

Document Pack



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

TUESDAY, 15 MARCH 2022

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

I HEREBY SUMMON YOU TO ATTEND A MEETING OF THE **WALES PENSION PARTNERSHIP JOINT GOVERNANCE COMMITTEE** WHICH WILL BE HELD IN THE **VIRTUAL MEETING AT 10.00 AM, ON WEDNESDAY, 23RD MARCH, 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 | INCLUDE HERE |

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

(1 Member from each Constituent Authority)

CARMARTHENSHIRE COUNTY COUNCIL

COUNCILLOR ELWYN WILLIAMS

CITY & COUNTY OF SWANSEA

COUNCILLOR CLIVE LLOYD

CITY OF CARDIFF

COUNCILLOR CHRISTOPHER WEAVER

FLINTSHIRE COUNTY COUNCIL

COUNCILLOR TED PALMER

GWYNEDD COUNTY COUNCIL

COUNCILLOR PEREDUR JENKINS

POWYS COUNTY COUNCIL

COUNCILLOR PETER LEWIS

RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL

COUNCILLOR MARK NORRIS

TORFAEN COUNTY BOROUGH COUNCIL

COUNCILLOR GLYN CARON

A G E N D A

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3. **TO SIGN AS A CORRECT RECORD THE MINUTES OF THE MEETING OF THE JOINT COMMITTEE HELD ON THE 1ST DECEMBER, 2021** 5 - 12
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WALES PENSION PARTNERSHIP JOINT GOVERNANCE COMMITTEE

WEDNESDAY, 1ST DECEMBER, 2021

PRESENT: Councillor Cllr. C. Lloyd [Chair]

Councillors:

G. Caron, M. Norris, P. Jenkins, P. Lewis, T. Palmer, C. Weaver and D.E. Williams

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)
A. Bull – Head of Pensions (TCC)
B. Davies – Head of Financial Services (RCT)
J. Dong – Deputy S151 Officer/ Chief Finance Officer (C&CS)
D. Edwards – Chief Finance Officer (GCC)
J. Thomas – Head of Financial Services (PCC)
P. Latham – Head of Clwyd Pension Fund (FCC)
T. Williams – Senior Financial Services Officer (CCC)
M. Evans Thomas – Principal Democratic Services Officer (CCC) [Note Taker]
J. Owen – Democratic Services Officer (CCC) [Assisting]
K. Evans – Assistant Democratic Services Officer (CCC) [Assisting]
E. Evans – Principal Democratic Services Officer (CCC) [Webcasting]
S. Rees – Simultaneous Translator (CCC)

Also in attendance to present reports:

A. Johnston – Hymans Robertson
J. Wright – Hymans Robertson
E. Gough - Link Fund Solutions
K. Midl – Link Fund Solutions
R. Thornton - Link Fund Solutions
N. Round – Northern Trust
A. Knell – Robeco
K. Robertson – Robeco
T. Paik – Russell Investments
A. Quinn – Russell Investments

Also present as observers:

D. Fielder – Deputy Head of Clwyd Pension Fund (FCC)
K. Cobb – Pension Fund Accounting & Investment Manager (C&CS)
M. Falconer – Pension Manager (CoC)
C. Hurst – Pension Fund Manager (PCC)
D. Jones-Thomas – Investment Manager (GCC)
G. Watkins – Revenue Services Manager (CoC)
Y. Keitch – Principal Accountant (RCT)

Virtual Meeting : 10.00 am - 12.35 pm



1. APOLOGIES FOR ABSENCE

There were no apologies for absence.

2. DECLARATIONS OF INTEREST

| Member | Agenda Item No. | Interest |
|-------------------|------------------|---|
| Cllr. G. Caron | All agenda items | He is a paying and receiving member of the Greater Gwent Pension Fund, his wife is a receiving member and his son-in-law is a paying member |
| Cllr. P. Jenkins | 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. C. Lloyd | All agenda items | He is a member of the County & City of Swansea 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 |
| Cllr. E. Williams | All agenda items | He is a member of the Dyfed Pension Fund |

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

3. TO SIGN AS A CORRECT RECORD THE MINUTES OF THE MEETING OF THE JOINT COMMITTEE HELD ON THE 22 SEPTEMBER 2021

UNANIMOUSLY RESOLVED that the minutes of the Joint Governance Committee meeting held on 22nd September, 2021 be signed as a correct record.

4. HOST AUTHORITY UPDATE

[NOTE: Councillors G. Caron, P. Jenkins, P. Lewis, C. Lloyd, 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.

5. RISK REGISTER Q4 2021 REVIEW

[NOTE: Councillors G. Caron, P. Jenkins, P. Lewis, C. Lloyd, M. Norris, T. Palmer and E. Williams had earlier declared an interest in this item.]

The Joint Committee considered the Risk Register Q4 2021 Review. It was noted that during the last quarter a review was undertaken of the Investment & Performance risks, risks I.1 to I.9. The review outcomes of each risk were summarised in an appendix to the report.

The Officer Working Group 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 2022 and will focus on risks G.1 to G.8 in the Governance & Regulation Risks section.

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

6. REBALANCING & ALTERATION POLICY

[NOTE: Councillors G. Caron, P. Jenkins, P. Lewis, C. Lloyd, M. Norris, T. Palmer and E. Williams had earlier declared an interest in this item.]

The Joint Committee considered a Rebalancing and Alteration policy which sets out the WPP's approach to rebalancing the assets held within the pool's sub-funds. The policy outlined the framework that has been put in place to ensure that manager allocations within sub-funds are monitored and rebalanced where appropriate.

The policy applied to the full range of sub-funds held in the WPP ACS umbrella, covering equity and fixed income mandates. Constituent Authorities may have other assets held outside the WPP and these assets were not covered by this policy. The WPP's rebalancing policy has been designed to ensure that all investors have clarity over the rebalancing policies in place.

The policy will be formally reviewed by the Officer Working Group on an annual basis and, if necessary, changes to the policy will be submitted to the Joint Governance Committee for approval.

UNANIMOUSLY RESOLVED that the Rebalancing and Alteration Policy be endorsed.

7. ANNUAL POLICY REVIEWS

[NOTE: Councillors G. Caron, P. Jenkins, P. Lewis, C. Lloyd, 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 on the following policies:-



- Responsible Investment Policy
- Training Policy

These policies were approved by the JGC in September 2019 and December 2020 respectively and had been reviewed and updated by the Officer Working Group.

With regard to the Responsible Investment Policy, reference was made to point 5 (Exclusions) and the statement that the WPP has not adopted a policy of exclusionary practices. Officers were asked whether this should be amended to say that the WPP will be looking at exclusionary practices going forward as it has been discussed by the constituent authorities. It was felt that the intention should be included. The representative from Hymans agreed to extend the wording to say that the matter will remain on the agenda.

UNANIMOUSLY RESOLVED that the updated policies, as detailed above, including the amendment to the Responsible Investment Policy as detailed above, be approved.

8. OPERATOR UPDATE

[NOTE: Councillors G. Caron, P. Jenkins, P. Lewis, C. Lloyd, M. Norris, T. Palmer and E. Williams had earlier declared an interest in this item.]

The Joint Committee received an update 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 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

UNANIMOUSLY RESOLVED that the Operator Update report be received.

9. PERFORMANCE REPORTS AS AT 30 SEPTEMBER 2021

[NOTE: Councillors G. Caron, P. Jenkins, P. Lewis, C. Lloyd, 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 30th September, 2021. It was noted that the sub funds had outperformed/underperformed against their respective benchmarks, as follows:



- Global Opportunities Equity Fund – outperformed by 1.14% gross / 0.77% net
- Global Growth Equity Fund – outperformed by 1.90% gross / 1.44% net
- UK Opportunities Equity Fund - outperformed by 2.44% gross / 1.99% net
- Global Government Bond Fund – outperformed by 1.80% gross / 1.60% net
- Global Credit Fund – outperformed by 1.49% gross / 1.33% net
- Multi Asset Credit Fund – outperformed by 3.21% gross / 2.79% net
- Absolute Return Bond Strategy Fund – outperformed by 0.27% gross / 0.19% net
- UK Credit Fund – underperformed by 0.28% gross / 0.15% net

Reference was made to the outstanding performance of the various funds since the establishment of the Partnership and to the responsible investment undertaken and thanks were extended to the investors.

UNANIMOUSLY RESOLVED that the Performance Reports of the Sub Funds, as detailed above, as at 30th September, 2021, be noted.

10. EXCLUSION OF THE PUBLIC

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

11. GLOBAL SECURITIES LENDING REVIEW AS AT 30 SEPTEMBER 2021

Following the application of the public interest test it was **UNANIMOUSLY RESOLVED**, pursuant to the Act referred to in Minute 10 above, to consider this matter in private, with the public excluded from the meeting, as disclosure would adversely impact upon the Pension Fund by disadvantaging Fund Managers in negotiations with borrowers to the detriment of the Fund.

[NOTE: Councillors G. Caron, P. Jenkins, P. Lewis, C. Lloyd, M. Norris, T. Palmer and E. Williams had earlier declared an interest in this item.]

The Joint Committee considered the Global Securities Lending Review for Quarter 3, as at 30th September, 2021.

UNANIMOUSLY RESOLVED that the Global Securities Lending Review as at 30th September, 2021 be noted.

12. ROBECO ENGAGEMENT SERVICE - Q3 2021 ENGAGEMENT REPORT

Following the application of the public interest test it was **UNANIMOUSLY RESOLVED**, pursuant to the Act referred to in Minute 10 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 G. Caron, P. Jenkins, P. Lewis, C. Lloyd, M. Norris, T. Palmer and E. Williams had earlier declared an interest in this item.]

The Joint Committee considered the Engagement Report for Q3 of 2021, which ended on 30th September, 2021.

UNANIMOUSLY RESOLVED that the Engagement Report for Q3 of 2021 be noted.

13. WPP SUB FUND REVIEW

Following the application of the public interest test it was UNANIMOUSLY RESOLVED, pursuant to the Act referred to in Minute 10 above, to consider this matter in private, with the public excluded from the meeting, as disclosure would adversely impact upon the Pension Fund by disadvantaging Fund Managers in negotiations.

[NOTE: Councillors G. Caron, P. Jenkins, P. Lewis, C. Lloyd, M. Norris, T. Palmer and E. Williams had earlier declared an interest in this item.]

The Joint Committee considered a report on the review of the Global Growth and Global Opportunities Equity Funds.

UNANIMOUSLY RESOLVED that the WPP Sub Fund Review be noted.

14. LOCAL INVESTMENT OPPORTUNITY

Following the application of the public interest test it was UNANIMOUSLY RESOLVED, pursuant to the Act referred to in Minute 10 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 G. Caron, P. Jenkins, P. Lewis, C. Lloyd, M. Norris, T. Palmer and E. Williams had earlier declared an interest in this item.]

The Joint Committee considered a report detailing a local investment opportunity for the WPP.

An amendment was proposed, which was debated, voted upon and lost. The original motion was thereupon voted upon and it was

RESOLVED to agree in principle for the WPP to proceed with the Local Investment Opportunity, as detailed in the report, subject to finalisation of structural aspects and legal due diligence.

[NOTE: At this point in the meeting the Chair had to leave and the remainder of the meeting proceeded with the Vice-Chair presiding.]



15. OPERATOR CONTRACT

Following the application of the public interest test it was UNANIMOUSLY RESOLVED, pursuant to the Act referred to in Minute 10 above, to consider this matter in private, with the public excluded from the meeting, as disclosure would adversely impact upon the Pension Fund by disadvantaging Fund Managers in negotiations with borrowers to the detriment of the Fund.

[NOTE: Councillors G. Caron, P. Jenkins, P. Lewis, C. Lloyd, M. Norris, T. Palmer and E. Williams had earlier declared an interest in this item.]

The Joint Committee considered a report proposing an extension to the operator contract. An operator review had been undertaken and the recommendation was to extend the existing contract to December 2024.

UNANIMOUSLY RESOLVED that the operator contract be extended for a further 2 years, as detailed in the report.

CHAIR

DATE



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WALES PENSION PARTNERSHIP JOINT GOVERNANCE COMMITTEE

DATE 23 MARCH 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

**Carmarthenshire County
Council**

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EXECUTIVE SUMMARY JOINT GOVERNANCE COMMITTEE

DATE 23 MARCH 2022

HOST AUTHORITY UPDATE

BRIEF SUMMARY OF PURPOSE OF REPORT

The WPP Business Plan for 2021/22 was approved by the JGC on 24 March 2021. A Quarter 3 (1 October to 31 December 2021) update is attached showing WPP's progress in relation to the Workplan, Budget and Investments sections.

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

- Training Plan and Business Plan
- New policies and policy reviews
- Scheme Member Rep appointment process
- Private Markets 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:
 - 23 March 2022 – JGC to approve Allocator appointments for the Private Debt and Infrastructure sub funds
 - March 2022 to December 2022 – Private Debt and Infrastructure sub funds to be developed, approved and launched
 - Start procurement process for the Private Equity Allocator
- Operator contract - procurement process
 - Existing contract coming to an end in December 2024
 - Started discussions with Burges Salmon re legal requirements
 - Put a timeline in place
- Complete 2021/22 year-end closure of accounts
- Formulate the 2021/22 Annual Update and Annual Return

Other key areas:

- Stewardship Code – the WPP is now a signatory of the UK Stewardship Code
- Training – training sessions continue to be undertaken virtually
- Website – the website continues to be updated with relevant news and publications

DETAILED REPORT ATTACHED?

