

Document Pack



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

TUESDAY, 21 MARCH 2023

**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 **CHAMBER DAFYDD ORWIG, CAERNAFON, LL551SH AND REMOTE AT 10.30 AM, ON WEDNESDAY, 29TH MARCH, 2023** FOR THE TRANSACTION OF THE BUSINESS OUTLINED ON THE ATTACHED AGENDA

Wendy Walters

**CHIEF EXECUTIVE
CARMARTHENSHERE 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	Home - Gwynedd Council Webcasts (public-i.tv)

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

(1 Member from each Constituent Authority & 1 co-opted
Scheme Member Representative, Non-voting)

CARMARTHENSHIRE COUNTY COUNCIL

COUNCILLOR ELWYN WILLIAMS

CITY & COUNTY OF SWANSEA

COUNCILLOR MIKE LEWIS

CITY OF CARDIFF

COUNCILLOR CHRISTOPHER WEAVER

FLINTSHIRE COUNTY COUNCIL

COUNCILLOR TED PALMER

GWYNEDD COUNTY COUNCIL

COUNCILLOR STEPHEN CHURCHMAN

POWYS COUNTY COUNCIL

COUNCILLOR PETER LEWIS

RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL

COUNCILLOR MARK NORRIS

TORFAEN COUNTY BOROUGH COUNCIL

COUNCILLOR NATHAN YEOWELL

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

OSIAN RICHARDS

A G E N D A

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

Monday, 5 December 2022

PRESENT: Councillor C. Weaver (Chair)

Councillors:

S. Churchman, T. Palmer, M. Lewis. P. Lewis, E. Williams, M, Ashford (s) and N. Yeowell

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

The following officers were in attendance:

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

Also in attendance to present reports:

A. Johnston – Hymans Robertson
R. Barrack – Hymans Robertson
I. Colvin – Hymans Robertson
K. Midl – Link Fund Solutions
R. Thornton – Link Fund Solutions
J. Zealander - Link Fund Solutions
N. Round – Northern Trust
A. Knell – Robeco
A. Samson – Robeco
I. Ali – Russell Investments
A. Quinn – Russell Investments
S. Gervaise-Jones – Bfinance

Also present as observers:

M. Falconer – Pension Manager (CoC)
C. Hurst – Pension Fund Manager (PCC)
D. Jones-Thomas – Investment Manager (GCC)
Y. Keitch – Principal Accountant (RCT)
G. Watkins – Revenue Services Manager (CoC)



A. Bull – Pensions Investment Manager (TCC)
 K. Cobb – Senior Accountant (C&CS)

Virtual Meeting - 2.10 - 4.29 pm

1. APOLOGIES FOR ABSENCE

Apologies for absence were received from Cllr Mark Norris (Rhondda Cynon Taf County Borough Council).

2. DECLARATIONS OF INTEREST

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

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

3. TO SIGN AS A CORRECT RECORD THE MINUTES OF THE MEETING OF THE JOINT COMMITTEE HELD ON THE 8TH JULY 2022

UNANIMOUSLY RESOLVED that the minutes of the Joint Governance Committee meeting held on 8th July, 2022 be signed as a correct record.

4. HOST AUTHORITY UPDATE



[NOTE: Councillors M. Lewis, C. Weaver, P. Lewis, N. Yeowell, S. Churchman, M. Ashford (s), 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 Q3 & Q4 2022 REVIEW

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

The Joint Committee considered the Risk Register Q3 & Q4 2022 Review. 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.

During Q3 2022, a review was undertaken of the Training & Resources and Communication Risks and during Q4 2022 the Investment Risks.

The next review will take place in Q1 2023 and will focus on risks G.1 to G.8 of the Governance & Regulation Risks section.

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

6. NEW POLICIES / PLANS

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

The Joint Committee received a report on the new Complaints Policy. The Policy relates to the eight CA's of the WPP. It was noted that the IAA contains a section on the Alternative Dispute Resolution which sets out the process under which any dispute between the CA's in relation to matters covered by the IAA will be resolved.

UNANIMOUSLY RESOLVED that the Complaints Policy be approved.

7. ANNUAL POLICY REVIEWS

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

The Joint Committee received an updated report on the Responsible Investment Policy.

Following this year's review, the policy has been updated to include a section on Human Rights (section 5) and point no 8.2 under Stewardship has been extended to include the voting on the pooled passive funds.

It was noted that there was an amendment, to point 8.2, as highlighted, to the following sentence:

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

A query was raised regarding the wording, under the stock lending section point 8.8, as is unclear as to the actual percentage out on loan

It was agreed that the policy wording would be amended to reflect that the WPP will lend a maximum of 95% of the holding in any single stock.

