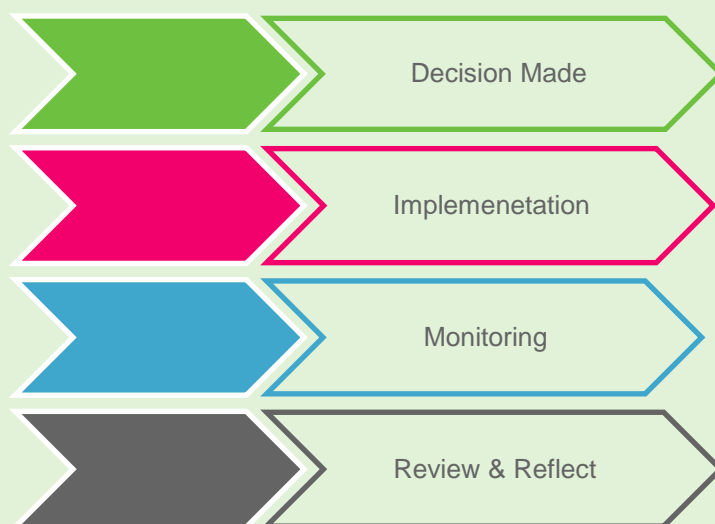


The WPP will make use of the following document storage methods to ensure that documents can be easily and quickly located when required by WPP Personnel, Stakeholders and Providers:

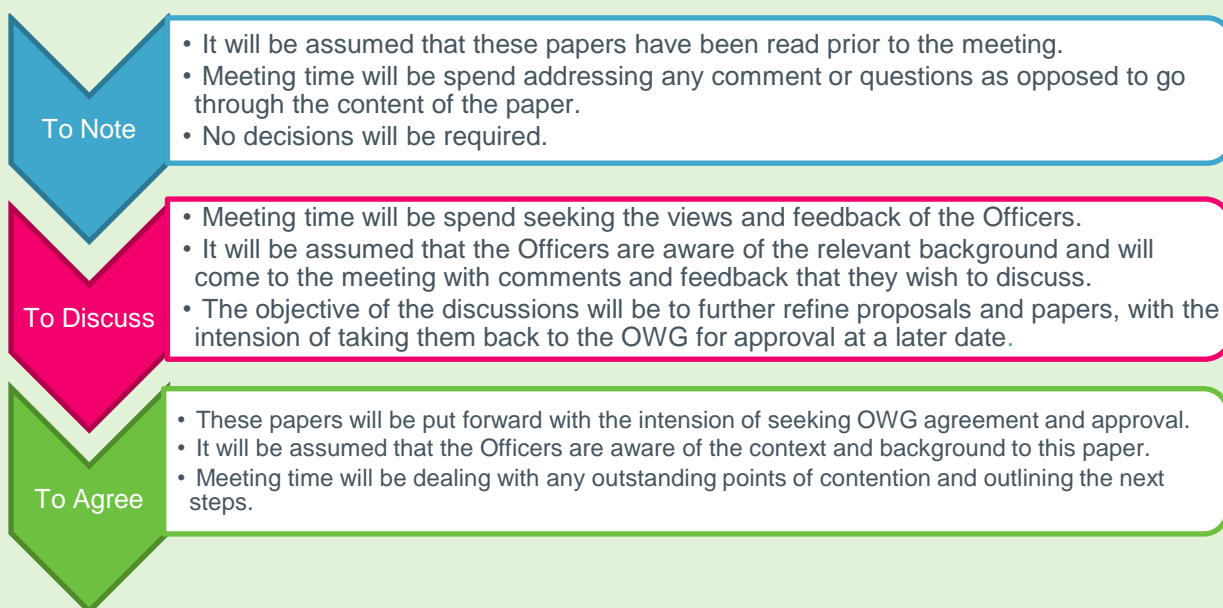
- **Democratic Services** – will ensure that all public papers from the WPP’s JGC will be uploaded and made available on its website
- **WPP Website** – The Host Authority will use the WPP’s website as means of storing and sharing public documents – this will for example include the WPP Progress Update, Business Plan or Policies
- **FocalPoint** – Is a secure online document storage facility which the WPP uses for internal and confidential papers. WPP Personnel, and Providers where appropriate, are granted login details to this facility and are able to use it to access all WPP documents remotely via an internet connection
- **Host Authority** – The Host Authority will also locally store all relevant WPP documents and paperwork to ensure that documentation can be sourced if any on the other three methods outlined above are subject to disruption

Decision Making & Reflection

The WPP is fully aware of the impact that its decisions can have on outcomes for WPP stakeholders. The WPP has sought to develop an efficient and effective decision making procedure which allows for well-informed debate and challenge as well clear and decisive decisions, The WPP has adopted a holistic approach to its decision making procedure – in which the point of decision is not the final stage but is instead that starting point for the WPP’s reflection process. The illustration below represents the WPP’s decision making and reflection process:

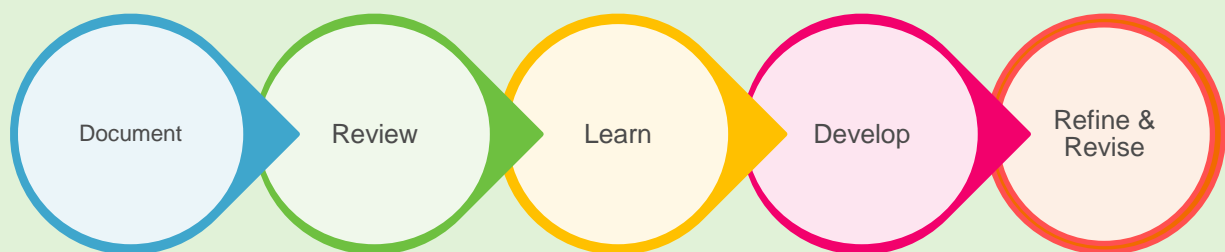


The initial stage of this process is focused on the actual decision making. Effective decision-making results from a combination of sufficient challenge and evaluation, expert advice, a deep knowledge base and numerous checks and balances. The WPP recognises the importance of time in the decision-making process, it is vital that WPP Personnel and Provider are given sufficient time to debate, evaluate and challenge. The WPP has therefore introduced a mechanism for ensuring that meeting time is spent in the most effective way. All WPP advise papers make use of the classification mechanism outlined below. The objective of this mechanism is to guarantee that WPP Personnel know from the outset of the paper what is required of them.



The WPP also notes that in some circumstances it can be important to document decisions made in a concise and clear way – this is especially true if the decision relates to a contentious or particularly important matter. In these instances, the WPP will make use of its ‘Documenting Decision Making’ procedure.

The documentation of decision is the first step in the WPP’s ‘Lessons to be learnt’ procedure. The WPP is committed to being an institution that is always learning and evolving. It is important that the WPP reviews its decisions, tries to learn lessons from them and then filters the lessons learnt back into its future endeavours and decisions. To help embedded this process into its governance framework the WPP has formulated the following five steps ‘Lessons to be learnt’ procedure:



Introduction Checklist

The WPP is aware that during the course of its existence there will be turnover of both Providers and Personnel as such it is important to have measures in place to help any new Personnel or Providers build up their knowledge base on what the WPP does and how it operates. Upon commencing their new WPP role Personnel or Provider, where appropriate, will be asked to progress through the WPP Introduction Checklist.

We also note that the WPP Training Policy and Plan are also invaluable in ensure that any new WPP Personnel have the required knowledge and skill base that they require.

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

Carmarthenshire County Council

Treasury & Pension Investments Section

County Hall

Carmarthen

SA31 1JP

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/>



Indicative Timeline



The WPP Private Markets Sub Funds can be considered in four stages:

- Stage 1 – Private Debt and Infrastructure
- Stage 2 – Property kick off
- Stage 3 – Private Equity and Co-Investments/ Opportunistic Sub Fund
- Stage 4 – Property Implementation

Below we outline an indicative Timeline for the different stages.

Timeframe	Stage	Action	Owner
March – May 2021	Stage 1	Confirm Private Debt & Infrastructure means of implementation and sub fund structure.	PM Sub-Group
June - July 2021 onwards	Stage 2	Reaffirm the WPP's Property requirements, considering the optimal means of implementation	PM Sub-Group
Planning to commence April 2021 (Target Launch: August - Dec 2021)	Stage 1	Private Debt & Infrastructure Sub Fund's approved, launched and starting to call capital <u>Timing of this stage is highly dependent on the outcome of discussions on approach to fund structuring.</u>	Operator, Managers, CAs, JGC
Sept 2021 - April 2022	Stage 3	Confirm Private Equity and Co-Investments/ Opportunistic means of implementation and sub fund structure	PM Sub-Group
2022 / 2023	Phase 4	Further consider Property implementation, Sub Fund Structure, manager appointments and restructuring activities	PM Sub-Group, Operator, Managers
June – Dec 2022	Stage 1	Gauge and consider appetite and need for second vintage of Private Debt or Infrastructure	CAs, PM Sub-Group
June – Dec 2022	Stage 3	Private Equity and Co-Investments/ Opportunistic Sub Fund's approved, launched and starting to call capital	Operator, Managers, CAs, JGC
Jan - June 2023	Stage 1	Second Private Debt/ Infrastructure vintages approved, launched and starting to call capital if required	Operator, Managers, CAs, JGC

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WALES PENSION PARTNERSHIP JOINT GOVERNANCE COMMITTEE

24 MARCH 2021

WPP BUSINESS PLAN 2021 - 2024

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 2021 – 2024 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.

Report Author:
Chris Moore

Designation:
Director of Corporate Services

**Carmarthenshire County
Council**

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CMoore@carmarthenshire.gov.uk

**EXECUTIVE SUMMARY
JOINT GOVERNANCE COMMITTEE**

24 MARCH 2021

WPP BUSINESS PLAN 2021 - 2024

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
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IMPLICATIONS

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



Wales Pension Partnership Business Plan 2021 -2024

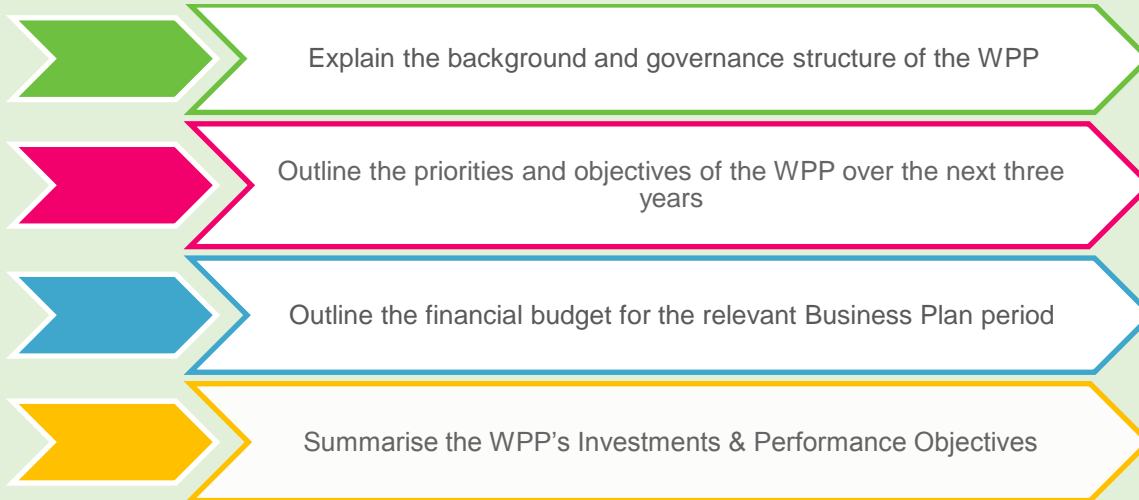


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Introduction

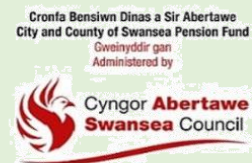
This is the business plan for the Wales Pension Partnership ('WPP'), the business plan details the WPP's priorities and areas of focus for 2021/22, 2022/23 and 2023/24. The business plan is constantly monitored and will be formally reviewed and agreed every year. The purpose of the business plan is to:



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 Link Fund Solutions 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:



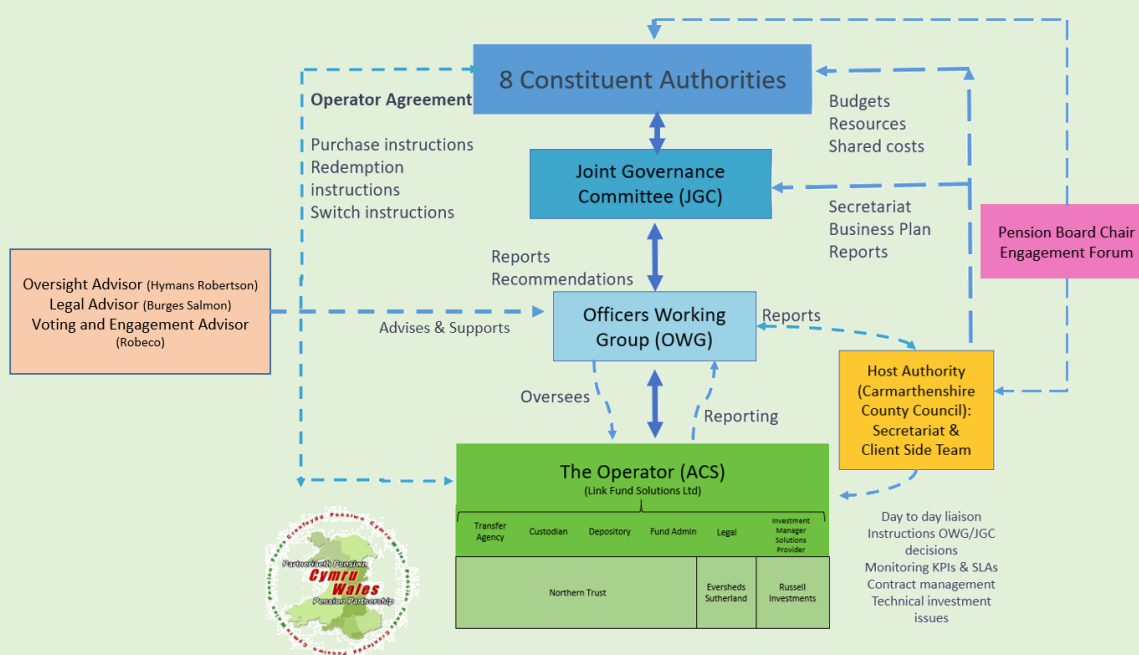
Governance

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:



The diagram below shows WPP's governance structure:



The Constituent Authorities sit at the top of the WPP's governance structure. They retain control of all activity carried out by the WPP and remain responsible for approving this Business Plan, which outlines the WPP's budget and workplan, as well as its beliefs and objectives. The Constituent Authorities are heavily involved in all aspects of the WPP's governance structure, while the WPP's Joint Governance Committee and Officers Working Group are comprised respectively of elected councillor and officer representatives from the Constituent Authorities.

The WPP believes in being open and transparent as well as regularly engaging with its key stakeholders. As such the WPP ensures the meetings of the Joint Governance Committee are accessible to the public via a live webcast stream. Meeting papers are also made publicly available. Local Pension Board engagement days are also held regularly as a means of fostering stakeholder engagement. The WPP recognises the importance of all of its stakeholders to reflect this the WPP has put in place an Engagement Protocol Framework, this is carried out via the following engagement mechanisms:

Engagement mechanisms	Frequency
Strategic Relationship Review meeting	Bi-Annual
JGC Engagement	Quarterly
Manager Performance Meetings/ Calls	Quarterly
Training Events	Quarterly
OWG Engagement	Every 2/3 Months
Bi-Weekly Meetings	Every 2 Weeks
Annual Shareholder Day	Annual
Pension Fund Committees	Annual
Manager Engagement Days	Annual
Member Communications	Annual
Pension Board Engagement	Every 6 Months
Engagement via the website & LinkedIn	Continuous
Constituent Authority Annual Requirements & Ambitions Questionnaire	Annual

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.

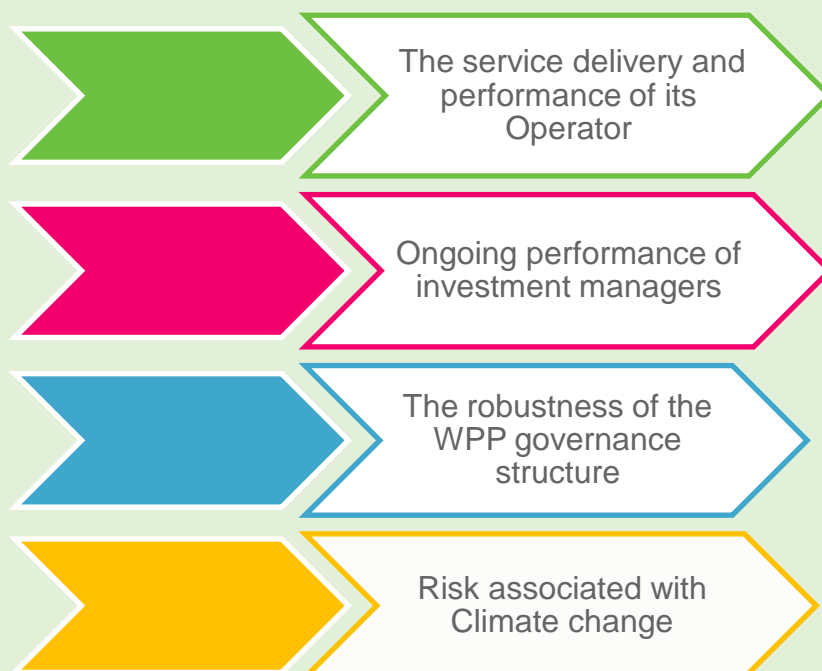
Risk management is a critical element of WPP's commitment to good governance, the WPP has developed a structured, extensive and robust risk strategy. This strategy will be embedded into the WPP's governance framework to ensure better decision-making, improved outcomes for stakeholders and greater efficiency.

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.

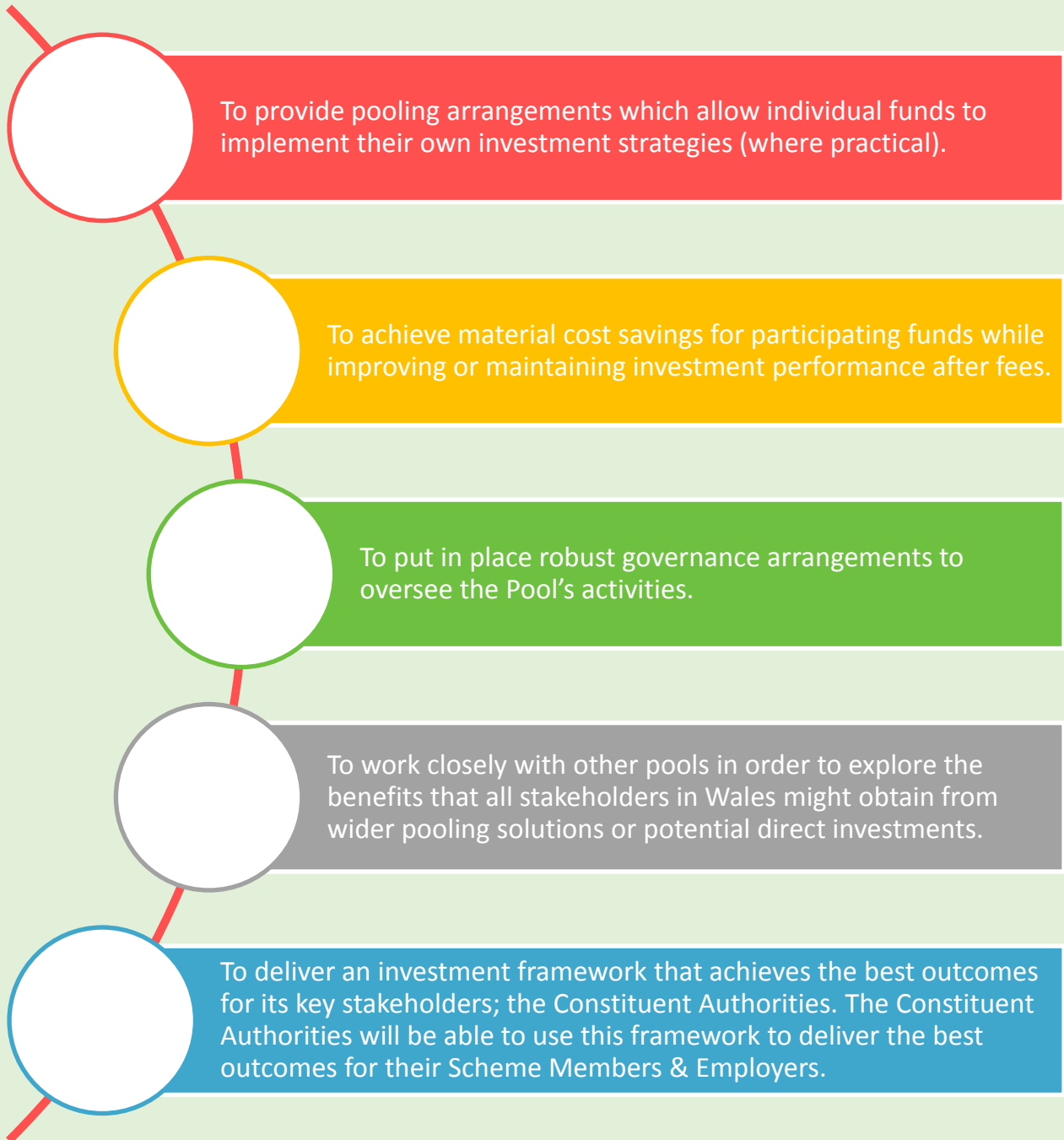
The greatest risk to the WPP's continued operation is its ability to deliver on its primary objectives. The WPP's Business Plan is an additional means through which the WPP will give special recognition to risks that pose a material threat to the delivery of its objectives and the actions required to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



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.

A 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 at least an annual basis and the WPP will continually assess whether any additional policies, registers or plans are required. The WPP workplan includes a number of additional governance documents that will be developed, these will be made available on the WPP website once completed. 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 tables below show the key priorities and objectives that the WPP aims to complete over the next three years.

Governance

The WPP believes that good governance leads to better outcomes for its stakeholders, as such it will further develop its governance framework by developing additional policies, registers, plans and carrying out ongoing reviews of its existing governance documents and structure.

Work to be completed	2021 - 2022	2022 - 2023	2023 - 2024
Appoint a Scheme Member Representative to the Joint Governance Committee	✓		
Development of a WPP Rebalancing & Alteration Policy	✓		
Formulate a Responsibilities Matrix for WPP Sub-Funds	✓		
Development of a WPP Complaints Policy		✓	
Development of a WPP Breach and Errors Policy		✓	
Develop 'Pre-sign-off Checklist Reports' for WPP Sub Funds	✓	✓	
Development of a WPP Business Continuity Plan	✓	✓	
Review of Inter Authority Agreement	✓	✓	✓
Annual review of WPP's policies and plans	✓	✓	✓
Quarterly reviews of the Risk Register	✓	✓	✓

Ongoing Establishment

The WPP is proud of its progress to date in regard to the pooling of assets and will continue to allocate resources to ensure that all suitable assets are pooled. To date the WPP has pooled 62% of its assets and by the end of March 2022 the WPP plans to have pooled c70% of its assets.

Work to be completed	2021 - 2022	2022 - 2023	2023 - 2024
Launch of Emerging Markets Sub-Fund	✓		
Launch of Private Debt & Infrastructure Sub-Funds	✓		
Formulate the WPP's Property requirements and optimal means of implementation	✓	✓	
Review and develop a mechanism to pool any suitable non-pooled assets		✓	✓
Launch of Private Equity Sub-Fund		✓	✓
Launch of other Private Market sub-funds (TBC)			✓
Consultation with CAs on need for further sub-funds	✓	✓	✓

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 pose a material risk to the WPP. The WPP will prioritise the development of a framework that will allow it to monitor and evaluate the Operator's service delivery, this framework will be imbedded into the WPP risk monitoring mechanisms.