YES

IMPLICATIONS

| Policy, Crime & Disorder and Equalities YES | Legal NONE | Finance NONE | Risk Management Issues NONE | Staffing Implications NONE |
|---|----------------------|------------------------|---------------------------------------|--------------------------------------|
| 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
2021-2022
Q3 Review

Governance

| Work to be completed | Completed | Comments |
|--|-------------|---|
| <ul style="list-style-type: none"> Appoint a Scheme Member Representative to the Joint Governance Committee | In progress | Recommendation report being taken to the March JGC for approval |
| <ul style="list-style-type: none"> Development of a WPP Rebalancing & Alteration Policy | Yes | |
| <ul style="list-style-type: none"> Formulate a Responsibilities Matrix for WPP Sub-Funds | Yes | |
| <ul style="list-style-type: none"> Development of a WPP Whistleblowing Policy | In progress | To be taken to the July 2022 JGC for approval |
| <ul style="list-style-type: none"> Develop 'Pre-sign-off Checklist Reports' for WPP Sub Funds | In progress | To be completed by end of March 2022 |
| <ul style="list-style-type: none"> Development of a WPP Business Continuity Plan | In progress | To be taken to the July 2022 JGC for approval |
| <ul style="list-style-type: none"> Review of Inter Authority Agreement | Yes | IAA addendum been approved by the Constituent Authorities |
| <ul style="list-style-type: none"> Annual review of WPP's policies and plans | Ongoing | |
| <ul style="list-style-type: none"> Quarterly reviews of the Risk Register | Ongoing | |

Ongoing Establishment

| Work to be completed | Completed | Comments |
|---|-------------|---|
| <ul style="list-style-type: none"> Launch of Emerging Market Sub-Fund | Yes | Launched 20 October 2021 |
| <ul style="list-style-type: none"> Launch of Private Debt & Infrastructure Sub-Funds | | Launch delayed until 2022/23 |
| <ul style="list-style-type: none"> Formulate the WPP's Property requirements and optimal means of implementation | In progress | Initial discussions have taken place, requirements to be finalised in 2022/23 |
| <ul style="list-style-type: none"> Consultation with CAs on need for further sub-funds | Ongoing | |

Operator Services

| Work to be completed | Completed | Comments |
|--|-----------|----------|
| <ul style="list-style-type: none"> WPP Operator Oversight Framework | Yes | |
| <ul style="list-style-type: none"> Review of Operator's contract | Yes | |
| <ul style="list-style-type: none"> Review of Operator KPI reporting | Yes | |
| <ul style="list-style-type: none"> Market Review of developments within the Operator market | Yes | |
| <ul style="list-style-type: none"> Setting up and implementing a framework for monitoring the performance of Russell as investment advisors to Link | Yes | |

Communication, Training and Reporting

| Work to be completed | Completed | Comments |
|--|-------------|--|
| <ul style="list-style-type: none"> Formulation of the WPP's Annual Responsible Investment Progress Report | In progress | Report to be issued after 31 March 2022, in line with the Stewardship Code Reporting |
| <ul style="list-style-type: none"> Formulation of the WPP's annual training plan | Yes | 2022/23 training plan being taken to the March JGC for approval |
| <ul style="list-style-type: none"> Formulation of the WPP's Annual Update | Yes | 2020/21 Annual Update published in June 2021 |
| <ul style="list-style-type: none"> Formulation of the WPP's Annual Report | Yes | 2020/21 Annual Report published in October 2021 |

Investments and Reporting

| Work to be completed | Completed | Comments |
|--|-------------|---|
| <ul style="list-style-type: none"> Development of Investment Manager performance reporting, including ESG metrics and climate change risk | Yes | |
| <ul style="list-style-type: none"> Finalise Voting & Engagement Reporting Requirements | In progress | This is currently being looked at by the RI Sub-group |
| <ul style="list-style-type: none"> Become a signatory to the UK Stewardship Code | Yes | |
| <ul style="list-style-type: none"> Formulate WPP Engagement Priorities and Implementation Framework | In progress | Engagement themes being discussed with Robeco |
| <ul style="list-style-type: none"> Review the compatibility of WPP Sub-Fund Benchmarks with WPP's Responsible Investment and Climate Risk Beliefs | Ongoing | |
| <ul style="list-style-type: none"> Annual review of WPP's Cost Transparency Requirements | In progress | To be completed by the end of March 2022 |
| <ul style="list-style-type: none"> Annual market benchmarking exercise of WPP Sub-Fund Investment Performance | Yes | Report presented at the December 2021 JGC |
| <ul style="list-style-type: none"> Consult with Constituent Authorities regarding minimum ESG/ RI standards and their climate ambitions | Ongoing | |

Resources, budget and fees

| Work to be completed | Completed | Comments |
|--|-----------|--|
| <ul style="list-style-type: none"> Annual review of resources and capacity | Yes | Reviewed when formulating the 2022/23 budget |
| <ul style="list-style-type: none"> Formulation of Annual WPP Budget | Yes | Formulated and included in the 2022-25 Business Plan |
| <ul style="list-style-type: none"> Review and Monitoring of Fees (including Link & Russell) | Yes | |

Training Plan

Training topics to be completed during 2021–2022 as per approved 2021-2022 Training Plan and progress to date:

| | Completed | Comments |
|---|--------------------|-----------------------------|
| • Private Market – Asset Classes & Implementation | Yes – April 2021 | |
| • Private Market – Fund Wrappers & Governance | Yes – April 2021 | |
| • Responsible Investment Indices and Solutions | Yes – July 2021 | |
| • Responsible Investment Reporting | Yes – July 2021 | |
| • Performance Reporting & Manager Benchmarking | Yes – October 2021 | |
| • Roles & Responsibilities within the ACS | Yes – October 2021 | |
| • Good Governance | | Scheduled for 22 March 2022 |
| • Cost Transparency | | Scheduled for 22 March 2022 |
| • Progress of other LGPS Pools | Yes – January 2022 | |
| • Collaboration Opportunities | Yes – January 2022 | |

In February 2022 we also held an extra training session on Responsible Investment

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

Budget

2021-2022 Budget Monitoring Report:

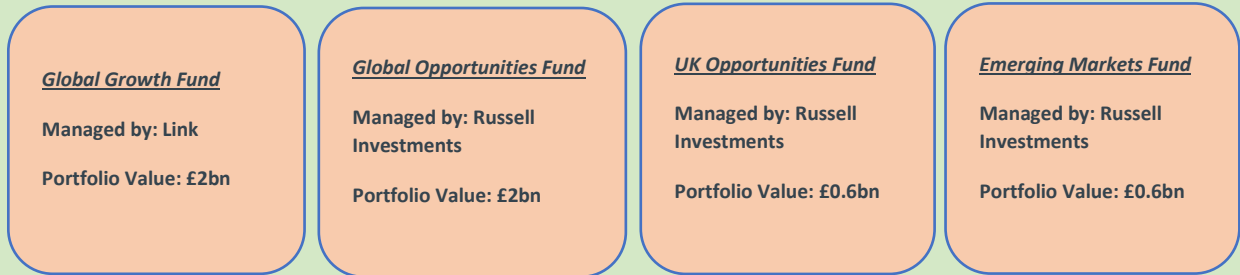
| | Budget 2021 – 2022 £000 | Forecast 2021 – 2022 £000 | Variances 2021 – 2022 £000 |
|--|------------------------------------|--------------------------------------|---------------------------------------|
| Host Authority * | 182 | 161 | 21 |
| External Advisors * | 680 | 840 | (160) |
| TOTAL to be recharged | 862 | 1001 | (139) |
| | | | |
| Operator Services ** | 28,447 | 30,290 | (1,843) |
| TOTAL to be deducted from the NAV | 28,447 | 30,290 | (1,843) |

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

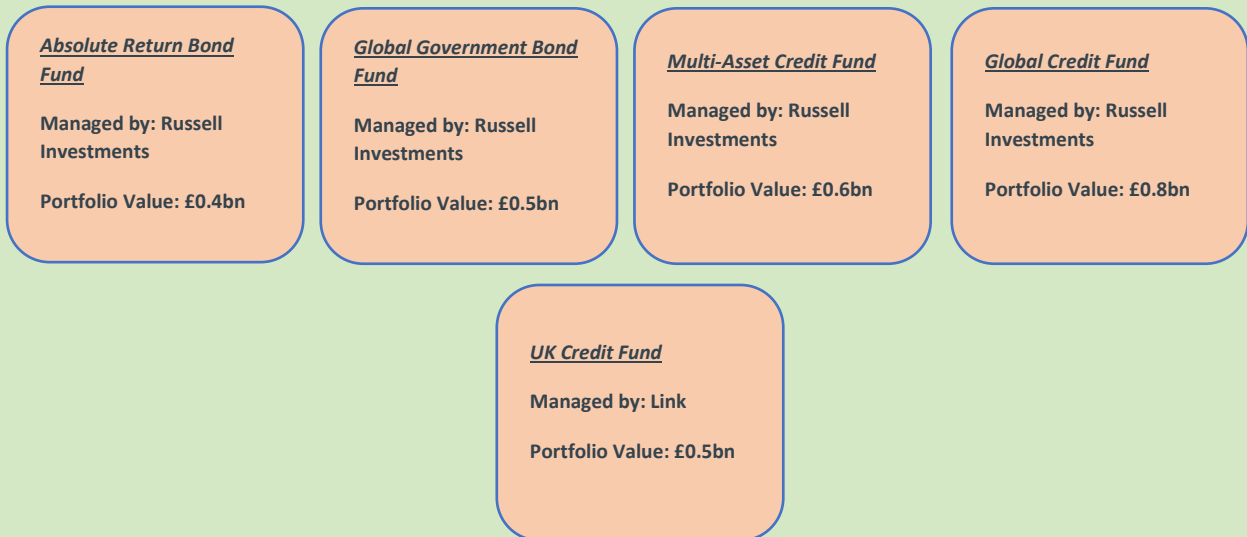
***Operator Services costs are based on each Constituent Authority's percentage share of WPP assets (held with the Operator) and are deducted directly from the Net Asset Value (NAV) of the Constituent Authority's assets (held with the Operator).*

Investments

Equity Sub-Funds



Fixed Income Sub-Funds



* Portfolio Values as at launch date



Wales Pension Partnership

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



WALES PENSION PARTNERSHIP JOINT GOVERNANCE COMMITTEE

DATE 23 MARCH 2022

SUBJECT

WPP TRAINING PLAN – 2022/23

RECOMMENDATIONS / KEY DECISIONS REQUIRED:

To approve the WPP training plan for 2022/23

REASONS:

A 2022/23 training plan has been developed for the WPP that 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 23 MARCH 2022

WPP TRAINING PLAN – 2022/23

BRIEF SUMMARY OF PURPOSE OF REPORT

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

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

An LGPS Pooling Knowledge Assessment was issued to all JGC members and OWG officers in December 2021.

The 2022/23 training sessions will be held quarterly and will cover the following topics:

- Product Knowledge
- Pool Knowledge
- Responsible Investment
- Market Understanding

DETAILED REPORT ATTACHED?

YES

IMPLICATIONS

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

Details of any consultations undertaken are to be included here

**Section 100D Local Government Act, 1972 – Access to Information
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|-------------------|--------------|--|
| | | |

Wales Pension Partnership Training Plan 2022/23

Background and Introduction

It is best practice for WPP personnel to have:

Appropriate knowledge and understanding of:

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

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

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

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

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

To aid WPP personnel, the Host Authority will arrange quarterly training sessions which will cover major areas such as investments, administration, regulation requirements, government guidance and market developments. Please note that the Host Authority will maintain a training plan log which will keep a record of all the training WPP personnel have completed to date and the training that is due to take place in the foreseeable future.

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

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

Individual Training

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

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

2022/23 Training

We have set out below a list of training topics which the Host Authority will arrange during the 2022/23 financial year. The topics outlined below are based on current WPP topical priorities and from an analysis of the WPP training requirements questionnaire/ assessment responses, completed by members of the Joint Governance Committee ('JGC') and Officers Working Group ('OWG'). Potentially there could be member changes on the individual Pension Committees following the council elections in May 2022 and this has also been a factor in setting this year's training topics.

| Topic | Date* |
|--|-------------------------|
| Product Knowledge | |
| <ul style="list-style-type: none"> Private Market Asset Classes & the role of the Allocator | Q1 |
| <ul style="list-style-type: none"> Active Sustainable Equities | April – June 2022 |
| Pool Knowledge | |
| <ul style="list-style-type: none"> Governance & Administration | Q2 |
| <ul style="list-style-type: none"> Roles & Responsibilities | July – September 2022 |
| Responsible Investment (RI) | |
| <ul style="list-style-type: none"> What RI mean for the WPP | Q3 |
| <ul style="list-style-type: none"> Stewardship Code and TCFD Reporting | October – December 2022 |
| Market Understanding | |
| <ul style="list-style-type: none"> Progress of other LGPS pools | Q4 |
| <ul style="list-style-type: none"> Collaboration Opportunities | January – March 2023 |

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



WALES PENSION PARTNERSHIP JOINT GOVERNANCE COMMITTEE

DATE 23 MARCH 2022

SUBJECT

WPP BUSINESS PLAN 2022 - 2025

RECOMMENDATIONS / KEY DECISIONS REQUIRED:

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

REASONS:

A WPP business plan has been drafted for 2022 – 2025 which is to be approved by the Joint Governance Committee in accordance with Section 6 of the Inter Authority Agreement. Following approval by the Joint Governance Committee the Business Plan shall be sent to all Constituent Authorities for their written approval.

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**EXECUTIVE SUMMARY
JOINT GOVERNANCE COMMITTEE**

DATE 23 MARCH 2022

WPP BUSINESS PLAN 2022 - 2025

BRIEF SUMMARY OF PURPOSE OF REPORT

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

The purpose of the business plan is to:

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

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

| | |
|----------------------------------|------------|
| DETAILED REPORT ATTACHED? | YES |
|----------------------------------|------------|

IMPLICATIONS

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

CONSULTATIONS

Details of any consultations undertaken are to be included here:

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

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

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



Wales Pension Partnership Business Plan 2022 -2025



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Introduction

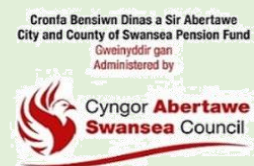
This is the business plan for the Wales Pension Partnership ('WPP'), the business plan details the WPP's priorities and areas of focus for 2022/23, 2023/24 and 2024/25. The business plan is constantly monitored and will be formally reviewed and agreed every year. The purpose of the business plan is to:

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

About the Wales Pension Partnership

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

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



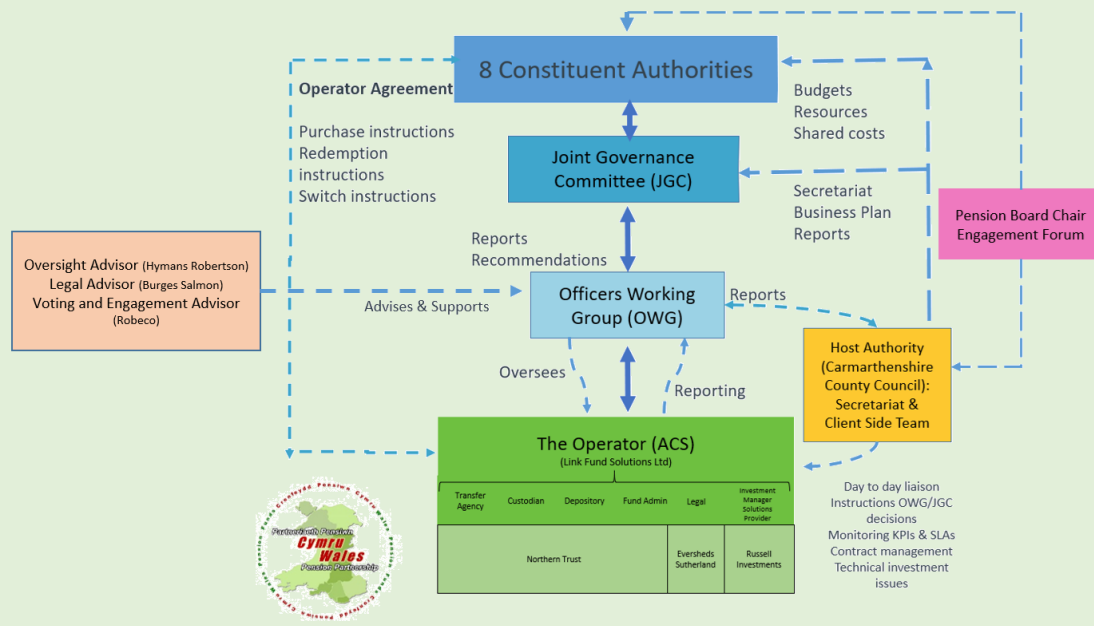
Governance

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

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



The diagram below shows WPP's governance structure:



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

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

Engagement mechanisms and Frequency:

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

Risk Management

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

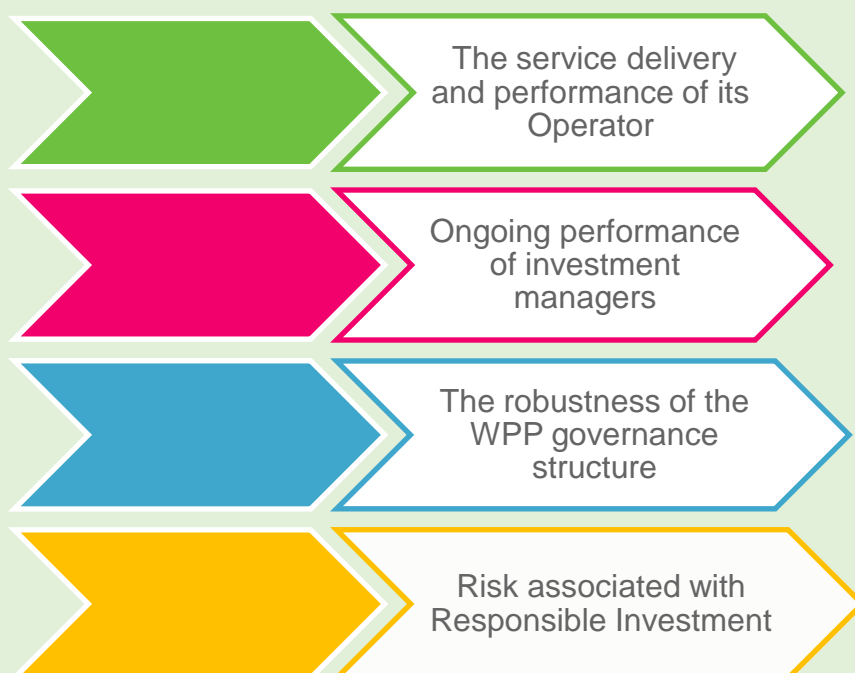
Risk management is a critical element of WPP's commitment to good governance, the WPP has developed a structured, extensive and robust risk strategy. This strategy will be embedded into the WPP's governance framework to ensure better decision-making, improved outcomes for stakeholders and greater efficiency.

