

Document Pack



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

FRIDAY, 25 NOVEMBER 2022

**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 2.00 PM, ON MONDAY, 5TH DECEMBER, 2022**
FOR THE TRANSACTION OF THE BUSINESS OUTLINED ON THE
ATTACHED AGENDA

Wendy Walters

**CHIEF EXECUTIVE
CARMARTHENSHIRE COUNTY COUNCIL**

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

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Webcast Link	https://carmarthenshire.public-i.tv/core/portal/webcast_interactive/722596

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

(1 Member from each Constituent Authority & 1 Non-voting
– Co-opted scheme member representative)

CARMARTHENSHIRE COUNTY COUNCIL

COUNCILLOR ELWYN WILLIAMS

CITY & COUNTY OF SWANSEA

COUNCILLOR MIKE LEWIS

CITY OF CARDIFF

COUNCILLOR CHRISTOPHER WEAVER

FLINTSHIRE COUNTY COUNCIL

COUNCILLOR TED PALMER

GWYNEDD COUNTY COUNCIL

COUNCILLOR STEPHEN CHURCHMAN

POWYS COUNTY COUNCIL

COUNCILLOR PETER LEWIS

RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL

COUNCILLOR MARK NORRIS

TORFAEN COUNTY BOROUGH COUNCIL

COUNCILLOR NATHAN YEOWELL

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

OSIAN RICHARDS

A G E N D A

- 1. APOLOGIES FOR ABSENCE**
- 2. DECLARATIONS OF INTEREST**
- 3. TO SIGN AS A CORRECT RECORD THE MINUTES OF THE MEETING OF THE JOINT COMMITTEE HELD ON THE 8TH JULY 2022** 5 - 12
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WALES PENSION PARTNERSHIP JOINT GOVERNANCE COMMITTEE

Friday, 8 July 2022

PRESENT: Councillor C. Weaver (Chair)

Councillors:

S. Churchman, D.E. Williams, T. Palmer, M. Lewis. P. Lewis, M. Norris, and N. Yeowell

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

The following officers were in attendance:

C. Moore – Joint Committee Section 151 Officer (CCC)
L. Rees-Jones – Joint Committee Monitoring Officer (CCC)
C. Lee – Corporate Director of Resources (CoC)
N. Aurelius – Assistant Chief Executive – Resources (TCC)
J. Dong – Deputy S151 Officer/ Chief Finance Officer (C&CS)
D. Edwards – Fund Director (GCC)
B. Davies - Head of Financial Services (FCC)
J. Thomas – Head of Financial Services (PCC)
P. Latham – Head of Clwyd Pension Fund (FCC)
A. Parnell – Treasury & Pensions Investment Manager (CCC)
T. Williams – Senior Financial Services Officer (CCC)
J. Owens – Democratic Services Officer (CCC) [Assisting]
K. Evans – Assistant Democratic Services Officer (CCC) [Note Taker]
M. Evans-Thomas – Principal Democratic Services Officer (CCC) (Assisting)
R. Morris – Principal Democratic Services Officer (CCC) [Webcasting]
S. Rees – Simultaneous Translator (CCC)

Also in attendance to present reports:

A. Johnston – Hymans Robertson
R. Thornton – Link Fund Solutions
J. Zealander - Link Fund Solutions
K. Midl – Link Fund Solutions
N. Round – Northern Trust
A. Knell – Robeco
A. Samson– Robeco
J. Leggate – Russell Investments
W. Pearce – Russell Investments
G. Fitzpatrick – Russell Investments
J. Blewitt – Audit Wales

Also present as observers:

M. Falconer – Pension Manager (CoC)
C. Hurst – Pension Fund Manager (PCC)
D. Jones-Thomas – Investment Manager (GCC)
Y. Keitch – Principal Accountant (RCT)
D. Fielder - Deputy Head of Clwyd Pension Fund (FCC)



1. APPOINTMENT OF CHAIR OF THE JOINT GOVERNANCE COMMITTEE FOR THE FORTHCOMING CALENDAR YEAR.

UNANIMOUSLY RESOLVED that Councillor Christopher Weaver be appointed Chair of the Joint Governance Committee for the forthcoming calendar year.

The outgoing Chair was thanked for all his hard work and contribution to the Joint Committee during his period as Chair.

2. APPOINTMENT OF VICE-CHAIR OF THE JOINT GOVERNANCE COMMITTEE FOR THE FORTHCOMING CALENDAR YEAR.

UNANIMOUSLY RESOLVED that Councillor Ted Palmer be appointed Vice-Chair of the Joint Governance Committee for the forthcoming calendar year.

3. APOLOGIES FOR ABSENCE.

There were no apologies for absence.

4. DECLARATIONS OF INTEREST

Member	Agenda Item No.	Interest
Cllr. M. Lewis	All agenda items	He is a member of Swansea Pension Fund along with his wife.
Cllr.S. Churchman	All agenda items	He is a member of the Gwynedd Pension Fund
Cllr. P. Lewis	All agenda items	He is a member of the Powys Pension Fund
Cllr. N. Yeowell	All agenda items	His father and two aunts are members of the Gwent Pension Fund and is in the process of joining the Gwent Pension Fund
Cllr. M. Norris	All agenda items	He is a member of the Rhondda Cynon Taf Pension Fund
Cllr. T. Palmer	All agenda items	His partner and daughter are members of the Clwyd Pension Fund and is in the process of joining the Clwyd Pension Fund
Cllr. E. Williams	All agenda items	He is a member of the Dyfed Pension Fund
Cllr. C. Weaver	All agenda items	He is a member of the Cardiff & Vale Pension Fund

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

5. TO SIGN AS A CORRECT RECORD THE MINUTES OF THE MEETING OF THE JOINT COMMITTEE HELD ON THE 23RD MARCH, 2022

UNANIMOUSLY RESOLVED that the minutes of the Joint Governance Committee meeting held on 23rd March, 2022 be signed as a correct record.

6. ANNUAL RETURN / AUDIT 2021/22

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

The Joint Committee Section 151 Officer presented the audited Annual Return for 2020/21. The Accounting Statements and Annual Governance Statement sections of the Annual Return had been prepared by the Host Authority whose Internal Audit Section had carried out an Internal Audit Review.

The Annual Return had also been audited by Audit Wales and Mr Jason Blewitt of Audit Wales presented the audit letter to the Joint Committee.

The Host Authority had also prepared a full Statement of Accounts for the Wales Pension Partnership for 2021/22. The Statement was not a statutory requirement and would not be audited. It has been prepared for information purposes only, to support the information included in the Annual Report.

RESOLVED

- 6.1 That the letter from Audit Wales regarding the WPP 2021/22 Annual Return be received;**
- 6.2 That the Audited Annual Return for 2021/22 be approved;**
- 6.3 That the Unaudited full Statement of Accounts for 2021/22 be noted**

7. HOST AUTHORITY UPDATE

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

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

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

UNANIMOUSLY RESOLVED that the Host Authority update be received.



8. RISK REGISTER Q2 2022 REVIEW

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

The Joint Committee considered the Risk Register Q2 2022 Review. During the last quarter, the Officer Working Group had undertaken a review, looking at the second half of the Governance and Regulation section of the Risk Register i.e. Risks G.7 to G.14. The review outcomes of each risk were summarised in an appendix to the report.

It was recommended to amend the G9 responsible party to include the JGC.

UNANIMOUSLY RESOLVED that the amendments to the WPP Risk Register, as detailed in the report, be approved subject to inclusion of amendment to G9.

9. NEW POLICIES / PLANS

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

The Joint Committee received a report detailing the :-

- Whistleblowing Policy
- Business Continuity Plan

The Whistleblowing Policy has been developed for the WPP which provides guidance to WPP personnel and providers on how to raise concerns should they suspect malpractice by anyone acting for or on behalf of WPP. This policy will be formally reviewed by the OWG on a triennial basis.

All eight Constituent Authorities and WPP's current external providers have their own whistleblowing policies in place.

The Business Continuity Plan has been developed and outlines how WPP will continue operating during an unplanned disruption in service. This plan will be updated as required.

UNANIMOUSLY RESOLVED that the following, as detailed above, be approved:-

- the Whistleblowing Policy
- the Business Continuity Plan

10. ANNUAL POLICY REVIEWS

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



The Joint Committee received a report detailing the Annual Policy Reviews undertaken this quarter by the OWG on the following policies:-

- Voting Policy
- Conflicts of Interest Policy
- Risk Policy
- Climate Risk Policy

With regard to the Conflicts of Interest Policy, reference was made to 16.2 and officers were asked if it was really necessary for members to declare an interest in all agenda items and at every meeting and couldn't an annual declaration be made instead. The Joint Committee Monitoring Officer explained that it was a requirement of the Code of Conduct that members declare any conflicts of interest at every meeting.

UNANIMOUSLY RESOLVED that the:

- 10.1 Voting Policy be approved**
- 10.2 Conflict of Interest Policy be approved**
- 10.3 Risk Policy be approved**
- 10.4 Climate Risk Policy be approved**
- 10.5 the RI and Climate Risk Annual progress update be noted**

11. OPERATOR UPDATE

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

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 report also provided an updated 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

UNANIMOUSLY RESOLVED that the Operator Update be received.

12. PERFORMANCE REPORTS AS AT 31 MARCH 2022



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

The Joint Committee received a presentation on the Performance Reports as at 31 March 2022. It was advised that the sub funds that had outperformed/underperformed their respective benchmarks, were as follows:

- Global Opportunities – outperformed by 1.12% gross / 0.78% net
- Global Growth – underperformed by 0.86% gross / 1.31% net
- Emerging Markets – underperformed by 0.35% gross / 0.58% net
- UK Opportunities – underperformed by 1.85% gross / 2.27% net
- Global Government Bond – outperformed by 0.84% gross / 0.61% net
- Global Credit – outperformed by 1.36% gross / 1.19% net

RESOLVED that the Performance Reports of the following sub-funds as at 31 March 2022 be approved:

- 12.1. Global Opportunities Equity Fund;
- 12.2. Global Growth Equity Fund;
- 12.3. Emerging Markets Equity Fund;
- 12.4. UK Opportunities Equity Fund;
- 12.5. Global Government Bond Fund;
- 12.6. Global Credit Fund;
- 12.7. Multi Asset Credit Fund;
- 12.8. Absolute Return Bond Strategy Fund;
- 12.9. 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. SUSTAINABLE ACTIVE EQUITY SUB-FUND

Following the application of the public interest test it was **UNANIMOUSLY RESOLVED**, pursuant to the Act referred to in Minute 12 above, to consider this matter in private, with the public excluded from the meeting, as disclosure would be likely to cause financial harm to the Pension Fund by prejudicing ongoing and future negotiations.



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

The Joint Committee considered a report detailing the proposed Sustainable Active Equity Sub-Fund structure for the Wales Pension Partnership.

UNANIMOUSLY RESOLVED that the proposed Sustainable Active Equity sub-fund structure, as detailed in the report, be approved.

15. GLOBAL SECURITIES LENDING RELATIONSHIP AND PERFORMANCE REVIEW

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.

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

The Joint Committee received a report on Global Securities Lending Relationship and Performance Review for 2021/22.

UNANIMOUSLY RESOLVED that the Global Securities Lending Relationship and Performance Review be noted.

16. ROBECO ENGAGEMENT SERVICE - Q1 2022 ENGAGEMENT REPORT

Following the application of the public interest test it was **UNANIMOUSLY RESOLVED**, pursuant to the Act referred to in Minute 12 above, to consider this matter in private, with the public excluded from the meeting, as disclosure would be likely to cause financial harm to the Pension Fund by prejudicing ongoing and future negotiations.

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

[NOTE: Cllr N. Yeowell had to leave the meeting during this item]

The Joint Committee received the Engagement Report for Q1 of 2022.

UNANIMOUSLY RESOLVED that the Engagement Report for Q1 of 2022 be received.

17. RESPONSIBLE INVESTMENT & CLIMATE RISK REPORT

Following the application of the public interest test it was **UNANIMOUSLY 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 be likely to cause financial harm to the Pension Fund by prejudicing ongoing and future negotiations.

[NOTE: Councillors M. Lewis, C. Weaver, S. Churchman, P. Lewis, M. Norris, and E. Williams had earlier declared an interest in this item.]

[NOTE: At start of this item Cllr Ted Palmer had to leave the meeting]

The Joint Committee received the Q1 2022 Responsible Investment and Climate Risk report in respect of the UK Credit sub fund.

UNANIMOUSLY RESOLVED that the Responsible Investment and Climate Risk Report for Q1 of 2022 be received.

CHAIR

DATE



WALES PENSION PARTNERSHIP JOINT GOVERNANCE COMMITTEE

DATE 5 DECEMBER 2022

SUBJECT

HOST AUTHORITY UPDATE

RECOMMENDATIONS / KEY DECISIONS REQUIRED:

To receive an update from the host authority

REASONS:

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

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

Report Author:
Chris Moore

Designation:
Director of Corporate Services

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Council**

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EXECUTIVE SUMMARY

JOINT GOVERNANCE COMMITTEE

DATE 5 DECEMBER 2022

HOST AUTHORITY UPDATE

BRIEF SUMMARY OF PURPOSE OF REPORT

The WPP Business Plan for 2022/23 was approved by the JGC on 23 March 2022. A Quarter 2 (1 April to 30 September 2022) 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:

- 2021/22 Annual Update
- 2021/22 Annual Report
- DLUHC Update
- 2021/22 Stewardship Code Report
- New policies and policy reviews
- Private Equity Allocator procurement process
- OWG Sub-Groups:
 - Private Markets sub-group
 - Responsible Investment sub-group
 - Risk Register sub-group

Next Steps / Priorities:

- Development of Private Markets Sub-Funds:
 - Launch of the Private Debt and Infrastructure sub funds
 - Launch of the Private Equity sub fund
 - Formulate the WPP's Property requirements
- Launch of the Active Sustainable Equity Sub-fund
- Operator contract - procurement process
 - Existing contract coming to an end in December 2024
 - In discussions with Burges Salmon re legal requirements
 - In process of finalising a timeline
 - In process of reviewing specification requirements
- TCFD reporting

Schedule of meetings

- July and December meetings will take place virtually via Zoom
- September and March meetings will take place as hybrid meetings, rotating locations between the Constituent Authorities, see table below:

	July	September	December	March
2022/23	Virtual via Zoom	Cancelled	Virtual via Zoom	Gwynedd
2023/24	Virtual via Zoom	RCT	Virtual via Zoom	Powys
2024/25	Virtual via Zoom	Clwyd	Virtual via Zoom	Swansea
2025/26	Virtual via Zoom	Torfaen	Virtual via Zoom	Cardiff

Other key areas:

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

DETAILED REPORT ATTACHED?

YES

IMPLICATIONS

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

CONSULTATIONS

Details of any consultations undertaken are to be included here

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

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

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Wales Pension Partnership Business Plan 2022 -2023 Q2 Review

Governance

Work to be completed	Completed	Comments
• Development of a WPP Whistleblowing Policy	Yes	Approved at the July 2022 JGC
• Development of a WPP Business Continuity Plan (including Cyber)	Yes	Approved at the July 2022 JGC
• Development of a WPP Complaints Policy	In progress	Being taken to the December 2022 JGC for approval
• Development of a WPP Breaches and Errors Policy		Planned for Q1 (January to March) 2023
• Ongoing review of the Inter Authority Agreement	Ongoing	
• Annual/biennial review of WPP's policies and plans	Ongoing	
• Quarterly reviews of the Risk Register	Ongoing	

Ongoing Establishment

Work to be completed	Completed	Comments
• Appoint Private Market Allocators	In progress	Private Debt and Infrastructure Allocators appointed in April 2022. Private Equity Allocator to be approved at the December 2022 JGC.
• Launch of Private Debt & Infrastructure Sub-Funds		Launch due Q1 (January to March) 2023
• Launch of Private Equity Sub-Fund		To be confirmed, either Q1 or Q2 2023
• Launch Sustainable Equities Sub-Fund		Launch due Q1 (January to March) 2023
• Formulate the WPP's Property requirements and optimal means of implementation	In progress	Initial discussions have taken place and work is progressing

• Consultation with CAs on need for further sub-funds	Ongoing	
• Consideration of Local Investment opportunities	Ongoing	

Operator Services

Work to be completed	Completed	Comments
• Operator contract / procurement process	In progress	Procurement work has commenced
• Operator oversight	Ongoing	

Investments and Reporting

Work to be completed	Completed	Comments
• Finalise Voting & Engagement Reporting Requirements	In progress	To be finalised by end of December 2022
• Formulate WPP Engagement Priorities and Implementation Framework	In progress	To be formulated by end of December 2022
• Review Sub-Fund mandates to ensure compatibility with WPP's Responsible Investment and Climate Risk Beliefs	Ongoing	
• Task Force on Climate-related Financial Disclosures (TCFD) reporting		TCFD consultation in process
• Stewardship Code reporting	Yes	2021/22 report submitted on 31 October 2022
• Consider additional reporting that demonstrates WPP's commitment to Responsible Investment	Ongoing	
• On-going Investment Manager performance reporting, scrutiny and challenge	Ongoing	

• Annual review of WPP's Cost Transparency Requirements		Planned for Q1 (January to March) 2023
• Annual performance review of WPP Sub Funds (Equity and Fixed Income)	In Process	To be completed in Q1 (January to March) 2023
• On-going engagement with Constituent Authorities regarding minimum ESG / RI standards and their climate ambitions	Ongoing	

Communication, Training and Reporting

Work to be completed	Completed	Comments
• Formulation of the WPP's Annual Responsible Investment Progress Report	Yes	Report presented at the July 2022 JGC and published on website
• Formulation of the WPP's annual training plan		To be formulated in Q1 (January to March) 2023
• Formulation of the WPP's Annual Update	Yes	2021/22 Annual Update published in September 2022
• Formulation of the WPP's Annual Report	Yes	2021/22 Annual Report published in October 2022

Resources, budget and fees

Work to be completed	Completed	Comments
• Annual review of resources and capacity		To be reviewed in Q1 (January to March) 2023
• Formulation of Annual WPP Budget		To be formulated in Q1 (January to March) 2023
• Review and Monitoring of Fees (including Link & Russell)	Ongoing	

Training Plan

Training topics to be completed during 2022–2023 as per approved 2022-2023 Training Plan and progress to date:

	Completed	Comments
• Private Market Asset Classes & the role of the Allocator	Yes – September 2022	
• Active Sustainable Equities	Yes – September 2022	
• Governance and Administration	Yes – October 2022	
• Roles and Responsibilities	Yes – October 2022	
• What RI means for the WPP		Scheduled for 5 December 2022
• Stewardship Code and TCFD Reporting		Scheduled for 5 December 2022
• Progress of other LGPS Pools		To be arranged – Q1 (Jan to March) 2023
• Collaboration Opportunities		To be arranged – Q1 (Jan to March) 2023

An introductory training session was also held in September 2022 for new JGC members