Work to be completed	2021 - 2022	2022 - 2023	2023 - 2024
WPP Operator Oversight Framework	✓		
Review of Operator's contract	✓		
Review of Operator KPI reporting	✓		
Market Review of developments within the Operator market	✓		
Setting up and implementing a framework for monitoring the performance of Russell as investment advisors to Link	✓	✓	

Communication and Training

The WPP wants to ensure that internal stakeholders and external parties are aware of the WPP's progress and will publish numerous report and updates to ensure that it proactively communicates its progress to stakeholders. The WPP is very proud of the work it carries out on behalf of its stakeholders and will provide a summary and detailed report on its endeavours over the past 12 months in the form of the WPP Annual Update and Report. The WPP will also formulate its first WPP's Annual Responsible Investment Progress Report during the course of this year to articulate and provide detail on how the WPP is positioned from a Responsible Investment perspective and what work it has completed over the past year to further the WPP's Responsible Investment credentials.

Work to be completed	2021 - 2022	2022 - 2023	2023 - 2024
Formulation of the WPP's Annual Responsible Investment Progress Report	✓	✓	✓
Formulation of the WPP's Annual Training Plan	✓	✓	✓
Formulation of the WPP's Annual Update	✓	✓	✓
Formulation of the WPP's Annual Report	✓	✓	✓

Investments and Reporting

The WPP focus is primarily focused on providing investment solutions that are aligned to the requirements of the Constituent Authorities. The WPP will continue to formulate innovative and optimal WPP Sub Funds for Constituent Authority use. 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.

Responsible Investment continues to be of the utmost important to the WPP and its Constituent Authorities. During this workplan the WPP will allocate resources to ensure that it has market leading level of stewardship. The WPP wishes to demonstrate its stewardship credentials by becoming a signatory to the UK Stewardship Code this year. The WPP will continue to consult with the Constituent Authorities and is hoping that its consultation activities will allow it to put in place minimum Climate Risk and ESG standards within its WPP Sub-Funds within the next year. The WPP will also enhance its ESG and Climate Risk reporting and its oversight and reporting of investment managers.

Work to be completed	2021 - 2022	2022 - 2023	2023 - 2024
Development of Investment Manager performance reporting, including ESG metrics and climate change risk	✓		
Finalise Voting & Engagement Reporting Requirements	✓		
Become a signatory to the UK Stewardship Code	✓		
Formulate WPP Engagement Priorities and Implementation Framework	✓	✓	
Review the compatibility of WPP Sub-Fund Benchmarks with WPP's Responsible Investment and Climate Risk Beliefs	✓	✓	
Consider additional reporting that demonstrates WPP's commitment to Responsible Investment (e.g. TCFD Reporting)		✓	✓
Annual review of WPP's Cost Transparency Requirements	✓	✓	✓
Annual market benchmarking exercise of WPP Sub-Fund Investment Performance	✓	✓	✓
Consult with Constituent Authorities regarding minimum ESG/ RI standards and their climate ambitions	✓	✓	✓

Resources, budget and fees

The WPP recognises that insufficient resources poses a significant risk to its ability to deliver an investment framework that achieves the best outcomes for its key stakeholders, the WPP will carry out the following pieces of work to guarantee that it has suitable resources to deliver on this commitment.

Work to be completed	2021 - 2022	2022 - 2023	2023 - 2024
Annual review of resources and capacity	✓	✓	✓
Formulation of Annual WPP Budget	✓	✓	✓
Review and Monitoring of Fees (including Link & Russell)	✓	✓	✓

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 2021/2022 financial year. The topics outlined below are based on the responses received from the 2020/21 WPP training requirements questionnaire/ assessment, which is issued to the Joint Governance Committee ('JGC') and Officers Working Group ('OWG') on an annual basis.

Product Knowledge

- Private Market – Asset Classes & Implementation
- Private Market - Fund Wrappers & Governance

Responsible Investment

- Responsible Investment Indices and Solutions
- Responsible Investment Reporting

Investment Performance and Risk Management

- Performance Reporting & Manager Benchmarking
- Roles & Responsibilities within the ACS

Guidance, Regulatory Requirements and Best Practice

- Good Governance
- Cost transparency

Budget

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

	2021-22	2022-23	2023-24
	£'000	£'000	£'000
Host Authority *	182	212	217
External Advisors *	680	680	680
TOTAL to be recharged	862	892	897
Operator Services **	28,447	34,614	37,975
TOTAL to be deducted from the NAV	28,447	34,614	37,975

**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 & Performance

The WPP's Constituent Authorities have total assets of circa £17.5bn (as at 31 March 2020). 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.

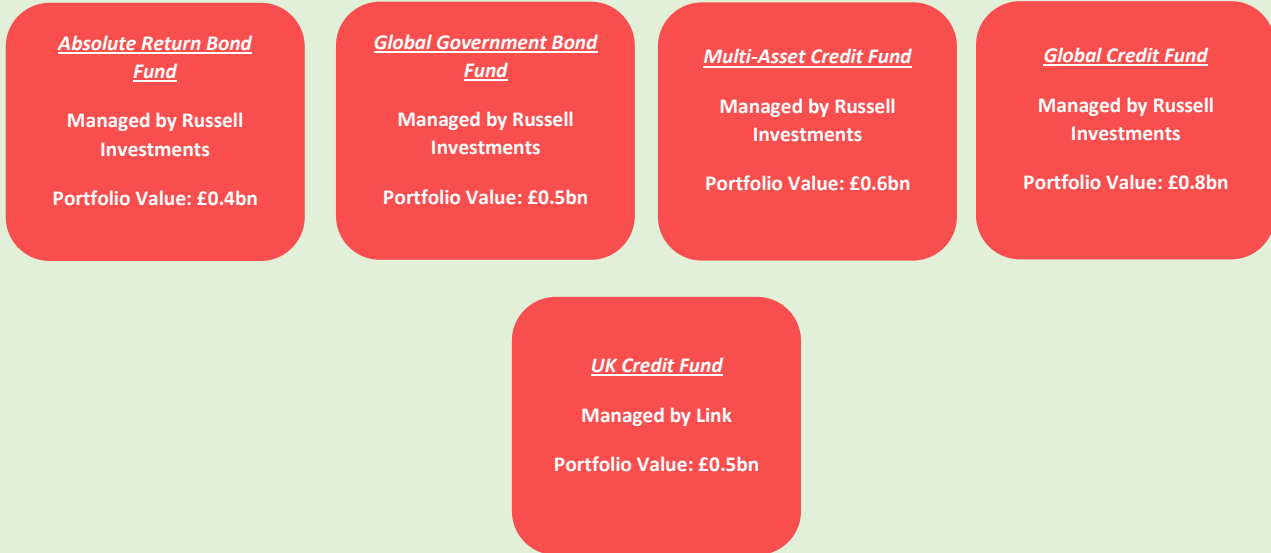
Equity Sub-Funds



* Portfolio Values as at launch date

Sub Fund	Performance Benchmark	Participating Funds	Managers	Launch Date
Global Growth	MSCI ACWI ND	RCT, Dyfed, Gwynedd and Powys	Baillie Gifford, Veritas and Pzena	Feb 19
Global Opportunities	MSCI ACWI ND	Swansea, Torfaen, Gwynedd, RCT and Clwyd	Morgan Stanley, Numeric, Sanders, Jacobs Levy, SW Mitchell, NWQ and Oaktree	Feb 19
UK Opportunities	FTSE All Share	Cardiff and Torfaen	Majedie, Lazard, Baillie Gifford, Ninety-One and Liontrust	Sept 19

Fixed Income Sub-Funds



* Portfolio Values as at launch date

Sub Fund	Performance Benchmark	Participating Funds	Managers	Launch Date
Global Credit	Bloomberg Barclays Global Aggregate Credit Index (GBP Hedged)	Cardiff, Dyfed, Powys and Torfaen	Western, Logan Circle, Fidelity and T Rowe Price	July 20
Global Government	FTSE World Government Bond Index (GBP Hedged)	Cardiff and Torfaen	Bluebay and Colchester	July 20
Multi-Asset Credit	ICE BofA SONIA + 4% p.a.	Cardiff, Clwyd, Gwynedd, Powys, and Swansea	ICG, Man GLG, BlueBay, Barings and Voya	July 20
Absolute Return Bond Fund	ICE BofA SONIA + 2% p.a.	Gwynedd, Powys and Swansea	Wellington, Putnam, Aegon and Insight	Sept 20
UK Credit Fund	ICE BofA ML Eur-Stg plus 0.65%	RCT	Fidelity	July 20

Contact Details

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

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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/>



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WALES PENSION PARTNERSHIP JOINT GOVERNANCE COMMITTEE

24 MARCH 2021

WPP TRAINING PLAN 2021/22

RECOMMENDATIONS / KEY DECISIONS REQUIRED:

To approve the WPP training plan for 2021/22

REASONS:

A 2021/22 training plan has been developed for the WPP that requires approval by the JGC.

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**EXECUTIVE SUMMARY
JOINT GOVERNANCE COMMITTEE**

24 MARCH 2021

WPP TRAINING PLAN 2021/22

BRIEF SUMMARY OF PURPOSE OF REPORT

The WPP's 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.

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.

An LGPS Pooling Knowledge Assessment was issued to all JGC members and OWG officers in January 2021 and the 2021/22 training plan has been formulated using the results from this assessment.

The 2021/22 training sessions will be held quarterly and will cover the following topics:

- Product Knowledge
- Responsible Investment
- Investment Performance and Risk Management
- Guidance, Regulatory Requirements and Best Practice

DETAILED REPORT ATTACHED?

YES

IMPLICATIONS

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

**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 Training Plan 2021/22

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 Chairs 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, and maintain, 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. Individuals should consider their learning requirements and record any training activity undertaken and inform the Host Authority, who will aid this process by issuing an annual training requirements questionnaire or assessment.

2021/22 Training

We have set out below a list of training topics which the Host Authority will arrange training for during the 2021/22 financial year. The topics outlined below are based on the responses received from the 2020/21 WPP training requirements questionnaire/ assessment, which was issued to the Joint Governance Committee ('JGC') and Officers Working Group ('OWG').

Topic	Date
Product Knowledge	
<ul style="list-style-type: none">Private Market – Asset Classes & Implementation	Q1
<ul style="list-style-type: none">Private Market - Fund Wrappers & Governance	April – June 2021
Responsible Investment	
<ul style="list-style-type: none">Responsible Investment Indices and Solutions	Q2
<ul style="list-style-type: none">Responsible Investment Reporting	July – September 2021
Investment Performance and Risk Management	
<ul style="list-style-type: none">Performance Reporting & Manager Benchmarking	Q3
<ul style="list-style-type: none">Roles & Responsibilities within the ACS	October – December 2021
Guidance, Regulatory Requirements and Best Practice	
<ul style="list-style-type: none">Good Governance	Q4
<ul style="list-style-type: none">Cost transparency	January – March 2022



WALES PENSION PARTNERSHIP JOINT GOVERNANCE COMMITTEE

24 MARCH 2021

SCHEME MEMBER REPRESENTATION ON THE JOINT GOVERNANCE COMMITTEE

RECOMMENDATIONS / KEY DECISIONS REQUIRED:

To:

- Approve the appointment process, including the establishment of a JGC sub-group
- Approve the person specification for the Scheme member Representative

REASONS:

On 10 December 2020, the JGC approved:

- that there is provision for a co-opted (non-voting) pension board scheme member representative on the Joint Governance Committee (JGC)
- that the Officers Working Group (OWG) prepares a person specification and selection process to be presented at a future JGC for formal approval

The OWG has prepared an appointment process document, including a person specification which requires the formal approval of the JGC

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EXECUTIVE SUMMARY
JOINT GOVERNANCE COMMITTEE
24 MARCH 2021

**SCHEME MEMBER REPRESENTATION ON THE
JOINT GOVERNANCE COMMITTEE**

The Wales Pension Partnership's JGC is a joint committee constituted under the Local Government Act 1972 and voting members of the JGC must be elected members. The current membership of the JGC (as stated in the Inter Authority Agreement (IAA)) is comprised of one elected member nominated by each of the Constituent Authorities.