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

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

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

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



Objectives

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

- To provide pooling arrangements which allow individual funds to implement their own investment strategies (where practical)
- To achieve material cost savings for participating funds while improving or maintaining investment performance after fees.
- To put in place robust governance arrangements to oversee the Pool's activities.
- To work closely with other pools in order to explore the benefits that all stakeholders in Wales might obtain from wider pooling solutions or potential direct investments
- To deliver an investment framework that achieves the best outcomes for its key stakeholders; the Constituent Authorities. The Constituent Authorities will be able to use this framework to deliver the best outcomes for their Scheme Members & Employers

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

Beliefs

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

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

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

Policies

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



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



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

Work Plan

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

- **Governance** - The WPP believes that good governance leads to better outcomes for its stakeholders, as such it will further develop its governance framework by developing additional policies, registers, plans and carry out ongoing reviews of its existing governance documents and structure.
- **Ongoing Sub-Fund development** – To date the WPP has pooled 73% of its assets and a number of other sub funds are in the process of being developed. The WPP will continue to consult with the Constituent Authorities to ensure that all suitable assets are pooled.
- **Operator Services** - The Operator, alongside the third parties that it employs on behalf of the WPP, are critical to the ongoing activities of the WPP, therefore service delivery of the Operator and third-party suppliers are crucial. The current operator contract comes to an end in December 2024.
- **Investments and Reporting** - The WPP recognises the importance of ensuring that existing investment solutions remain optimal and aligned to Constituent Authority requirements, while also delivering the investment return expectations of the Constituent Authorities. The WPP will continue to deliver on its reporting requirements and will develop further reporting, as and when required.
- **Communication and Training** - The WPP wants to ensure that internal stakeholders and external parties are aware of the WPP's progress and publishes numerous report and updates to ensure that it proactively communicates its progress to stakeholders. These can all be found on the WPP website.
- **Resources, Budget and Fees** - The WPP recognises that insufficient resources poses a significant risk to its ability to deliver an investment framework that achieves the best outcomes for its key stakeholders, the WPP carries out a number of reviews to guarantee that it has suitable resources to deliver on this commitment.

| Work to be completed | 2022 - 2023 | 2023 - 2024 | 2024 - 2025 |
|---|-------------|-------------|-------------|
| Governance | | | |
| Development of a WPP Whistleblowing Policy | ✓ | | |
| Development of a WPP Business Continuity Plan (including Cyber) | ✓ | | |
| Development of a WPP Complaints Policy | ✓ | ✓ | |
| Development of a WPP Breach and Errors Policy | ✓ | ✓ | |
| Ongoing review of Inter Authority Agreement | ✓ | ✓ | ✓ |
| Annual/biennial review of WPP's policies and plans | ✓ | ✓ | ✓ |
| Quarterly reviews of the Risk Register | ✓ | ✓ | ✓ |
| Ongoing Sub-Fund development | | | |
| Appoint Private Market Allocators | ✓ | ✓ | |
| Launch of Private Debt & Infrastructure Sub-Funds | ✓ | | |
| Launch of Private Equity Sub-Fund | ✓ | | |

| | | | |
|---|---|---|---|
| Launch Sustainable Equities Sub-Fund | ✓ | | |
| Formulate the WPP's Property requirements and optimal means of implementation ahead of sub-Fund launch | ✓ | ✓ | |
| Review and develop a mechanism to pool any suitable non-pooled assets | | ✓ | ✓ |
| Launch of other Private Market sub-funds (TBC) | | ✓ | ✓ |
| Consultation with CAs on need for further sub-funds | ✓ | ✓ | ✓ |
| Consideration of Local Investment opportunities | ✓ | ✓ | ✓ |
| Operator Services | | | |
| Operator contract / procurement process | ✓ | ✓ | ✓ |
| New Operator Contract | | | ✓ |
| Operator Oversight | ✓ | ✓ | ✓ |
| Investments and Reporting | | | |
| Finalise Voting & Engagement Reporting Requirements | ✓ | | |
| Formulate WPP Engagement Priorities and Implementation Framework | ✓ | ✓ | |
| Review Sub-Fund mandates to ensure compatibility with WPP's Responsible Investment and Climate Risk Beliefs | ✓ | ✓ | ✓ |
| Task Force on Climate-related Financial Disclosures (TCFD) reporting | ✓ | ✓ | ✓ |
| Stewardship Code reporting | ✓ | ✓ | ✓ |
| Consider additional reporting that demonstrates WPP's commitment to Responsible Investment | ✓ | ✓ | ✓ |
| On-going Investment Manager performance reporting, scrutiny and challenge | ✓ | ✓ | ✓ |
| Annual review of WPP's Cost Transparency Requirements | ✓ | ✓ | ✓ |
| Annual performance review of WPP Sub Funds (Equity and Fixed Income) | ✓ | ✓ | ✓ |
| On-going engagement with Constituent Authorities regarding minimum ESG / RI standards and their climate ambitions | ✓ | ✓ | ✓ |
| Communication and Training | | | |
| Formulation of WPP's Annual Responsible Investment Progress Report | ✓ | ✓ | ✓ |
| Formulation of the WPP's Annual Training Plan | ✓ | ✓ | ✓ |
| Formulation of the WPP's Annual Update | ✓ | ✓ | ✓ |
| Formulation of the WPP's Annual Report | ✓ | ✓ | ✓ |
| Resources, Budget and Fees | | | |
| Annual review of resources and capacity | ✓ | ✓ | ✓ |
| Formulation of Annual WPP Budget | ✓ | ✓ | ✓ |
| Review and Monitoring of Fees (including Link & Russell) | ✓ | ✓ | ✓ |

Training Plan

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

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

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

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

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

We have set out below a list of training topics which the Host Authority will arrange training for during the 2022/2023 financial year. WPP's training topics are based on current WPP topical priorities and from an analysis of the WPP training requirements questionnaire/ assessment responses, completed by members of the Joint Governance Committee ('JGC') and Officers Working Group ('OWG'). Potentially there could be a number of member changes on the individual Pension Committees following the council elections in May 2022 and this has also been a factor in setting this year's training topics.

Product Knowledge

- o Private Market Asset Classes & the role of the Allocator
- o Active Sustainable Equities

Pool Knowledge

- o Governance and Administration
- o Roles and Responsibilities

Responsible Investment

- o What RI means for the WPP
- o Stewardship Code and TFCD Reporting

Market Understanding

- o Progress of other LGPS pools
- o Collaboration Opportunities

Budget

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

| | 2022-23 | 2023-24 | 2024-25 |
|--|---------------|---------------|---------------|
| | £'000 | £'000 | £'000 |
| Host Authority * | 191 | 196 | 200 |
| External Advisors * | 1,206 | 1,168 | 1,130 |
| TOTAL to be recharged | 1,397 | 1,364 | 1,330 |
| | | | |
| Operator / Allocator Services ** | 33,319 | 36,651 | 40,316 |
| TOTAL to be deducted from the NAV | 33,319 | 36,651 | 40,316 |

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

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

Investments & Performance

The WPP's Constituent Authorities have total assets of circa £21.6bn (as at 31 March 2021). The Constituent Authorities' passive investments are effectively within the Pool but are held by the respective WPP authorities in the form of insurance policies.

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

Equity Sub-Funds



* Portfolio Values as at launch date

| Sub Fund | Performance Benchmark | Participating Funds | Managers | Launch Date |
|----------------------|-----------------------|---|---|-------------|
| Global Growth | MSCI ACWI ND | RCT, Dyfed, Gwynedd, Cardiff and Powys | Baillie Gifford, Veritas and Pzena | Feb 19 |
| Global Opportunities | MSCI ACWI ND | Swansea, Torfaen, Gwynedd, RCT, Cardiff and Clwyd | Morgan Stanley, Numeric, Sanders, Jacobs Levy, SW Mitchell, NWQ, Nissay and Oaktree | Feb 19 |
| UK Opportunities | FTSE All Share | Cardiff and Torfaen | Majedie, Lazard, Baillie Gifford, Ninety-One, J O Hambro and Liontrust | Sept 19 |
| Emerging Markets | MSCI Emerging Markets | Cardiff, Clwyd, Gwynedd and Torfaen | Artisan, Bin Yuan, Barrow Hanley, Axiom, Numeric and Oaktree | Oct 21 |

Fixed Income Sub-Funds



* Portfolio Values as at launch date

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

Contact Details

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

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Telephone - (01267) 224136

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

The website can be found here:

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





WALES PENSION PARTNERSHIP JOINT GOVERNANCE COMMITTEE

DATE 23 MARCH 2022

SUBJECT

RISK REGISTER Q1 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 JGC on 17 July 2020. The Officers Working Group (OWG) has carried out a quarterly review of the register, looking at the first half of the Governance and Regulation section, risks G.1 to G.6.

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**EXECUTIVE SUMMARY
JOINT GOVERNANCE COMMITTEE**

DATE 23 MARCH 2022

RISK REGISTER Q1 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 the last quarter, a review has taken place of some of the risks within the Governance and Regulation section of the Risk Register, risks G.1 to G.6. The summary sheet attached summarises the review outcomes of each risk.

The OWG has a dedicated WPP Risk Sub-Group to take ownership of the WPP Risk Register and the quarterly review of this document. The next review will take place in Q2 2022 and will focus on the remaining risks within the Governance & Regulation Risks section.

DETAILED REPORT ATTACHED?

YES

IMPLICATIONS

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

| Risk | Focus of the Risk | Target Risk Score | Current Risk Score | Current Status | Responsible Party | Comments |
|----------------|---|-------------------|--------------------|----------------|--------------------|---|
| G.1 | WPP fails to comply with relevant regulation and LGPS guidance. | 10 | 10 | 👉 | OWG (RR Sub-Group) | <ul style="list-style-type: none"> New pooling guidance is expected later this year but exact dates are still to be confirmed. |
| G.2 | The WPP becomes overly dependent on a single or limited decisions maker or decision-making body. | 6 | 3 | 👉 | OWG (RR Sub-Group) | <ul style="list-style-type: none"> Action to appoint a Scheme Member Rep on the JGC – who will provide an additional layer of challenging and variety of perspective - is on-going and should be in place by Q2 2022. |
| G.3 | The WPP fails to adhere to its pre-agreed budget. | 4 | 8 | 👉 | HA/OWG | <ul style="list-style-type: none"> Budget monitoring activities have continued over the past year and further controls have been put in place to monitor and report on provider fees. |
| G.4 | The WPP fails to maintain suitable records, documentation is not filed in a suitable manner and personal data is not stored securely. | 8 | 8 | 👉 | HA | <ul style="list-style-type: none"> No significant updates |
| G.5 | The WPP fails to provide suitable and accurate accounts by the statutory deadline. | 4 | 4 | 👉 | HA | <ul style="list-style-type: none"> The probability of the target & current score has been reduced to 1, which has reduced the overall score to 4. This is due to the very defined process WPP follows to produce accounts by the statutory deadline and the experience of previous year's returns. |
| Page 57 G.6 | The WPP does not manage conflicts of interests. | 3 | 3 | 👉 | HA/OWG | <ul style="list-style-type: none"> No significant updates |

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Governance & Regulation Risk