Budget

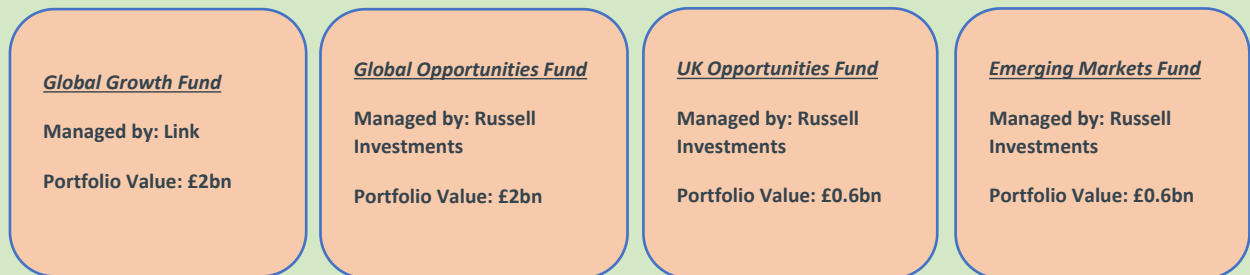
2022-2023 Budget Monitoring Report:

	Budget 2022 – 2023 £000	Forecast 2022 – 2023 £000	Variances 2022 – 2023 £000
Host Authority *	191	178	13
External Advisors *	1,206	1,206	0
TOTAL to be recharged	1,397	1,384	13
Operator Services **	33,319	33,319	0
TOTAL to be deducted from the NAV	33,319	33,319	0

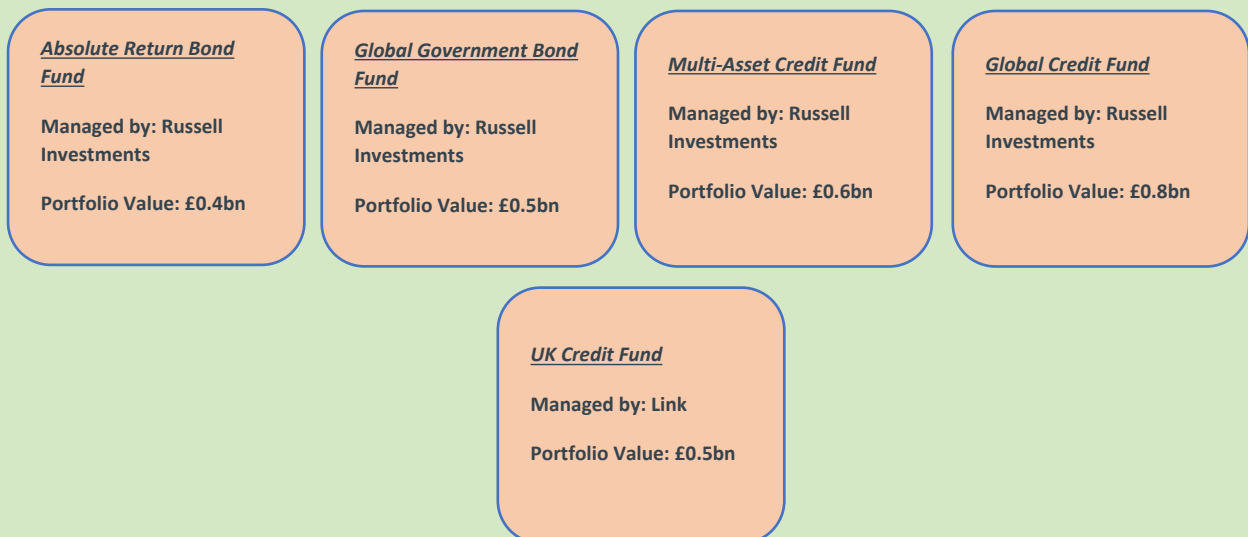
**Host Authority and External Advisor costs are to be funded equally by all eight of the WPP's Constituent Authorities and these will be recharged on an annual basis.*

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

Equity Sub-Funds



Fixed Income Sub-Funds



* Portfolio Values as at launch date



Wales Pension Partnership

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



WALES PENSION PARTNERSHIP JOINT GOVERNANCE COMMITTEE

DATE 5 DECEMBER 2022

SUBJECT

RISK REGISTER Q3 & Q4 2022 REVIEW

RECOMMENDATIONS / KEY DECISIONS REQUIRED:

To approve the amendments to the WPP Risk Register

REASONS:

The Wales Pension Partnership (WPP) Risk Register was formulated and approved by the Joint Governance Committee (JGC) on 17 July 2020. The Officers Working Group (OWG) has carried out quarterly reviews of the register, looking at the Training & Resources and Communication Risks (Q3) and the Investment risks (Q4).

The Q3 review was scheduled to go to the 21 September 2022 JGC meeting however this meeting was cancelled.

Report Author:
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Designation:
Director of Corporate Services

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Council**

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EXECUTIVE SUMMARY
JOINT GOVERNANCE COMMITTEE

DATE 5 DECEMBER 2022

RISK REGISTER Q3 & Q4 2022 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 Q3 2022, a review was undertaken of the Training & Resources and Communication Risks and during Q4 2022 the Investment Risks. The summary sheets attached summarise the review outcomes of each risk.

The OWG has a dedicated WPP Risk Sub-Group to take ownership of the WPP Risk Register and the quarterly review of this document. The next review will take place in Q1 2023 and will focus on risks G.1 to G.8 of the Governance & Regulation Risks section.

DETAILED REPORT ATTACHED?

YES

IMPLICATIONS

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

CONSULTATIONS

Details of any consultations undertaken are to be included here

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

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

WPP Risk Register Update – September 2022 JGC

Risk	Focus of the Risk	Target Risk Score	Current Risk Score	Current Status	Responsible Party	Comments
T.1	The WPP fails to maintain and foster appropriate expertise and knowledge amongst relevant personnel	3	3	👍	OWG	<ul style="list-style-type: none"> Training events have and continue to be undertaken virtually to maintain engagement & attendance levels. Induction training to be delivered to any new members of the JGC. Recording JGC member attendance at WPP training has been added as an additional risk control.
T.2	The WPP makes inappropriate or untimely decisions	4	4	👍	OWG	<ul style="list-style-type: none"> No significant updates
T.3	The WPP fails to attract, appoint and retain personnel, suppliers and providers.	4	4	👍	OWG	<ul style="list-style-type: none"> No significant updates
T.4	Key Personnel Risk at Host Authority	10	10	👍	OWG	<ul style="list-style-type: none"> No significant updates
C.1	The WPP fails to effectively communicate and engage with internal stakeholders.	4	4	👍	OWG	<ul style="list-style-type: none"> The scheme member rep has now been appointed to the JGC. The probability score has been reduced to 1, giving an overall risk score of 4, in line with target.
C.2	The WPP fails to effectively communicate and engage with external stakeholders	4	4	👍	OWG	<ul style="list-style-type: none"> No significant updates
C.3	Advice and relevant information is not presented in a way that aids decisions making	4	4	👍	OWG	<ul style="list-style-type: none"> No significant updates

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Training & Resources 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
T.1	The WPP fails to maintain and foster appropriate expertise and knowledge amongst relevant personnel	•Knowledge gap of new or existing personnel. •Unsatisfactory Training program. •Poor attendance at training events. •Potential for risk to increase during local election period.	Knowledge gaps result in ineffective action, inability to deliver on responsibilities and inappropriate decision making.	WPP Personnel	•Ensure sufficient training takes place •Maintain a mechanism for accessing training requirements •Ensure that new personnel receive appropriate training at the outset of their duties (for example induction training which is now in place) •Publication of WPP Annual Training Plan •Outsourcing training requirements to specialists when required •Outsourcing tasks to expert advisers when required level of expertise cannot be met internally •JGC member attendance to be recorded at each WPP training session	Current				Induction training to be delivered to new JGC members.	OWG	Training events continue to be undertaken virtually to maintain engagement & attendance levels. Training plan in place & in progress. - Recording JGC member attendance at WPP training has been added as an additional risk control.
	Operational / Reputational / Financial			Medium Term		3	1	3				
Target												
		3	1	3								
T.2	The WPP makes inappropriate or untimely decisions.	•Lack of resources. •Relevant WPP personnel have overwhelming and/or conflicting priorities. •Lack of engagement or attendance from relevant personnel. •Decision made are not picked up internally in a timely manner.	The WPP makes inappropriate decisions. Delays in decision making reduces the effectiveness of decisions and/ or leads to a negative impact	WPP Personnel	•Decisions made are noted and assigned to relevant personnel •Meeting attendance and absentees are noted at the commencement of each meeting •Annual review of resource requirements •Use of external suppliers when additional resources are required •Business Plan and Work Plan in place to prioritise key decisions and activities	Current				N/A	OWG	N/A
	Operational / Reputational / Financial			Medium Term		4	1	4				
						Target						
						4	1	4				
T.3	The WPP fails to attract, appoint and retain personnel, suppliers and providers.	•Inappropriate decisions are made due to a lack of input and opinions from relevant personnel, adviser and/ or suppliers. •The WPP makes inappropriate decisions due to a lack of information/ knowledge/ advice. •The WPP has insufficient resources to carry out its work and deliver on its duty to stakeholders.	The WPP is unable to meet the requirements of its key stakeholders. The WPP makes inappropriate decisions which could result in financial loss, inefficiencies, reputational risk.	WPP Personnel	•Timely identification of the WPP's requirements •If a resource requirement is identified, then the relevant resourcing/ procurement exercises are carried out •Use of the National Framework •Regular market engagement to ensure that WPP remains a competitive and attractive employer/ client	Current				N/A	OWG	N/A
	Operational / Reputational / Financial			Medium Term		4	1	4				
						Target						
						4	1	4				
T.4	Key Personnel Risk at Host Authority	•Certain people leave the HA. •HA fails to put in place effective succession plans. •Roles and responsibilities of the HA are too heavily concentrated amongst a limited body of individuals.	HA is unable to provide support to the WPP. No Action or ineffective action is taken leading to financial loss or inefficiencies. Key knowledge and existing relationships are lost.	OWG	•Ensure sufficient training and succession planning takes place •Maintain a mechanism for accessing training requirements amongst existing HA Personnel •Ensure that new personnel receive appropriate training at the outset of their duties •OWG personnel & Hymans are skilled to a point that they could step in to fulfil short term skills gaps. •Robust filing, policies & processes in place to allow for quick & efficient take over.	Current				N/A	OWG	N/A
	Operational/ Reputational / Financial			Short Term		5	2	10				
						Target						
						5	2	10				

Communication 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		
C.1	The WPP fails to effectively communicate and engage with internal stakeholders.	• The WPP internal communication strategies are ineffective or not adhered to.	Inappropriate decisions are made due to a lack of input and opinions from key stakeholders (e.g. views and requirements of Constituent Authorities). The WPP makes inappropriate decisions which could result in inefficiencies, reputational risk, alienation and a loss of engagement from key stakeholders.	WPP Personnel	• The WPP communication policy covers internal communication which is reviewed annually • Use of a documents portal for internal users • Use of multiple communication channels • Regular engagement with internal stakeholders (e.g. meetings, bi-weekly calls and emails) • Regular questionnaires issued to CA's • Regular use of sub-groups where required	Current				-	OWG	The scheme member rep has now been appointed to the JGC. The probability score has been reduced to 1, giving an overall risk score of 4, in line with target.		
	4					1	4							
								Target						
								4					1	4
C.2	The WPP fails to effectively communicate and engage with external stakeholders.	• The WPP fails to articulate its beliefs and objectives to external parties. • The WPP is not forthcoming or active in seeking engagement with relevant external parties. • The WPP Communication Policy is not effective or far reaching enough. • The WPP doesn't have sufficient resources to carry out the required communication and engagement activities.	The WPP fails to incorporate guidance and advise for relevant external parties. External Parties perception of the WPP is unreflective and harmful. The WPP's reputation is negatively impacted.	WPP Personnel	• The WPP communication policy covers external communication which is reviewed annually. • WPP website regularly maintained • Use of external communication channels and press releases • Regular engagement with external stakeholders (e.g. The DLUHC, SAB, Pension Regulator Conference attendance) • Annual WPP update and report published	Current				N/A	OWG	-		
	4					1	4							
								Target						
								4					1	4
C.3	Advice and relevant information is not presented in a way that aids decisions making.	• Advice and information is not adequately targeted to the relevant audience. • The format and presentation of advice and information is not well designed to the audience. • The intended audience and/ or scope of advice & information is unclear. • Insufficient time or resources is given to the formulation and/ or consideration of advice/ information.	The WPP makes inappropriate decisions due to a lack of information and/ or advice. Inappropriate decisions result in inefficiencies/ financial risk and reputational risk	WPP Personnel/ The Operator/ Investment Manager/ Oversight Adviser/ Other Advisers and Suppliers	• WPP personnel, in particular decision makers, are actively encouraged to provide feedback on the relevance and presentation of advice and information • Advice & information is normally presented in at least two formats (verbal and written) • Solely verbal updates are kept to a minimum • Sufficient time and opportunity is given to the asking of clarification questions • Draft advice or information is normal shared with the HA, for a sensibility check, prior to being shared or presented • The WPP's governance structure allows for multiple checks and balance prior to decisions being made	Current				N/A	OWG	-		
	4					1	4							
								Target						
								4					1	4
	Operational / Reputational / Financial			Long Term		4	1	4			Q3 2023	N/A		

WPP Risk Register Update – December 2022 JGC


Risk	Focus of the Risk	Target Risk Score	Current Risk Score	Current Status	Responsible Party	Comments
I.1	The WPP Sub-funds failure to achieve their long term targeted investment returns.	8	12		OWG	<ul style="list-style-type: none"> Cycle of reporting has now been completed but continued monitoring is required in line with current controls.
I.2	One of the WPP's Investment Managers fails/ exits the market, leading to a financial loss to WPP assets.	10	10		OWG	<ul style="list-style-type: none"> A WPP sub-fund review document has been formulated which includes the process for developing new sub-funds, review of sub-funds along with the process for any Manager changes.
I.3	Failure of appointed Custodian may lead to assets not being properly managed resulting in financial and/or information loss in relation to investment assets.	5	5		OWG/Oversight Advisor	<ul style="list-style-type: none"> High level custodian review information is being received from Link and details of the regular monitoring process is expected to be part of the Link Management Information template. In line with this and with increased confidence in Link's monitoring mechanisms, the current and target probability scores have been reduced to 1, with the current score in line with target
I.4	The WPP does not receive or seek expert investment advice when required.	4	4		OWG/Oversight Advisor	<ul style="list-style-type: none"> Work on private markets sub-funds continues to demonstrate the robustness of WPP's collective challenge in the sub fund design stage. This includes additional support from BFinance. Additional resource from Hymans on responsible investment has provided further advice and scrutiny. Current probability scores has been reduced to 1, with the current score now in line with target. This is due to the increased activity in this area and completion of all previous actions.
I.5	The WPP fails to challenge Manager fees, value for money and mandated objectives.	2	2		OWG/Oversight Advisor	<ul style="list-style-type: none"> The findings of the SAB cost transparency exercise have still not been published. Bearing in mind that this is outside of WPP's control and the risk controls in place, the current probability score has been reduced to 1, with the current score in line with target.
I.6	The WPP is subjected to counterparty risk	8	8		The Operator/ Investment Manager / Oversight Advisor	<ul style="list-style-type: none"> The report on counterparty risk is expected to form part of the Link Management Information template. Link have appointed a provider to deliver this report and it is due to be delivered in Q4 2022.

I.7	The WPP puts in place sub-optimal sub-funds.	4	4		The Operator/ Investment Manager / Oversight Advisor	<ul style="list-style-type: none"> There continues to be significant progress in this area. Key activities include: <ul style="list-style-type: none"> Procurement of BFinance to assist the WPP with the allocator appointments for a range of Private Market sub-funds As at 31 March 2022, 72% of all WPP assets are pooled Current probability score has been reduced to 1, with the current score now in line with target. This is due to the increased activity in this area and completion of all previous actions.
I.8	The WPP fails to adequately account for climate change, climate risk and ESG factors.	4	8		OWG/Oversight Advisor	<ul style="list-style-type: none"> There has been significant progress in this area over the past 12 months. Key activities include: <ul style="list-style-type: none"> Robust quarterly reporting of ESG & Climate risk WPP have become signatories of the Stewardship Code following a successful submission in Q4 2021 Annual on-going stewardship code reporting process in place Additional resource from the Oversight Advisor to focus on key RI issues & actions Integration of clear climate change ambitions in the design of private markets sub-funds
I.9	The WPP fails to facilitate investment solutions that enable the Constituent Authorities to meet their investment strategy and objectives.	10	10		Oversight Advisor	<ul style="list-style-type: none"> A WPP sub-fund review document has been formulated which includes the process for developing new sub-funds, review of sub-funds along with the process for any Manager changes.