The JGC members have considered the involvement of a scheme member representative to support the transparency of the WPP and hence strengthen the governance arrangements of the WPP. Scheme Member Representatives can join the JGC but only as co-opted, non-voting members. These Member Representatives are not 'members' of the JGC as far as voting and exercise of powers, however they would be entitled to see the papers, attend meetings and speak at meetings, including on exempt items.

On 10 December 2020, the JGC approved:

- that there is provision for a co-opted (non-voting) pension board scheme member representative on the Joint Governance Committee (JGC)
- that each Constituent Authority confirmed the inclusion of the co-opted scheme member representative on the JGC and that the necessary amendments be made to the Inter Authority Agreement (IAA)
- that the Officers Working Group (OWG) prepares a person specification and selection process to be presented at a future JGC for formal approval

A scheme member representative from one of the eight individual Pension Boards would further enhance the engagement with the Pension Boards and being an existing board member would possess the requisite knowledge and skills as well as being accustomed to Local Government Pension Scheme governance and investment regulations.

The OWG has prepared a document explaining the recommended appointment process and person specification for the Scheme Member Representative. The recommended appointment process is that each local Pension Board nominates one scheme member representative, and each nominated representative submits an expression of interest to a JGC sub-group setting out their specific qualities against the person specification. The appointment process to be undertaken by a JGC sub-group who will shortlist the nominations and conduct interviews, if appropriate, taking a recommendation report to a future JGC for approval.

Once the person specification and appointment process are formally approved, the IAA will then need to be amended and the amendments will need to be taken to all eight constituent authorities for approval.

DETAILED REPORT ATTACHED?

YES

IMPLICATIONS

Policy, Crime & Disorder and Equalities YES	Legal NONE	Finance NONE	Risk Management Issues NONE	Staffing Implications NONE
Legal The Inter Authority Agreement will need to be amended and approved by all eight Welsh constituent Authorities.				

CONSULTATIONS

Details of any consultations undertaken are to be included here

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WPP Scheme Member Representative on the Joint Governance Committee – Appointment Process and Person Specification

Appointment Process

The position of the JGC's Scheme Member Representative is open to any existing scheme member representative who is a member of one of the eight local pension boards in Wales.

Each local pension board will be asked to nominate an individual for consideration for the role. A local pension board is not obliged to nominate an individual. A local pension board that does not nominate an individual is not precluded from making a nomination on a future occasion.

All nominees satisfying the training, knowledge and skills requirements will be invited to submit an expression of interest setting out their specific qualities against the specified roles and responsibilities, as detailed below.

The JGC is asked to approve a sub-group of members to undertake the appointment process, including shortlisting applications and conducting interviews, with a recommendation report being taken to a future JGC for approval.

Person Specification

Training, knowledge and skills

The Scheme Member Representative must have knowledge and understanding of;

- relevant pensions law;
- the Local Government Pension Scheme and statutory guidance supporting it;
- the policies and processes of the JGC and the WPP.

Roles and Responsibilities

The role of the Scheme Member Representative will be to;

- assist with the assurance of transparent reporting by the pool;
- assist with ensuring the effective implementation of strategies by pools;
- participate fully in meetings of the JGC except in the casting of a vote;
- act in the interests of all scheme members in each of the welsh LGPS pension funds;
- act as a liaison between the JGC and the local pension boards of the constituent funds by bringing ideas and suggestions from pension boards to the JGC and feeding back on decisions of the JGC to local pension boards;

- from time to time attend local pension boards of the constituent funds to provide updates and reports on the work of the JGC.
- attend training events and accept ongoing training on relevant issues and developments.

The Scheme Member Representative must be able to demonstrate;

- a strong commitment to the role including dedicating time to carry out the required duties;
- a strong commitment to the success of the WPP and the interests of all of its constituent authorities;
- the ability to bring a Scheme member perspective (active, deferred and pensioner) to the work of the JGC;
- an ability to analyse complex information;
- the confidence to challenge, influence, and engage others
- good inter-personal skills;
- the ability to contribute to JGC meetings;
- good financial, investment and LGPS regulations awareness
- sound knowledge of implementing good governance practices
- be an effective communicator and team player that can promote excellent working relationships within the Local Pension Board and gain the confidence of external stakeholders
- the ability to carry out the role to the highest standards and adhere to the Seven Principles of Public Life.

Conflicts of Interest

The Scheme Member Representative must declare on appointment to the JGC, and at any subsequent point, whether they have any conflict of interest in respect of any business being conducted by the JGC.

A conflict of interest is defined as a financial or other interest which is likely to prejudice a person's exercise of functions as a member of the JGC.

Attendance

The Scheme Member Representative is expected to attend all JGC meetings plus any other officially scheduled events. There are typically 4 meetings per annum. In the event of persistent non-attendance, the tenure will be reviewed by the JGC.

Tenure

The initial appointment will be for a 1-year period, after which the JGC has the option to extend the appointment for a further year



WALES PENSION PARTNERSHIP JOINT GOVERNANCE COMMITTEE

24 MARCH 2021

RISK REGISTER Q1 2021 REVIEW

RECOMMENDATIONS / KEY DECISIONS REQUIRED:

To approve the amendments to the WPP Risk Register

REASONS:

A Wales Pension Partnership (WPP) Risk Register was formulated and approved by the 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.6.

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**EXECUTIVE SUMMARY
JOINT GOVERNANCE COMMITTEE**

24 MARCH 2021

RISK REGISTER Q1 2021 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.6. 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 2021 and will focus on the remaining risks within the Governance & Regulation section, risks G.7 to G.12.

DETAILED REPORT ATTACHED?

YES

IMPLICATIONS

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

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List of Background Papers used in the preparation of this report:
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Title of Document	File Ref No.	Locations that the papers are available for public inspection/WEBSITE LINK

Risk	Target Risk Score	Current Risk Score	Current Status	Responsible Party	Comments
G.1	10	10	👉	OWG (RR Sub-Group)	The probability of the Risk has been reduced from 2 to 3 due to the addition controls that the WPP has put in place, these include a standing 'Regulation and Governance Updates' agenda item at OWGs, the facilitation of a dedicated regulation and guidance training session and receiving additional regulatory development updates for the Operator.
G.2	6	3	👉	OWG (RR Sub-Group)	The probability of the risk has been reduced from 2 to 1, this reflects the WPP's progress in putting in place: <ul style="list-style-type: none"> • Additional Sub-Groups – these groups provide a forum for more detailed discussion and debate, while also adding an additional layer to the WPP's overall governance structure/ checks and balances • A dedicated Training Policy - which will limit the probability of knowledge gaps occurring • A Scheme Member Rep on the JGC – who will provide an additional layer of challenging and variety of perspective
G.3	4	8	👉	HA/ OWG	Additional risk controls have been put in place. However, further action is required to reduce the probability of this risk occurring, this will focus on Investment Manager fees and the Investment Management Solutions Provider fees. The WPP will focus on improving transparency and ways of checking underlying fees are in line with expectations.
G.4	8	8	👉	HA	The severity of the risk has been revised upwards from a 2 to a 4, this reflects the significance of the reputational impact and financial fines that are associated the loss of personal data. The WPP will also be creating an additional risk which relates to commercially sensitive/ confidential data (Risk G13).
G.5	8	8	👉	HA	No update, the risk continues to be well managed and in line with target. No further action required at this point.
G.6	3	3	👉	HA/OWG	The probability of this risk has been reduced from 2 to 1, which means the risk is now in line with target. The probability of the risk has been reduced following: <ul style="list-style-type: none"> • The WPP putting in place a dedicated conflict of interest policy • Hosting a dedicated training session on how to manage conflicts of interest • Asking WPP Personal and providers to complete declaration of interest forms

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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 MHCLG) 	Current			5	2	10	👍	OWG (Risk Register Sub-Group)	The probability of the Risk has been reduced from 3 to 2 due to the addition controls that the WPP has put in place, these include a standing 'Regulation and Governance Updates' agenda item at OWGs, the facilitation of a dedicated regulation and guidance training session and receiving additional regulatory development updates for the Operator.
	Operational / Reputational				Medium Term	Target							
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 Pension Board Member to be added 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			3	1	3	👍	OWG (Risk Register Sub-Group)	The probability of the risk has been reduced from 2 to 1, this reflects the WPP's progress in putting in place: <ul style="list-style-type: none"> Additional Sub-Groups – these groups provide a forum for more detailed discussion and debate, while also adding an additional layer to the WPP's overall governance structure/ checks and balances A dedicated Training Policy - which will limit the probability of knowledge gaps occurring A Scheme Member Rep on the JGC – who will provide an additional layer of challenging and variety of perspective
	Operational				Long Term	Target							
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 insufficient budget to pay suppliers and/or to fund 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			4	2	8	👍	HA/ OWG	Additional risk controls have been put in place. However, further action is required to reduce the probability of this risk occurring, this will focus on Investment Manager fees and the Investment Management Solutions Provider fees. The WPP will focus on improving transparency and ways of checking underlying fees are in line with expectations.
	Operational / Reputational				Short Term	Target							

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.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"> Lack of adequate procedures. Insufficient knowledge of best practice in regards to how to store personal data, documentation and records. A 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	The severity of the risk has been revised upwards from a 2 to a 4, this reflects the significance of the reputational impact and financial fines that are associated the loss of personal data. The WPP will also be creating an additional risk which relates to commercially sensitive/ confidential data (Risk G13).
	Financial / Reputational				Medium Term	4	2				
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 MHCLG.	<ul style="list-style-type: none"> Ongoing training Timetabled 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	2				
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 MHCLG.	<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 Managing Conflict of Interest was covered as part of the WPP's 2020/2021 training plan 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			👍	HA/ OWG	Q1 2022	<p>The probability of this risk has been reduced from 2 to 1, which means the risk is now in line with target. The probability of the risk has been reduced following:</p> <ul style="list-style-type: none"> The WPP putting in place a dedicated conflict of interest policy Hosting a dedicated training session on how to manage conflicts of interest Asking WPP Personal and providers to complete declaration of interest forms
	Operational / Reputational				Medium Term	3	1				



WALES PENSION PARTNERSHIP JOINT GOVERNANCE COMMITTEE

24 MARCH 2021

ANNUAL POLICY REVIEWS

RECOMMENDATIONS / KEY DECISIONS REQUIRED:

To approve the updated:

- **Communications Policy**

REASONS:

The JGC approved the existing Communications Plan in December 2019. A communications workshop took place after the JGC in December 2020 to carry out the annual review of this document and the amendments require approval by the JGC.

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EXECUTIVE SUMMARY JOINT GOVERNANCE COMMITTEE

24 MARCH 2021

ANNUAL POLICY REVIEWS

BRIEF SUMMARY OF PURPOSE OF REPORT

The Wales Pension Partnership (WPP) have approved several policies / plans over the last 18 months which are to be reviewed on an annual basis. All of these can be found on the WPP website.

In December 2019 the JGC approved the Communications Plan, which sets out how the WPP will carry out its internal and external communication strategies. The plan outlines the WPP's:

- Target Audience
- Key Messages / Key Purpose
- Means of Communication
- Responsibilities
- Review & Reflection Process

In December 2020, Hymans hosted a communications workshop attended by JGC members and OWG officers. The communication workshop identified additional 'key messages' that the WPP wanted to articulate to external audiences. The Communication Policy has thus been updated to incorporate two new 'key messages';

- The Innovative & forward thinking nature of the WPP
- The size of the Pool

If approved, the amended Communications Policy will be updated on the WPP website.

DETAILED REPORT ATTACHED?	YES
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IMPLICATIONS

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

CONSULTATIONS

Details of any consultations undertaken are to be included here

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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:
 - 4.1 Effective communication of the responsibilities outlined in this policy.
 - 4.2 Clear identification and ownership of the roles outlined in this policy.
 - 4.3 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. Therefore, the WPP will carry out a full review of its Communication Policy on an annual basis.
7. The annual 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 annual 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 annual communication plan review the OWG will put forward amendments to the plan for the JGC's approval.