| Risk Detail | | | | Current Situation | Scoring | | | Management and Monitoring | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|-----------------------|---|---|---|----------------------------|---|----------|-------------|---------------------------|----------------|---|---------------------------------|--|---|----|-----|---|---|---|-----------|--|---|---|---|---|---|---------------------|--|--------------------------|-------------|---------|---|---|---|--------|---|---|---|-----|---|--|---|---------|---|---|---|---|---|---|---------|--|--------------------------|-------------|---------|---|---|---|--------|---|---|---|-----|---|--|---|----|---|---|---|---|---|-----|----|-----|--------------------------|-------------|---------|---|---|
| Risk & Nature of Risk | | Cause of Risk | Implications of Risk | Risk Owner & Impact Period | Current Risk Controls | Severity | Probability | Score | Current Status | Action Required | Responsible Party & Review Date | Progress Report/ Comments | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| G.1 | WPP fails to comply with relevant regulation and LGPS guidance. | <ul style="list-style-type: none"> WPP is unaware and/ or ignores relevant regulation, guidance and recent updates. No means of monitoring regulatory compliance. Mis-interpretation of how regulation and guidance applies to WPP. Insufficient resources to meet guidance and regulatory requirements, this includes Pooling Guidance. | Potential Fines, loss of sovereignty and a negative impact on the WPP's reputation. | HA & OWG | <ul style="list-style-type: none"> Ensure sufficient training takes place Maintain a mechanism for monitoring recent regulations changes and progression toward meeting the new requirements Engagement with relevant regulatory bodies (such as Scheme Advisory Board, Pension Regulator and DLUHC) Appointment of an expert legal advisor Regulation and Governance Updates is a standing item at each OWG meeting. The Operator now provides quarterly regulatory developments updates to the OWG The WPP has facilitated and hosted training sessions with DLUHC and the SAB over the past twelve months. It has also hosted a dedicated training session on the different regulation and guidance that the WPP needs to be aware of and the different bodies and institutions that produce relevant guidance/ regulation. | 5 | 2 | 10 | 👍 | N/A | OWG (RR Sub-Group) | New pooling guidance is expected later this year but exact dates are still to be confirmed. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Operational / Reputational | Medium Term | Current | 5 | 2 | 10 | Target | 5 | | | | | 2 | 10 | G.2 | The WPP becomes overly dependant on a single or limited decisions maker or decision making body. | <ul style="list-style-type: none"> A number of decision makers or a decision-making body has a knowledge gap which limits their ability to contribute/ influence the decision-making process. Resources and other commitments limit the availability and input of relevant decision makers and decision-making bodies. A number of decision makers or a decision-making body is given or gains excessive decision-making power. Unjustifiable levels of decision-making power concentration | The WPP is inefficiently managed. Unsuitable decisions are made due to a lack of challenge / debate/ input and variety of views. | JGC & OWG | <ul style="list-style-type: none"> Ensure sufficient training takes place Appointment of an Oversight Advisor to advise on the WPP's governance structure Procurement and use of external advisors and suppliers that add inform/ provide guidance and bring a diversity of views to the decision-making process Use of a governance structure that ensure sufficient scrutiny prior to decisions being approved Adoption of a governance structure that does not allow high levels of decision-making concentration Annual review of WPP's resource requirements Annual meeting with Pension Boards held, which provide an invaluable source of knowledge and variety of views | 3 | 1 | 3 | 👍 | N/A | -OWG (RR Sub-Group) | Action to appoint a Scheme Member Rep on the JGC – who will provide an additional layer of challenging and variety of perspective - is on-going and should be in place by Q2 2022. | Operational | Long Term | Current | 3 | 2 | 6 | Target | 3 | 2 | 6 | G.3 | The WPP fails to adhere to its pre-agreed budget. | <ul style="list-style-type: none"> Inappropriate estimation of required budget. Failure to effectively manage costs of WPP activities and external provider fees. Failure to maintain a means of monitoring expenditure and remaining budget. | The WPP fails to meet its pre-agreed budget and/or has inadequate monitoring of budget activities. | HA/ JGC | <ul style="list-style-type: none"> Monitoring of current expenditure and remaining budget Engagement with relevant suppliers to ascertain whether fees are due to change and/or in line with expectation Annual Budget approved by the Constituent Authorities Budget variance is reported to the JGC on a quarterly basis as part of the Host Authority Update Host Authority has put in place additional fee check for its external advisors | 4 | 2 | 8 | 👍 | Embed new control procedures (such as a more detailed analysis of provider fees each month) and more transparency on the budgeting process. Review new control procedures in Q1 2023. | HA/ OWG | Budget monitoring activities have continued over the past year and further controls have been put in place to monitor and report on provider fees. | Financial / Reputational | Short Term | Current | 4 | 1 | 4 | Target | 4 | 1 | 4 | G.4 | The WPP fails to maintain suitable records, documentation is not filed in a suitable manner and personal data is not stored securely. | <ul style="list-style-type: none"> Lack of adequate procedures. Insufficient knowledge of best practice in regards to how to store personal data, documentation and records. Lack of suitable systems and IT solutions to facilitate and assist in the storing and maintenance of personal data, documentation and records. | The WPP loses valuable data and intellectual property. The WPP's reputation is negatively impacted. The WPP is subject to financial penalties or fines. | HA | <ul style="list-style-type: none"> Ongoing training on best practice Relevant WPP personnel are expected to complete GDPR training Adoption of a secure documents portal to hold relevant records and documentations Legal Advisor appointed to provide guidance on relevant regulation and interpretation of this regulation | 4 | 2 | 8 | 👍 | N/A | HA | N/A | Financial / Reputational | Medium Term | Current | 4 | 2 |
| G.2 | The WPP becomes overly dependant on a single or limited decisions maker or decision making body. | <ul style="list-style-type: none"> A number of decision makers or a decision-making body has a knowledge gap which limits their ability to contribute/ influence the decision-making process. Resources and other commitments limit the availability and input of relevant decision makers and decision-making bodies. A number of decision makers or a decision-making body is given or gains excessive decision-making power. Unjustifiable levels of decision-making power concentration | The WPP is inefficiently managed. Unsuitable decisions are made due to a lack of challenge / debate/ input and variety of views. | JGC & OWG | <ul style="list-style-type: none"> Ensure sufficient training takes place Appointment of an Oversight Advisor to advise on the WPP's governance structure Procurement and use of external advisors and suppliers that add inform/ provide guidance and bring a diversity of views to the decision-making process Use of a governance structure that ensure sufficient scrutiny prior to decisions being approved Adoption of a governance structure that does not allow high levels of decision-making concentration Annual review of WPP's resource requirements Annual meeting with Pension Boards held, which provide an invaluable source of knowledge and variety of views | 3 | 1 | 3 | 👍 | N/A | -OWG (RR Sub-Group) | Action to appoint a Scheme Member Rep on the JGC – who will provide an additional layer of challenging and variety of perspective - is on-going and should be in place by Q2 2022. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Operational | Long Term | Current | 3 | 2 | 6 | Target | 3 | | | | | 2 | 6 | G.3 | The WPP fails to adhere to its pre-agreed budget. | <ul style="list-style-type: none"> Inappropriate estimation of required budget. Failure to effectively manage costs of WPP activities and external provider fees. Failure to maintain a means of monitoring expenditure and remaining budget. | The WPP fails to meet its pre-agreed budget and/or has inadequate monitoring of budget activities. | HA/ JGC | <ul style="list-style-type: none"> Monitoring of current expenditure and remaining budget Engagement with relevant suppliers to ascertain whether fees are due to change and/or in line with expectation Annual Budget approved by the Constituent Authorities Budget variance is reported to the JGC on a quarterly basis as part of the Host Authority Update Host Authority has put in place additional fee check for its external advisors | 4 | 2 | 8 | 👍 | Embed new control procedures (such as a more detailed analysis of provider fees each month) and more transparency on the budgeting process. Review new control procedures in Q1 2023. | HA/ OWG | Budget monitoring activities have continued over the past year and further controls have been put in place to monitor and report on provider fees. | Financial / Reputational | Short Term | Current | 4 | 1 | 4 | Target | 4 | 1 | 4 | G.4 | The WPP fails to maintain suitable records, documentation is not filed in a suitable manner and personal data is not stored securely. | <ul style="list-style-type: none"> Lack of adequate procedures. Insufficient knowledge of best practice in regards to how to store personal data, documentation and records. Lack of suitable systems and IT solutions to facilitate and assist in the storing and maintenance of personal data, documentation and records. | The WPP loses valuable data and intellectual property. The WPP's reputation is negatively impacted. The WPP is subject to financial penalties or fines. | HA | <ul style="list-style-type: none"> Ongoing training on best practice Relevant WPP personnel are expected to complete GDPR training Adoption of a secure documents portal to hold relevant records and documentations Legal Advisor appointed to provide guidance on relevant regulation and interpretation of this regulation | 4 | 2 | 8 | 👍 | N/A | HA | N/A | Financial / Reputational | Medium Term | Current | 4 | 2 | 8 | Target | 4 | 2 | 8 | | | | | | | | | | | | | | | | | | |
| G.3 | The WPP fails to adhere to its pre-agreed budget. | <ul style="list-style-type: none"> Inappropriate estimation of required budget. Failure to effectively manage costs of WPP activities and external provider fees. Failure to maintain a means of monitoring expenditure and remaining budget. | The WPP fails to meet its pre-agreed budget and/or has inadequate monitoring of budget activities. | HA/ JGC | <ul style="list-style-type: none"> Monitoring of current expenditure and remaining budget Engagement with relevant suppliers to ascertain whether fees are due to change and/or in line with expectation Annual Budget approved by the Constituent Authorities Budget variance is reported to the JGC on a quarterly basis as part of the Host Authority Update Host Authority has put in place additional fee check for its external advisors | 4 | 2 | 8 | 👍 | Embed new control procedures (such as a more detailed analysis of provider fees each month) and more transparency on the budgeting process. Review new control procedures in Q1 2023. | HA/ OWG | Budget monitoring activities have continued over the past year and further controls have been put in place to monitor and report on provider fees. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Financial / Reputational | Short Term | Current | 4 | 1 | 4 | Target | 4 | | | | | 1 | 4 | G.4 | The WPP fails to maintain suitable records, documentation is not filed in a suitable manner and personal data is not stored securely. | <ul style="list-style-type: none"> Lack of adequate procedures. Insufficient knowledge of best practice in regards to how to store personal data, documentation and records. Lack of suitable systems and IT solutions to facilitate and assist in the storing and maintenance of personal data, documentation and records. | The WPP loses valuable data and intellectual property. The WPP's reputation is negatively impacted. The WPP is subject to financial penalties or fines. | HA | <ul style="list-style-type: none"> Ongoing training on best practice Relevant WPP personnel are expected to complete GDPR training Adoption of a secure documents portal to hold relevant records and documentations Legal Advisor appointed to provide guidance on relevant regulation and interpretation of this regulation | 4 | 2 | 8 | 👍 | N/A | HA | N/A | Financial / Reputational | Medium Term | Current | 4 | 2 | 8 | Target | 4 | 2 | 8 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| G.4 | The WPP fails to maintain suitable records, documentation is not filed in a suitable manner and personal data is not stored securely. | <ul style="list-style-type: none"> Lack of adequate procedures. Insufficient knowledge of best practice in regards to how to store personal data, documentation and records. Lack of suitable systems and IT solutions to facilitate and assist in the storing and maintenance of personal data, documentation and records. | The WPP loses valuable data and intellectual property. The WPP's reputation is negatively impacted. The WPP is subject to financial penalties or fines. | HA | <ul style="list-style-type: none"> Ongoing training on best practice Relevant WPP personnel are expected to complete GDPR training Adoption of a secure documents portal to hold relevant records and documentations Legal Advisor appointed to provide guidance on relevant regulation and interpretation of this regulation | 4 | 2 | 8 | 👍 | N/A | HA | N/A | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Financial / Reputational | Medium Term | Current | 4 | 2 | 8 | Target | 4 | | | | | 2 | 8 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

| Risk Detail | | | | Current Situation | Scoring | | | Management and Monitoring | | | | | |
|-----------------------|--|--|---|---------------------------------------|---|----------|-------------|---------------------------|---|-----------------|---------------------------------|---|--|
| Risk & Nature of Risk | | Cause of Risk | Implications of Risk | Risk Owner & Impact Period | Current Risk Controls | Severity | Probability | Score | Current Status | Action Required | Responsible Party & Review Date | Progress Report/ Comments | |
| G.5 | The WPP fails to provide suitable and accurate accounts by the statutory deadline. | <ul style="list-style-type: none"> Back of adequate planning for closure of accounts. Back of resources leads to late or inadequate accounts. Back of sufficient knowledge/ expertise. JGC approval cannot be provided due to certain circumstances. | The WPP's reputation is negatively impacted. Potential referral to the Scheme Advisory Board and the DLUHC. | HA/ JGC | <ul style="list-style-type: none"> Ongoing training Timetabled audit process Engagement with external audit to discuss deadlines and forward planning Appropriate level of expertise in place at Host Authority Accounts are externally audited by an expert | Current | | |  | N/A | HA | The probability of the target & current score has been reduced to 1, which has reduced the overall score to 4. This is due to the very defined process WPP follows to produce accounts by the statutory deadline and the experience of previous year's returns. | |
| | Reputational | | | Medium Term | | 4 | 1 | 4 | | | | | |
| | | | Target | | | 4 | 1 | 4 | | | | | |
| | | | | | | 4 | 1 | 4 | | | | | |
| G.6 | The WPP does not manage conflicts of interests. | <ul style="list-style-type: none"> Failure of WPP Personnel to state any potential conflicts. No policy in place which outlines how conflicts of interests should be managed. Inability of WPP personnel to disassociate personnel interest from the interests of the WPP's stakeholders. | Inappropriate decisions are made that are not in the best interest of the WPP's stakeholders. The WPP's reputation is negatively impacted. Potential referral to the Scheme Advisory Board and the MHCLG. | WPP Personnel/ Suppliers and Advisors | <ul style="list-style-type: none"> Declaration of conflict is an ongoing agenda item at the Joint Governance Committee Conflict of interest policy in place Engagement with relevant bodies such as the Scheme Advisory Board on best practice and relevant guidance <ul style="list-style-type: none"> OWG Members need to notify the OWG at the beginning of the meeting if their declarations of interest have changed since the last meeting, written confirmation also need to be provided to the HA. | Current | | |  | N/A | HA/ OWG | N/A | |
| | Operational / Reputational | | | Medium Term | | 3 | 1 | 3 | | | | | |
| | | | Target | | | 3 | 1 | 3 | | | | | |
| | | | | | | 3 | 1 | 3 | | | | | |



WALES PENSION PARTNERSHIP JOINT GOVERNANCE COMMITTEE

DATE 23 MARCH 2022

SUBJECT

ANNUAL POLICY REVIEWS

RECOMMENDATIONS / KEY DECISIONS REQUIRED:

To approve the updated:

- **Communication Policy**
- **Governance Matrix**

REASONS:

The current Communication Policy and Governance Matrix were initially approved by the JGC in December 2019. A second annual review of these policies has taken place and the updated documents require 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 23 MARCH 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 Communication Policy and Governance Matrix.

The Communication Policy was formally approved by the JGC in December 2019 and was reviewed and updated in March 2021. Following this year's review, the policy has been updated to reflect MHCLG's change of name from the Ministry of Housing, Communities and Local Government (MHCLG) to Department of Levelling Up, Housing and Communities (DLUHC). The policy has also been updated to include Pension Board Engagement meetings (point 11.3) as a channel to communicate with internal stakeholders and the WPP Annual Report (point 15.4) as a means to communicate externally. The frequency of the policy's formal review has been amended to biennial, the policy wording (point 6) has been amended accordingly.

The Governance Matrix was approved by the JGC in December 2019 and was reviewed and updated in December 2020. Following the recent changes to the Inter Authority Agreement, this matrix has been updated to reflect the role of the allocator and also to include the governance arrangements in relation to collaborative pooled investment opportunities.

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

DETAILED REPORT ATTACHED?

YES

IMPLICATIONS

| Policy, Crime & Disorder and Equalities YES | Legal NONE | Finance NONE | Risk Management Issues NONE | Staffing Implications NONE |
|--|----------------------|------------------------|---------------------------------------|--------------------------------------|
| Policy The Communication Policy and Governance Matrix are formal documents of the Wales Pension Partnership. | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |

CONSULTATIONS

Details of any consultations undertaken are to be included here

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

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

Wales Pension Partnership - Communication Policy

Introduction

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

Internal Communication

8. As part of its internal communication policy the WPP will seek to communicate and engage with the following internal bodies:
 - 8.1 Constituent Authorities
 - 8.2 Officers
 - 8.3 JGC Members
 - 8.4 Scheme Members
 - 8.5 Pension Committees
 - 8.6 Pension Boards
 - 8.7 Pension Forums
 - 8.8 Employers
 - 8.9 Suppliers (e.g. The Operator)
9. The WPP recognises that internal communication will foster greater collaboration amongst WPP personnel and will help ensure that everyone is fully informed and aligned with WPP's beliefs, objectives and priorities.
10. Improved internal communication will allow for greater levels of information sharing within the WPP and improve the WPP's decision making process. In addition, internal communication will let the WPP foster its unique identity and culture, which will allow it to further develop its unified vision and journey plan.
11. The WPP has identified the following methods and communications channels as the means by which it will communicate and engage with its internal stakeholders:
 - 11.1 WPP Annual Update
 - 11.2 WPP Annual Report
 - 11.3 Website
 - 11.4 Social media (LinkedIn)
 - 11.5 Emails
 - 11.6 Meeting summary notes
 - 11.7 Host Authority Quarterly Update
 - 11.8 Surveys, Questionnaires and Consultations
 - 11.9 Internal document portal
 - 11.10 Bi-Weekly virtual meetings
 - 11.11 OWG meetings
 - 11.12 JGC meetings