Investment & Performance Risk

Risk Detail				Current Situation	Scoring			Management and Monitoring				
Risk & Nature of Risk		Cause of Risk	Implications of Risk	Risk Owner & Impact Period	Current Risk Controls	Severity	Probability	Score	Current Status	Action Required	Responsible Party & Review Date	Progress Report/ Comments
I.1	The WPP Sub-funds failure to achieve their long term targeted investment returns.	<ul style="list-style-type: none">Underperformance of the WPP's Investment Managers.Diverse and unforeseen economic conditions and market events.Inappropriate strategic and regional asset allocations.	Loss of confidence in Russell and/or Investment Managers which results in change and additional transition costs	JGC	<ul style="list-style-type: none">Ongoing monitoring of investment performance, market developments and economic outlook reported by the Investment Manager and the Operator and discussed at OWG meetingsBi-annual sub-fund benchmarkingQuarterly reporting on climate & ESG risksACS responsibilities matrix in placeThe Operator/ the Investment Manager engagement with Investment Managers and ongoing reviews of their processManager days hosted by the Operator/ the Investment Manager for OWG/Constituent Authorities Pension Fund Committees	4	3	12		Continued monitoring required over the next 12 months, in line with current controls.	OWG	Cycle of reporting has now been completed but continued monitoring is required in line with current controls.
	Financial			Long Term		4	2	8				
I.2	One of the WPP's Investment Managers fails/ exits the market, leading to a financial loss to WPP assets.	<ul style="list-style-type: none">Investment Manager's business model, internal controls and/ or the external oversight of the Investment Manager fails.	Financial loss to assets held within the WPP.	The Operator/ The Investment Manager	<p>The Operator/The Investment Manager facilitate:</p> <ul style="list-style-type: none">Ongoing monitoring of investment managersQuestioning managers on their internal controls, external regulation, succession/retention policiesEngagement with Investment Managers and the Investment Manager industryMaintaining a shortlist of suitable replacement Managers <p>. Sub-fund review process in place</p> <p>. Rebalancing policy in place</p> <p>. ACS responsibilities matrix in place</p>	5	2	10		N/A	OWG	A WPP sub-fund review document has been formulated which includes the process for developing new sub-funds, review of sub-funds along with the process for any Manager changes.
	Financial			Short Term		5	2	10				
I.3	Failure of appointed Custodian may lead to assets not being properly managed resulting in financial and/or information loss in relation to investment assets.	<ul style="list-style-type: none">Inaccurate recording of asset valuations and transactions.Unsatisfactory safeguarding of assets.External and internal controls fail to prevent fraud or misappropriation.Custodian fails and exists the market, potentially leading to stranded assets.	Financial loss to assets held within the WPP.	The Operator/ OWG	<ul style="list-style-type: none">Robust procurement process overseen by The OperatorAnnual review of custodian prepared by The Operator and presented to OWGAnalysis of Investment Manager Records vs Custodian RecordsMonitor custodian performance on annual basisCustodian regulated by FCAReceipt of annual controls reports from Custodian's External Auditors	5	1	5		N/A	OWG/ Oversight Advisor	High level custodian review information is being received from Link and details of the regular monitoring process is expected to be part of the Link Management Information template. In line with this and with increased confidence in Link's monitoring mechanisms, the current and target probability scores have been reduced to 1, with the current score in line with target
	Financial			Short Term		5	1	5				
I.4	The WPP does not receive or seek expert investment advice when required.	<ul style="list-style-type: none">An external adviser provides inappropriate or unsatisfactory advice to WPP.WPP ignores appropriate advice provided by expert advisers.WPP fails to seek to expert advise.	Inappropriate decisions are implemented which may harm investment performance.	OWG/ JGC	<ul style="list-style-type: none">Robust procurement processesOngoing training for JGC and OWG membersOversight Advisor in place to oversee Investment Advise & decision-making processEngagement with other LGPS Pools and Funds to cross verify suitability of adviceACS responsibilities matrix in place	4	1	4		N/A	OWG/ Oversight Advisor	Work on private markets sub-funds continues to demonstrate the robustness of WPP's collective challenge in the sub fund design stage. This includes additional support from BFinance. Additional resource from Hymans on responsible investment has provided further advice and scrutiny. Current probability scores has been reduced to 1, with the current score now in line with target. This is due to the increased activity in this area and completion of all previous actions.
	Financial			Long Term		4	1	4				

Risk Detail				Current Situation	Scoring			Management and Monitoring				
Risk & Nature of Risk		Cause of Risk	Implications of Risk	Risk Owner & Impact Period	Current Risk Controls	Severity	Probability	Score	Current Status	Action Required	Responsible Party & Review Date	Progress Report/ Comments
I.5	The WPP fails to challenge Manager fees, value for money and mandated objectives.	•Lack of information and transparency from Investment Managers. •Inability to check and challenge Investment Managers and benchmark them relative to market competitors.	Inability to deliver value for money to the WPP's stakeholders.	OWG	•Ongoing monitoring of investment managers fees •Question The Operator, the Investment Manager and Investment Managers on their fees •Demand Transparency from Investment Mangers, the Investment Manager and The Operator on fees •Bi-annual sub fund benchmarking	2	1	2		The WPP will consider the findings of the SAB Cost Transparency exercise, following this the OWG will consider what additional action are required and whether there is a need for further cost transparency exercises. OWG to consider Cost transparency actions and requirements following receipt of SAB information.	OWG/ Oversight Advisor	The findings of the SAB cost transparency exercise have still not been published. Bearing in mind that this is outside of WPP's control and the risk controls in place, the current probability score has been reduced to 1, with the current score in line with target.
	Financial			Medium Term		2	1	2		Q4 2023		
I.6	The WPP is subjected to counterparty risk	•The WPP fails to monitor their counterparty exposure and the probability of counterparty defaults. •A suitable escalation process to deal with excess counterparty exposure is not put in place.	Financial loss to assets held within the WPP, potential legal costs, reputation risk.	OWG/ The Operator/ The Investment Manager/ The Custodian	•Ongoing monitoring of counterparty exposure •Question The Operator, The Investment Manager, Investment Managers and Custodian on the WPP's level of counterparty exposure	4	2	8		The OWG will ask the Operator to formulate an initial counterparty risk report by Q4 2022.	OWG	The report on counterparty risk is expected to form part of the Link Management Information template. Link have appointed a provider to deliver this report and it is due to be delivered in Q4 2022.
	Financial			Short Term		4	2	8		Q4 2023		
I.7	The WPP puts in place sub-optimal sub-funds.	•Insufficient time and resources are allocated to the design and development of sub-funds. •Constituent Authorities do not effectively articulate their requirements and/ or the WPP fails to account for Constituent Authority requirements. •Value for money and/ or cost savings are not given adequate consideration. •Sub-funds with insufficient scale to achieve cost saving are launched. •Manager fee negotiations are ineffective	The WPP provides sub-funds that do not deliver value for money/ cost saving and or the investment requirements of the Constituent Authorities	OWG/ The Operator/ The Investment Manager	•Numerous advisors used in the formulation of sub-funds •Oversight advisor in place to oversee investment strategy and sub-fund design •Numerous checks and balances on the decision-making process and approval of invest strategy and sub-funds •Cost benefit analysis is carried out prior to each sub-fund launch •Use of the Investment Manager's scale and the WPP's scale to negotiate the best Manager fees possible •Frequent consultation with Constituent Authorities on their requirements •Asset held outside of sub-fund if their inclusion in the sub-fund is cost inefficient •Rebalancing policy in place •ACS responsibilities matrix in place	4	1	4		Carry out an annual review of the size of investment in sub funds to ensure they are of a reasonable size Launch of the sustainable equities sub fund	The Operator/ Investment Manager / Oversight Advisor	There continues to be significant progress in this area. Key activities include: • Procurement of bFinance to assist the WPP with the allocator appointments for a range of Private Market sub-funds • As at 31 March 2022, 72% of all WPP assets are pooled Current probability score has been reduced to 1, with the current score now in line with target. This is due to the increased activity in this area and completion of all previous actions.
	Financial			Long Term		4	1	4		Q4 2023		
I.8	The WPP fails to adequately account for climate change, climate risk and ESG factors.	•Lack of knowledge on the impacts of Climate Change, Risk and ESG Factors. •Lack of knowledge on how the impacts of Climate Change, Risk and ESG Factors can be managed. •Poor attendance at training events.	Financial loss to assets held within the WPP and potential for stranded assets.	OWG/ The Operator/ The Investment Manager	•Development of suitable Climate Change, Climate Risk and ESG reporting metrics •Appointment of a proxy voting and engagement provider, who engages with managers and companies on how they manage Climate Change, Climate Risk and ESG factors •Publication of a Responsible Investment policy and Climate Risk Policy •Constant engagement and challenging of Managers on how they account for Climate Risk/ Change and ESG factors •Development of Sub-funds that will allow Constituent Authorities to manage their Climate risk Exposure •Annual Climate Change, Climate Risk or ESG related training event on the WPP Training Plan •Quarterly climate risk reporting •Annual stewardship code reporting	4	2	8		Continue to drive forward the 'net zero agenda', ensuring some consistency across the pool.	OWG/ Oversight Advisor	There has been significant progress in this area over the past 12 months. Key activities include: • Robust quarterly reporting of ESG & Climate risk • WPP have become signatories of the Stewardship Code following a successful submission in Q4 2021 • Annual on-going stewardship code reporting process in place • Additional resource from the Oversight Advisor to focus on key RI issues & actions • Integration of clear climate change ambitions in the design of private markets sub-funds
	Financial			Long Term		4	1	4		Q4 2023		

Risk Detail				Current Situation	Scoring			Management and Monitoring				
Risk & Nature of Risk		Cause of Risk	Implications of Risk	Risk Owner & Impact Period	Current Risk Controls	Severity	Probability	Score	Current Status	Action Required	Responsible Party & Review Date	Progress Report/ Comments
I.9	The WPP fails to facilitate investment solutions that enable the Constituent Authorities to meet their investment strategy and objectives.	<ul style="list-style-type: none">Insufficient time and resources are allocated to engaging with and understanding Constituent Authority needs and requirements.Constituent Authorities do not effectively articulate their requirements and/ or the WPP fails to account for Constituent Authority requirements.Sub-funds are not designed to Constituent Authority requirements.Sub-funds are not flexible enough or able to change to better meet Constituent Authority requirements	The Constituent Authorities refuse to make use of the investment solution provided by the WPP. Consequently, the WPP fails to Pool assets, which may lead to government intervention and or the collapse of the WPP.	OWG/ The Operator/ The Investment Manager/ Oversight Advisor	<ul style="list-style-type: none">The development of further sub-funds is a prioritised item within the WPP's business plan.Frequent consultation with Constituent Authorities on their requirementsConsultation with the Constituent Authorities on the ongoing suitability of existing sub-funds.Numerous advisors used in the formulation of sub-fundsOversight advisor in place to oversee investment strategy and sub-fund designNumerous checks and balances on the decision-making process and approval of invest strategy and sub-funds . Sub fund review document in place	Current				N/A	Oversight Advisor	A WPP sub-fund review document has been formulated which includes the process fordeveloping new sub-funds, review of sub-funds along with the process for any Manager changes.
						5	2	10				
	Target											
	5					2	10					
	Operational/ Reputational			Long Term								

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WALES PENSION PARTNERSHIP JOINT GOVERNANCE COMMITTEE

DATE 5 DECEMBER 2022

<p style="text-align: center;">SUBJECT</p> <p style="text-align: center;">NEW POLICIES / PLANS</p>		
<p>RECOMMENDATIONS / KEY DECISIONS REQUIRED:</p> <p>To approve WPP's Complaints Policy</p>		
<p>REASONS:</p> <p>A Complaints Policy has been developed for the Wales Pension Partnership (WPP) and requires approval by the Joint Governance Committee (JGC).</p>		
<p>Report Author: Chris Moore</p>	<p>Designation: Director of Corporate Services</p> <p>Carmarthenshire County Council</p>	<p>Tel No. 01267 224160</p> <p>E. Mail: CMoore@carmarthenshire.gov.uk</p>

EXECUTIVE SUMMARY
JOINT GOVERNANCE COMMITTEE

DATE 5 DECEMBER 2022

NEW POLICIES / PLANS

BRIEF SUMMARY OF PURPOSE OF REPORT

A Complaints Policy has been developed for the WPP which provides guidance to the Constituent Authorities (CAs) on the procedure to follow in relation to WPP operational and service quality matter complaints. The policy details where complaints should be directed and the procedure to be followed, including the stages involved, the responsible parties, and timescales.

Some key points to note:

- This policy applies to the eight CA's of the WPP.
- This policy does not extend to any parties that do not receive a service directly from the WPP nor does it cover complaints about a WPP service provider.
- This policy relates solely to operational matters and service quality matters.
- The IAA contains a section on the Alternative Dispute Resolution which sets out the process under which any dispute between the CAs in relation to matters covered by the IAA will be resolved. The IAA is ultimately the legal underpinning of the WPP and any complaints or disagreements concerning matters within the IAA should be resolved with reference to the Alternative Dispute Resolution.
- There are 2 stages:
 - Stage 1 – the informal resolution stage which will be dealt with by the Host Authority, and
 - Stage 2 – the formal resolution stage which will be dealt with by either the Officers Working Group or Joint Governance Committee, depending on the nature of the complaint.

DETAILED REPORT ATTACHED?

YES

IMPLICATIONS

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

WPP's Complaints Policy

Introduction

1. This policy applies to the Constituent Authorities ("CAs") of the Wales Pension Partnership ("WPP") who are effectively the clients of the WPP. This definition includes pension committees and pension boards representing the CAs in respect of any services provided by the WPP.
2. This policy does not extend to any parties that do not receive a service directly from the WPP. For example, Scheme members or employers do not have a direct relationship with the WPP and should raise any issues directly with their own LGPS fund.
3. This policy relates solely to WPP operational matters and service quality matters. The WPP has its own governance structure, framework and policies designed to ensure transparency and fairness. Any concern regarding matters of policy or strategy by a CA should be raised through the appropriate governance body in accordance with the Inter Authority Agreement and not under this policy.
4. The Inter Authority Agreement ("IAA") is the legal framework which sets out the relationships between the CAs, including such matters as the operation of the key governance bodies. The IAA contains a section on the Alternative Dispute Resolution which sets out the process under which any dispute between the CAs in relation to matters covered by the IAA will be resolved. The IAA is ultimately the legal underpinning of the WPP and any complaints or disagreements concerning matters within the IAA should be resolved with reference to the Alternative Dispute Resolution. Nothing in the Complaints Policy overrides any provision of the IAA.
5. Any complaint about a service provider to WPP is not covered by this policy. Any such complaint are contractual matters and will be handled on behalf of the WPP by the Host Authority (HA).

Stage 1: informal resolution

6. It is usually preferable to resolve concerns at the first opportunity and without recourse to formal processes. Any complaints should, in the first instance, be directed to the HA for informal investigation. The HA will look into the matter, seek to resolve it and consider how the matter can be avoided in future. In carrying out this stage the HA may call upon any support it deems relevant. This may include, but is not limited to, employees of the HA or external support. A response will, normally, be issued within 10 days, however, if this is not possible the complainant will be informed of a revised timescale for a response.
7. In some cases, it will not be possible to resolve a complaint informally either because the HA does not have the authority to resolve the issue or the complainant remains unsatisfied. Such cases will be considered under Stage 2 formal resolution.

Stage 2: formal resolution

8. Where the complaint relates to a subject that is within the powers of the Officer Working Group (“OWG”) as set out in the IAA, then Stage 2 will be considered by a sub-group of the OWG. The OWG will decide the composition of the sub-group but it must not contain any member, nor involve the input of an officer, representing the CA that is lodging the complaint. In deciding the sub-group, consideration will be given as to whether any CAs or their representative officers have a conflict of interest in relation to the matter being considered.
9. In situations where the complaint relates to a matter that is not within the powers of the OWG to determine, then it will be considered by a sub-group of the Joint Governance Committee (“JGC”). The JGC will decide the composition of the sub-group but it must not contain any member or officer representing the CA that is lodging the complaint. In deciding the sub-group, consideration will be given as to whether any CAs or their representative elected members have a conflict of interest in relation to the matter being considered.
10. A response under Stage 2 will, normally, be issued within 21 days, however, if this is not possible the complainant will be informed of a revised timescale for a response.

Further Information

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

Version 1.1
September 2022



WALES PENSION PARTNERSHIP JOINT GOVERNANCE COMMITTEE

DATE 5 DECEMBER 2022

SUBJECT

ANNUAL POLICY REVIEWS

RECOMMENDATIONS / KEY DECISIONS REQUIRED:

To approve the updated Responsible Investment Policy

REASONS:

The current Responsible Investment Policy was last approved by the JGC in December 2021. An annual review of this policy has taken place and the updated policy requires approval by the JGC.

Report Author:
Chris Moore

Designation:
Director of Corporate Services

**Carmarthenshire County
Council**

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EXECUTIVE SUMMARY
JOINT GOVERNANCE COMMITTEE
DATE 5 DECEMBER 2022

ANNUAL POLICY REVIEWS

BRIEF SUMMARY OF PURPOSE OF REPORT

The Wales Pension Partnership (WPP) have approved several policies / plans which are to be reviewed on an annual basis. This quarter, the OWG have undertaken an annual review of the Responsible Investment (RI) Policy.

The RI Policy was formally approved by the JGC in September 2019 and was reviewed and updated in December 2020 and again in December 2021. Following this year's review, the policy has been updated to include a section on Human Rights (section 5) and point no 8.2 under Stewardship has been extended to include the voting on the pooled passive funds.

If approved, this policy will be updated on the WPP website.

DETAILED REPORT ATTACHED?

YES

IMPLICATIONS

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

CONSULTATIONS

Details of any consultations undertaken are to be included here

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

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

Wales Pension Partnership Responsible Investment Policy

1 Introduction and oversight

- 1.1 The Wales Pension Partnership (“WPP”) is the pooling arrangement for the assets of the eight Welsh Local Government Pension Scheme funds (“Constituent Authorities”).
- 1.2 The investment arrangements of WPP are overseen by a Joint Governance Committee (“JGC”) and supported by an Officer Working Group (“OWG”) and implemented through pooled funds managed by its “Investment Managers”.
- 1.3 The Responsible Investment (“RI”) Sub-Group provides oversight and advice to the OWG and JGC on the development and implementation of this policy. The RI Sub-Group operates under an agreed Terms of Reference.
- 1.4 This document sets out WPP’s policy on RI for all assets invested within the WPP. This policy has been developed by WPP in consultation with the Constituent Authorities.
- 1.5 WPP’s objective in preparing and implementing this policy is to be able to:
 - 1.5.1 demonstrate to its stakeholders that the WPP is a responsible investor; and
 - 1.5.2 enable the Constituent Authorities to substantially deliver their own RI and Social Impact Policies through the WPP.
- 1.6 WPP recognises that RI considerations pose financially material risks to the assets of Constituent Authorities held within WPP. Such considerations are relevant in relation to both the way the assets of Constituent Authorities are invested and in the exercise of stewardship responsibilities.
- 1.7 This policy will be reviewed by WPP on an annual basis and, if necessary, changes to the policy will be proposed to and agreed by the JGC and OWG. In order to inform the policy review, WPP will consult with or otherwise obtain the views and requirements of all Constituent Authorities.
- 1.8 In developing and implementing this policy, WPP will have regard to the Well-being of Future Generations (Wales) Act 2015, the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016 and any relevant guidance provided by the Scheme Advisory Board (“SAB”), the Department for Levelling Up, Housing and Communities, and the Welsh Government.

2 Ambition and beliefs

- 2.1 WPP’s long-term ambition is to demonstrate leadership on RI practices in managing assets for and on behalf of the Constituent Authorities. WPP, in conjunction with the OWG and JGC, will update its annual business plan to ensure that sufficient time and resources are provided to implement the requirements of this policy.

2.2 WPP recognises that the development of beliefs represents best practice for asset owners. In consultation with the Constituent Authorities, the WPP has developed and agreed the following RI beliefs, which serve to underpin its decision-making and governance processes:

- 2.2.1 The RI behaviours we want to see demonstrated by all our stakeholders must be led by WPP;
 - 2.2.2 The integration of environmental, social and governance (ESG) factors, including climate change, into investment processes is a prerequisite for any strategy, given the potential for financial loss;
 - 2.2.3 WPP is most effective as an investor engaging for change from within, particularly in collaboration with other like-minded investors, as opposed to a campaigner lobbying for change from outside;
 - 2.2.4 Our impact on corporate behaviours will be greatest when we speak with one voice;
 - 2.2.5 The effective oversight of RI practices requires clear disclosure and measurement of comprehensive data.
- 2.3 WPP will test adherence of the investment arrangements it implements to these beliefs on an annual basis. WPP will also periodically test the continuing appropriateness of its beliefs.