Internal Communication

8. As part of its internal communication plan the WPP will seek to communicate and engage with the following internal bodies:
 - 8.1 Constituent Authorities
 - 8.2 Officers
 - 8.3 JGC Members
 - 8.4 Scheme Members
 - 8.5 Pension Committees
 - 8.6 Pension Boards
 - 8.7 Pension Forums
 - 8.8 Employers
 - 8.9 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:
 - 11.1 WPP Annual Update
 - 11.2 WPP Annual Report
 - 11.3 Website
 - 11.4 Social media (LinkedIn)
 - 11.5 Emails
 - 11.6 Meeting summary notes
 - 11.7 Host Authority Quarterly Update
 - 11.8 Surveys, Questionnaires and Consultations
 - 11.9 Internal document portal

11.10 Bi-Weekly virtual meetings

11.11 OWG meetings

11.12 JGC meetings

11.13 Sub-Group meetings

11.14 Engagement days

11.15 Training sessions

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

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
Engagement days	The Host Authority/ Operator/ Investment Managers
Training Sessions	The Host Authority

External Communication

13. As part of its external communication plan the WPP will seek to communicate pro-actively with the following bodies:
 - 13.1 Central Government (including Ministers)
 - 13.2 Welsh Government (including Ministers)
 - 13.3 Welsh Local Government Association (WLGA)
 - 13.4 Unions
 - 13.5 Media
 - 13.6 Scheme Advisory Board (SAB)
 - 13.7 Local Government Association (LGA)
 - 13.8 Local Authority Pension Fund Forum (LAPFF)
 - 13.9 Society of Welsh Treasurers
 - 13.10 Lobby Groups
 - 13.11 Other pools

14. The WPP has identified the following as key messages that it wants to articulate to external audiences:
 - 14.1 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 costs 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.
 - 14.2 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.
 - 14.3 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.

14.4 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.

14.5 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.

14.6 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.

14.7 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 Wales Pension Partnership 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:

15.1 The WPP website

15.2 Social Media (e.g. LinkedIn)

15.3 Annual WPP progress update

15.4 External press releases and press statements

15.5 Publicly available Joint Governance Committee ('JGC') meeting papers

16 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 role in its Communication strategy.

16.1 Scheme Advisory Board Meetings (SAB)

16.2 MHCLG Consultations

16.3 Attendance at external conferences and events

16.4 Representation at relevant working groups or collaboration opportunities

16.5 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 Plan	All WPP Personnel
Maintenance of the WPP's website	The Host Authority
MHCLG Consultations	The Host Authority (with assistance from relevant parties)
Maintenance of the WPP's social media	The Host Authority
Annual WPP progress update	JGC Chair
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.

Version 2.0
March 2021



WALES PENSION PARTNERSHIP JOINT GOVERNANCE COMMITTEE

24 MARCH 2021

OPERATOR UPDATE

RECOMMENDATIONS / KEY DECISIONS REQUIRED:

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

REASONS:

The operator to provide an update on the following key areas:

- Current Fund Holdings
- Fund Launch Progress
- Corporate Update and Engagement

Report Author:
Chris Moore

Designation:
Director of Corporate Services

Carmarthenshire County
Council

Tel No. 01267 224160

E. Mail:
CMoore@carmarthenshire.gov.uk

**EXECUTIVE SUMMARY
JOINT GOVERNANCE COMMITTEE**

24 MARCH 2021

OPERATOR UPDATE

BRIEF SUMMARY OF PURPOSE OF REPORT

A report from the Operator providing an update on the progress and milestones of the following Sub Funds:

- Tranche 1 – Global Equity
- Tranche 2 – UK Equity
- Tranche 3 – Fixed Income
- Tranche 4 – Emerging Markets
- Tranche 5 – Private Markets

Also, a Corporate and Engagement update including the engagement protocol and key meeting dates.

DETAILED REPORT ATTACHED?	YES
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IMPLICATIONS

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

CONSULTATIONS

Details of any consultations undertaken are to be included here

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

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

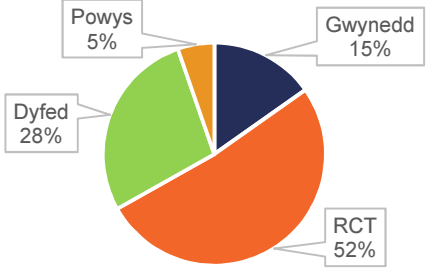
Wales Pension Partnership

Joint Governance Committee

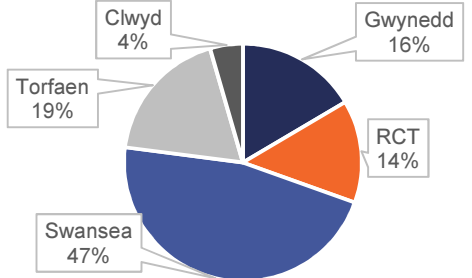
24th March 2021

December 2020 LF Wales PP Fund Snapshot

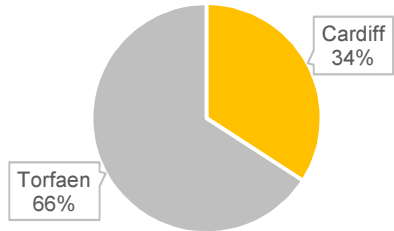
Global Growth



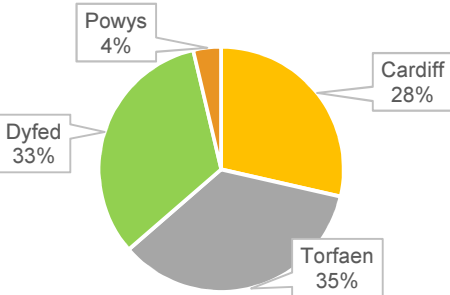
Global Opportunities



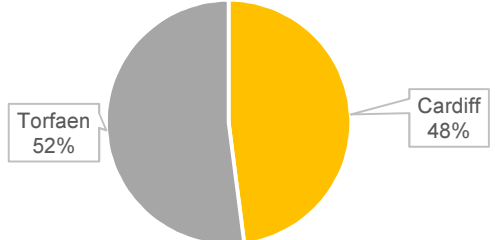
UK Opportunities



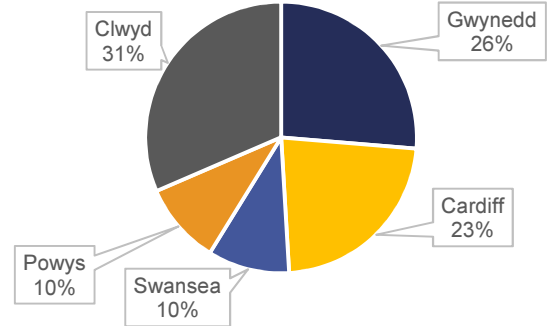
Global Credit



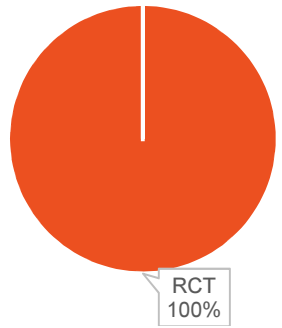
Global Gov. Bond



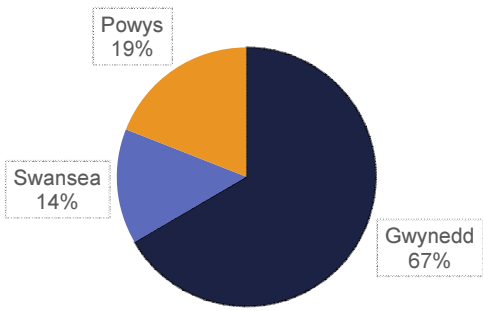
Multi Asset Credit



Sterling Credit



Absolute Return Bond



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

December 2020 LF Wales PP Fund Snapshot

Fund	AUM	Inception date
Global Growth	£2,765,653,588	6 th Feb 2019
Global Opportunities	£2,497,364,432	14 th Feb 2019
UK Opportunities	£635,984,319	10 th Oct 2019
Global Credit	£813,895,265	21 st Aug 2020
Global Government Bond	£541,409,848	20 th Aug 2020
Multi Asset Credit	£672,186,892	12 th Aug 2020
Sterling Credit	£575,953,784	19 th Aug 2020
Absolute Return Bond	£441,065,073	30 th Sept 2020
Total	£8,943,513,201	

Note: All data as at 31st December 2020

Fund Launch Progress Report

Tranche 3, 4 & 5 updates

Open Launch Activity

Key Achievements & Updates

Key:

- On track
- Progressing with delays
- On hold / progressing with major delays

Fund Launches Progress				
	Overview	Status	Progress in period	Launch dates
Tranche 3: Fixed Income sub-fund launch	<ul style="list-style-type: none"> ▪ Establishment of 5 Fixed Income sub-funds within the ACS ▪ FCA approval received and BlackRock appointed as transition manager 	Completed	<ul style="list-style-type: none"> ▪ All 5 funds launched successfully ▪ BlackRock have completed the post transition report and review with Host Authority / Hymans 28th September (final document issued 26th October) ▪ Byhiras review of transition completed 	27 th and 30 th July 2020 30 th September
Tranche 4: Emerging Markets sub-fund launch	<ul style="list-style-type: none"> ▪ Emerging Market fund to be created under the Enhanced Portfolio Implementation model with a carbon reducing overlay 	In progress	<ul style="list-style-type: none"> ▪ JGC agreed manager structure proposal March 2020 ▪ Prospectus review completed by LFS, Burgess Salmon and NT Depository ▪ Submission to FCA due 19th February 	September 2021

Strategic developments				
	Overview	Status	Progress in period	Planned Launch date
Tranche 5: Private Markets strategy development	<ul style="list-style-type: none"> ▪ Development of a WPP Private Market strategy including a road map for the potential creation of Private Market sub-funds with particular focus on Private Debt and Infrastructure 	In progress	<ul style="list-style-type: none"> ▪ Russell Investments paper to outline launch proposal based on legacy asset and strategic plan of each participating Authority discussed within Working Group ▪ LFS provided a consultation paper on suitable structures to Host Authority / Hymans on 28th August ▪ Follow up paper on operating model and investment approach provided to Host Authority / Hymans on 28th October 	September to December 2021

LFS Corporate Update & Engagement

LFS Corporate Update & Engagement

ASX Announcement

- A non-binding indicative proposal to acquire Link Group was received from a consortium comprising Pacific Equity Partners, Carlyle Group and their affiliates (Consortium) dated 10 October 2020
- This offer was rejected as it did not represent compelling value for Link Group shareholders and a subsequent offer is under review
- These events have no impact to our service delivery and commitment to the WPP

Key Q3 and future WPP Engagement

Link attendance at OWG/JGC meetings in period:

- OWG 4th November 2020 (VC)
- JGC 10th December 2020 (VC)

Link attendance at OWG/JGC meetings in next quarter:

- OWG 26th February 2021 (VC)
- JGC 24th March 2021 (VC)

Link - Pension Committee attendance in period:

- Dyfed – 16th October 2020
- Clwyd – 25th November 2020

Link - Pension Committee attendance in next quarter :

- RCT – 1st March 2021 (VC)

Other meetings in period

- Host Authority update – occurs bi-weekly
- Working group - occurs bi-weekly

Other meetings in next quarter

- Host Authority update – occurs bi-weekly
- Working group - occurs bi-weekly

LFS Engagement Protocol

Business as Usual

Strategic Relationship Review	Frequency	Objective
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- Bi-annual

- Ensure strategic alignment between Host Authority and Link

WPP Attendees

- Chris Moore
- Anthony Parnell
- Two Section 151 / Deputy Section 151 officers

Link Attendees

- Karl Midl, Managing Director
- Richard Thornton, Head of Relationship Management, Asset Owners
- Duncan Lowman, Head of Client Coverage

JGC Engagement	Frequency	Objective
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- Quarterly

- Engage with JGC on pertinent matters and strategic deliverables

WPP Attendees

- Joint Governance Committee (JGC)

Link Attendees

- Karl Midl, Managing Director / Adam Tookey, Head of Product – as required
- Richard Thornton, Head of Relationship Management, Asset Owners / Duncan Lowman, Head of Client Coverage
- Eamonn Gough, Senior Relationship Manager
- Russell Investments

OWG Engagement	Frequency	Objective
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- Every 2 Months

- Identify and deliver on opportunities to improve and expand the relationship
- Provide update on open projects or issues
- Monthly KPI Review (Data supplied monthly)

WPP Attendees

- Officers Working Group (OWG)

Link Attendees

- Eamonn Gough, Senior Relationship Manager
- Richard Thornton, Head of Relationship Management, Asset Owners
- Adam Tookey, Head of Product (as required)
- Ada Wabara, Relationship Manager (as required)
- Ad-hoc Link attendance from functional departments: Tax, Compliance, Product, etc.
- Russell Investments

Link Engagement Protocol continued...