11.13 Sub-Group meetings

11.14 Pension Board Engagement meetings

11.15 Engagement days

11.16 Training sessions

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

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

External Communication

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

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

- 14.4 Innovative & Forward Thinking – The WPP is a forward-thinking institution which is always willing and actively seeking to improve its current methods and procedures. Self-assessment and learning from experience are a critical element of our governance framework. We believe that learning and innovation will ensure that we continue to be able to meet the needs and requirements of our stakeholders. We have adopted innovative approaches throughout all aspects of the WPP, but we are particularly pleased with the ways in which we have been able to incorporate innovation into the WPP’s investment offerings.
 - 14.5 Delivering Benefits to Scheme Members and Employers – The WPP is proud of its pooling model which is designed to meet the needs of WPP’s Constituent Authorities, who will in turn meet the needs of their members and employers. WPP strives for the highest standards of governance and to fulfil the interest of beneficiaries.
 - 14.6 Welsh Identity – The WPP is proud to represent the entirety of Wales and Wales’ unique cultural identity. The WPP represents the shared vision of the Welsh Constituent Authorities and the roadmap that they have developed to deliver this vision. We incorporate our Welsh identity into the management and procedures of the WPP and will ensure that our website and public meetings continue to be available bilingually.
 - 14.7 A Proud Member of the LGPS Community – The WPP is proud of its LGPS heritage and has embedded the following LGPS characteristics into its structure: robust governance, transparency and high levels of local accountability. The WPP is firmly rooted to incorporating LGPS principles and characteristics into its structure and ensuring that there is no cultural drift from its firm commitment to democracy and Pension Board engagement. The WPP continues to be governed through a democratic process and we are honoured to have continually high levels of engagement with Pension Boards.
15. The WPP has identified the following methods and communications channels as the means by which it will implement its external communication policy and articulate key messages to its target audience:
- 15.1 The WPP website
 - 15.2 Social Media (e.g. LinkedIn)
 - 15.3 WPP Annual Progress Update
 - 15.4 WPP Annual Report
 - 15.5 External press releases and press statements
 - 15.6 Publicly available Joint Governance Committee (‘JGC’) meeting papers
16. The WPP will also engage with the following institutions and bodies. The WPP recognises that engagement and collaboration with these bodies also plays an important in its Communication strategy.
- 16.1 Scheme Advisory Board Meetings (SAB)
 - 16.2 DLUHC Consultations
 - 16.3 Attendance at external conferences and events
 - 16.4 Representation at relevant working groups or collaboration opportunities
 - 16.5 Cross-Pool Meetings

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

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

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

Further Information

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

March 2022

| | Action | Host Authority | OWG | Constituent Authorities (Pension Committees) | JGC | Operator / Allocator | Oversight Advisor |
|---|---|----------------------|----------------------------------|--|----------------------|----------------------|---------------------------------|
| Beliefs & Objectives | WPP's beliefs, objectives & pool structure | N/A | Formulate & recommend | Written Approval (IAA 6.1) | Approve | Adhere to | Advise |
| Strategic Goals & Plan | WPP Business Plan – including the WPP's strategic plan, objectives & timeframes | N/A | Formulate & recommend | Written Approval (IAA, SC2) | Approve | Adhere to | Advise |
| Governance, Decision Making, Policies | Specify decision making, roles & responsibilities, delegation, and governance structure | N/A | Formulate & recommend | Written Approval (IAA 34.1) | Approve | N/A | Advise |
| | Amending or terminating the IAA | N/A | Formulate & recommend | Written Approval (IAA 34.1) | Recommend to CAs | N/A | Advise |
| | Develop WPP governance principles & policies | N/A | Formulate & recommend | N/A | Approve | Adhere to | Advise |
| | Admitting a new LGPS Authority to the WPP | N/A | N/A | Approve | N/A | N/A | N/A |
| Budget setting, resources and workplan | Budget approval (including additional expenditure that exceeds 30% of approved budget) & resource requirements – as outlined in the WPP Business Plan | Formulate | Recommend | Written Approval (IAA, SC2) | Approve | N/A | Advise |
| | Maintenance and progression of workplan | Implement (IAA 7) | Recommend | N/A | Approve | N/A | Advise |
| Implementation | Strategic asset allocation | N/A | N/A | Approve | N/A | N/A | Local advisors |
| | Agree pool sub-fund requirements including launches & terminations, asset classes, vehicle (ACS or other), sub-fund objectives and manager mandate | N/A | Formulate & recommend | N/A | Approve | Implement | Advise |
| | WPP Sub-Fund - investment manager selections | N/A | Review | N/A | Review | Formulate & approve | Advise |
| | Agree plans for asset transitions to pool vehicles | N/A | Formulate & recommend (IAA, SC8) | Review & Approve (IAA, SC2) | Recommend (IAA, SC3) | Implement | Advise & monitor implementation |
| | Agree supplier requirements & remit (e.g., transition managers, stock-lending agents, advisors) | Formulate | Recommend | N/A | Approve (IAA, SC3) | N/A | Advise |
| | Appointing, terminating, or replacing the Operator (including procurement evaluation or scoring criteria, contracts, and SLAs) | Implement (IAA 7.1h) | Recommend | Written Approval (IAA, SC2) | Recommend to CAs | N/A | Advise |
| | Appointing, terminating, or replacing the Private Market Allocators | Implement (IAA 7.1h) | Recommend | N/A | Approve | N/A | Advise |
| | Consider collaborative pooled investment opportunities | | Formulate & recommend | n/a | Approve | Implement | Advise |

| | Action | Host Authority | OWG | Constituent Authorities (Pension Committees) | JGC | Operator / Allocator | Oversight Advisor |
|-------------------|---|------------------------------|--------------------------------|--|---|----------------------|--------------------|
| | Appointing, terminating, or replacing other suppliers (including contracts and SLAs) | Implement (IAA 7.1h) | Recommend | N/A | Approve | Implement | Advise |
| | Conflict management | Monitor | Formulate & recommend | N/A | Approve | N/A | Advise |
| Monitoring | Monitoring of Operator, including KPI reporting, service delivery, contract suitability, etc | Monitor | Review & recommend any actions | Approve any material Operator contract changes | Approve & recommend any material Operator contract changes to CAs | N/A | Monitor and advise |
| | Performance of other suppliers | Monitor | Review & recommend any actions | N/A | Approve | N/A | Monitor and advise |
| | Risk Management | Formulate & monitor | Review and recommend | N/A | Approve | N/A | Advise |
| | Formulation of the WPP Annual Return | Formulate (Internal Audit) | Review | N/A | Approve (Audit Wales Signoff) | N/A | N/A |
| | Resourcing Requirements, budget monitoring & value for Money | Implement & monitor (IAA 11) | Review & recommend | N/A | Approve | N/A | Advise |
| | Compliance with regulatory requirements (<i>Operator complies with requirements for its own regulatory functions</i>) | Formulate (IAA 7.1f) | Review & recommend | Adhere to | Approve | Adhere to | Advise |
| | Compliance with agreed policies | N/A | Review | Adhere to | Approve | Adhere to | Advise |
| Review | Regular review of Suppliers | Review | Recommend | N/A | Approve | N/A | Review and advise |
| | Identify & document lessons learnt | N/A | Formulate & recommend | N/A | Approve | N/A | Review and advise |
| Training | Skills, Knowledge & Training for Officers & JGC | Formulate | Recommend | N/A | Approve | N/A | Advise |

¹ The operator is responsible for ACS sub-funds, allocators are responsible for private markets sub-funds and local investment funds

| | |
|--|---|
| Approve | To consider recommendations and approve or ratify |
| Review | To assess and propose amendments |
| Formulate OR "Develop proposal" | To systematically gather relevant data and prepare a proposal |
| Recommend | To set out options considered and recommend proposal for approval |
| Advise | To advise on or review options, assess merits and advise those responsible for proposals, recommendations and approvals |
| Monitor | To observe and check progress and/ or quality |
| Adhere to | To act upon and adhere to approved plan, course of action and policies |
| Implement | To enact a decision, plan or agreement and meet an obligation |



WALES PENSION PARTNERSHIP JOINT GOVERNANCE COMMITTEE

DATE 23 MARCH 2022

SUBJECT

SCHEME MEMBER REPRESENTATION ON THE JOINT GOVERNANCE COMMITTEE

RECOMMENDATIONS / KEY DECISIONS REQUIRED:

To:

- Approve the recommendation of the Joint Governance Committee (JGC) sub-group to appoint Osian Richards as the Scheme Member Representative of the JGC
- Approve the recommendation of the JGC sub-group to appoint Ian Guy as the Deputy Scheme Member Representative of the JGC

REASONS:

On 10 December 2020, the JGC approved:

- that there is provision for a co-opted (non-voting) pension board scheme member representative on the JGC

On 24 March 2021, the JGC approved:

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

The appointment process had now completed and the recommendations of the JGC sub-group requires the approval of the JGC.

Report Author:
Chris Moore

Designation:
Director of Corporate Services

Carmarthenshire County
Council

Tel No. 01267 224160

E. Mail:
CMoore@carmarthenshire.gov.uk

EXECUTIVE SUMMARY JOINT GOVERNANCE COMMITTEE

DATE 23 MARCH 2022

SCHEME MEMBER REPRESENTATION ON THE JOINT GOVERNANCE COMMITTEE

BRIEF SUMMARY OF PURPOSE OF REPORT

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

The JGC members have considered the involvement of a scheme member representative to support the transparency of the WPP and hence strengthen the governance arrangements of the WPP. Scheme Member Representatives can join the JGC but only as co-opted, non-voting members. These Scheme Member Representatives will be non-voting members who will be entitled to see all the papers and attend and speak at meetings, on all agenda items.

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

On 10 December 2020, the JGC approved:

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

On 24 March 2021, the JGC approved:

- the appointment process, including the establishment of an appointment sub-group
- the person specification for the scheme member representative

An IAA addendum was formulated to allow for the appointment of a scheme member representative and deputy scheme member representative on the JGC and this has been executed by all eight constituent authorities.

In December 2021 an email was sent to all eight individual Pension Board Chairs, attaching the appointment process and person specification document, inviting scheme member representatives to submit an expression of interest for the role of scheme member representative or deputy scheme member representative. Four nominations were received.

All four were invited to interview and the online interviews took place on Wednesday 23 February 2022. The JGC sub-group interview panel consisted of Cllr Clive Lloyd (Chair), Cllr Chris Weaver and Cllr Ted Palmer with support being provided by the Host Authority.

Following the interviews, the recommendations by the JGC sub-group are that:

- Osian Richards from Gwynedd Pension Fund be appointed the Scheme Member Representative for the WPP
- Ian Guy from City and County of Swansea Pension Fund be appointed the Deputy Scheme Member Representative for the WPP
(The deputy will be required to attend meetings in the SMR's absence)

The appointment will be effective immediately after the JGC have approved the recommendations, with a tenure of two years. If the individual ceases to be a local pension board scheme member representative within that two-year period, their role as scheme member / deputy scheme member representative will also cease.

| | |
|----------------------------------|-----------|
| DETAILED REPORT ATTACHED? | NO |
|----------------------------------|-----------|

IMPLICATIONS

| Policy, Crime & Disorder and Equalities NONE | Legal YES | Finance NONE | Risk Management Issues NONE | Staffing Implications NONE |
|---|---------------------|------------------------|---------------------------------------|--------------------------------------|
| Legal The Inter Authority Agreement has been amended and approved by all eight Welsh constituent Authorities. | | | | |
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CONSULTATIONS

Details of any consultations undertaken are to be included here

The Inter Authority Agreement did not originally allow the appointment of a Scheme Member Representative on the JGC, an addendum to the Inter Authority Agreement has been formulated and executed by all eight constituent authorities.

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 JOINT GOVERNANCE COMMITTEE

DATE 23 MARCH 2022

| | | |
|--|--|---|
| <p>SUBJECT</p> <p>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 23 MARCH 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 |
|--|----------------------|------------------------|---------------------------------------|--------------------------------------|
| | | | | |
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CONSULTATIONS

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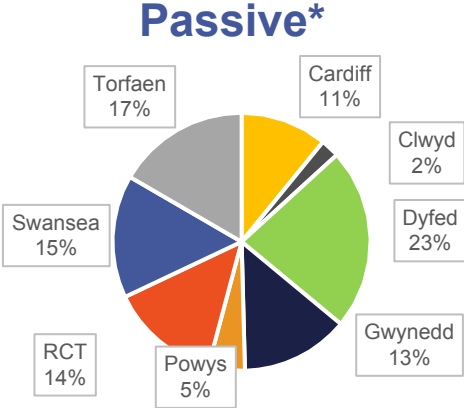
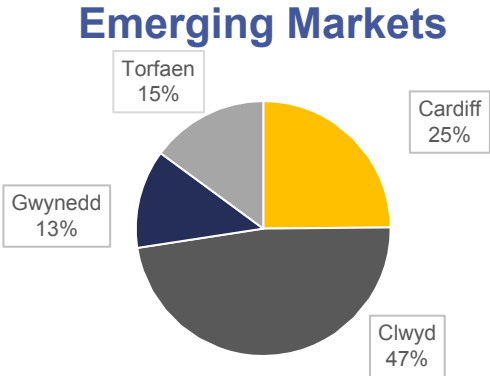
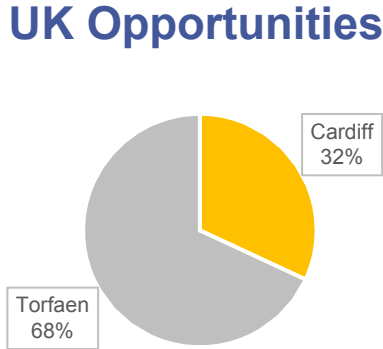
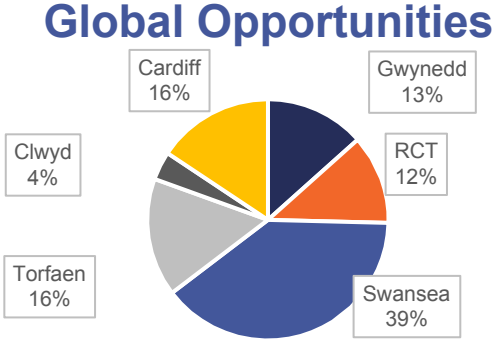
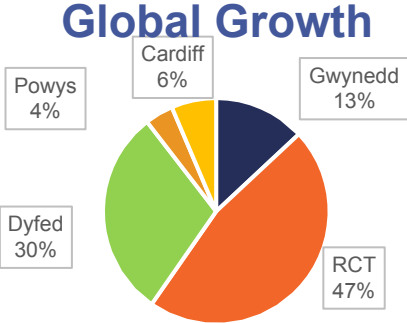
| Title of Document | File Ref No. | Locations that the papers are available for public inspection/WEBSITE LINK |
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Wales Pension Partnership

Joint Governance Committee
Q4 2021 review

23rd March 2022

December 2021 Fund Snapshot - Equities

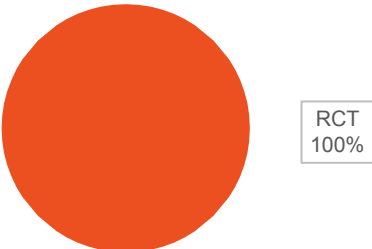


- Key:
- Dyfed
 - Powys
 - Gwynedd
 - RCT
 - Torfaen
 - Clwyd
 - Swansea
 - Cardiff