3 Investment strategy

- 3.1 The Constituent Authorities are individually responsible for setting the investment strategy (and the underlying structure of those strategies, e.g. geographical exposure) for their own funds, which reflect their membership profile and funding position. The investment strategy is the high-level split between asset classes, including, but not limited to, equities, debt, property and infrastructure. The role of WPP is to provide a means for each Constituent Authority to implement its agreed strategy.
- 3.2 WPP openly encourages the Constituent Authorities to develop their own RI policy as part of their investment strategy. WPP has developed and may periodically amend this RI policy to ensure that it complements those of the Constituent Authorities.
- 3.3 WPP will consult with Constituent Authorities on at least an annual basis to determine their individual investment requirements and longer-term aspirations. WPP will use this information to prioritise the development and launch of future investment solutions/funds within the WPP.
- 3.4 In conjunction with its advisers, the WPP will also consider opportunities arising from a greater understanding of ESG factors. These opportunities could include impact and/or sustainability-themed strategies, as well as social-beneficial investments. WPP may propose such opportunities directly for consideration by Constituent Authorities, including strategies that either meet the RI requirements of Constituent Authorities or have the potential to deliver benefit within the regions covered by the Constituent Authorities.

4 Climate change

- 4.1 Climate change presents a systemic risk that has the potential to affect economies, financial returns and demographics. The risks arising from climate change may arise from ESG or other factors and are generally characterised as follows:
- 4.1.1 Physical risks, such as damage to property from flooding or lower precipitation giving rise to crop failure;
 - 4.1.2 Transition risks, being the financial risks arising from changes in policy and technology to adjust to a lower-carbon economy; and
 - 4.1.3 Liability risks, being the potential costs arising from parties who have suffered loss or damage due to climate change seeking compensation from those they hold responsible.
- 4.2 Climate change is increasingly being recognised by regulatory bodies and legislators as an issue that must be explicitly addressed by asset owners and investment managers. The uncertainty arising from climate change has implications for Constituent Authorities through the investments made within WPP.
- 4.3 WPP will engage with its providers to ensure that a common mechanism for monitoring climate-related risks can be developed in respect of all WPP assets. Through this, WPP aims to provide support to Constituent Authorities in developing and implementing their own climate-risk management policies.
- 4.4 WPP will encourage, through its delegates, all investee companies to disclose in line with the requirements of the Task Force on Climate-related Financial Disclosures (“TCFD”).
- 4.5 WPP’s broader approach to addressing climate risk is set out in its climate risk policy.

5 Human rights

- 5.1 Societal expectations of companies with regard to human rights are increasing, as are legal and regulatory obligations. There is an increasing expectation on companies to ensure that they protect human rights in line with international, legal and regulatory obligations on a global scale both directly, and within their supply chains.
- 5.2 The WPP recognises that it has an obligation to respect human rights, as outlined within the UN Guiding Principles on Business and Humans Rights and to encourage good practice that protects against violation and exploitation. This extends to expecting compliance with normative standards and relevant legislation.
- 5.3 Given the complex nature of many human rights issues, the WPP believes that this is most appropriately addressed through the exercise of stewardship. WPP will therefore endeavour to identify and engage organisations on human rights issues both through WPP’s membership of LAPFF and via the engagement activity undertaken by WPP’s Voting and Engagement provider (“V&E Provider”).

- 5.4 The WPP will report on how the engagement activity undertaken by its delegates has addressed human rights issues on an annual basis.

6 Exclusions

- 6.1 WPP has not adopted a policy of exclusionary practices within its underlying active-manager portfolios. However, the WPP recognises that the Constituent Authorities may individually adopt an exclusionary policy.
- 6.2 WPP recognises that active-investment management is by its very nature exclusionary and therefore expects that all the Investment Managers employed within WPP will properly consider climate-related and other ESG risks in decision-making within their respective portfolios.
- 6.3 Constituent Authorities have the ability to invest in passive or other rules-based strategies through WPP's passive Investment Manager, which may follow an exclusionary approach.

7 Implementation of strategy

- 7.1 WPP expects that the Investment Managers employed to manage WPP assets will take account of ESG-risks as part of their investment analysis and decision-making process. WPP further expects its Investment Managers to be able to demonstrate and evidence high standards with regards to their integration of RI considerations. Where necessary, WPP or its delegates will engage with Investment Managers who fail to meet WPP's expectations to agree a plan to address any shortcomings.
- 7.2 WPP expects that, in all relevant circumstances, its Investment Managers will be signatories to the Principles for Responsible Investment ("PRI") and the Financial Reporting Council ("FRC") UK Stewardship Code.
- 7.3 WPP will engage with its Investment Managers on an ongoing basis to ensure that ESG factors are transparently reflected in decision-making processes and that the approach taken to the management of ESG factors can be properly evidenced. WPP expects that such processes extend beyond reliance purely on third-party ratings/data.
- 7.4 Within rules-based or index-tracking mandates managed, WPP recognises the influence of benchmarks on the selection of assets. Where appropriate, WPP will work with its Investment Managers and Constituent Authorities to ensure that the potential implications and impact of ESG factors on different approaches are properly understood.

8 Stewardship

- 8.1 WPP believes that failing to exercise voting or other rights attached to assets could be contrary to the interest of the beneficiaries of the Constituent Authorities. WPP also believes that successful engagement with investee companies can protect and enhance the long-term value of the Constituent Authorities' investments within WPP.

- 8.2 WPP has appointed a V&E Provider to undertake proxy voting on all shares held within WPP sub-funds, as well as the pooled passive funds, and to undertake direct engagement with companies on behalf of WPP.

Voting

- 8.3 WPP has agreed a voting policy with the V&E Provider that is responsible for casting votes on behalf of WPP.
- 8.4 WPP recognises that its passive Investment Manager may adopt a single voting policy across their pooled funds and WPP will review the appropriateness of such a policy on a periodic basis. WPP will engage with its passive Investment Manager and V&E Provider to consider how WPP's voting policy can be extended to assets managed by its passive Investment Manager.
- 8.5 WPP will receive a report on all voting activity, including details of any votes that have not been cast and explanations where votes have not been cast, in accordance with the agreed principles on a quarterly basis. WPP will discuss any issues of concern with its V&E Provider, Investment Managers or other delegates as necessary.
- 8.6 WPP will review the voting policy in conjunction with its V&E Provider, advisers and Investment Managers on an annual basis.
- 8.7 All the Constituent Authorities are members of the Local Authority Pension Fund Forum ("LAPFF"). As members, the Constituent Authorities receive LAPFF Alerts when there is a campaign to vote in a certain way. WPP and its Constituent Authorities have instructed the V&E Provider to give consideration to all such LAPFF Alerts and, where the V&E Provider considers it appropriate, to vote in line with the LAPFF Alert.

Stock lending

- 8.8 WPP has agreed that stock lending will be permitted within WPP's actively managed pooled funds, subject to consultation with Constituent Authorities in respect of each underlying sub-fund at the point of set up. However, WPP will not lend 100% of the holding in any single stock, so WPP can express its views and make a policy stance on any topic it deems worthy though its right to vote.
- 8.9 WPP recognises that stock lending may inhibit the full application of its voting policy as votes may not be cast on stock on loan. WPP will continue to monitor the impact of this policy stance over time and revise its policy if required. WPP also retains the right to recall stock, if required, as part of its stock-lending arrangements.

Shareholder engagement

- 8.10 WPP recognises the broader benefits of engagement on a range of thematic issues and has appointed a V&E Provider to undertake engagement on its behalf. WPP has agreed a set of engagement principles with the V&E Provider, which will be reviewed on an annual basis.

- 8.11 WPP adopts an evidence-based approach to assessing engagement activity. WPP will receive a report on engagement activity undertaken by the V&E Provider on a quarterly basis. WPP will discuss any issues of concern with the V&E Provider.
- 8.12 WPP also considers that, in some cases, its Investment Managers will be well placed to engage with investee-company management due to the existence of research relationships between the managers and underlying investee companies. In such cases, WPP expects that engagement activity will take place through this relationship and that its managers should be able to demonstrate, when challenged, the reason for any engagement activity and the objectives of the engagement. WPP will receive reporting on any engagement undertaken by its Investment Managers on an annual basis.

9 Collaboration

- 9.1 WPP believes that collaboration has an important role in helping the WPP achieve its RI objectives. In conjunction with its V&E Provider, WPP will continually assess potential collaboration opportunities and will inform and seek input from the Constituent Authorities on any such opportunity that it deems to be relevant.
- 9.2 WPP together with all Constituent Authorities are members of the Local Authorities Pension Fund Forum ("LAPFF"). LAPFF undertakes engagement with companies on behalf of all its members.
- 9.3 WPP has an ambition to work collaboratively with other like-minded investors and representative bodies in order to maximise the influence of WPP's assets on investee companies. In conjunction with its V&E Provider, WPP will seek to identify investor-led RI initiatives and collaborations that can be actively supported.
- 9.4 WPP will encourage underlying Investment Managers to participate in or support collaborative engagements where it is deemed to be in the best overall financial interests of Constituent Authorities.
- 9.5 WPP will continue to collaborate with the cross-pool RI collaboration project at any suitable opportunity.

10 Monitoring, Reporting and Measurement

- 10.1 WPP aims to be aware of, and monitor, financially material ESG-related risks and issues within WPP assets. In consultation with Constituent Authorities, Advisers and Investment Managers, WPP has developed appropriate monitoring metrics for existing portfolios and will continue to agree appropriate metrics in respect of all new portfolios. Such metrics include climate-related risk exposures. WPP will require Investment Managers to include such metrics in their quarterly reporting to Constituent Authorities.
- 10.2 WPP will assist Constituent Authorities with the gathering of data and preparation of reporting in line with the requirements of the TCFD framework.

10.3 WPP requires that the RI credentials of all appointed Investment Managers are subject to annual review. In conjunction with the relevant parties, the WPP will develop an appropriate reporting framework for its Investment Managers.

10.4 On an annual basis, the WPP will prepare and publish a report detailing the actions undertaken in fulfilment of this policy and the results achieved, following the principles of the 2020 FRC UK Stewardship Code.

11 Other

11.1 WPP recognises the need for ongoing education for Constituent Authorities on a broad range of investment matters, including RI. As part of its Annual Training Plan, WPP will ensure there is at least one formal training session directly focused on RI.

11.2 WPP will explore the possibility of incorporating the United Nations (“UN”) Sustainable Development Goals (“SDGs”) into its RI beliefs, and its monitoring and measurement mechanisms.

11.3 WPP expects that all Investment Managers employed on behalf of WPP will disclose costs in accordance with the SAB Code of Transparency.

11.4 WPP will review the adherence of all parties to this policy on an annual basis. WPP will publish the results of their assessment in a public report.

12 Further Information

12.1 If you require any further details on the RI Policy, please contact WalesPensionPartnership@carmarthenshire.gov.uk and refer to the WPP website.

October 2022

Glossary

Engagement refers to the process of interaction between an investor (or its delegate) and the management of an investee company with the objective of creating change in how the underlying company is managed or governed.

ESG is used to collectively describe a series of different risk factors arising from Environmental (e.g. resource scarcity, waste management, pollution, energy efficiency), Social (e.g. health & safety, workforce diversity, working conditions, data protection) and Governance (e.g. board structure, business ethics, shareholder rights, executive compensation) issues.

Impact is a term generally used to describe the social or environmental outcome arising from a particular investment or investment decision, being distinct from the associated financial outcome.

Investment Managers refers to those investment managers appointed directly or indirectly by WPP for the purposes of managing assets on behalf of WPP.

Operator means Link Fund Solutions as the appointed operator of the Authorised Contractual Scheme through which sub-funds are implemented for WPP.

PRI is a global network of asset owners, asset managers and service providers that has the objective of advancing RI practices.

Voting & Engagement Provider means an entity that is instructed to advise on and/or cast votes on resolutions on behalf of an asset owner.

RI refers to investment practices that integrate the consideration of ESG factors into investment management processes and ownership practices, recognising that these factors can have a material impact on financial performance.

Stewardship describes the activities of investors in exercising the rights and responsibilities that come with asset ownership. These practices can include voting on shares and engaging with company management, but also includes the oversight of those to whom such responsibilities are delegated.

UK Stewardship Code is a set of principles and provisions produced by the FRC that sets out best practice in stewardship activities by asset owners and asset managers.

UN SDGs are a set of 17 global goals for 2030 set by the UN General Assembly in 2015.



WALES PENSION PARTNERSHIP JOINT GOVERNANCE COMMITTEE

DATE 5 DECEMBER 2022

<p align="center">SUBJECT</p> <p align="center">OPERATOR UPDATE</p>		
<p>RECOMMENDATIONS / KEY DECISIONS REQUIRED:</p> <p>To receive a presentation from the Operator on the progress of the Wales Pension Partnership</p>		
<p>REASONS:</p> <p>The operator to provide an update on the following key areas:</p> <ul style="list-style-type: none"> • Current Fund Holdings • Fund Launch Progress • Corporate Update and Engagement 		
<p>Report Author: Chris Moore</p>	<p>Designation: Director of Corporate Services</p> <p>Carmarthenshire County Council</p>	<p>Tel No. 01267 224160</p> <p>E. Mail: CMoore@carmarthenshire.gov.uk</p>

**EXECUTIVE SUMMARY
JOINT GOVERNANCE COMMITTEE**

DATE 5 DECEMBER 2022

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

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

DETAILED REPORT ATTACHED?

YES

IMPLICATIONS

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

CONSULTATIONS

Details of any consultations undertaken are to be included here

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

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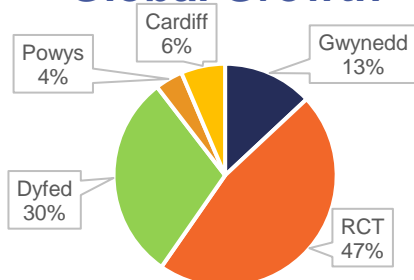
Wales Pension Partnership

Q3 2022 review

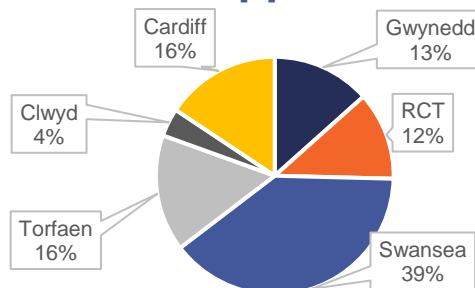
Joint Governance Committee
5 December 2022

September 2022 Fund Snapshot - Equities

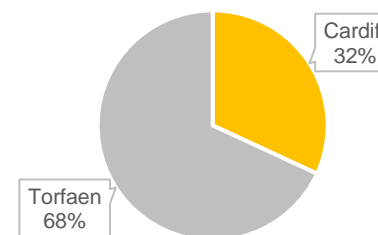
Global Growth



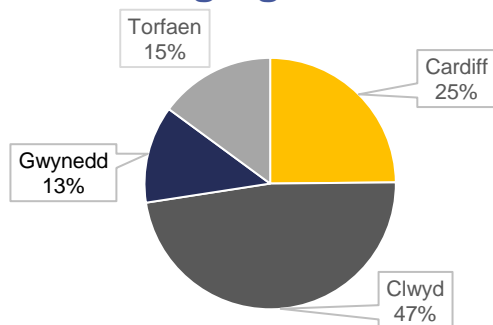
Global Opportunities



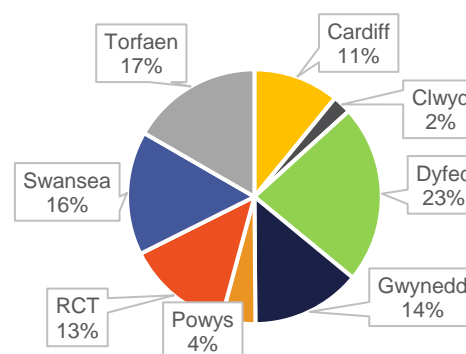
UK Opportunities



Emerging Markets



Passive*

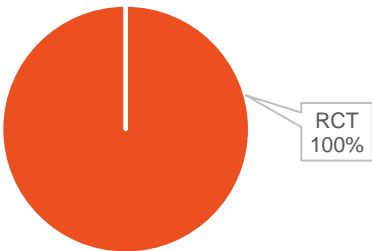


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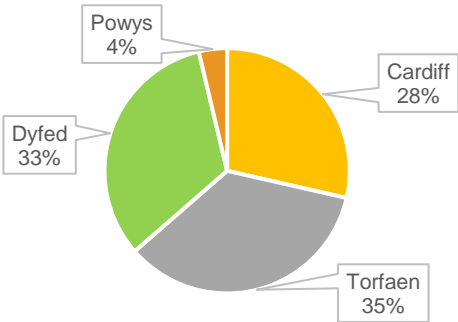
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- Powys
- Gwynedd
- RCT
- Torfaen
- Clwyd
- Swansea
- Cardiff

September 2022 Fund Snapshot - Fixed Income

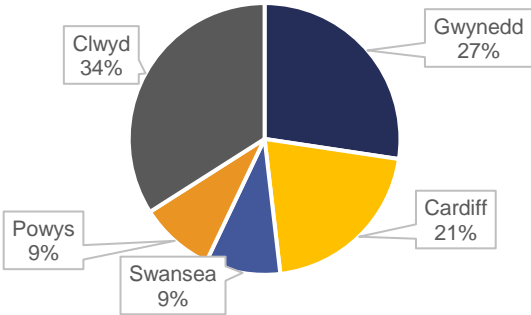
Sterling Credit



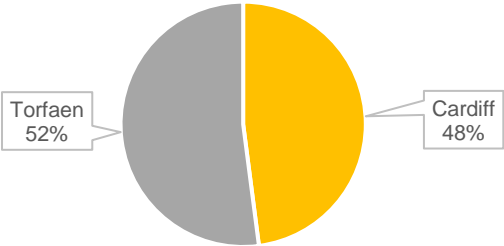
Global Credit



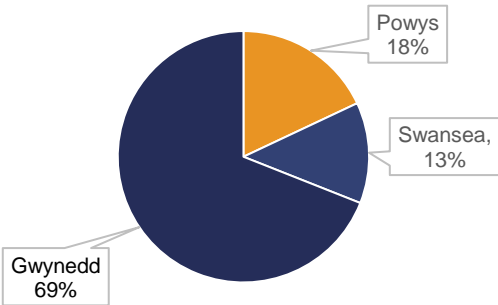
Multi Asset Credit



Global Gov. Bond



Absolute Return Bnd



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

September 2022 LF Wales PP Fund AUM

Fund	AUM	Inception date
Global Growth	£3,000,487,187.59	6 th Feb 2019
Global Opportunities	£3,122,688,711.96	14 th Feb 2019
UK Opportunities	£647,541,621.15	10 th Oct 2019
Emerging Markets	£425,176,820.03	20 th Oct 2021
Sterling Credit	£477,130,542.98	19 th Aug 2020
Global Credit	£659,822,383.54	21 st Aug 2020
Multi Asset Credit	£602,517,347.75	12 th Aug 2020
Global Government Bond	£461,325,109.56	20 th Aug 2020
Absolute Return Bond	£520,717,180.53	30 th Sept 2020
Total Active Investments	£9,917,406,905.09	
Total Passive Investments	£4,945,012,009.12	
Total Pooled Assets	£14,862,418,914.21 as at 30 September 2022	

Fund Launches & Updates

Progress Report

Fund Activity in the Period

Key Achievements & Updates

Fund Launches Progress				
	Overview	Status	Progress in period	Launch / completion dates
New Investment Manager	<ul style="list-style-type: none"> Addition of Intermede to the Global Opportunities fund 	In progress	<ul style="list-style-type: none"> New Investment Manager 'Intermede' live on the 1 November 2022 	Complete
Sustainable Equity fund	<ul style="list-style-type: none"> Establishment of a sustainable equities fund 	In progress	<ul style="list-style-type: none"> Russell Investments presented paper to OWG 1st Feb Number of meetings with Russell and internal investment teams ongoing. LFS Governance forms being completed with Russell assistance All 8 authorities will look to invest into the new fund Timetable provided with potential launch early March 2023, but will look to reduce times where possible Transition Manager evaluation paper to be shared with WPP with preferred TM documented 	Q1-23 (full timetable to be provided)

LFS Corporate Update & Engagement

LFS Corporate Update & Engagement

LFS updates

- Since the last Joint Governance Committee on 8 July 2022 a number of discussions were held regarding the proposed acquisition of Link Group by Dye & Durham Corporation. Despite obtaining all regulatory approvals the deal did not proceed.
- The FCA has issued a draft warning notice to LFSL in respect of the Woodford matter. This states that the FCA has assessed the appropriate penalty as £50m (prior to taking into account any available discount) in addition to a restitution payment of up to £306,096,527. The draft warning notice is not a final decision but signals the start of the FCA's settlement decision process. LFSL are exploring all options, including engaging in settlement discussions with the FCA, and challenging any warning notice that may be issued. Engagement with the FCA continues.
- Link Group announced in October the intention to commence a process to explore divestment options for the Link Fund Solutions business, which includes Link Fund Solutions Limited (LFSL), and that Macquarie Capital and UBS Securities Australia Ltd have been appointed as advisers.