Business as Usual

Host Authority Update	Frequency	Objective
<p>WPP Attendees</p> <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 – LFS to discuss deliverables and business updates ▪ Richard Thornton, Head of Relationship Management, Asset Owners ▪ Eamonn Gough, Senior Relationship Manager ▪ Ada Wabara, Relationship Manager (as required) ▪ Sheetal Shetty, Client Service Manager (as required)
WPP Working Group	Frequency	Objective
<p>WPP Attendees</p> <ul style="list-style-type: none"> ▪ Officers Working Group (OWG) ▪ Hymans 	<ul style="list-style-type: none"> ▪ Bi-Weekly 	<ul style="list-style-type: none"> ▪ Regular project call to discuss progress of deliverables ▪ Link Client Team ▪ Northern Trust ▪ Russell Investments ▪ Other consultants (e.g. bFinance)
Annual Shareholder Day	Frequency	Objective
<ul style="list-style-type: none"> ▪ Open to all involved parties 	<ul style="list-style-type: none"> ▪ Annual 	<ul style="list-style-type: none"> ▪ Open day for presentations on strategy and performance (with IM) ▪ Link Client Team ▪ Northern Trust ▪ Russell Investments and other Investment Managers (e.g. Global Growth Managers) ▪ Other consultants as required (e.g. bFinance)
Pension Fund Committees	Objective	
<p>Individual Pension Fund Committee meetings</p>	<ul style="list-style-type: none"> ▪ Annual 	<ul style="list-style-type: none"> ▪ General update on the ACS and planned initiatives ▪ Eamonn Gough, Senior Relationship Manager ▪ Ada Wabara, Relationship Manager ▪ Richard Thornton, Head of Relationship Management, Asset Owners ▪ Russell Investments

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WALES PENSION PARTNERSHIP JOINT GOVERNANCE COMMITTEE

24 MARCH 2021

PERFORMANCE REPORTS AS AT 31 DECEMBER 2020

RECOMMENDATIONS / KEY DECISIONS REQUIRED:

To note the performance reports of the following sub funds as at 31 December 2020:

- Global Opportunities Equity Fund
- Global Growth Equity Fund
- UK Opportunities Equity Fund
- Global Government Bond Fund
- Global Credit Fund
- Multi Asset Credit Fund
- Absolute Return Bond Strategy Fund
- UK Credit Fund

REASONS:

Northern Trust have prepared performance reports for the WPP sub funds as at 31 December 2020.

<p>Report Author: Chris Moore</p>	<p>Designation: Director of Corporate Services Carmarthenshire County Council</p>	<p>Tel No. 01267 224160 E. Mail: CMoore@carmarthenshire.gov.uk</p>
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**EXECUTIVE SUMMARY
JOINT GOVERNANCE COMMITTEE**

24 MARCH 2021

PERFORMANCE REPORTS AS AT 31 DECEMBER 2020

BRIEF SUMMARY OF PURPOSE OF REPORT

Northern Trust have provided performance reports for the WPP's sub funds as at 31 December 2020.

Performance - Inception to date:

Global Opportunities Fund	Gross of Fees (%)	Net of Fees (%)
Actual	14.63	14.25
Benchmark	13.34	13.34
Excess Return	1.28	0.91

Global Growth Fund	Gross of Fees (%)	Net of Fees (%)
Actual	16.86	16.40
Benchmark	14.02	14.02
Excess Return	2.84	2.38

UK Opportunities Fund	Gross of Fees (%)	Net of Fees (%)
Actual	0.53	0.10
Benchmark	(3.80)	(3.80)
Excess Return	4.33	3.90

Global Government Bond Fund	Gross of Fees (%)	Net of Fees (%)
Actual	1.90	1.82
Benchmark	0.50	0.50
Excess Return	1.41	1.32

Global Credit Fund	Gross of Fees (%)	Net of Fees (%)
Actual	2.78	2.72
Benchmark	1.97	1.97
Excess Return	0.81	0.75

Multi Asset Credit Fund	Gross of Fees (%)	Net of Fees (%)
Actual	5.49	5.32
Benchmark	1.56	1.56
Excess Return	3.93	3.76

Absolute Return Bond Strategy Fund	Gross of Fees (%)	Net of Fees (%)
Actual	0.91	0.78
Benchmark	0.51	0.51
Excess Return	0.40	0.27

UK Credit Fund	Gross of Fees (%)	Net of Fees (%)
Actual	3.92	3.88
Benchmark	2.68	2.68
Excess Return	1.24	1.20

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

DETAILED REPORT ATTACHED?	YES
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IMPLICATIONS

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

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

- Global Opportunities – outperformed by 1.28% gross / 0.91% net
- Global Growth – outperformed by 2.84% gross / 2.38% net
- UK Opportunities - outperformed by 4.33% gross / 3.90% net
- Global Government Bond – outperformed by 1.41% gross / 1.32% net
- Global Credit – outperformed by 0.81% gross / 0.75% net
- Multi Asset Credit – outperformed by 3.93% gross / 3.76% net
- ARB – outperformed by 0.40% gross / 0.27% net
- UK Credit – outperformed by 1.24% gross / 1.20% net

CONSULTATIONS

Details of any consultations undertaken are to be included here

**Section 100D Local Government Act, 1972 – Access to Information
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Title of Document	File Ref No.	Locations that the papers are available for public inspection/WEBSITE LINK

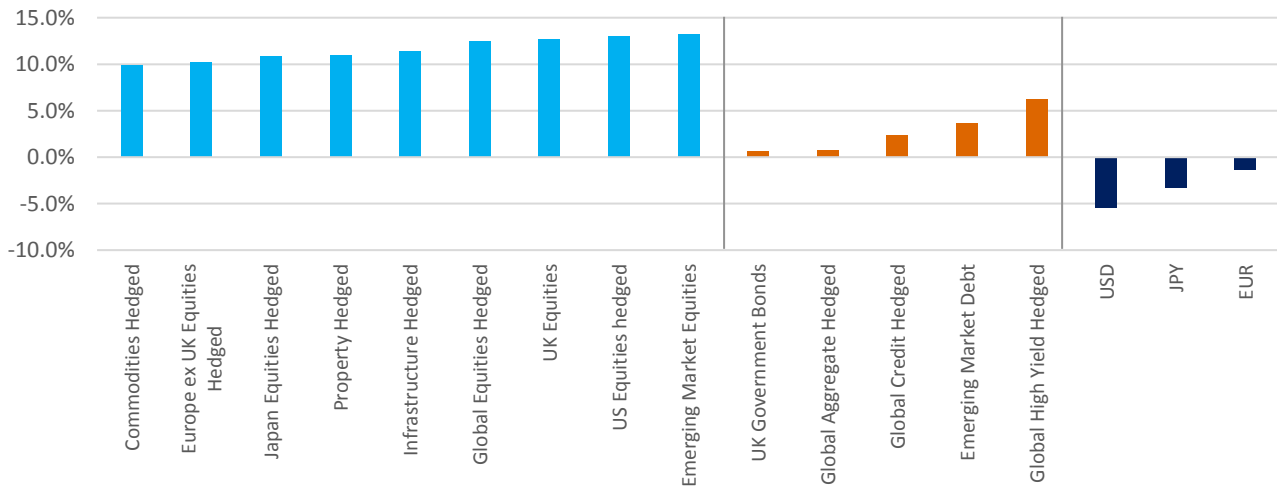
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JGC - WPP Performance Summary Q4 2020

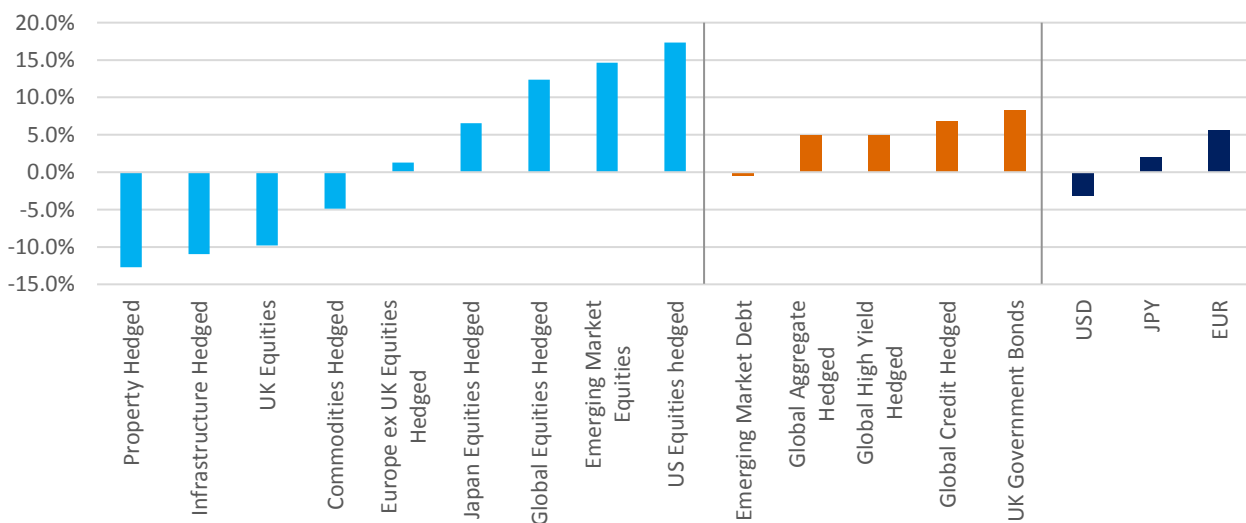
Global Market Commentary

Major Covid-19 vaccine breakthroughs by several prominent companies sent a wave of relief throughout markets, as investors began to believe that an end of the global pandemic was finally within reach. This development offset the negative effects on investor sentiment engendered by a new Covid-19 strain, a second wave of rising coronavirus cases and newly imposed lockdown restrictions in several countries. Alongside the positive vaccine news, political uncertainty eased in the US, with Joe Biden winning the US presidential election and in Europe, where the UK and the European Union (EU) agreed upon a Brexit trade deal. Over the period, oil prices rose meaningfully whilst the US dollar weakened. Additionally, alongside the Brexit deal, the EU struck another trade deal in December with China. The EU-China Comprehensive Agreement on Investment will improve Chinese market access conditions for European companies.

Asset class performance – Quarter to December 2020



Asset class performance – Year to December 2020



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 Opportunities Equity Fund:

	Three Months	1 Year	Since Inception
Gross	9.86	13.63	14.63
Net	9.76	13.26	14.25
MSCI AC World Index Net	8.46	12.67	13.34
Excess returns	1.40	0.97	1.28

Inception Date: COB 14th February 2019

Overall Fund Commentary

The Fund registered positive absolute returns over the fourth quarter and finished above the benchmark. Value staged a significant comeback this quarter, notably in November, on the back of more favorable fundamentals. This boosted returns for Sanders and the more multi-factored approach of Jacobs Levy. Whilst still an underperforming factor for the year, value has been slowly clawing back its losses. Small cap stocks also had a positive quarter as risk appetite amongst investors increased after Covid-19 vaccines were released. As such, Numeric' s low volatility strategy struggled to find traction in the prevailing market environment. On the other side of the spectrum, momentum and growth styles lagged behind for the first time this year, weighing on Morgan Stanley.

Global Growth Equity Fund:

	Three Months	1 Year	Since Inception
Gross	13.30	17.41	16.86
Net	13.19	16.95	16.40
MSCI AC World Index Net	8.46	12.67	14.02
Excess returns	4.84	4.74	2.84

Inception Date: 6th February 2019

Overall Fund Commentary

The Fund significantly outperformed its benchmark in the December 2020 quarter. Value stocks, which were beaten down during the initial selloff, outperformed their growth counterparts for the first time on a quarterly basis since 2018. This allowed Pzena to strongly outperform in the quarter. Baillie Gifford produced a sterling annual return of close to 33%, investing in companies they believe enjoy sustainable competitive advantages in their industries and which will grow earnings faster than the market average.