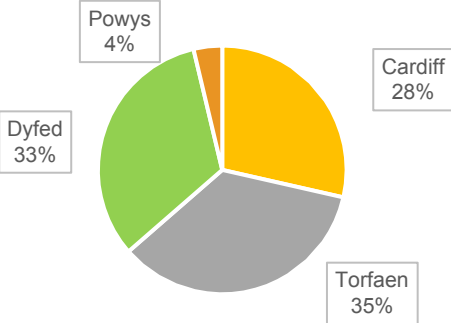
* Assets with BlackRock

December 2021 Fund Snapshot - Fixed Income

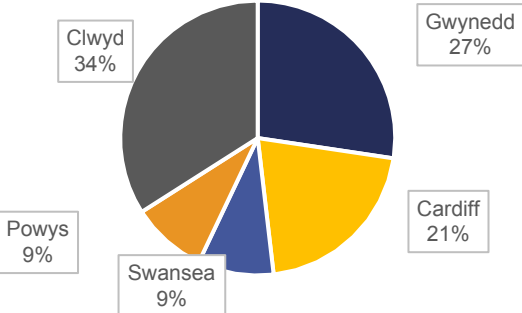
Sterling Credit



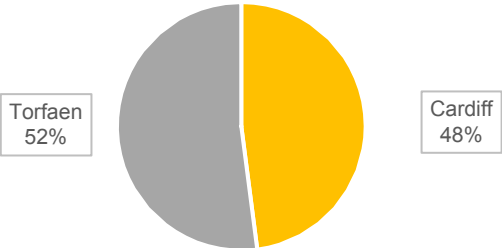
Global Credit



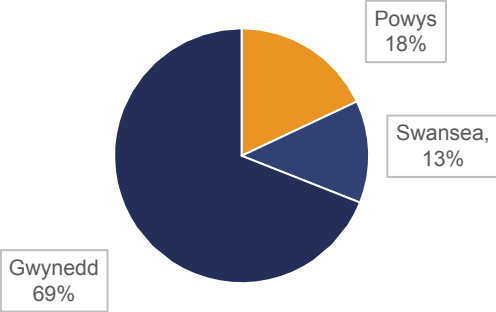
Multi Asset Credit



Global Gov. Bond



Absolute Return Bnd



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

December 2021 LF Wales PP Fund AUM

| Fund | AUM | Inception date |
|-----------------------------------|------------------------|----------------------------|
| Global Growth | £3,479,433,963 | 6 th Feb 2019 |
| Global Opportunities | £3,434,745,846 | 14 th Feb 2019 |
| UK Opportunities | £777,707,324 | 10 th Oct 2019 |
| Emerging Markets | £489,091,444 | 20 th Oct 2021 |
| Sterling Credit | £607,650,635 | 19 th Aug 2020 |
| Global Credit | £810,105,382 | 21 st Aug 2020 |
| Multi Asset Credit | £751,351,587 | 12 th Aug 2020 |
| Global Government Bond | £527,455,551 | 20 th Aug 2020 |
| Absolute Return Bond | £502,773,610 | 30 th Sept 2020 |
| Total Active Investments | £11,380,315,342 | |
| Total Passive Investments* | £5,812,464,076 | |
| Total Pooled Assets | £17,192,779,418 | |

Fund Launches & Updates

Progress Report

Fund Activity in the Period

Key Achievements & Updates

| Completed fund activity | | | | |
|---|---|-------------|---|------------------------------------|
| | Overview | Status | Progress in period | Launch / completion dates |
| Tranche 4: Emerging Markets sub-fund launch | <ul style="list-style-type: none"> Emerging Market fund created under the Enhanced Portfolio Implementation model with a carbon reducing overlay | Complete | <ul style="list-style-type: none"> FCA approval received 22nd March Transition plan agreed and shared with each investor Fund launch 20th October with £505m AUM Trading activity completed | 20 th October 2021 |
| Fund prospectus updates | <ul style="list-style-type: none"> Proposed in-flight prospectus updates | Complete | <ul style="list-style-type: none"> Baillie Gifford GAPA: implementation of a carbon screening process on the BG sleeve of the Global Growth fund Nov 22nd 2021 Inclusion of Nissay to the Global Opps IM line up and J O Hambro to the UK Opps line up | November 2021 December 2021 |
| Active fund activity | | | | |
| | Overview | Status | Progress in period | Launch / completion dates |
| UK Opps decarb | <ul style="list-style-type: none"> Addition of the Russell Investments decarb function to the UK Opportunities fund | In progress | <ul style="list-style-type: none"> Host Authority (on behalf of WPP), Torfaen and Cardiff officially approve the addition of the decarb function on the UK Opportunities fund LFS to progress through internal governance | April 2022 |
| 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 to present paper to OWG 1st Feb | |

LFS Corporate Update & Engagement

LFS Corporate Update & Engagement

LFS updates

- Dye & Durham, a Canadian domiciled provider of cloud-based software and technology solutions, has agreed to acquire 100% of the shares in Link Group by way of a Scheme of Arrangement
- Following initial due diligence, Carlyle Group have ceased their interest in acquiring 100% of the shares in Link Group after the Dye & Durham announcement
- Chris Addenbrooke has taken the decision to retire and is stepping down from his role as CEO. Karl Midl, current Managing Director of Link Fund Solutions Limited (UK), has been appointed to the position with effect from February 2022. Karl also remains Managing Director for Link Fund Solutions Limited

Key Q4 and future WPP Engagement

Link attendance at OWG/JGC meetings in period:

- OWG 3rd Nov 2021
- JGC 1st Dec 2021

Link attendance at OWG/JGC meetings in next quarter:

- OWG 1st Feb 2022
- JGC 23rd March 2022

Link - Pension Committee attendance in period:

- Cardiff 14th Dec 2021
- Powys 17th Dec 2021

Link - Pension Committee attendance in next quarter :

- Gwynedd 17th Jan 2022
- Clwyd 9th Feb 2022
- RCT 8th March 2022
- Dyfed 29th March 2022

Other meetings in period

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

Other meetings in next quarter

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

LFS Engagement Protocol

Business as Usual

| Strategic Relationship Review | Frequency | Objective |
|--|--|---|
| | <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 ▪ Eamonn Gough, 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"> ▪ Eamonn Gough, Senior Relationship Manager ▪ Richard Thornton, Head of Relationship Management, Asset Owners ▪ Alistair Coyle, Relationship Manager (as required) ▪ Ad-hoc Link attendance from functional departments: Tax, Compliance, Product, etc. ▪ Russell Investments |

Link Engagement Protocol continued...

Business as Usual

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



WALES PENSION PARTNERSHIP JOINT GOVERNANCE COMMITTEE

DATE 23 MARCH 2022

SUBJECT

PERFORMANCE REPORTS AS AT 31 DECEMBER 2021

RECOMMENDATIONS / KEY DECISIONS REQUIRED:

To note the performance reports of the following sub funds as at 31 December 2021:

- 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 31 December 2021.

Report Author:
Chris Moore

Designation:
Director of Corporate Services

Carmarthenshire County
Council

Tel No. 01267 224160

E. Mail:
CMoore@carmarthenshire.gov.uk

**EXECUTIVE SUMMARY
JOINT GOVERNANCE COMMITTEE**

DATE 23 MARCH 2022

PERFORMANCE REPORTS AS AT 31 DECEMBER 2021

BRIEF SUMMARY OF PURPOSE OF REPORT

Northern Trust have provided performance reports for the WPP's sub funds as at 31 December 2021.

Performance - Inception to date:

| Global Opportunities Fund | Gross of Fees (%) | Net of Fees (%) |
|----------------------------------|--------------------------|------------------------|
| Actual | 16.20 | 15.83 |
| Benchmark | 15.49 | 15.49 |
| Excess Return | 0.71 | 0.34 |

| Global Growth Fund | Gross of Fees (%) | Net of Fees (%) |
|---------------------------|--------------------------|------------------------|
| Actual | 15.93 | 15.48 |
| Benchmark | 15.92 | 15.92 |
| Excess Return | 0.01 | (0.44) |

| Emerging Markets Fund | Gross of Fees (%) | Net of Fees (%) |
|------------------------------|--------------------------|------------------------|
| Actual | (0.86) | (0.97) |
| Benchmark | (1.10) | (1.10) |
| Excess Return | 0.24 | 0.13 |

| UK Opportunities Fund | Gross of Fees (%) | Net of Fees (%) |
|------------------------------|--------------------------|------------------------|
| Actual | 6.70 | 6.26 |
| Benchmark | 5.58 | 5.58 |
| Excess Return | 1.12 | 0.68 |

| Global Government Bond Fund | Gross of Fees (%) | Net of Fees (%) |
|------------------------------------|--------------------------|------------------------|
| Actual | (0.34) | (0.57) |
| Benchmark | (1.40) | (1.40) |
| Excess Return | 1.06 | 0.83 |

| Global Credit Fund | Gross of Fees (%) | Net of Fees (%) |
|---------------------------|--------------------------|------------------------|
| Actual | 1.83 | 1.66 |
| Benchmark | 0.60 | 0.60 |
| Excess Return | 1.23 | 1.06 |

| Multi Asset Credit Fund | Gross of Fees (%) | Net of Fees (%) |
|--------------------------------|--------------------------|------------------------|
| Actual | 5.92 | 5.49 |
| Target | 4.06 | 4.06 |
| Excess Return | 1.86 | 1.43 |

| Absolute Return Bond Strategy Fund | Gross of Fees (%) | Net of Fees (%) |
|---|--------------------------|------------------------|
| Actual | 1.33 | 0.87 |
| Target | 2.06 | 2.06 |
| Excess Return | (0.73) | (1.19) |

| UK Credit Fund | Gross of Fees (%) | Net of Fees (%) |
|-----------------------|--------------------------|------------------------|
| Actual | 1.27 | 1.14 |
| Benchmark | 0.89 | 0.89 |
| Excess Return | 0.37 | 0.25 |

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 |
|----------------------------------|------------|

IMPLICATIONS

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

Finance

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

- Global Opportunities – outperformed by 0.71% gross / 0.34% net
- Global Growth – outperformed by 0.01% gross / underperformed by 0.44% net
- Emerging Markets – outperformed by 0.24% gross / 0.13% net
- UK Opportunities – outperformed by 1.12% gross / 0.68% net
- Global Government Bond – outperformed by 1.06% gross / 0.83% net
- Global Credit – outperformed by 1.23% gross / 1.06% net
- Multi Asset Credit – outperformed by 1.86% gross / 1.43% net
- ARB – underperformed by 0.73% gross / 1.19% net
- UK Credit – outperformed by 0.37% gross / 0.25% net

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CONSULTATIONS

Details of any consultations undertaken are to be included here

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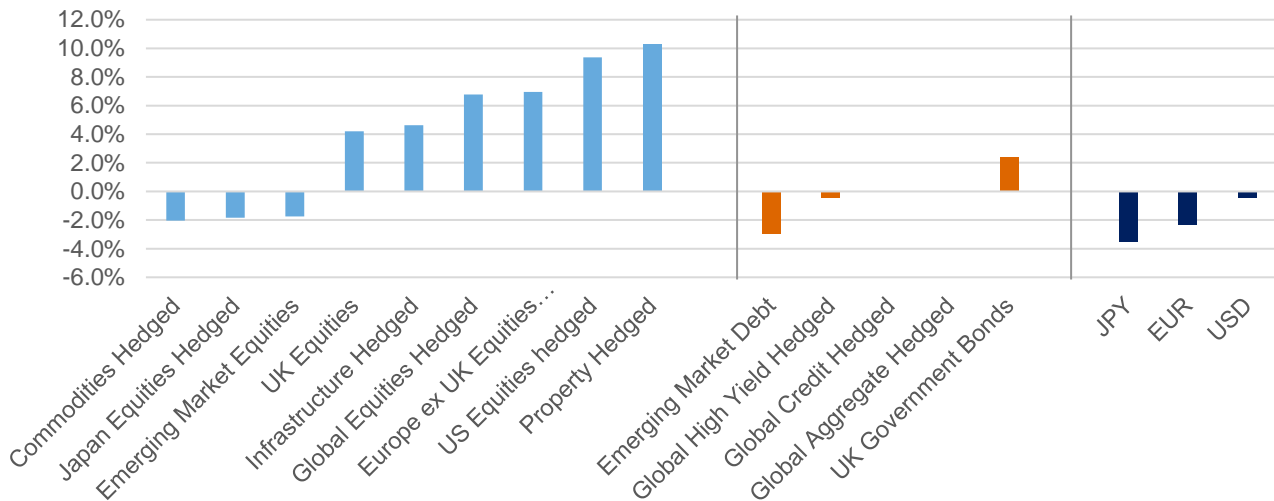
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JGC - WPP Performance Summary Q4 2021

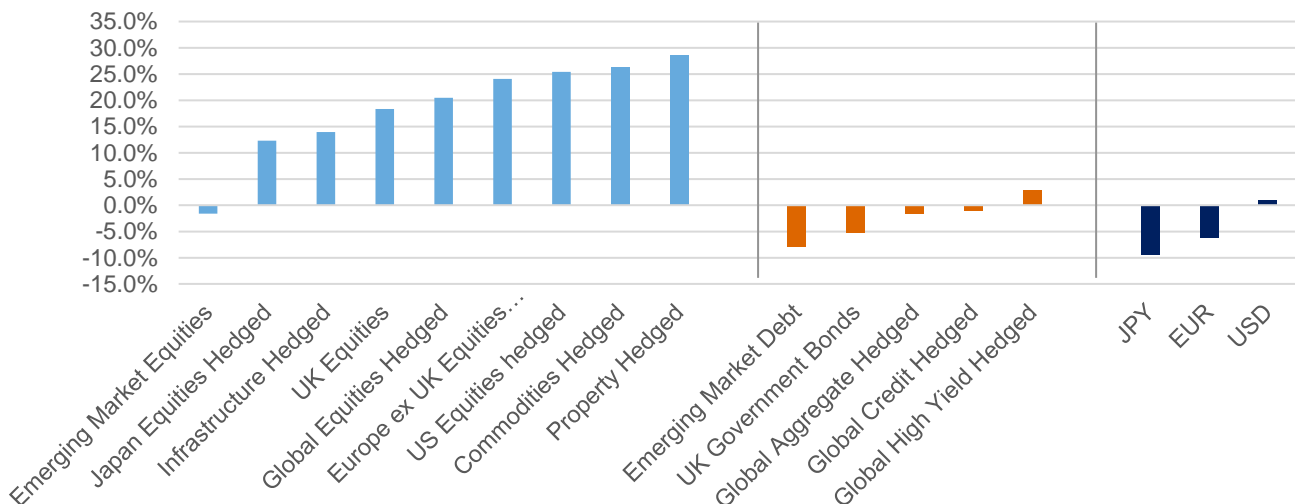
Global Market Commentary

Over the quarter “transitory inflation” became increasingly persistent, in part owing to global supply chain issues and in late December, G4 central banks turned hawkish. The Bank of England (BoE) raised its interest rate, whilst the Federal Reserve (Fed), European Central Bank (ECB) and Bank of Japan (BoJ) signaled that they will significantly scale back pandemic-era economic support. Meanwhile, a new Covid-19 variant called Omicron was discovered in November, introducing another facet of volatility for markets to contend with. This followed new lockdown rules in many countries (notably in Europe) struggling with surging coronavirus cases. However, in the latter part of December, medical studies suggested the new Omicron variant was milder than previous variants, which helped improve investor risk sentiment. Over the period, both the US dollar and oil prices strengthened.

Asset class performance – Quarter to December 2021



Asset class performance – Year to December 2021



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 | 5.31 | 19.22 | 16.20 |
| Net | 5.23 | 18.89 | 15.83 |
| MSCI AC World Index Net | 6.20 | 19.63 | 15.49 |
| Excess returns (gross) | -0.88 | -0.41 | 0.71 |

Inception Date: COB 14th February 2019

Overall Fund Commentary

Investors preferred the quality style over the quarter, which was also the best performing factor in 2021. Safety offered by large-cap holdings was also preferred, whilst growth outperformed value. As such, the multi-factored approach of Jacobs Levy was beneficial over the period, as well as Numeric's core strategy, which has an overweight to growth and large caps. The major factor laggards in the fourth quarter were small-caps, momentum, low-volatility and yield. This held back the low-volatility strategy of Numeric. Meanwhile, Emerging Markets (EM) and Japan's equity market, underperformed over the period. Additionally, we added a new Japanese (Nissay) contrarian value strategy to the Fund over the period.