LFS Corporate Update & Engagement

Key Q3 and future WPP Engagement

Link attendance at OWG/JGC meetings in period:

- OWG 12 July 2022
- JGC 8 July 2022

Link attendance at OWG/JGC meetings in next quarter:

- OWG 14 October 2022
- JGC 5 December 2022

Link - Pension Committee attendance in period:

- None

Link - Pension Committee attendance in next quarter :

- None

Other meetings in period

- Host Authority update – occurs bi-weekly
- Working group - occurs bi-weekly
- WPP briefing / training session – (First session)

Other meetings in next quarter

- Host Authority update – occurs bi-weekly
- Working group - occurs bi-weekly
- WPP Training Session 2022/23 (Second training session)
- MI meeting scheduled for October
- Pension Board Chairs Engagement meeting 26 October 2022

LFS Engagement Protocol

Business as Usual

Strategic Relationship Review	Frequency	Objective
	<ul style="list-style-type: none"> ▪ Bi-annual 	<ul style="list-style-type: none"> ▪ Ensure strategic alignment between Host Authority and Link
WPP Attendees <ul style="list-style-type: none"> ▪ Chris Moore ▪ Anthony Parnell ▪ Two Section 151 / Deputy Section 151 officers 		Link Attendees <ul style="list-style-type: none"> ▪ Karl Midl, Managing Director ▪ Richard Thornton, Head of Relationship Management, Asset Owners
JGC Engagement	Frequency	Objective
	<ul style="list-style-type: none"> ▪ Quarterly 	<ul style="list-style-type: none"> ▪ Engage with JGC on pertinent matters and strategic deliverables
WPP Attendees <ul style="list-style-type: none"> ▪ Joint Governance Committee (JGC) 		Link Attendees <ul style="list-style-type: none"> ▪ Karl Midl, Managing Director / Adam Tookey, Head of Product – as required ▪ Richard Thornton, Head of Relationship Management, Asset Owners ▪ James Zealander, Senior Relationship Manager ▪ Russell Investments
OWG Engagement	Frequency	Objective
	<ul style="list-style-type: none"> ▪ Every 2 Months 	<ul style="list-style-type: none"> ▪ Identify and deliver on opportunities to improve and expand the relationship ▪ Provide update on open projects or issues ▪ Monthly KPI Review (Data supplied monthly)
WPP Attendees <ul style="list-style-type: none"> ▪ Officers Working Group (OWG) 		Link Attendees <ul style="list-style-type: none"> ▪ James Zealander, Senior Relationship Manager ▪ Richard Thornton, Head of Relationship Management, Asset Owners ▪ Alistair Coyle/Heidi Robinson, Relationship Managers (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
	<ul style="list-style-type: none"> ▪ Bi-Weekly 	<ul style="list-style-type: none"> ▪ Regular Host Authority – LFS to discuss deliverables and business updates
WPP Attendees <ul style="list-style-type: none"> ▪ Anthony Parnell ▪ Tracey Williams 		<ul style="list-style-type: none"> ▪ Richard Thornton, Head of Relationship Management, Asset Owners ▪ James Zealander, Senior Relationship Manager ▪ Alistair Coyle/Heidi Robinson, Relationship Managers (as required) ▪ Clair Baguley, Client Service Manager (as required)
WPP Working Group	Frequency	Objective
	<ul style="list-style-type: none"> ▪ Bi-Weekly 	<ul style="list-style-type: none"> ▪ Regular project call to discuss progress of deliverables
WPP Attendees <ul style="list-style-type: none"> ▪ Officers Working Group (OWG) ▪ Hymans 		<ul style="list-style-type: none"> ▪ Link Client Team ▪ Northern Trust ▪ Russell Investments ▪ Other consultants (e.g. bFinance)
Annual Shareholder Day	Frequency	Objective
	<ul style="list-style-type: none"> ▪ Annual 	<ul style="list-style-type: none"> ▪ Open day for presentations on strategy and performance (with IM)
<ul style="list-style-type: none"> ▪ Open to all involved parties 		<ul style="list-style-type: none"> ▪ 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
	<ul style="list-style-type: none"> ▪ Annual 	<ul style="list-style-type: none"> ▪ General update on the ACS and planned initiatives
Individual Pension Fund Committee meetings		<ul style="list-style-type: none"> ▪ James Zealander, Senior Relationship Manager ▪ Alistair Coyle/Heidi Robinson, Relationship Managers (as required) ▪ Richard Thornton, Head of Relationship Management, Asset Owners ▪ Russell Investments

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WALES PENSION PARTNERSHIP JOINT GOVERNANCE COMMITTEE

DATE 5 DECEMBER 2022

SUBJECT

PERFORMANCE REPORTS AS AT 30 SEPTEMBER 2022

RECOMMENDATIONS / KEY DECISIONS REQUIRED:

To note the performance reports of the following sub funds as at 30 September 2022:

- **Global Opportunities Equity Fund**
- **Global Growth Equity Fund**
- **Emerging Markets 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 30 September 2022.

Report Author:
Chris Moore

Designation:
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EXECUTIVE SUMMARY

JOINT GOVERNANCE COMMITTEE

DATE 5 DECEMBER 2022

PERFORMANCE REPORTS AS AT 30 SEPTEMBER 2022

BRIEF SUMMARY OF PURPOSE OF REPORT

Northern Trust have provided performance reports for the WPP's sub funds as at 30 September 2022.

Performance - Inception to date:

Global Opportunities Fund	Gross of Fees (%)	Net of Fees (%)
Actual	10.71	10.38
Benchmark	8.98	8.98
Excess Return	1.73	1.40

Global Growth Fund	Gross of Fees (%)	Net of Fees (%)
Actual	8.07	7.66
Benchmark	9.35	9.35
Excess Return	(1.27)	(1.69)

Emerging Markets Fund	Gross of Fees (%)	Net of Fees (%)
Actual	(13.58)	(13.90)
Benchmark	(12.59)	(12.59)
Excess Return	(0.99)	(1.31)

UK Opportunities Fund	Gross of Fees (%)	Net of Fees (%)
Actual	(1.22)	(1.61)
Benchmark	1.32	1.32
Excess Return	(2.53)	(2.93)

Global Government Bond Fund	Gross of Fees (%)	Net of Fees (%)
Actual	(6.27)	(6.49)
Benchmark	(7.33)	(7.33)
Excess Return	1.06	0.84

Global Credit Fund	Gross of Fees (%)	Net of Fees (%)
Actual	(8.15)	(8.30)
Benchmark	(8.27)	(8.27)
Excess Return	0.12	(0.03)

Multi Asset Credit Fund	Gross of Fees (%)	Net of Fees (%)
Actual	(4.37)	(4.70)
Target *	4.39	4.39

Absolute Return Bond Strategy Fund	Gross of Fees (%)	Net of Fees (%)
Actual	1.26	0.97
Target *	2.40	2.40

UK Credit Fund	Gross of Fees (%)	Net of Fees (%)
Actual	(10.07)	(10.18)
Target *	(10.61)	(10.61)

* EXCESS RETURN IS NOT SHOWN AS THIS IS A TARGET

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

- Global Opportunities – outperformed by 1.73% gross / 1.40% net
- Global Growth – underperformed by 1.27% gross / 1.69% net
- Emerging Markets – underperformed by 0.99% gross / 1.31% net
- UK Opportunities – underperformed by 2.53% gross / 2.93% net
- Global Government Bond – outperformed by 1.06% gross / 0.84% net
- Global Credit – outperformed by 0.12% gross / underperformed by 0.03% net

The MAC and ARB funds did not meet their targets.

The UK Credit fund exceeded its target.

CONSULTATIONS

Details of any consultations undertaken are to be included here

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

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

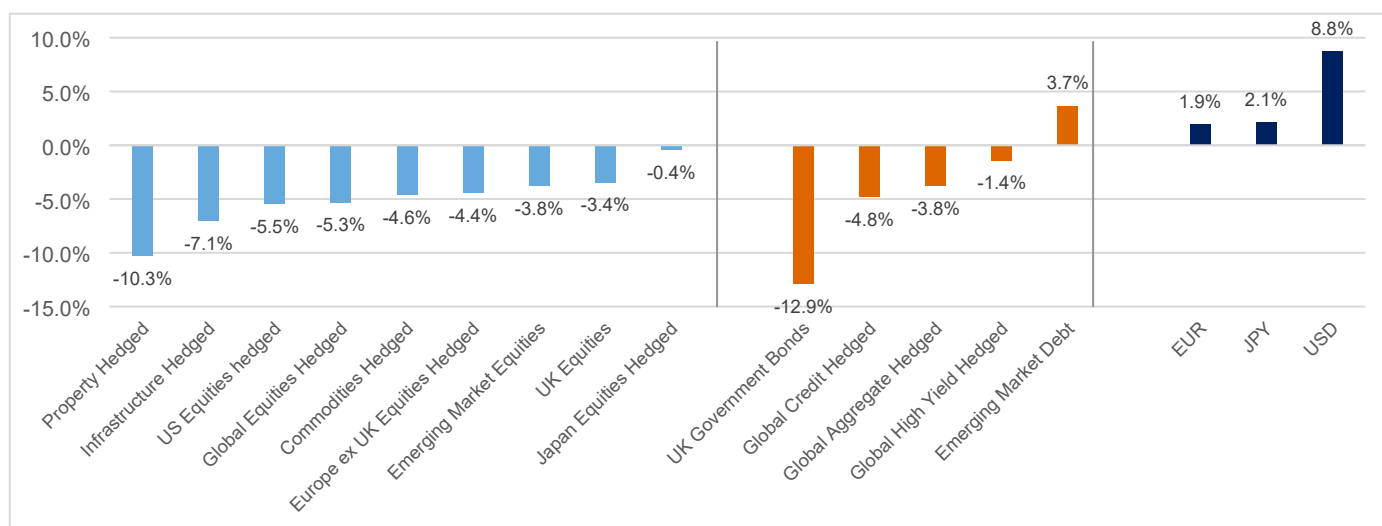
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JGC - WPP Performance Summary Q3 2022

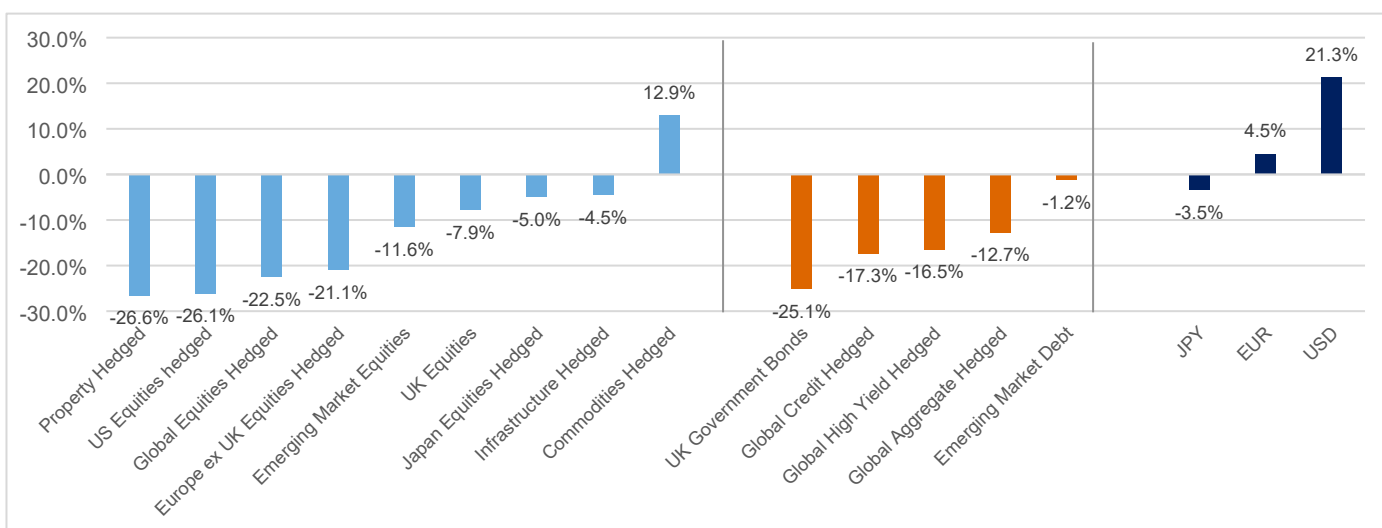
Global Market Commentary

The MSCI World Net Index declined for a third-consecutive quarter – the longest negative run since 2008/9. The index rebounded in the first half of the quarter, before experiencing a sell off across the rest of the period to end at its lowest level since September 2020. Investors anticipated a prolonged higher interest rate environment and negative economic growth as central banks combatted persistently high inflation. The US Federal Reserve (Fed), Bank of England (BoE) and European Central Bank (ECB) hiked rates, whilst increases by central banks in Switzerland, Sweden and Denmark marked an end to negative rates in Europe. Meanwhile, Japan's steadfast commitment to accommodative policy was a standout outlier. The US dollar (USD) continued to strengthen in this environment, particularly in September, on the back of its perceived "safe haven" status and the Fed's restrictive policy outlook.

Asset class performance – Quarter to Date (September) 2022



Asset class performance – Year to Date (September) 2022



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	2.80	-1.15	10.71
Net	2.75	-1.38	10.38
MSCI AC World Index Net	1.37	-4.17	8.98
Excess returns (gross)	1.43	3.02	1.73

Inception Date: COB 14th February 2019

Overall Fund Commentary

The Fund registered positive absolute returns over the third quarter and finished ahead of the benchmark on a relative basis. Growth – the worst-performing factor over the year-to-date – outperformed this period, whereas value underperformed the broader index return. Small cap stocks outperformed large cap names. As such, growth managers Morgan Stanley and SW Mitchell outperformed significantly over the period. This was closely followed by Emerging Market mandate Oaktree, which benefited from its underweight to value and exposure to momentum. The multi-factor approach of Jacobs Levy also held up well, whilst value managers Sanders and Nissay (Japanese value) detracted.

Global Growth Equity Fund:

	Three Months	1 Year	Since Inception
Gross	-0.80	-12.07	8.07
Net	-0.88	-12.40	7.66
MSCI AC World Index Net	1.37	-4.17	9.35
Excess returns (gross)	-2.17	-7.90	-1.27

Inception Date: 6th February 2019

Overall Fund Commentary

The Fund underperformed its benchmark in the third quarter. The rebound in growth during Q3 saw Baillie Gifford outperform marginally from what has been a very difficult year, although the fund's allocation to China continued to detract from performance. Both Veritas and Pzena underperformed. The underperformance from Veritas was driven in particular by a fall in one of its largest holdings Charter communications which underperformed by over 30%. Pzena underperformed due to their value bias that underperformed as a style in the quarter. Holdings in oil services stocks such as Halliburton and Baker Hughes suffered profit taking after stellar returns in 2022.

EM Market Commentary

The MSCI Emerging Markets (EM) Index declined. Despite positive August performance, the market declined for a fifth-successive quarter and lagged developed markets as wider investor uncertainty weighed on the asset class. Within EM, investor concerns of an economic slowdown in China became more pronounced, partially driven by the government's zero-Covid policy and continued lockdown restrictions. The US dollar continued to strengthen this quarter, particularly in September, on the back of restrictive Federal Reserve policy as well as its perceived "safe haven" status.

Emerging Market Equity Fund:

	Three Months	Since Inception
Gross	-3.54	-13.58
Net	-3.60	-13.90
MSCI Emerging Market Index	-3.80	-12.59
Excess returns (gross)	0.25	-0.99

Inception Date: COB 29th October 2021

Overall Fund Commentary

The Fund outperformed the negative benchmark return. Despite positive August performance, Emerging Markets (EM) declined for a fifth-successive quarter and lagged developed markets as wider investor uncertainty weighed on the asset class. Artisan's finished ahead of the benchmark despite an unfavourable factor environment for its growth strategy. Axiom underperformed as a tilt towards growth did not suit the market environment. Barrow Hanley extended its recent outperformance through the effective selection of value stocks. China specialist Bin Yuan marginally underperformed its benchmark. Quant manager Numeric finished behind the benchmark for the quarter, despite its systematic exposure to value being beneficial in the current market environment. Oaktree outperformed on the back of a favourable environment for its value tilt.

UK Market Commentary

The FTSE All Share Index fell in the third quarter of 2022, as the era of accommodative interest rates and in some cases, negative rates, truly ended. Political developments created uncertainty within the UK. Liz Truss became the new prime minister after beating rival Rishi Sunak to succeed Boris Johnson as the leader of the Conservative party. New Chancellor of the Exchequer, Kwasi Kwarteng, promoted a growth plan with unexpected and unfunded tax cut proposals. Fears of unsustainable debt levels caused sterling to slump to near 40-year lows against the USD and government bond yields to spike higher, forcing the BoE into an emergency bond market intervention in September. There was less volatility within equities, although the wider economic slowdown provided little support and the region lagged in USD terms.