Despite the pandemic impacting economies across the globe with GDP growth negative in most countries and with many countries suffering their largest ever decline in GDP, asset markets have risen substantially over the year. This is a direct consequence of actions taken by policy makers to reduce interest rates across the curve and provide excessive amounts of liquidity: in the economic universe, interest rates power everything.

UK Market Commentary

The FTSE All Share enjoyed a strong quarter, recovering some of its early-year losses. Anticipation of a Brexit trade deal further boosted the UK market and the value of sterling. This eventually came in late December; the UK and European Union (EU) agreed a historic treaty including a free trade agreement, security partnership and agreement on governance. Investors notably rotated towards previously underperforming areas of the market this quarter, and broadly shrugged off concerns surrounding a second wave of coronavirus cases. Domestically, the Bank of England added another £150 billion to its bond-buying program, pushing it to a total of £875 billion. Sunak also noted borrowing could reach a peacetime record of £394 billion. This came as Prime Minister Boris Johnson enforced further restrictions to mitigate the impact of a new coronavirus strain.

UK Opportunities Equity Fund:

	Three Months	1 Year	Since Inception
Gross	17.03	-6.51	0.53
Net	16.93	-6.91	0.10
FTSE All Share	12.62	-9.82	-3.80
Excess returns	4.40	3.31	4.33

Inception Date: COB 11th October 2019

Overall Fund Commentary

The Fund outperformed the positive benchmark return over the quarter with small-mid capitalization stocks outperforming which suited the Fund's positioning. The Fund's pro-cyclical positioning and overweight to domestically-oriented stocks was rewarded. This environment benefitted Ninety One but did not suit the growth-oriented strategies, Baillie Gifford. Quality, momentum and low volatility factors underperformed this quarter but outperformed the broader index return for the year. The Fund's sector positioning and effective selection within the industrials (overweight), health care (underweight) and consumer goods (underweight) sectors underpinned excess relative returns.

Fixed Income Market Commentary

The Federal Reserve (Fed) kept its current monetary policy held throughout the quarter but urged for more fiscal support. This comes as Treasury Secretary Steven Mnuchin unexpectedly decided to end five Fed emergency lending programmes by the end of the year. The benchmark 10-year Treasury yield increased 23 basis points (bps) to 0.91%. The Bank of England kept its interest rate unchanged but added another £150 billion to its bond-buying programme. The European Central Bank (ECB) expanded its emergency bond-buying programme by €500 billion in December-taking its total value to €1.85 trillion and extended it to at least the end of March 2022. New corporate issuance was robust in the fourth quarter, with the largest deal coming from Mexican state-owned petroleum company Pemex, which brought \$18 billion to the markets in multiple tranches. In Emerging Market debt (EMD), local EMD increased 9.6% and hard currency EMD rose 5.5% (USD terms). Over the period, China sold its first negative-yielding sovereign euro-denominated bond, which attracted around €18 billion worth of orders for €4 billion of bonds.

Global Government Bond Fund:

	Three Months	Since Inception
Gross	1.91	1.90
Net	1.85	1.82
FTSE World Gvt Bond Index (GBP Hedged)	0.16	0.50
Excess returns	1.74	1.41

Inception Date: COB 19th August 2020

Overall Fund Commentary

The Fund outperformed the benchmark this period. The Fund's exposure to rates in Mexico, Brazil and Indonesia suited the market environment. Within currencies, underweight exposure to the US dollar was rewarded in a period where it broadly depreciated. An underweight to the Swiss franc and euro, coupled with overweights to the Norwegian krone, Mexican peso, Russian rouble and South Korean won, also contributed.

Global Credit Fund:

	Three Months	Since Inception
Gross	3.13	2.78
Net	3.08	2.72
Bloomberg Barclays Global Agg Credit Index (GBP Hedged)	2.30	1.97
Excess returns	0.83	0.81

Inception Date: COB 20th August 2020

Overall Fund Commentary

The Fund outperformed the benchmark this period. Positive investor risk appetite bolstered credit demand this quarter. The Fund's corporate credit positioning was rewarded in this environment. In the US, overweights to high yield industrials and financials added relative value. In Europe, long exposure to high yield industrials contributed. Elsewhere, an underweight to investment grade credit in Latin America detracted. Within rates, an underweight to Spain was negative in a period where yields decreased.

Multi Asset Credit Fund:

	Three Months	Since Inception
Gross	5.71	5.49
Net	5.60	5.32
3 Month GBP Sonia + 4%	1.00	1.56

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

Overall Fund Commentary

The Fund outperformed the benchmark this period. It was a weak quarter for the US dollar within this environment, which suited the Fund's underweight. The Fund's wider credit positioning was also additive to returns. US corporate credit positioning added relative value and included overweights to both high yield industrials and high yield financials. Long exposure to European high yield credit was also rewarded. Hard currency emerging market debt positioning was positive, particularly within Latin America.

Absolute Return Bond Strategy Fund:

	Three Months	Since Inception
Gross	0.91	0.91
Net	0.78	0.78
3 Month GBP Sonia + 2%	0.51	0.51

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

Overall Fund Commentary

The Fund finished ahead of the benchmark in the fourth quarter. Major fiscal and monetary support, and lower immediate liquidity concerns provided a positive environment for the fund. The funds exposure to prepayment strategies was a key driver of its positive return. Exposure to emerging market rates primarily Indonesia, Mexico, Colombia and Russia were positive. Long exposure to Europe and US yields was a detractor to the overall fund.

UK Credit Fund:

	Three Months	Since Inception
Gross	3.90	3.92
Net	3.87	3.88
ICE Bank of America Merrill Lynch Euro-Sterling Index plus 0.65%	-0.11	2.68
Excess returns	4.01	1.24

Inception Date: COB 19th August 2020

Overall Fund Commentary

UK bonds advanced over the quarter, with corporate bonds outperforming government bonds. Credit spreads tightened amid strong positive technicals on hopes that COVID-19 vaccine rollouts will boost an economic recovery and ward off corporate defaults. Joe Biden's victory in the US presidential elections and the approval of a \$900 billion COVID-19 relief package by the US Congress supported the risk-on sentiment. Investor sentiment was further boosted after the UK and European Union clinched a post Brexit trade deal, with years of talks ending in a settlement allowing tariff-free trade.

The fund advanced and outperformed the index over the quarter. The overweight credit beta position enhanced gains as credit spreads tightened amid positive risk sentiment. The overweight stance in industrial conglomerate GE was a significant contributor to returns. Positive news around COVID-19 vaccines proved supportive given its exposure to the aerospace sector. Its health care business also benefited from the pandemic. The overweight exposure to Pension insurance and EDF also added notable value.



NORTHERN
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Wales Pension Partnership

Investment Risk & Analytical Services

December 31, 2020

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SECTION 1

Wales Pension Partnership

Investment Risk & Analytical Services

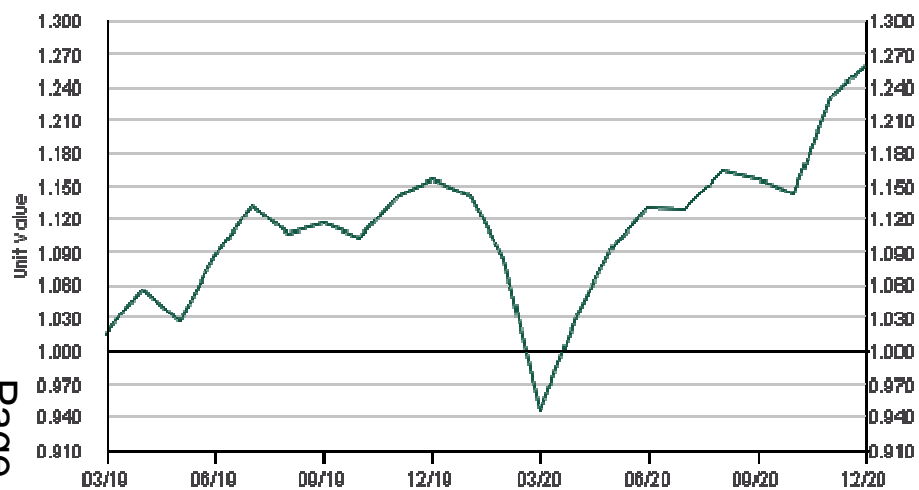
Investment Hierarchy

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	8,943,513,201	100.00	2.29	8.99	8.95	12.88	06/02/2019
Global Growth Fund	2,765,653,588	30.92	2.67	13.30	17.41	16.86	06/02/2019
<i>MSCI ACWI ND</i>			2.20	8.46	12.67	14.02	06/02/2019
<i>Excess Return</i>			0.46	4.84	4.74	2.84	06/02/2019
Global Opportunities Equity	2,497,364,432	27.92	2.67	9.86	13.63	14.63	14/02/2019
<i>MSCI ACWI ND</i>			2.20	8.46	12.67	13.34	14/02/2019
<i>Excess Return</i>			0.47	1.40	0.97	1.28	14/02/2019
UK Opportunities Equity	635,984,319	7.11	5.16	17.03	-6.51	0.53	11/10/2019
<i>FTSE All-Share</i>			3.86	12.62	-9.82	-3.80	11/10/2019
<i>Excess Return</i>			1.29	4.40	3.31	4.33	11/10/2019
Global Credit Fund	813,895,265	9.10	0.63	3.13	-	2.78	20/08/2020
<i>Barclays Global Aggregate Credit Index hedged into GBP</i>			0.42	2.30	-	1.97	20/08/2020
<i>Excess Return</i>			0.21	0.83	-	0.81	20/08/2020
Global Government Bond Fund	541,409,848	6.05	0.77	1.91	-	1.90	19/08/2020
<i>FTSE WGBI Index</i>			0.08	0.16	-	0.50	19/08/2020
<i>Excess Return</i>			0.70	1.74	-	1.41	19/08/2020
Multi Asset Credit Fund	672,186,892	7.52	1.85	5.71	-	5.49	11/08/2020
<i>3 month GBP Sonia plus 4%</i>			0.33	1.00	-	1.56	11/08/2020
<i>Excess Return</i>			1.52	4.71	-	3.93	11/08/2020
Sterling Credit Fund	575,953,784	6.44	1.63	3.90	-	3.92	19/08/2020
<i>ICE BofA ML Eur-Stg plus 0.65%</i>			-0.60	-0.11	-	2.68	19/08/2020
<i>Excess Return</i>			2.23	4.01	-	1.24	19/08/2020
Absolute Return Bond Fund	441,065,073	4.93	0.33	0.91	-	0.91	30/09/2020
<i>3 month GBP Sonia plus 2%</i>			0.17	0.51	-	0.51	30/09/2020
<i>Excess Return</i>			0.16	0.40	-	0.40	30/09/2020

Wales Pension Partnership Summary

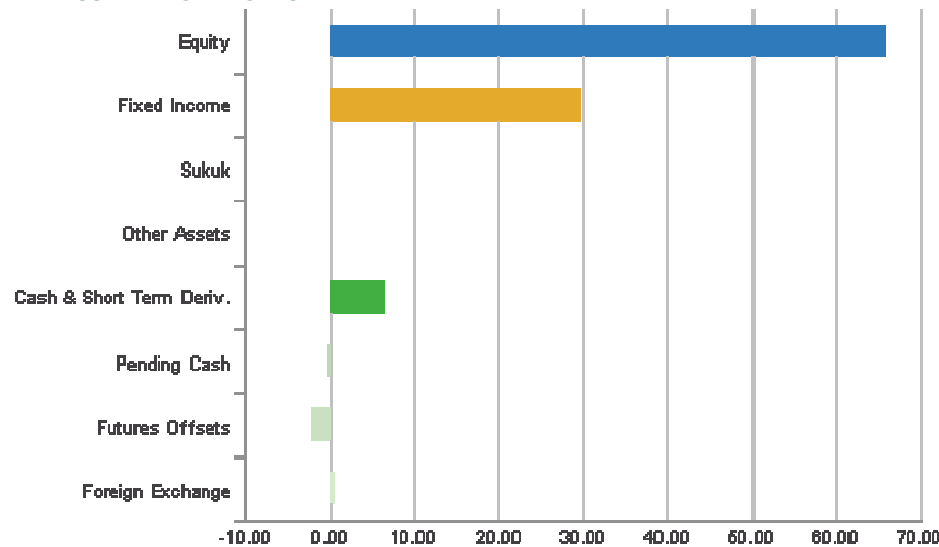
Account/Group -Rate of Return	E.MV-GOF	End Wt	1 Mo	3 Mos	1 Yr	ITD	Inc Date
Wales Pension Partnership	8,943,513,201	100.00	2.29	8.99	8.95	12.88	06/02/2019
Global Growth Fund	2,765,653,588	30.92	2.67	13.30	17.41	16.86	06/02/2019
Global Opportunities Equity	2,497,364,432	27.92	2.67	9.86	13.63	14.63	14/02/2019
UK Opportunities Equity	635,984,319	7.11	5.16	17.03	-6.51	0.53	11/10/2019
Global Credit Fund	813,895,265	9.10	0.63	3.13	-	2.78	20/08/2020
Global Government Bond Fund	541,409,848	6.05	0.77	1.91	-	1.90	19/08/2020
Multi Asset Credit Fund	672,186,892	7.52	1.85	5.71	-	5.49	11/08/2020
Sterling Credit Fund	575,953,784	6.44	1.63	3.90	-	3.92	19/08/2020
Absolute Return Bond Fund	441,065,073	4.93	0.33	0.91	-	0.91	30/09/2020