Global Growth Equity Fund:

| | Three Months | 1 Year | Since Inception |
|-------------------------|--------------|--------|-----------------|
| Gross | 1.72 | 14.19 | 15.93 |
| Net | 1.61 | 13.75 | 15.48 |
| MSCI AC World Index Net | 6.20 | 19.63 | 15.92 |
| Excess returns (gross) | -4.48 | -5.44 | 0.01 |

Inception Date: 6th February 2019

Overall Fund Commentary

The Fund underperformed its benchmark in Q4 2021. Baillie Gifford, whose growth style suffered the effects of interest rate uncertainty on its tech stocks and the Chinese government's imposition of widespread regulation changes on its Chinese holdings, posted negative returns for the quarter. Pzena posted positive returns for the quarter but underperformed the benchmark. Holdings in the cyclical consumer discretionary and materials sectors posted losses, while more defensive information technology, health care, and utilities stocks gained the most, driving portfolio returns. Veritas also posted positive returns for the quarter but underperformed the benchmark as valuations continued to soar and investors shunned cash generative but modestly growing companies, the types of companies Veritas' valuation discipline favors.

Emerging Market Market Commentary

EM Markets declined over the quarter owing to a higher rates environment in the developed world, China's property market turmoil and higher commodity prices. In South Africa, swift work by the country's laboratories in analysing genome sequencing, prompted South Africa to alert the world of a new variant of Covid-19. The World Health Organisation designated this a "variant of concern" and named it "Omicron". In China, John Kerry and Xie Zhenhua, the respective US and Chinese climate envoys, made a rare joint declaration at the United Nations COP26 summit, to co-operate on climate change. However, relations between the two nations remained frosty as the US blacklisted a dozen Chinese quantum computing companies. In Turkey, the central bank cut interest rates to 14.0% in mid-December, the fourth cut in as many months, with the country's President Tayyip Erdogan explaining he would "lift the interest rate burden from citizens". He also declared that the country was waging an "economic war of independence". This resulted into the Turkish lira weakening to fresh record lows, as investors continued to lose faith in the country's economic prospects.

Emerging Market Equity Fund:

| | Since Inception |
|-----------------------------------|-----------------|
| Gross | -0.86 |
| Net | -0.97 |
| MSCI Emerging Market Index | -1.10 |
| Excess returns (gross) | 0.24 |

Inception Date: COB 29th October 2021

Overall Fund Commentary

The Fund outperformed its benchmark return. Large cap growth stocks ended the month and year as the weakest-performers. Quality was among the best-performing factors this quarter. Within this environment, the Fund's tilt away from growth and exposure to momentum contributed to performance. The broader underweight to China - particularly large cap growth names within the consumer discretionary sector – underpinned outperformance.

UK Market Commentary

UK equities overcame a less accommodative monetary policy environment, high inflation and Covid-19 concerns to end a healthy year with a positive return in the fourth quarter. The Bank of England disappointed markets in November by holding rates steady, before surprising with a 15 bps rate rise in December (to 0.25%). This came despite the government's new domestic restrictions aimed at limiting the spread of the Omicron variant. Governor Andrew Bailey explained that the bank's decision came on the back of "evidence of a very tight labour market" and to tackle "persistent inflation pressures". The benchmark UK 10-year gilt yield sold-off following the announcement and ended five bps lower for the quarter at 0.97%. Sterling strengthened against the US dollar, euro and Japanese yen over the quarter.

UK Opportunities Equity Fund:

| | Three Months | 1 Year | Since Inception |
|-------------------------------|--------------|--------|-----------------|
| Gross | 1.90 | 14.78 | 6.70 |
| Net | 1.79 | 14.31 | 6.26 |
| FTSE All Share | 4.20 | 18.32 | 5.58 |
| Excess returns (gross) | -2.30 | -3.54 | 1.12 |

Inception Date: COB 11th October 2019

Overall Fund Commentary

The Fund underperformed over the quarter. Small cap stocks suffered from heightened investor concern driven by the discovery of the Covid-19 Omicron variant. Quality and defensive factors such as high quality and minimum volatility performed well over the period. Value outperformed growth. Momentum lagged behind. selection within the industrials sector was negative. Positioning towards, and selection within the consumer discretionary (internet-based stocks) and materials sector also detracted. However, positive selection within the communication services sector limited additional underperformance. Baillie Gifford suffered from unrewarded stock selection, and value manager Ninety One underperformed through its negative selection within cyclical industries. During the quarter, we added J O Hambro to the Fund, which holds a pragmatic and flexible market-orientated stock selection approach.

Fixed Income Market Commentary

Early in the quarter, G4 central banks were cautious about scaling back expansionary policies which were implemented last year to counter adverse effects of the pandemic. This is because they believed rising inflation was largely transitory and they did not want to dent any economic recovery. However, “transitory inflation” became increasingly persistent, in part owing to global supply chain issues and in late December, G4 central banks turned hawkish. December. In light of strong jobs and inflation numbers, the Fed decided in December that the taper will double to \$30.0 billion in January with Fed officials looking to raise interest rates three times in 2022. The BoE unexpectedly did not raise its interest rate at its November meeting, but surprised markets with a rate rise in December. In the eurozone, the annual inflation rate rose sharply to 4.9% in November, the highest point since July 1991. In response to the higher inflation data, the ECB said it would exit its €1.85 trillion Pandemic Emergency Purchase Programme next year.

Global Government Bond Fund:

| | Three Months | 1 Year | Since Inception |
|---|--------------|--------|-----------------|
| Gross | -0.50 | -2.33 | -0.34 |
| Net | -0.58 | -2.55 | -0.57 |
| FTSE World Gvt Bond Index (GBP Hedged) | 0.07 | -2.40 | -1.40 |
| Excess returns (gross) | -0.57 | 0.07 | 1.06 |

Inception Date: COB 19th August 2020

Overall Fund Commentary

The Fund underperformed the benchmark this period. the benchmark UK 10-year gilt sold-off following the announcement and ended only five bps lower for the quarter at 0.97%. Elsewhere, both the benchmark 10-year US Treasury yield and German 10-year bund yield increased two bps to 1.51% and -0.18% respectively. Within this environment, the Fund's underweight to UK gilts detracted. An underweight to the long end of the curve for eurozone bonds was negative. However, an underweight to US duration was rewarded. Both Colchester and BlueBay underperformed over the period.

Global Credit Fund:

| | Three Months | 1 Year | Since Inception |
|--|--------------|--------|-----------------|
| Gross | -0.02 | -0.27 | 1.83 |
| Net | -0.07 | -0.44 | 1.66 |
| Bloomberg Barclays Global Agg Credit Index (GBP Hedged) | -0.05 | -1.13 | 0.60 |
| Excess returns (gross) | 0.03 | 0.86 | 1.23 |

Inception Date: COB 20th August 2020

Overall Fund Commentary

The Fund marginally outperformed the benchmark this period. several European countries such as Austria, Germany and the Netherlands, reintroduced new lockdown measures to contain a rise in coronavirus cases. This dampened regional growth expectations and thus, corporate HY spreads widened considerably in the EU. The Fund's overweight to European HY did not suit this market environment. An underweight to Middle Eastern hard currency emerging market debt (EMD) was also unrewarded. However, an overweight to US corporate HY, underweight to Latin American hard currency EMD and sovereign credit Spain, generated gains.

Multi Asset Credit Fund:

| | Three Months | 1 Year | Since Inception |
|-------------------------------|--------------|--------|-----------------|
| Gross | 0.01 | 2.68 | 5.92 |
| Net | -0.11 | 2.27 | 5.49 |
| 3 Month GBP Sonia + 4% | 1.00 | 4.06 | 4.06 |

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 flat absolute return in the fourth quarter. Corporate high yield (HY) spreads tightened modestly in the US but widened considerably in the EU amid new lockdown measures to contain a rise in coronavirus cases. Both Barings and multi-sector specialist BlueBay (overweight European HY) underperformed, returning some of their longer-term outperformance this period. Meanwhile, exposure to non-agency commercial mortgage-backed securities underpinned Voya's outperformance. Emerging Market Debt (EMD) was flat over the period. Specialist EMD manager Man GLG finished slightly behind its benchmark, suffering from an underweight to Middle-Eastern names.

Absolute Return Bond Strategy Fund:

| | Three Months | 1 Year | Since Inception |
|-------------------------------|--------------|--------|-----------------|
| Gross | -0.64 | 0.75 | 1.33 |
| Net | -0.75 | 0.31 | 0.87 |
| 3 Month GBP Sonia + 2% | 0.51 | 2.06 | 2.06 |

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 returned below its target this quarter. Market volatility and persistent inflation expectations did not suit the Fund over the quarter. In contrast to the previous quarter, macro-driven duration and yield curve strategies detracted this period which did not suit the Wellington strategy. Underweights to UK and eurozone duration in November when yields declined detracted from overall performance. Putnam's Prepayment strategies continued to weigh on performance. Technical pressures within the market led to interest-only securities being marked down, and spreads widened over the period due to broader market volatility.

Sterling Credit Fund:

| | Three Months | 1 Year | Since Inception |
|---|--------------|--------|-----------------|
| Gross | 0.77 | -2.10 | 1.27 |
| Net | 0.73 | -2.23 | 1.14 |
| ICE Bank of America Merrill Lynch Euro-Sterling Index plus 0.65% | 0.57 | -2.37 | 0.89 |
| Excess returns (gross) | 0.20 | 0.27 | 0.37 |

Inception Date: COB 19th August 2020

Overall Fund Commentary

During the quarter, the fund outperformed the benchmark, posting excess returns of 0.2%. Concerns over the new COVID-19 variant resulted in a risk-off environment over the quarter, causing credit spreads to widen. The period also saw a continuation of the decompression trade, with financials underperforming non-financials. Consequently, the overweight stance in Wellcome Trust and M&G detracted from returns. Conversely, the overweight exposure to Thames Water and HSBC were among the top contributors to performance at the issuer level.

The portfolio's interest rate strategy enhanced returns. The overweight position at the long end of the UK government bond (Gilt) yield curve enhanced returns as yield curve flattened. Yields fell at the long end as investors were increasingly concerned that developed market economies will not be able to handle higher interest rates to counter an increase in inflation as growth showed signs of slowing down.

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Wales Pension Partnership

Investment Risk & Analytical Services

December 31, 2021

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SECTION 1

Wales Pension Partnership

Investment Risk & Analytical Services

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Investment Hierarchy

| Account/Group | Ending Market Value GBP | Ending Weight | % Rate of Return | | | | |
|---|----------------------------|---------------|------------------|--------------|--------------|-------------------|-------------------|
| | | | One Month | Three Months | One Year | Inception to Date | Inception Date |
| Wales Pension Partnership | 11,387,569,665 | 100.00 | 1.08 | 2.25 | 10.80 | 12.16 | 06/02/2019 |
| Global Growth Fund | 3,481,906,434 | 30.58 | 0.27 | 1.72 | 14.19 | 15.93 | 06/02/2019 |
| MSCI ACWI ND | | | 1.59 | 6.20 | 19.63 | 15.92 | 06/02/2019 |
| Excess Return | | | -1.31 | -4.48 | -5.44 | 0.01 | 06/02/2019 |
| Global Opportunities Equity | 3,436,852,996 | 30.18 | 2.27 | 5.31 | 19.22 | 16.20 | 14/02/2019 |
| MSCI ACWI ND | | | 1.59 | 6.20 | 19.63 | 15.49 | 14/02/2019 |
| Excess Return | | | 0.68 | -0.88 | -0.41 | 0.71 | 14/02/2019 |
| UK Opportunities Equity | 778,248,774 | 6.83 | 4.39 | 1.90 | 14.78 | 6.70 | 11/10/2019 |
| FTSE All-Share | | | 4.68 | 4.20 | 18.32 | 5.58 | 11/10/2019 |
| Excess Return | | | -0.28 | -2.30 | -3.54 | 1.12 | 11/10/2019 |
| Global Credit Fund | 810,348,197 | 7.12 | -0.04 | -0.02 | -0.27 | 1.83 | 20/08/2020 |
| BBG Global Aggregate Credit Index hedged into GBP | | | -0.19 | -0.05 | -1.13 | 0.60 | 20/08/2020 |
| Excess Return | | | 0.14 | 0.03 | 0.86 | 1.23 | 20/08/2020 |
| Global Government Bond Fund | 527,715,815 | 4.63 | -0.24 | -0.50 | -2.33 | -0.34 | 19/08/2020 |
| FTSE WGBI Index | | | -0.96 | 0.07 | -2.40 | -1.40 | 19/08/2020 |
| Excess Return | | | 0.73 | -0.57 | 0.07 | 1.06 | 19/08/2020 |
| Multi Asset Credit Fund | 751,898,876 | 6.60 | 1.25 | 0.01 | 2.68 | 5.92 | 11/08/2020 |
| 3 month GBP Sonia plus 4% | | | 0.34 | 1.00 | 4.06 | 4.06 | 11/08/2020 |
| Excess Return | | | 0.91 | -1.00 | -1.38 | 1.86 | 11/08/2020 |
| Sterling Credit Fund | 607,842,498 | 5.34 | -1.03 | 0.77 | -2.10 | 1.27 | 19/08/2020 |
| ICE BofA ML Eur-Stg plus 0.65% | | | -1.15 | 0.57 | -2.37 | 0.89 | 19/08/2020 |
| Excess Return | | | 0.12 | 0.20 | 0.27 | 0.37 | 19/08/2020 |
| Absolute Return Bond Fund | 503,099,785 | 4.42 | 0.05 | -0.64 | 0.75 | 1.33 | 30/09/2020 |
| 3 month GBP Sonia plus 2% | | | 0.17 | 0.51 | 2.06 | 2.06 | 30/09/2020 |
| Excess Return | | | -0.12 | -1.15 | -1.31 | -0.73 | 30/09/2020 |
| Emerging Markets Equity Fund | 489,656,291 | 4.30 | 0.25 | - | - | -0.86 | 29/10/2021 |
| MSCI Emerging Markets Index | | | -0.49 | - | - | -1.10 | 29/10/2021 |
| Excess Return | | | 0.74 | - | - | 0.24 | 29/10/2021 |