UK Opportunities Equity Fund:

	Three Months	1 Year	Since Inception
Gross	-3.82	-14.95	-1.22
Net	-3.88	-15.25	-1.61
FTSE All Share	-3.45	-4.00	1.32
Excess returns (gross)	-0.37	-10.95	-2.53

Inception Date: COB 11th October 2019

Overall Fund Commentary

The Fund underperformed the negative benchmark return. Political developments created uncertainty within the UK. Within this environment, the Fund's underweight to mega cap stocks remained a headwind. Selection within the materials, consumer staples and consumer discretionary sectors detracted. However, growth managers Baillie Gifford and Liontrust outperformed, benefitting from their growth orientation. Majedie finished behind the benchmark, despite the favourable environment for its overweight growth exposure. Ninety One finished behind the benchmark, on the back of its value exposure and small-cap preference. Lazard's overweight to small-mid cap stocks and J O Hambro overweight to the small-cap spectrum was not suited the prevailing market environment.

Fixed Income Market Commentary

The Bloomberg Global Aggregate Bond Index (USDH) declined in a volatile quarter. The index performed well in July, before entering a bear market for the first time in twenty years. The US Federal Reserve (Fed), Bank of England (BoE) and European Central Bank (ECB) hiked rates, whilst increases by central banks in Switzerland, Sweden and Denmark marked an end to negative rates in the wider European region. The reason for this broad hawkish momentum was unambiguous – persistently high inflation. The Fed's eyes were on inflation and predictably raised its interest rate to 3.25% by end of September, the highest level since 2008. In mainland Europe, the ECB raised rates for the first time since 2011. The benchmark German 10-year bund yield increased 77 bps to 2.11%.

Global Government Bond Fund:

	Three Months	1 Year	Since Inception
Gross	-4.51	-12.82	-6.27
Net	-4.57	-13.06	-6.49
FTSE World Gvt Bond Index (GBP Hedged)	-4.31	-13.16	-7.33
Excess returns (gross)	-0.20	0.34	1.06

Inception Date: COB 19th August 2020

Overall Fund Commentary

The Fund underperformed the negative benchmark return. Fixed Income markets experienced a volatile and negative quarter. Within this environment, the Fund's exposure to short-dated UK gilts detracted from relative returns. However, the underweights to core European and US duration suited the market environment. BlueBay underperformed. UK duration positioning detracted on aggregate, with exposure to select shorter-dated gilts unrewarded in a period where investors re-rated their expectations of monetary policy tightening. Colchester outperformed this quarter. The underweight to US duration, including benchmark 10-year Treasuries, was the primary driver of outperformance.

Global Credit Fund:

	Three Months	1 Year	Since Inception
Gross	-4.77	-18.49	-8.15
Net	-4.82	-18.64	-8.30
Bloomberg Barclays Global Agg Credit Index (GBP Hedged)	-4.80	-17.38	-8.27
Excess returns (gross)	0.02	-1.11	0.12

Inception Date: COB 20th August 2020

Overall Fund Commentary

The Fund slightly outperformed the negative benchmark return this quarter. Within this quarter's challenging environment, the Fund's overweight to US high yield credit contributed to relative performance. Within Europe, an overweight to investment grade credit was rewarded. The Fund's EMD positioning was an additional contributor and included underweights to Asia and the Middle East. European specialist Fidelity underperformed. An overweight to the benchmark 10-year core eurozone bund was a key driver of underperformance. US specialist MetLife finished in-line with the benchmark. The overweight to high yield industrials and financials was rewarded this period. T Rowe Price finished in-line with the benchmark. Overweights to US high yield and investment grade credit suited the market environment. Western marginally underperformed.

Multi Asset Credit Fund:

	Three Months	1 Year	Since Inception
Gross	-3.89	-16.08	-4.37
Net	-3.97	-16.32	-4.70
3 Month GBP Sonia + 4%	1.38	4.76	4.39

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 recorded a negative return this quarter. Barings recorded a negative return. Whilst high yield spreads (HY) tightened slightly, the sector remained highly challenging amid global market volatility. Multi-sector specialist BlueBay recorded a negative return. Overweight exposure to US and EU corporate HY was positive. European loans specialist ICG recorded a negative return. Man GLG recorded a negative return in the prevailing market environment. Securitised specialist Voya recorded a positive return. The overweight to agency credit risk transfers was the key performance driver in the prevailing market environment.

Absolute Return Bond Strategy Fund:

	Three Months	1 Year	Since Inception
Gross	0.19	0.22	1.26
Net	0.16	0.09	0.97
3 Month GBP Sonia + 2%	0.89	2.74	2.40

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 recorded a small negative return this quarter. Both US investment grade (IG) credit and EU IG credit spreads widened. In the week ended September 28th, IG bond funds experienced \$10.3 billion in outflows, the third-largest outflow ever, only behind the latter weeks of March 2020. Aegon recorded a negative return in a period where credit spreads widened. Demand for European asset-back securities subsided over the period amid negative investor sentiment, notably in the latter stages in September after the UK's mini-budget announcement, which roiled markets. Insight recorded a positive return. Yield curve was positive for performance. The main contributor was a 2s10s flattener in Germany. Mortgage prepayment specialist Putnam recorded a negative return. Prepayment strategies were the primary detractor during the period, driven by our agency interest-only (IO) and inverse IO holdings. Wellington also recorded a negative return.

Sterling Credit Fund:

	Three Months	1 Year	Since Inception
Gross	-10.17	-20.86	-10.07
Net	-10.20	-20.97	-10.18
ICE Bank of America Merrill Lynch Euro-Sterling Index plus 0.65%	-11.36	-21.62	-10.61

Performance Target is ICE Bank of America Merrill Lynch Euro-Sterling Index plus 0.65%. we have not shown excess return as this is a target.

Inception Date: COB 19th August 2020

Overall Fund Commentary

The third quarter of 2022 has been very challenging for fixed income sterling credit strategy. Despite credit spreads finishing the quarter at similar levels to those observed at the beginning of the quarter, sterling bonds exhibited double digit negative returns due to the significant increase in interest rates, amid increasing inflation pressure, political crisis, and Bank of England's rate hikes. As a result, government yields increased by about 230 bps over the quarter explaining mostly the negative performance. Despite the difficult context, the Sterling Credit Fund outperformed beat its objective, benchmark +0.65%, by 1.2% in the third quarter of 2022.

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Wales Pension Partnership

Investment Risk & Analytical Services

September 30, 2022

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SECTION 1

Wales Pension Partnership

Investment Risk & Analytical Services

September 30, 2022

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Investment Hierarchy

Account/Group	Ending Market Value GBP	Ending Weight	% Rate of Return					Inception to Date	Inception Date
			One Month	Three Months	One Year				
Wales Pension Partnership	9,922,517,348	100.00	-5.38	-1.08	-9.74			5.87	06/02/2019
Equity	7,199,668,152	72.56	-5.70	0.30	-7.81			8.63	06/02/2019
Global Growth Fund	3,002,059,424	30.26	-6.57	-0.80	-12.07			8.07	06/02/2019
MSCI ACWI ND			-5.74	1.37	-4.17			9.35	06/02/2019
Excess Return			-0.83	-2.17	-7.90			-1.27	06/02/2019
Emerging Markets Equity Fund	425,468,636	4.29	-6.77	-3.54	-			-13.58	29/10/2021
MSCI Emerging Markets Index			-7.98	-3.80	-			-12.59	29/10/2021
Excess Return			1.22	0.25	-			-0.99	29/10/2021
Global Opportunities Equity	3,124,281,227	31.49	-4.59	2.80	-1.14			10.71	14/02/2019
MSCI ACWI ND			-5.74	1.37	-4.17			8.98	14/02/2019
Excess Return			1.16	1.43	3.02			1.73	14/02/2019
UK Opportunities Equity	647,858,865	6.53	-6.28	-3.82	-14.95			-1.22	11/10/2019
FTSE All-Share			-5.88	-3.45	-4.00			1.32	11/10/2019
Excess Return			-0.41	-0.37	-10.95			-2.53	11/10/2019
Fixed Income	2,722,849,196	27.44	-4.52	-4.61	-14.44			-5.85	11/08/2020
Absolute Return Bond Fund	520,974,227	5.25	-0.13	0.19	0.22			1.26	30/09/2020
3 month GBP Sonia plus 2%			0.32	0.89	2.74			2.40	30/09/2020
Excess Return			-0.44	-0.70	-2.53			-1.14	30/09/2020
Sterling Credit Fund	477,276,897	4.81	-8.32	-10.17	-20.86			-10.07	19/08/2020
ICE BofA ML Eur-Stg plus 0.65%			-8.42	-11.36	-21.62			-10.61	19/08/2020
Excess Return			0.10	1.19	0.77			0.54	19/08/2020
Multi Asset Credit Fund	602,858,046	6.08	-4.77	-3.89	-16.08			-4.37	11/08/2020
3 month GBP Sonia plus 4%			0.48	1.38	4.76			4.39	11/08/2020
Excess Return			-5.25	-5.27	-20.83			-8.76	11/08/2020
Global Government Bond Fund	461,701,165	4.65	-4.01	-4.51	-12.82			-6.27	19/08/2020
FTSE WGBI Index			-3.34	-4.31	-13.16			-7.33	19/08/2020
Excess Return			-0.68	-0.20	0.34			1.06	19/08/2020
Global Credit Fund	660,038,861	6.65	-5.12	-4.77	-18.49			-8.15	20/08/2020
BBG Global Aggregate Credit Index hedged into GBP			-4.62	-4.80	-17.38			-8.27	20/08/2020
Excess Return			-0.50	0.02	-1.11			0.12	20/08/2020

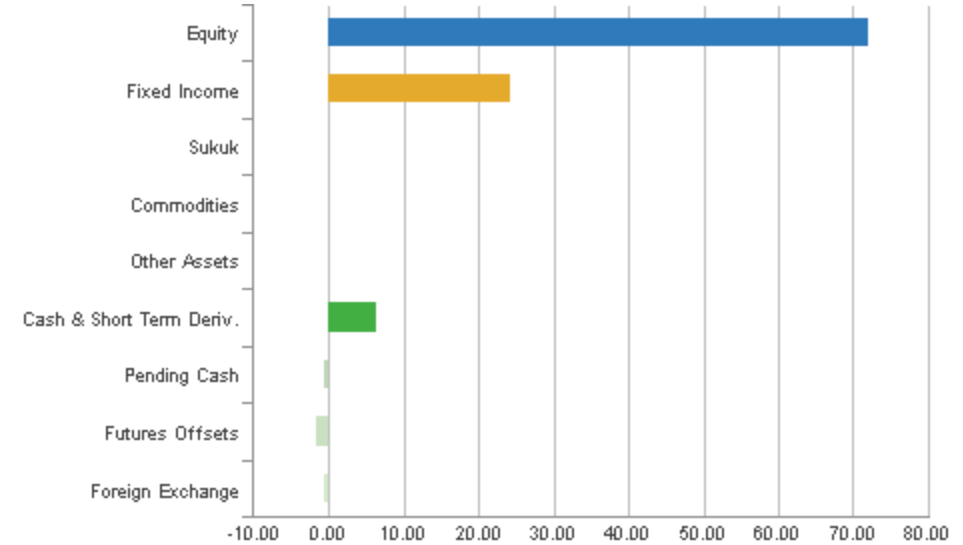
Wales Pension Partnership Summary

Account/Group -Rate of Return	E.MV-GOF	End Wt	1 Mo	3 Mos	1 Yr	ITD	Inc Date
Wales Pension Partnership	9,922,517,348	100.00	-5.38	-1.08	-9.74	5.87	06/02/2019
Equity	7,199,668,152	72.56	-5.70	0.30	-7.81	8.63	06/02/2019
Global Growth Fund	3,002,059,424	30.26	-6.57	-0.80	-12.07	8.07	06/02/2019
Emerging Markets Equity Fund	425,468,636	4.29	-6.77	-3.54	-	-13.58	29/10/2021
Global Opportunities Equity	3,124,281,227	31.49	-4.59	2.80	-1.14	10.71	14/02/2019
UK Opportunities Equity	647,858,865	6.53	-6.28	-3.82	-14.95	-1.22	11/10/2019
Fixed Income	2,722,849,196	27.44	-4.52	-4.61	-14.44	-5.85	11/08/2020
Absolute Return Bond Fund	520,974,227	5.25	-0.13	0.19	0.22	1.26	30/09/2020
Sterling Credit Fund	477,276,897	4.81	-8.32	-10.17	-20.86	-10.07	19/08/2020
Multi Asset Credit Fund	602,858,046	6.08	-4.77	-3.89	-16.08	-4.37	11/08/2020
Global Government Bond Fund	461,701,165	4.65	-4.01	-4.51	-12.82	-6.27	19/08/2020
Global Credit Fund	660,038,861	6.65	-5.12	-4.77	-18.49	-8.15	20/08/2020

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



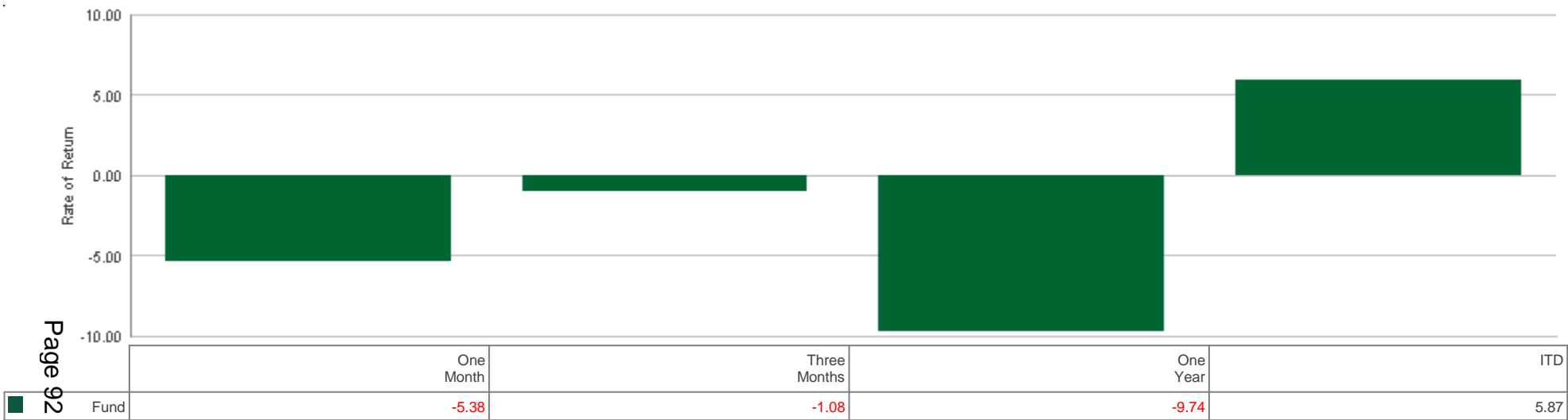
ASSET CLASS ENDING WEIGHTS



Total Fund Gross of Fees

Account/Group -Rate of Return	E.MV-GOF	End Wt	1 Mo	3 Mos	1 Yr	ITD	Inc Date
Wales Pension Partnership	9,922,517,348	100.00	-5.38	-1.08	-9.74	5.87	06/02/2019
Equity	7,199,668,152	72.56	-5.70	0.30	-7.81	8.63	06/02/2019
Global Growth Fund	3,002,059,424	30.26	-6.57	-0.80	-12.07	8.07	06/02/2019
Emerging Markets Equity Fund	425,468,636	4.29	-6.77	-3.54	-	-13.58	29/10/2021
Global Opportunities Equity	3,124,281,227	31.49	-4.59	2.80	-1.14	10.71	14/02/2019
UK Opportunities Equity	647,858,865	6.53	-6.28	-3.82	-14.95	-1.22	11/10/2019
Fixed Income	2,722,849,196	27.44	-4.52	-4.61	-14.44	-5.85	11/08/2020
Absolute Return Bond Fund	520,974,227	5.25	-0.13	0.19	0.22	1.26	30/09/2020
Sterling Credit Fund	477,276,897	4.81	-8.32	-10.17	-20.86	-10.07	19/08/2020
Multi Asset Credit Fund	602,858,046	6.08	-4.77	-3.89	-16.08	-4.37	11/08/2020
Global Government Bond Fund	461,701,165	4.65	-4.01	-4.51	-12.82	-6.27	19/08/2020
Global Credit Fund	660,038,861	6.65	-5.12	-4.77	-18.49	-8.15	20/08/2020

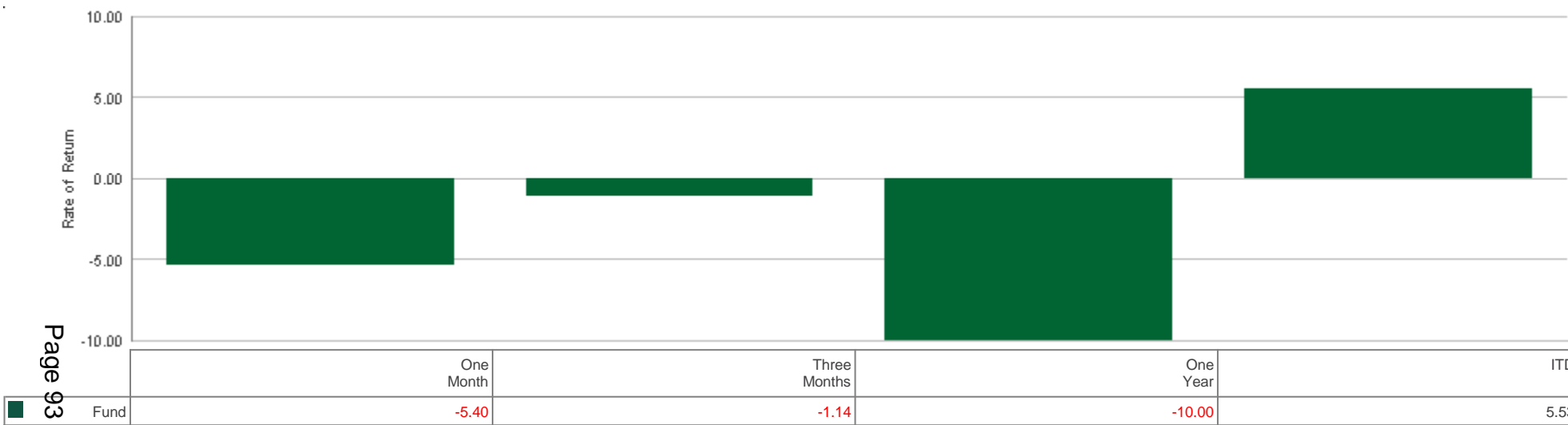
WALES PENSION PARTNERSHIP TOTAL FUND GROSS OF FEES