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



Wales Pension Partnership: 1.26

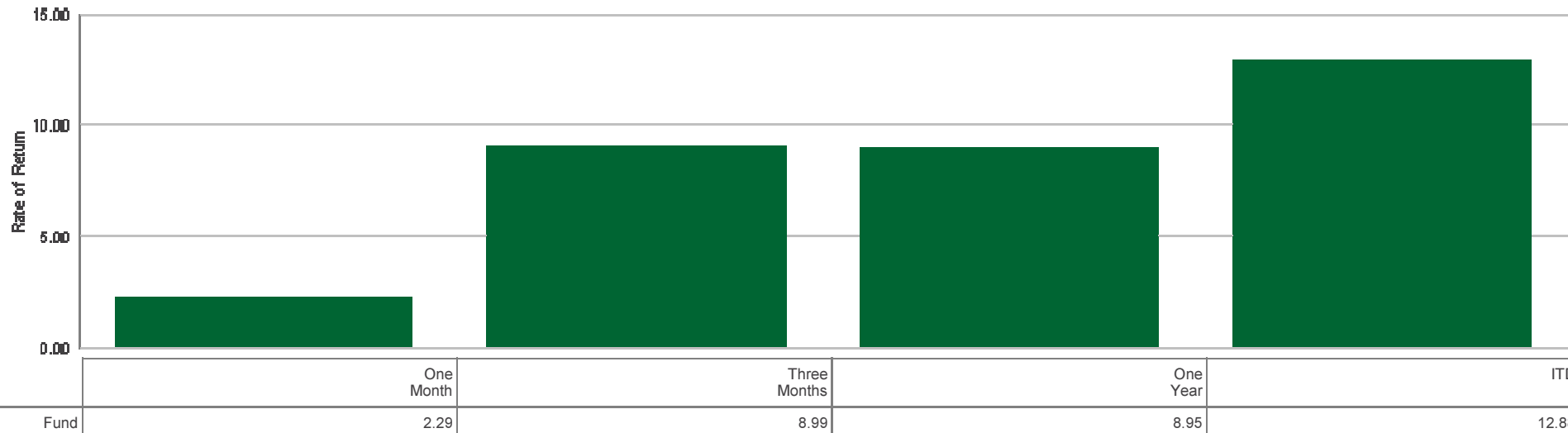
ASSET CLASS ENDING WEIGHTS



Total Fund Gross of Fees

Account/Group -Rate of Return	E.MV-GOF	End Wt	1 Mo	3 Mos	1 Yr	ITD	Inc Date
Wales Pension Partnership	8,943,513,201	100.00	2.29	8.99	8.95	12.88	06/02/2019
Global Growth Fund	2,765,653,588	30.92	2.67	13.30	17.41	16.86	06/02/2019
Global Opportunities Equity	2,497,364,432	27.92	2.67	9.86	13.63	14.63	14/02/2019
UK Opportunities Equity	635,984,319	7.11	5.16	17.03	-6.51	0.53	11/10/2019
Global Credit Fund	813,895,265	9.10	0.63	3.13	-	2.78	20/08/2020
Global Government Bond Fund	541,409,848	6.05	0.77	1.91	-	1.90	19/08/2020
Multi Asset Credit Fund	672,186,892	7.52	1.85	5.71	-	5.49	11/08/2020
Sterling Credit Fund	575,953,784	6.44	1.63	3.90	-	3.92	19/08/2020
Absolute Return Bond Fund	441,065,073	4.93	0.33	0.91	-	0.91	30/09/2020

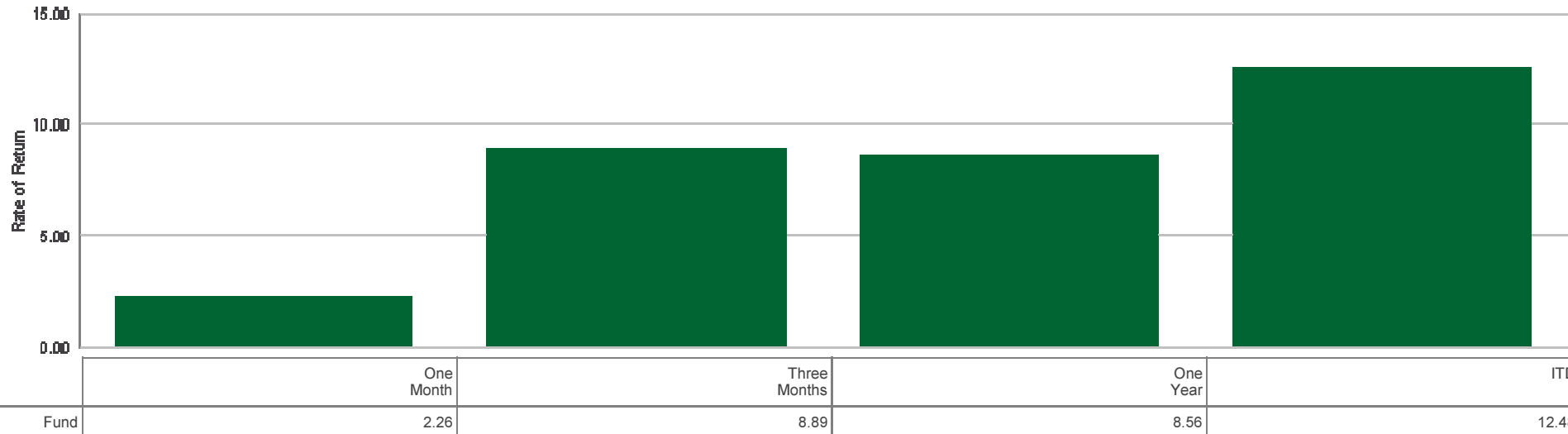
WALES PENSION PARTNERSHIP TOTAL FUND GROSS OF FEES



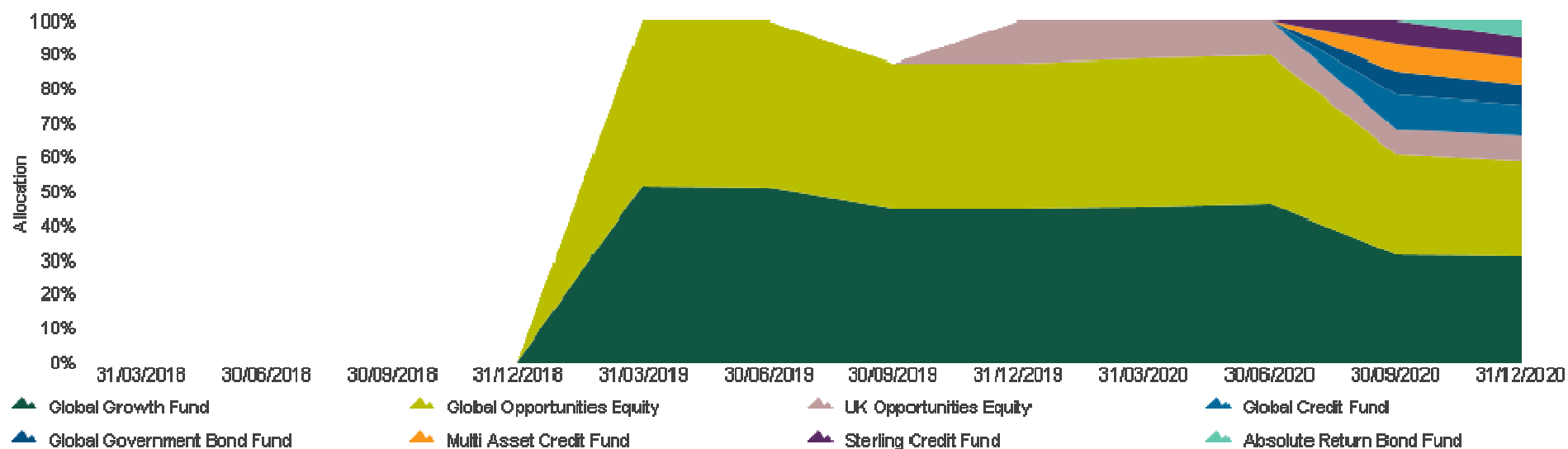
Total Fund Net of Fees

Account/Group -Rate of Return	E.MV-NOF	End Wt	1 Mo	3 Mos	1 Yr	ITD	Inc Date
Wales Pension Partnership	8,937,970,607	100.00	2.26	8.89	8.56	12.48	06/02/2019
Global Growth Fund	2,763,543,726	30.92	2.63	13.19	16.95	16.40	06/02/2019
Global Opportunities Equity	2,495,518,253	27.92	2.63	9.76	13.26	14.25	14/02/2019
UK Opportunities Equity	635,519,684	7.11	5.12	16.93	-6.91	0.10	11/10/2019
Global Credit Fund	813,641,964	9.10	0.62	3.08	-	2.72	20/08/2020
Global Government Bond Fund	541,275,945	6.06	0.76	1.85	-	1.82	19/08/2020
Multi Asset Credit Fund	671,919,717	7.52	1.82	5.60	-	5.32	11/08/2020
Sterling Credit Fund	575,815,362	6.44	1.62	3.87	-	3.88	19/08/2020
Absolute Return Bond Fund	440,735,956	4.93	0.29	0.78	-	0.78	30/09/2020

WALES PENSION PARTNERSHIP TOTAL FUND NET OF FEES



Allocation over Time



Account / Group	31/03/2020		30/06/2020		30/09/2020		31/12/2020	
	Market Value	Actual Weight	Market Value	Actual Weight	Market Value	Actual Weight	Market Value	Actual Weight
Wales Pension Partnership	4,323,817,833	100.00	5,149,599,621	100.00	7,787,520,566	100.00	8,943,513,201	100.00
Global Growth Fund	1,961,892,648	45.37	2,373,367,154	46.09	2,445,037,288	31.40	2,765,653,588	30.92
Global Opportunities Equity	1,881,872,223	43.52	2,230,646,643	43.32	2,284,960,573	29.34	2,497,364,432	27.92
UK Opportunities Equity	480,052,962	11.10	545,585,824	10.59	544,517,720	6.99	635,984,319	7.11
Global Credit Fund					789,846,587	10.14	813,895,265	9.10
Global Government Bond Fund					531,735,711	6.83	541,409,848	6.05
Multi Asset Credit Fund					636,770,339	8.18	672,186,892	7.52
Sterling Credit Fund					554,652,347	7.12	575,953,784	6.44
Absolute Return Bond Fund					1	0.00	441,065,073	4.93

SECTION 2

Appendix

Investment Risk & Analytical Services

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Agenda Item 13

By virtue of paragraph(s) 14 of Part 4 of Schedule 12A of the Local Government Act 1972 as amended by the Local Government (Access to Information) (Variation) (Wales) Order 2007.

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By virtue of paragraph(s) 14 of Part 4 of Schedule 12A of the Local Government Act 1972 as amended by the Local Government (Access to Information) (Variation) (Wales) Order 2007.

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