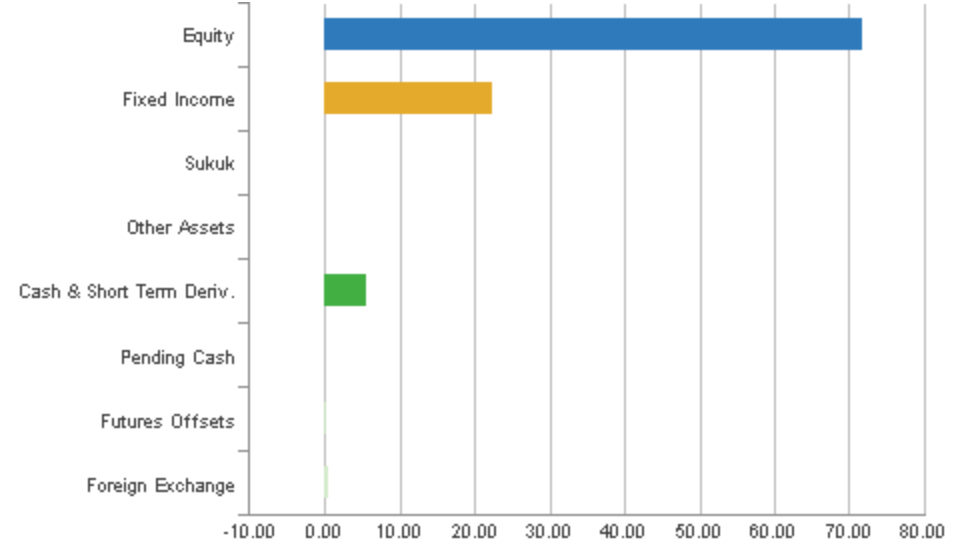
Wales Pension Partnership Summary

| Account/Group -Rate of Return | E.MV-GOF | End Wt | 1 Mo | 3 Mos | 1 Yr | ITD | Inc Date |
|-------------------------------|----------------|--------|-------|-------|-------|-------|------------|
| Wales Pension Partnership | 11,387,569,665 | 100.00 | 1.08 | 2.25 | 10.80 | 12.16 | 06/02/2019 |
| Global Growth Fund | 3,481,906,434 | 30.58 | 0.27 | 1.72 | 14.19 | 15.93 | 06/02/2019 |
| Global Opportunities Equity | 3,436,852,996 | 30.18 | 2.27 | 5.31 | 19.22 | 16.20 | 14/02/2019 |
| UK Opportunities Equity | 778,248,774 | 6.83 | 4.39 | 1.90 | 14.78 | 6.70 | 11/10/2019 |
| Global Credit Fund | 810,348,197 | 7.12 | -0.04 | -0.02 | -0.27 | 1.83 | 20/08/2020 |
| Global Government Bond Fund | 527,715,815 | 4.63 | -0.24 | -0.50 | -2.33 | -0.34 | 19/08/2020 |
| Multi Asset Credit Fund | 751,898,876 | 6.60 | 1.25 | 0.01 | 2.68 | 5.92 | 11/08/2020 |
| Sterling Credit Fund | 607,842,498 | 5.34 | -1.03 | 0.77 | -2.10 | 1.27 | 19/08/2020 |
| Absolute Return Bond Fund | 503,099,785 | 4.42 | 0.05 | -0.64 | 0.75 | 1.33 | 30/09/2020 |
| Emerging Markets Equity Fund | 489,656,291 | 4.30 | 0.25 | - | - | -0.86 | 29/10/2021 |

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



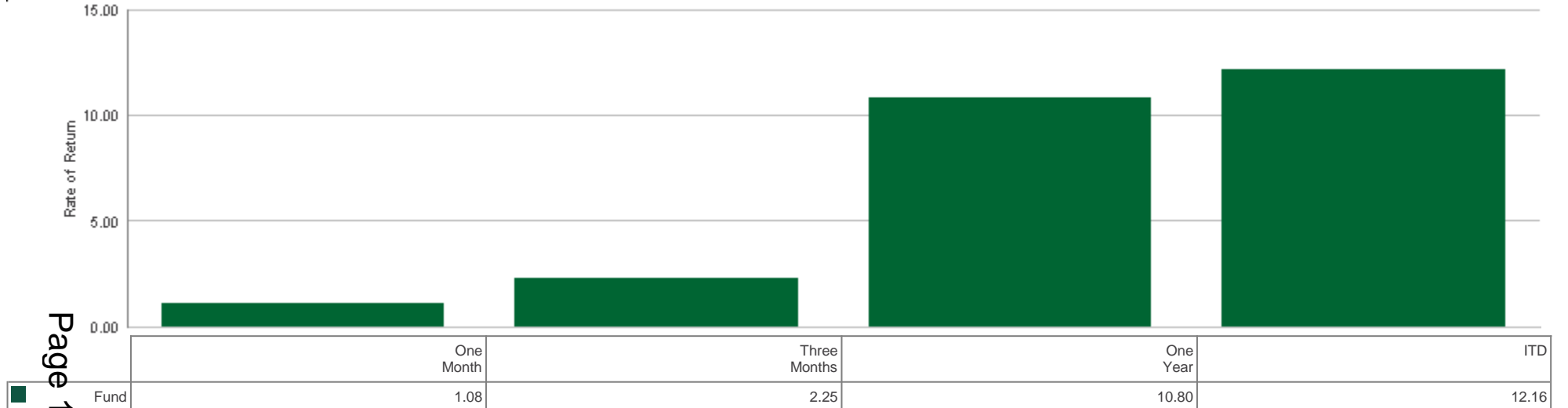
ASSET CLASS ENDING WEIGHTS



Total Fund Gross of Fees

| Account/Group -Rate of Return | E.MV-GOF | End Wt | 1 Mo | 3 Mos | 1 Yr | ITD | Inc Date |
|-------------------------------|----------------|--------|-------|-------|-------|-------|------------|
| Wales Pension Partnership | 11,387,569,665 | 100.00 | 1.08 | 2.25 | 10.80 | 12.16 | 06/02/2019 |
| Global Growth Fund | 3,481,906,434 | 30.58 | 0.27 | 1.72 | 14.19 | 15.93 | 06/02/2019 |
| Global Opportunities Equity | 3,436,852,996 | 30.18 | 2.27 | 5.31 | 19.22 | 16.20 | 14/02/2019 |
| UK Opportunities Equity | 778,248,774 | 6.83 | 4.39 | 1.90 | 14.78 | 6.70 | 11/10/2019 |
| Global Credit Fund | 810,348,197 | 7.12 | -0.04 | -0.02 | -0.27 | 1.83 | 20/08/2020 |
| Global Government Bond Fund | 527,715,815 | 4.63 | -0.24 | -0.50 | -2.33 | -0.34 | 19/08/2020 |
| Multi Asset Credit Fund | 751,898,876 | 6.60 | 1.25 | 0.01 | 2.68 | 5.92 | 11/08/2020 |
| Sterling Credit Fund | 607,842,498 | 5.34 | -1.03 | 0.77 | -2.10 | 1.27 | 19/08/2020 |
| Absolute Return Bond Fund | 503,099,785 | 4.42 | 0.05 | -0.64 | 0.75 | 1.33 | 30/09/2020 |
| Emerging Markets Equity Fund | 489,656,291 | 4.30 | 0.25 | - | - | -0.86 | 29/10/2021 |

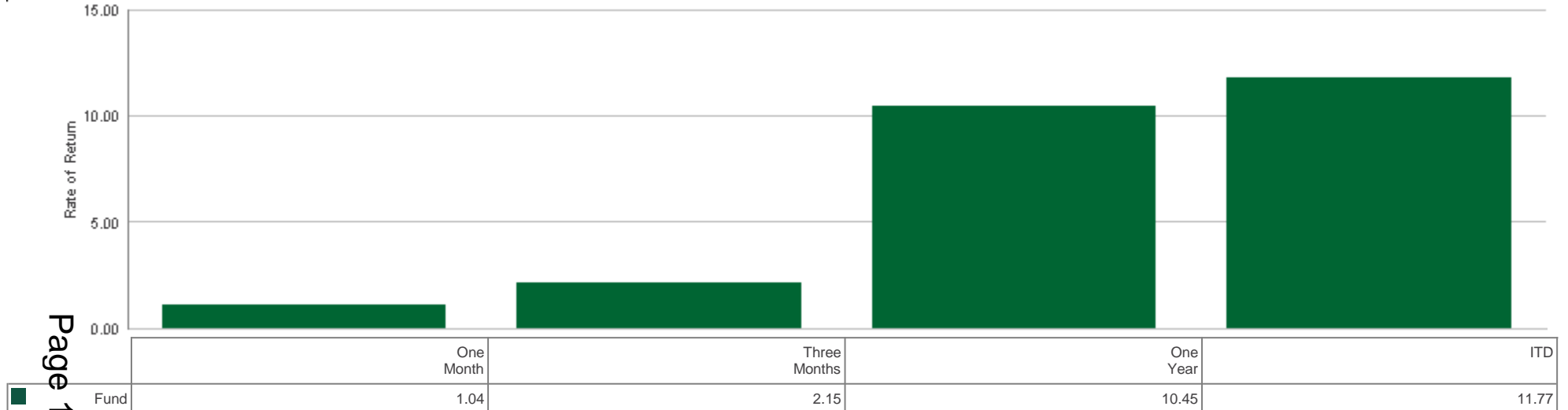
WALES PENSION PARTNERSHIP TOTAL FUND GROSS OF FEES



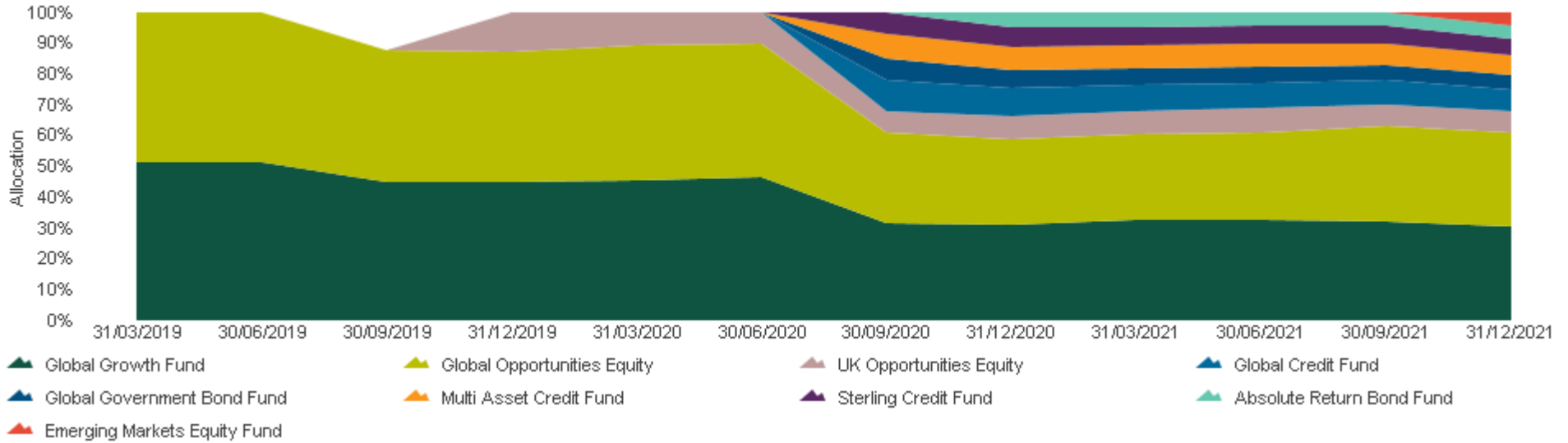
Total Fund Net of Fees

| Account/Group -Rate of Return | E.MV-NOF | End Wt | 1 Mo | 3 Mos | 1 Yr | ITD | Inc Date |
|-------------------------------|----------------|--------|-------|-------|-------|-------|------------|
| Wales Pension Partnership | 11,380,315,346 | 100.00 | 1.04 | 2.15 | 10.45 | 11.77 | 06/02/2019 |
| Global Growth Fund | 3,479,433,963 | 30.57 | 0.23 | 1.61 | 13.75 | 15.48 | 06/02/2019 |
| Global Opportunities Equity | 3,434,745,847 | 30.18 | 2.23 | 5.23 | 18.89 | 15.84 | 14/02/2019 |
| UK Opportunities Equity | 777,707,324 | 6.83 | 4.36 | 1.79 | 14.31 | 6.26 | 11/10/2019 |
| Global Credit Fund | 810,105,383 | 7.12 | -0.07 | -0.07 | -0.44 | 1.66 | 20/08/2020 |
| Global Government Bond Fund | 527,455,552 | 4.63 | -0.28 | -0.58 | -2.56 | -0.57 | 19/08/2020 |
| Multi Asset Credit Fund | 751,351,587 | 6.60 | 1.20 | -0.11 | 2.27 | 5.49 | 11/08/2020 |
| Sterling Credit Fund | 607,650,636 | 5.34 | -1.05 | 0.73 | -2.23 | 1.14 | 19/08/2020 |
| Absolute Return Bond Fund | 502,773,611 | 4.42 | 0.01 | -0.75 | 0.31 | 0.87 | 30/09/2020 |
| Emerging Markets Equity Fund | 489,091,444 | 4.30 | 0.18 | - | - | -0.97 | 29/10/2021 |

WALES PENSION PARTNERSHIP TOTAL FUND NET OF FEES



Allocation over Time



| Account / Group | 31/03/2021 | | 30/06/2021 | | 30/09/2021 | | 31/12/2021 | |
|----------------------------------|----------------------|---------------|----------------------|---------------|-----------------------|---------------|-----------------------|---------------|
| | Market Value | Actual Weight | Market Value | Actual Weight | Market Value | Actual Weight | Market Value | Actual Weight |
| Wales Pension Partnership | 9,404,785,766 | 100.00 | 9,851,301,218 | 100.00 | 10,643,653,639 | 100.00 | 11,387,569,665 | 100.00 |
| Global Growth Fund | 3,062,857,245 | 32.57 | 3,211,141,668 | 32.60 | 3,427,256,195 | 32.20 | 3,481,906,434 | 30.58 |
| Global Opportunities Equity | 2,626,222,580 | 27.92 | 2,794,277,972 | 28.36 | 3,267,054,166 | 30.69 | 3,436,852,996 | 30.18 |
| UK Opportunities Equity | 674,772,273 | 7.17 | 751,880,470 | 7.63 | 764,500,350 | 7.18 | 778,248,774 | 6.83 |
| Global Credit Fund | 791,655,440 | 8.42 | 810,233,415 | 8.22 | 810,978,616 | 7.62 | 810,348,197 | 7.12 |
| Global Government Bond Fund | 526,922,196 | 5.60 | 531,139,365 | 5.39 | 530,789,346 | 4.99 | 527,715,815 | 4.63 |
| Multi Asset Credit Fund | 714,714,424 | 7.60 | 727,653,587 | 7.39 | 752,732,704 | 7.07 | 751,898,876 | 6.60 |
| Sterling Credit Fund | 551,190,920 | 5.86 | 563,906,331 | 5.72 | 603,435,909 | 5.67 | 607,842,498 | 5.34 |
| Absolute Return Bond Fund | 456,450,688 | 4.85 | 461,068,410 | 4.68 | 486,906,352 | 4.57 | 503,099,785 | 4.42 |
| Emerging Markets Equity Fund | | | | | | | 489,656,291 | 4.30 |

SECTION 2

Appendix

Investment Risk & Analytical Services

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Disclaimer(s)

The Global Industry Classification Standard ("GICS") was developed by and is the exclusive property and a service mark of Morgan Stanley Capital International Inc. ("MSCI") and Standard & Poor's, a division of The McGraw-Hill Companies, Inc. ("S&P") and is licensed for use by The Northern Trust Corporation and its wholly owned subsidiaries. Neither MSCI, S&P, nor any other party involved in making or compiling the GICS or any GICS classifications makes any express or implied warranties or representations with respect to such standard or classification (or the results to be obtained by the use thereof), and all such parties hereby expressly disclaim all warranties of originality, accuracy, completeness, merchantability and fitness for a particular purpose with respect to any of such standard or classification. Without limiting any of the foregoing, in no event shall MSCI, S&P, any of their affiliates or any third party involved in making or compiling the GICS or any GICS classifications have any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages.

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Agenda Item 13

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

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Agenda Item 14

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Agenda Item 15

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Agenda Item 16

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