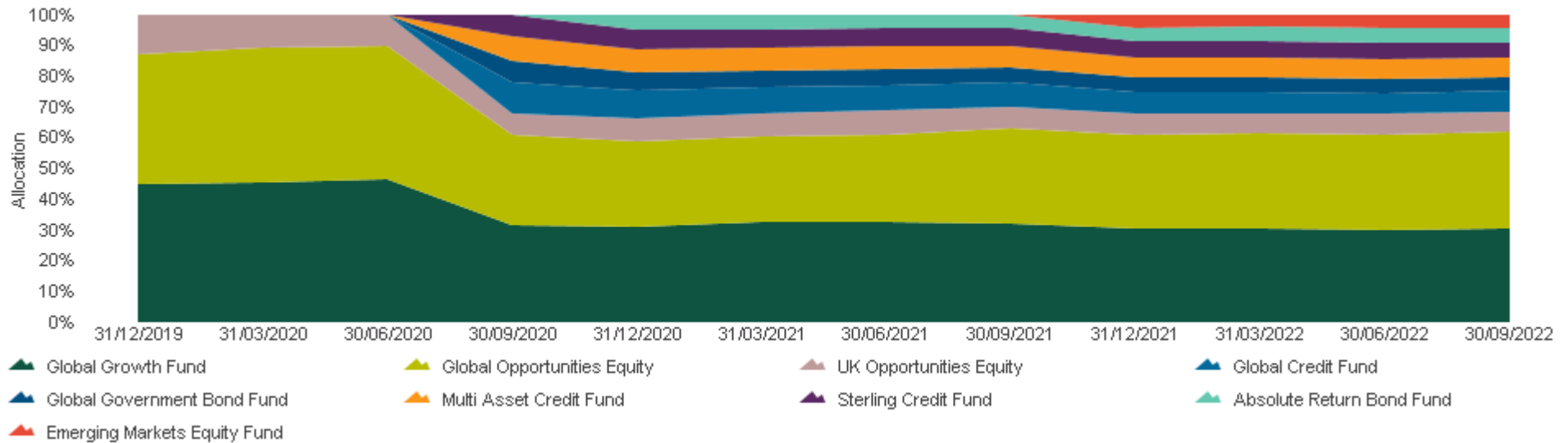
Total Fund Net of Fees

Account/Group -Rate of Return	E.MV-NOF	End Wt	1 Mo	3 Mos	1 Yr	ITD	Inc Date
Wales Pension Partnership	9,917,407,609	100.00	-5.40	-1.14	-10.00	5.53	06/02/2019
Equity	7,195,895,045	72.56	-5.72	0.24	-8.10	8.26	06/02/2019
Global Growth Fund	3,000,487,188	30.25	-6.61	-0.88	-12.40	7.66	06/02/2019
Emerging Markets Equity Fund	425,176,820	4.29	-6.79	-3.60	-	-13.90	29/10/2021
Global Opportunities Equity	3,122,689,416	31.49	-4.61	2.75	-1.38	10.39	14/02/2019
UK Opportunities Equity	647,541,621	6.53	-6.31	-3.88	-15.25	-1.61	11/10/2019
Fixed Income	2,721,512,564	27.44	-4.54	-4.66	-14.62	-6.07	11/08/2020
Absolute Return Bond Fund	520,717,181	5.25	-0.12	0.16	0.09	0.97	30/09/2020
Sterling Credit Fund	477,130,543	4.81	-8.33	-10.20	-20.97	-10.18	19/08/2020
Multi Asset Credit Fund	602,517,348	6.08	-4.78	-3.97	-16.32	-4.70	11/08/2020
Global Government Bond Fund	461,325,110	4.65	-4.04	-4.57	-13.06	-6.49	19/08/2020
Global Credit Fund	659,822,384	6.65	-5.13	-4.82	-18.64	-8.30	20/08/2020

WALES PENSION PARTNERSHIP TOTAL FUND NET OF FEES



Allocation over Time



Account / Group	31/12/2021		31/03/2022		30/06/2022		30/09/2022	
	Market Value	Actual Weight	Market Value	Actual Weight	Market Value	Actual Weight	Market Value	Actual Weight
Wales Pension Partnership	11,387,569,665	100.00	10,963,236,664	100.00	10,138,881,636	100.00	9,922,517,348	100.00
Global Growth Fund	3,481,906,434	30.58	3,304,938,415	30.15	3,029,470,681	29.88	3,002,059,424	30.26
Emerging Markets Equity Fund	489,656,291	4.30	465,099,336	4.24	441,870,246	4.36	425,468,636	4.29
Global Opportunities Equity	3,436,852,996	30.18	3,389,635,031	30.92	3,135,386,196	30.92	3,124,281,227	31.49
UK Opportunities Equity	778,248,774	6.83	730,575,270	6.66	674,445,628	6.65	647,858,865	6.53
Absolute Return Bond Fund	503,099,785	4.42	509,821,541	4.65	491,744,428	4.85	520,974,227	5.25
Sterling Credit Fund	607,842,498	5.34	574,330,031	5.24	531,530,290	5.24	477,276,897	4.81
Multi Asset Credit Fund	751,898,876	6.60	723,508,905	6.60	657,321,457	6.48	602,858,046	6.08
Global Government Bond Fund	527,715,815	4.63	507,497,615	4.63	483,667,197	4.77	461,701,165	4.65
Global Credit Fund	810,348,197	7.12	757,830,520	6.91	693,445,514	6.84	660,038,861	6.65

SECTION 2

Equity

Investment Risk & Analytical Services

September 30, 2022

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Investment Hierarchy

Account/Group	Ending Market Value GBP	Ending Weight	Policy Weight	% Rate of Return								Inception to Date	Inception Date
				One Month	Three Months	One Year	Three Years	Five Years	Ten Years				
Equity	7,199,668,152	100.00		-5.70	0.30	-7.81	6.61	-	-	8.63	06/02/2019		
Global Growth Fund	3,002,059,424	41.70		-6.57	-0.80	-12.07	6.38	-	-	8.07	06/02/2019		
MSCI ACWI ND				-5.74	1.37	-4.17	7.22	-	-	9.35	06/02/2019		
Excess Return				-0.83	-2.17	-7.90	-0.84	-	-	-1.27	06/02/2019		
LF WPP GGF - BAILLIE GIFFORD	1,155,775,783	16.05	40.00	-6.33	1.55	-23.20	5.47	-	-	7.94	06/02/2019		
MSCI ACWI ND				-5.74	1.37	-4.17	7.22	-	-	9.35	06/02/2019		
Excess Return				-0.59	0.18	-19.03	-1.75	-	-	-1.41	06/02/2019		
LF WPP GGF - PZENA INV MGT LLC	1,061,547,715	14.74	35.00	-7.24	-2.34	-1.20	7.11	-	-	7.26	06/02/2019		
MSCI ACWI ND				-5.74	1.37	-4.17	7.22	-	-	9.35	06/02/2019		
Excess Return				-1.50	-3.71	2.97	-0.12	-	-	-2.09	06/02/2019		
LF WPP GGF - VERITAS AM LLP	760,021,081	10.56	25.00	-6.21	-2.13	-6.26	5.88	-	-	8.62	06/02/2019		
MSCI ACWI ND				-5.74	1.37	-4.17	7.22	-	-	9.35	06/02/2019		
Excess Return				-0.46	-3.51	-2.09	-1.34	-	-	-0.73	06/02/2019		
Operator Account	24,693,068	0.34		0.02	0.20	-	-	-	-	-	31/01/2018		
Top Account	0	0.00		0.00	0.00	-	-	-	-	-	31/01/2018		
Transition Account	21,776	0.00		1.55	1.94	2.10	-0.66	-	-	-	31/01/2018		
Emerging Markets Equity Fund	425,468,636	5.91		-6.77	-3.54	-	-	-	-	-13.58	29/10/2021		
MSCI Emerging Markets Index				-7.98	-3.80	-	-	-	-	-12.59	29/10/2021		
Excess Return				1.22	0.25	-	-	-	-	-0.99	29/10/2021		
LF WALES PP EM RUSSELL ENHANCE	420,524,141	5.84		-6.48	-3.33	-	-	-	-	-13.15	29/10/2021		
LF WALES PP EM-FA INC COLL A/C	1,050,369	0.01		0.02	-	-	-	-	-	-	29/10/2021		
LF WALES PP EMEF RUSSELL CASH	3,894,126	0.05		-30.84	-24.79	-	-	-	-	-41.99	29/10/2021		
Top Account	0	0.00		0.00	-	-	-	-	-	-	29/10/2021		
Global Opportunities Equity	3,124,281,227	43.39		-4.59	2.80	-1.14	9.15	-	-	10.71	14/02/2019		
MSCI ACWI ND				-5.74	1.37	-4.17	7.22	-	-	8.98	14/02/2019		
Excess Return				1.16	1.43	3.02	1.92	-	-	1.73	14/02/2019		
LF WALES PPGOEF	2,946,404,426	40.92	15.00	-4.73	1.96	-3.84	6.91	-	-	7.26	14/02/2019		
MSCI ACWI ND				-5.74	1.37	-4.17	7.22	-	-	8.98	14/02/2019		
Excess Return				1.01	0.59	0.32	-0.31	-	-	-1.72	14/02/2019		
LF WALES PPGOEF - MSTANLEY	6,936	0.00	12.00	1.58	1.96	2.11	4.33	-	-	6.88	14/02/2019		
MSCI ACWI ND				-5.74	1.37	-4.17	7.22	-	-	8.98	14/02/2019		
Excess Return				7.32	0.59	6.27	-2.90	-	-	-2.10	14/02/2019		
LF WALES PPGOEF JACOBS LEVY	0	0.00	14.00	-7.14	-13.33	-23.53	9.60	-	-	11.34	14/02/2019		

Account/Group	Ending Market Value GBP	Ending Weight	Policy Weight	% Rate of Return							
				One Month	Three Months	One Year	Three Years	Five Years	Ten Years	Inception to Date	Inception Date
LF WALES PPGOEF NUMERIC	195,248	0.00	19.00	-1.00	0.60	-0.17	-23.04	-	-	-17.06	14/02/2019
MSCI World Index				-5.45	2.06	-2.93	8.06	-	-	10.01	14/02/2019
Excess Return				4.45	-1.46	2.76	-31.10	-	-	-27.07	14/02/2019
LF WALES PPGOEF NWQ INV MGMT	-0	-0.00	14.00	0.00	0.00	-9.09	-8.61	-	-	-4.99	14/02/2019
LF WALES PPGOEF SANDERS CAP	108,205	0.00	15.00	-2.82	-0.49	-2.07	-10.16	-	-	-6.19	14/02/2019
MSCI ACWI ND				-5.74	1.37	-4.17	7.22	-	-	8.98	14/02/2019
Excess Return				2.92	-1.86	2.09	-17.38	-	-	-15.17	14/02/2019
LF WALES PPGOEF SW MITCHELL	295,313	0.00	11.00	-0.55	0.80	-0.39	-2.81	-	-	0.75	14/02/2019
MSCI Europe ND				-4.83	-2.25	-9.17	1.58	-	-	4.22	14/02/2019
Excess Return				4.27	3.04	8.78	-4.39	-	-	-3.47	14/02/2019
Operator Account	3,895,157	0.05		3.26	-	-	-	-	-	-	31/01/2019
RI - Overlays	173,359,520	2.41		-3.05	16.84	74.70	29.35	-	-	37.74	14/02/2019
Top Account	0	0.00		0.00	-	-	-	-	-	-	31/01/2018
Transition Account	16,422	0.00		-0.04	2.10	-6.23	-6.53	-	-	-	31/01/2018
UK Opportunities Equity	647,858,865	9.00		-6.28	-3.82	-14.95	-	-	-	-1.22	11/10/2019
FTSE All-Share				-5.88	-3.45	-4.00	-	-	-	1.32	11/10/2019
Excess Return				-0.41	-0.37	-10.95	-	-	-	-2.53	11/10/2019
Collection Account	870,164	0.01		0.02	53.35	-	-	-	-	-	11/10/2019
RI - Overlays	8,278,671	0.11		-3.57	-3.95	-2.84	-	-	-	-9.61	11/10/2019
Top Account	0	0.00		0.00	-	-	-	-	-	-	11/10/2019
Transition account	3,587	0.00		0.00	0.00	0.00	-	-	-	6.30	11/10/2019
W PP UK OPPS EQ RC	638,706,444	8.87	100.00	-6.33	-3.82	-15.08	-	-	-	-1.21	11/10/2019
FTSE All-Share				-5.88	-3.45	-4.00	-	-	-	1.32	11/10/2019
Excess Return				-0.45	-0.37	-11.08	-	-	-	-2.53	11/10/2019

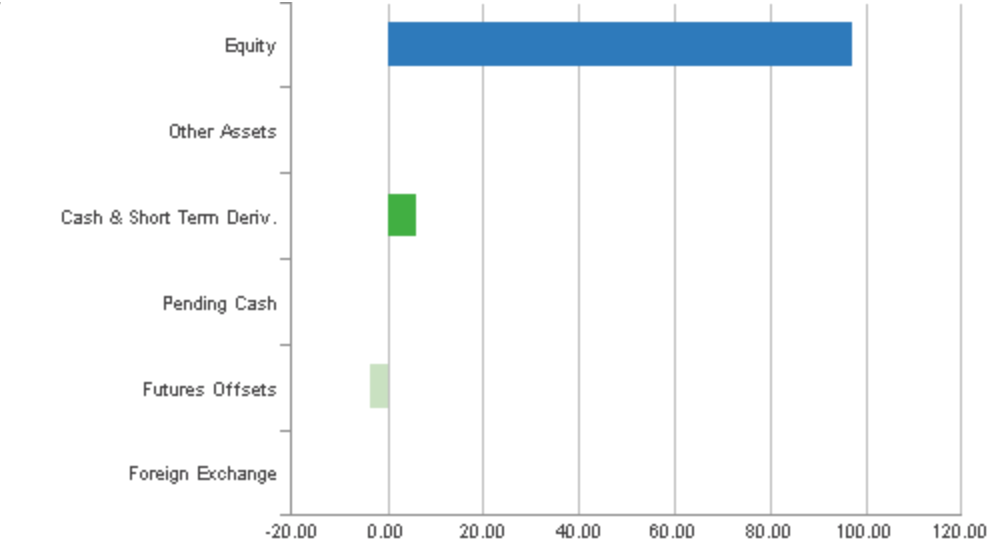
Equity Summary

Account/Group -Rate of Return	E.MV-GOF	End Wt	1 Mo	3 Mos	1 Yr	3 Yrs	ITD	Inc Date
Equity	7,199,668,152	100.00	-5.70	0.30	-7.81	6.61	8.63	06/02/2019
Global Growth Fund	3,002,059,424	41.70	-6.57	-0.80	-12.07	6.38	8.07	06/02/2019
Emerging Markets Equity Fund	425,468,636	5.91	-6.77	-3.54	-	-	-13.58	29/10/2021
Global Opportunities Equity	3,124,281,227	43.39	-4.59	2.80	-1.14	9.15	10.71	14/02/2019
UK Opportunities Equity	647,858,865	9.00	-6.28	-3.82	-14.95	-	-1.22	11/10/2019

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



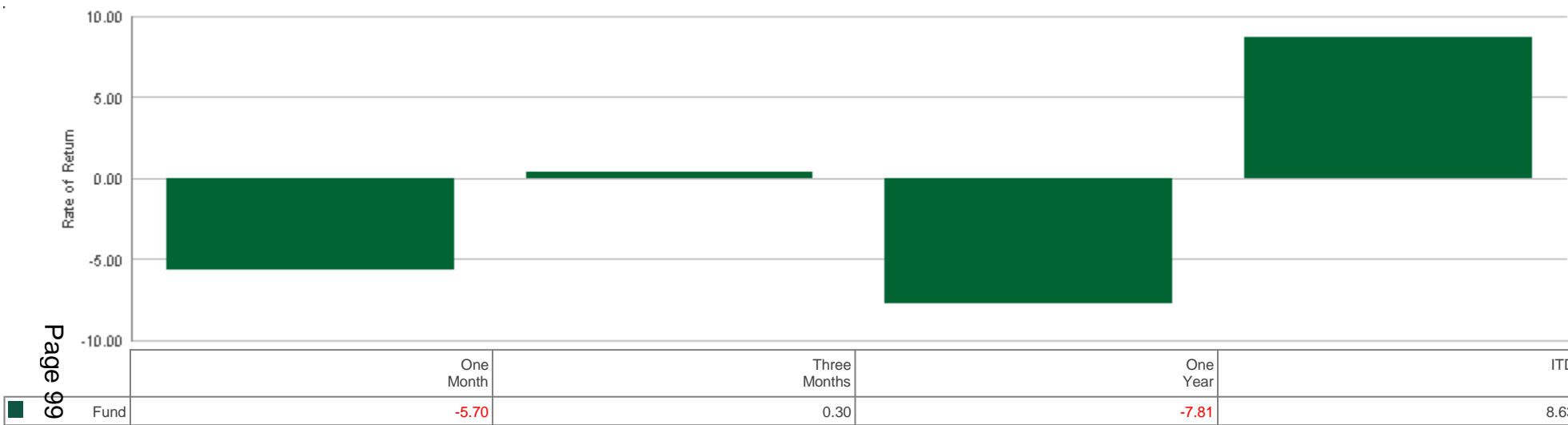
ASSET CLASS ENDING WEIGHTS



Total Fund Gross of Fee

Account/Group -Rate of Return	E.MV-GOF	End Wt	1 Mo	3 Mos	1 Yr	3 Yrs	ITD	Inc Date
Equity	7,199,668,152	100.00	-5.70	0.30	-7.81	6.61	8.63	06/02/2019
Global Growth Fund	3,002,059,424	41.70	-6.57	-0.80	-12.07	6.38	8.07	06/02/2019
Emerging Markets Equity Fund	425,468,636	5.91	-6.77	-3.54	-	-	-13.58	29/10/2021
Global Opportunities Equity	3,124,281,227	43.39	-4.59	2.80	-1.14	9.15	10.71	14/02/2019
UK Opportunities Equity	647,858,865	9.00	-6.28	-3.82	-14.95	-	-1.22	11/10/2019

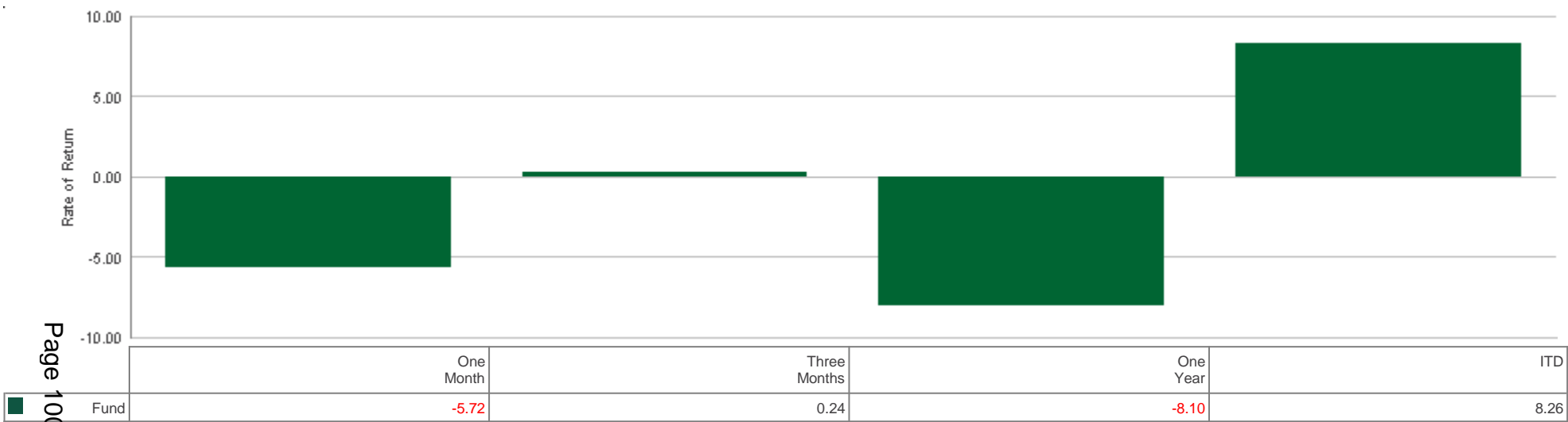
EQUITY TOTAL FUND GROSS OF FEES



Total Fund Net of Fee

Account/Group -Rate of Return	E.MV-NOF	End Wt	1 Mo	3 Mos	1 Yr	ITD	Inc Date
Equity	7,195,895,045	100.00	-5.72	0.24	-8.10	8.26	06/02/2019
Global Growth Fund	3,000,487,188	41.70	-6.61	-0.88	-12.40	7.66	06/02/2019
Emerging Markets Equity Fund	425,176,820	5.91	-6.79	-3.60	-	-13.90	29/10/2021
Global Opportunities Equity	3,122,689,416	43.40	-4.61	2.75	-1.38	10.39	14/02/2019
UK Opportunities Equity	647,541,621	9.00	-6.31	-3.88	-15.25	-1.61	11/10/2019

EQUITY TOTAL FUND NET OF FEES



SECTION 3

Fixed Income

Investment Risk & Analytical Services

September 30, 2022

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Investment Hierarchy

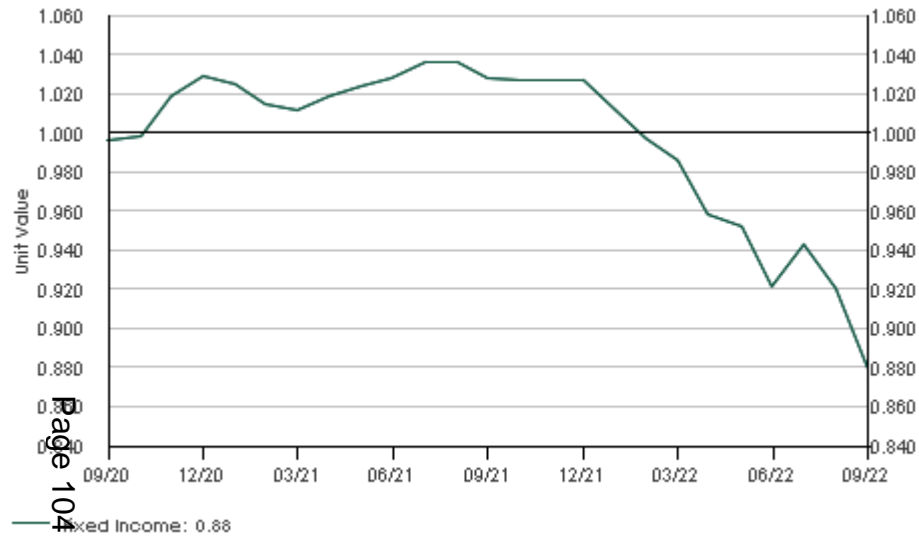
Account/Group	Ending Market Value GBP	Ending Weight	Policy Weight	% Rate of Return								Inception to Date	Inception Date
				One Month	Three Months	One Year	Three Years	Five Years	Ten Years				
Fixed Income	2,722,849,196	100.00		-4.52	-4.61	-14.44	-	-	-	-5.85	11/08/2020		
Absolute Return Bond Fund	520,974,227	19.13		-0.13	0.19	0.22	-	-	-	1.26	30/09/2020		
3 month GBP Sonia plus 2%				0.32	0.89	2.74	-	-	-	2.40	30/09/2020		
Excess Return				-0.44	-0.70	-2.53	-	-	-	-1.14	30/09/2020		
Collection Account	1,006,347	0.04		0.03	-23.72	-15.01	-	-	-	-	30/07/2020		
LF WPP ARF - Aegon	116,886,563	4.29		0.71	0.98	-1.78	-	-	-	-	30/09/2020		
LF WPP ARF - Insight	119,193,331	4.38		-0.71	1.58	-0.35	-	-	-	-	30/09/2020		
LF WPP ARF - Putnam	73,141,697	2.69		2.50	8.77	17.34	-	-	-	-	30/09/2020		
LF WPP ARF - Wellington	212,517,912	7.80		1.07	0.01	3.09	-	-	-	-	30/09/2020		
Russell Curr Hedge	-5,915,035	-0.22		209.48	2197.87	-156729.07	-	-	-	-	30/06/2020		
Russell Overlay	4,143,412	0.15		0.26	4.54	4.52	-	-	-	-	30/06/2020		
Top Account	0	0.00		0.00	0.00	0.00	-	-	-	-	30/06/2020		
Sterling Credit Fund	477,276,897	17.53		-8.32	-10.17	-20.86	-	-	-	-10.07	19/08/2020		
ICE BofA ML Eur-Stg plus 0.65%				-8.42	-11.36	-21.62	-	-	-	-10.61	19/08/2020		
Excess Return				0.10	1.19	0.77	-	-	-	0.54	19/08/2020		
Collection Account	0	0.00		0.00	0.00	-	-	-	-	-	27/07/2020		
LF WPP SCF - Fidelity	477,276,879	17.53		-8.32	-10.17	-20.79	-	-	-	-10.53	19/08/2020		
Top Account	0	0.00		0.00	0.00	-	-	-	-	-	27/07/2020		
Transition Account	18	0.00		0.00	0.06	0.06	-	-	-	-	27/07/2020		
Multi Asset Credit Fund	602,858,046	22.14		-4.77	-3.89	-16.08	-	-	-	-4.37	11/08/2020		
3 month GBP Sonia plus 4%				0.48	1.38	4.76	-	-	-	4.39	11/08/2020		
Excess Return				-5.25	-5.27	-20.83	-	-	-	-8.76	11/08/2020		
Collection Account	638,316	0.02		-2.49	-	-	-	-	-	-	27/07/2020		
LF WPP MAC - Barings	142,257,288	5.22		-0.51	6.22	-7.53	-	-	-	0.81	11/08/2020		
LF WPP MAC - BlueBay	103,913,141	3.82		0.28	6.61	4.81	-	-	-	5.06	11/08/2020		
LF WPP MAC - GLG	93,247,601	3.42		-1.84	4.81	2.94	-	-	-	-0.14	11/08/2020		
LF WPP MAC - Voya	126,241,340	4.64		2.99	9.19	18.83	-	-	-	9.68	11/08/2020		
Russell Curr Hedge	-29,384,877	-1.08		393.00	-	-	-	-	-	-	27/07/2020		
Russell Overlay	3,254,636	0.12		-4.04	-12.81	-25.40	-	-	-	-	27/07/2020		
Russell Pooled	162,570,136	5.97		-2.57	-0.49	-5.20	-	-	-	-	27/07/2020		
Top Account	120,469	0.00		-	-	-	-	-	-	-	27/07/2020		
Transition Account	-5	-0.00		0.00	0.21	0.43	-	-	-	1374.17	27/07/2020		

Account/Group	Ending Market Value GBP	Ending Weight	Policy Weight	% Rate of Return								Inception to Date	Inception Date
				One Month	Three Months	One Year	Three Years	Five Years	Ten Years				
Global Government Bond Fund	461,701,165	16.96		-4.01	-4.51	-12.82	-	-	-	-6.27	19/08/2020		
FTSE WGBI Index				-3.34	-4.31	-13.16	-	-	-	-7.33	19/08/2020		
Excess Return				-0.68	-0.20	0.34	-	-	-	1.06	19/08/2020		
Collection Account	443,466	0.02		-3.02	-20.28	-3831.08	-	-	-	-	30/07/2020		
LF WPP GGB - BlueBay	253,004,339	9.29		-1.84	0.46	-5.70	-	-	-	-4.66	19/08/2020		
LF WPP GGB - Colchester	217,787,900	8.00		-1.21	0.75	-4.84	-	-	-	-4.10	19/08/2020		
Russell Curr Hedge	-13,761,689	-0.51		597.74	-3228.28	-48053.89	-	-	-	-	18/08/2020		
Russell Overlay	4,189,808	0.15		0.57	-1.51	-4.16	-	-	-	-1.75	30/07/2020		
Top Account	37,333	0.00		62.20	62.20	-	-	-	-	-	30/07/2020		
Transition Account	9	0.00		1.30	2.03	3.26	-	-	-	-	30/07/2020		
Global Credit Fund	660,038,861	24.24		-5.12	-4.77	-18.49	-	-	-	-8.15	20/08/2020		
BBG Global Aggregate Credit Index hedged into GBP				-4.62	-4.80	-17.38	-	-	-	-8.27	20/08/2020		
Excess Return				-0.50	0.02	-1.11	-	-	-	0.12	20/08/2020		
Collection Account	408,880	0.02		0.02	-30.58	33.05	-	-	-	-	27/07/2020		
LF WPP GCF - Fidelity	85,331,470	3.13		-3.21	-2.18	-16.19	-	-	-	-9.69	20/08/2020		
LF WPP GCF - Logan Circle	212,341,569	7.80		-1.02	3.48	-1.76	-	-	-	-0.83	20/08/2020		
LF WPP GCF - T Rowe Price	87,032,917	3.20		-1.51	1.77	-6.38	-	-	-	-3.17	20/08/2020		
LF WPP GCF - Western	258,432,185	9.49		-2.33	1.58	-7.35	-	-	-	-3.75	20/08/2020		
Russell Curr Hedge	-25,979,789	-0.95		436.84	-	-	-	-	-	-	27/07/2020		
Russell Overlay	42,471,632	1.56		8.55	3.16	13.85	-	-	-	-	27/07/2020		
Top Account	0	0.00		0.00	-	-	-	-	-	-	27/07/2020		
Transition Account	-3	-0.00		7.69	15.79	42.59	-	-	-	-55.09	27/07/2020		

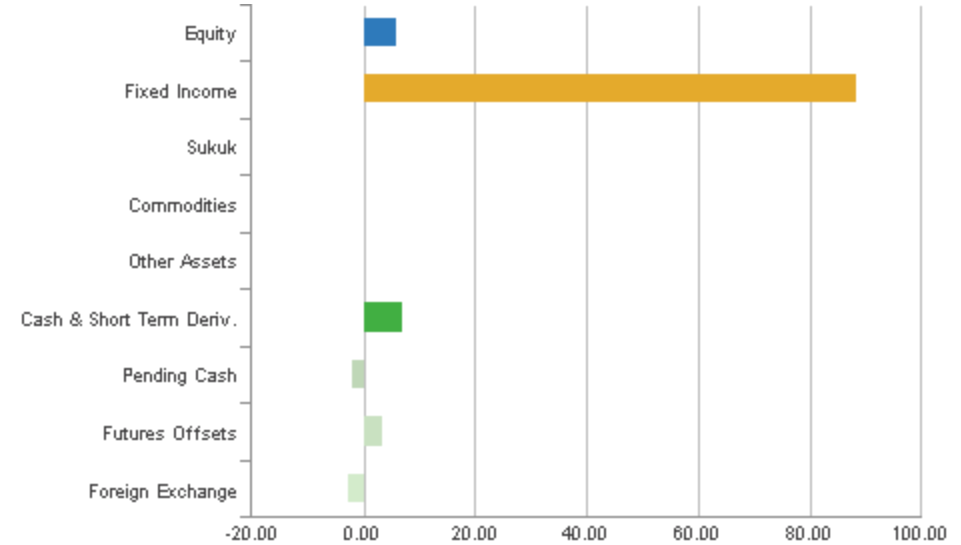
Fixed Income Summary

Account/Group -Rate of Return	E.MV-GOF	End Wt	1 Mo	3 Mos	1 Yr	ITD	Inc Date
Fixed Income	2,722,849,196	100.00	-4.52	-4.61	-14.44	-5.85	11/08/2020
Absolute Return Bond Fund	520,974,227	19.13	-0.13	0.19	0.22	1.26	30/09/2020
Sterling Credit Fund	477,276,897	17.53	-8.32	-10.17	-20.86	-10.07	19/08/2020
Multi Asset Credit Fund	602,858,046	22.14	-4.77	-3.89	-16.08	-4.37	11/08/2020
Global Government Bond Fund	461,701,165	16.96	-4.01	-4.51	-12.82	-6.27	19/08/2020
Global Credit Fund	660,038,861	24.24	-5.12	-4.77	-18.49	-8.15	20/08/2020

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



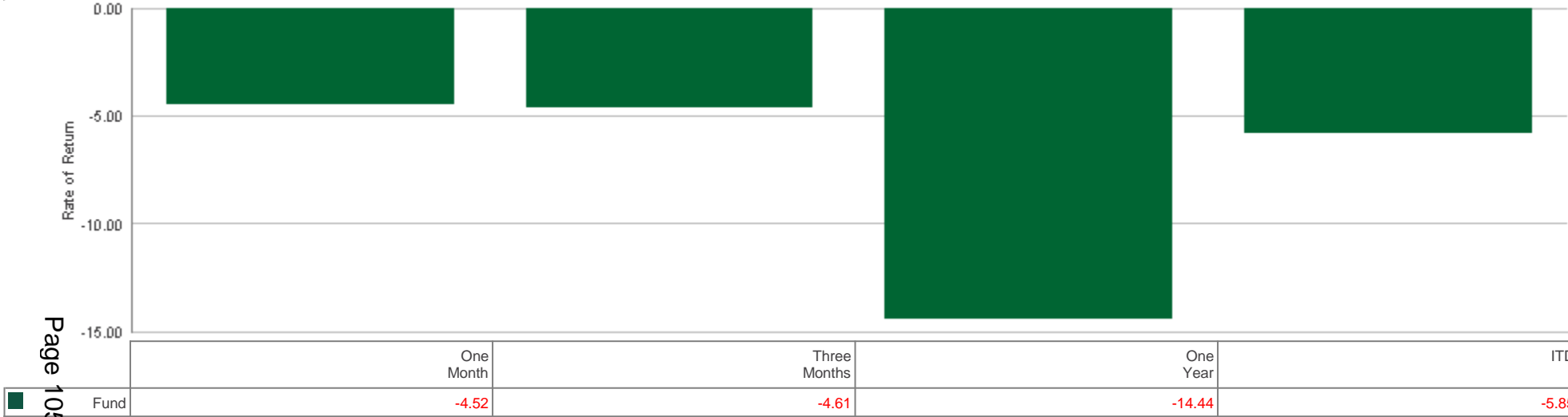
ASSET CLASS ENDING WEIGHTS



Total Fund Gross of Fee

Account/Group -Rate of Return	E.MV-GOF	End Wt	1 Mo	3 Mos	1 Yr	ITD	Inc Date
Fixed Income	2,722,849,196	100.00	-4.52	-4.61	-14.44	-5.85	11/08/2020
Absolute Return Bond Fund	520,974,227	19.13	-0.13	0.19	0.22	1.26	30/09/2020
Sterling Credit Fund	477,276,897	17.53	-8.32	-10.17	-20.86	-10.07	19/08/2020
Multi Asset Credit Fund	602,858,046	22.14	-4.77	-3.89	-16.08	-4.37	11/08/2020
Global Government Bond Fund	461,701,165	16.96	-4.01	-4.51	-12.82	-6.27	19/08/2020
Global Credit Fund	660,038,861	24.24	-5.12	-4.77	-18.49	-8.15	20/08/2020

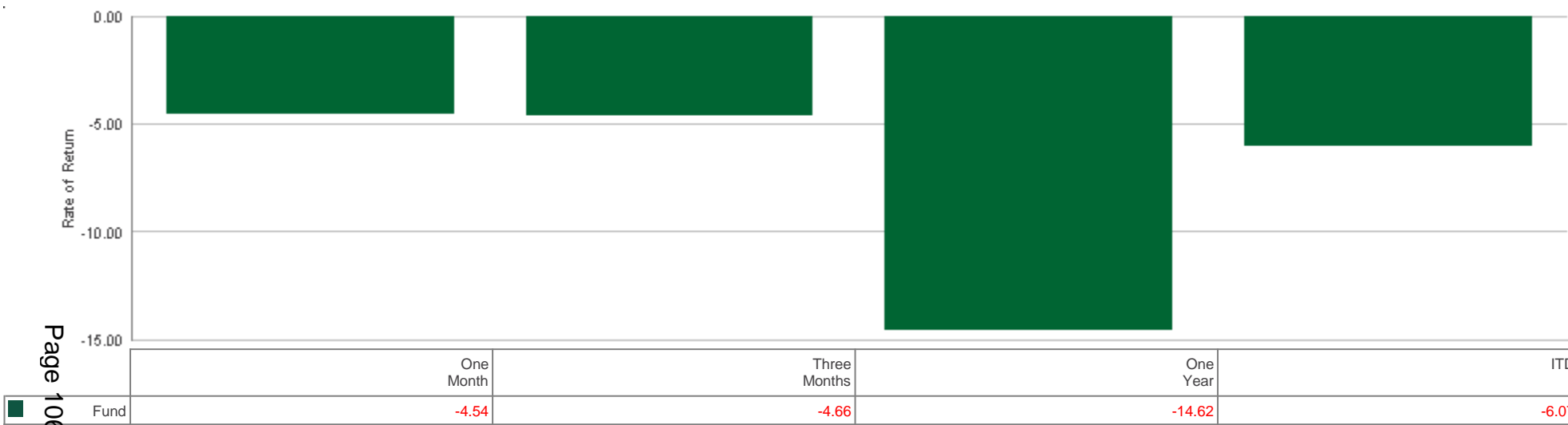
FIXED INCOME TOTAL FUND GROSS OF FEES



Total Fund Net of Fees

Account/Group -Rate of Return	E.MV-NOF	End Wt	1 Mo	3 Mos	1 Yr	ITD	Inc Date
Fixed Income	2,721,512,564	100.00	-4.54	-4.66	-14.62	-6.07	11/08/2020
Absolute Return Bond Fund	520,717,181	19.13	-0.12	0.16	0.09	0.97	30/09/2020
Sterling Credit Fund	477,130,543	17.53	-8.33	-10.20	-20.97	-10.18	19/08/2020
Multi Asset Credit Fund	602,517,348	22.14	-4.78	-3.97	-16.32	-4.70	11/08/2020
Global Government Bond Fund	461,325,110	16.95	-4.04	-4.57	-13.06	-6.49	19/08/2020
Global Credit Fund	659,822,384	24.24	-5.13	-4.82	-18.64	-8.30	20/08/2020

FIXED INCOME TOTAL FUND NET OF FEES



SECTION 4

Appendix

Investment Risk & Analytical Services

September 30, 2022

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