UNANIMOUSLY RESOLVED that the Responsible Investment Policy, be approved, subject to the inclusion of the two amendments.

8. OPERATOR UPDATE

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

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

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



The report also provided an updated on the progress and milestones of the following Sub Funds:-

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

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

UNANIMOUSLY RESOLVED that the Operator Update be received

9. PERFORMANCE REPORTS AS AT 30 SEPTEMBER 2022

[NOTE: Councillors M. Lewis, C. Weaver, P. Lewis, N. Yeowell, S. Churchman, M. Ashford (s), 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 30 September 2022. It was advised that the sub funds had outperformed/underperformed their respective benchmarks, as follows:

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

The MAC, ARB and UK credit have not met their targets.

UNANIMOUSLY RESOLVED that the Performance Reports of the following sub-funds, as at 30 September 2022, be noted:

- **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**

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 2022

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 negotiations between the Investment Managers.

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

The Joint Committee considered the Global Securities Lending Review, as at 30th September, 2022.

UNANIMOUSLY RESOLVED that the Global Securities Lending Review as at 30th September, 2022 be noted.

12. ROBECO ENGAGEMENT SERVICE - Q3 2022 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 M. Lewis, C. Weaver, P. Lewis, N. Yeowell, S. Churchman, M. Ashford (s), T. Palmer and E. Williams had earlier declared an interest in this item.]

The Joint Committee considered the Engagement Report for Q3 2022, which ended on 30th September, 2022.

UNANIMOUSLY RESOLVED that the Engagement Report for Q3 of 2022 be noted.

13. WPP PRIVATE MARKET ALLOCATOR APPOINTMENTS

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 M. Lewis, C. Weaver, P. Lewis, N. Yeowell, S. Churchman, M. Ashford (s), T. Palmer and E. Williams had earlier declared an interest in this item.]

The Joint Committee considered a report to appoint a Private Market Allocator for the Wales Pension Partnership.

A two-stage competitive procedure with negotiation procurement process has been undertaken to appoint an Allocator for the Private Equity asset class.

UNANIMOUSLY RESOLVED that the Allocator Appointment, as detailed in the report, be approved

14. RESPONSIBLE INVESTMENT & CLIMATE RISK REPORT

Following the application of the public interest test it was **UNANIMOUSLY RESOLVED**, pursuant to the Act referred to in Minute 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 M. Lewis, C. Weaver, P. Lewis, N. Yeowell, S. Churchman, M. Ashford (s), T. Palmer and E. Williams had earlier declared an interest in this item.]

The Joint Committee received a report on the Responsible Investment & Climate Risk Reports for the following sub funds:

- Absolute Return Bond (ARB) sub fund
- Multi Asset Credit (MAC) sub fund
- UK Opportunities sub fund
- Emerging Markets sub fund

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

CHAIR

DATE



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WALES PENSION PARTNERSHIP JOINT GOVERNANCE COMMITTEE

DATE 29 MARCH 2023

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 29 MARCH 2023

HOST AUTHORITY UPDATE

BRIEF SUMMARY OF PURPOSE OF REPORT

The WPP Business Plan for 2022/23 was approved by the JGC on 23 March 2022. A Quarter 3 (1 April to 31 December 2022) update is attached showing WPP's progress in relation to the Workplan, Budget and Investments sections.

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

- Training Plan and Business Plan
- New policies and policy reviews
- Operator contract - Prior Information Notice (PIN) issued on 17 January 2023 and Market Engagement Day held in Cardiff on 9 March 2023. In the process of developing the procurement documentation.
- OWG Sub-Groups:
 - Private Markets sub-group
 - Responsible Investment sub-group
 - Risk Register sub-group

Next Steps / Priorities:

- Development of Private Markets Sub-Funds:
 - Launch of the Private Debt and Infrastructure sub funds
 - Launch of the Private Equity sub fund
 - Formulate the WPP's Property requirements
- Launch of the Sustainable Equities Sub-fund
- Operator contract - procurement process timeline, key steps:
 - May – July 2023, individual Constituent Authorities (CA) to approve evaluation and scoring criteria for final procurement documentation
 - Sept / Oct 2023 – Issue Invitation to Tender (ITT)
 - Nov / Dec 2023 – ITT evaluation
 - March 2024 – Approval of recommended operator by the JGC
 - March / April 2024 – Approval by the CA's

- May 2024 – Operator appointment
- May 2024 – Dec 2024 – transition period
- December 2024 – new formal contract start date
- TCFD reporting
- Complete 2022/23 year-end closure of accounts and Annual Return
- Formulate the 2022/23 Annual Update and Annual Report

Other key areas:

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

DETAILED REPORT ATTACHED?

YES

IMPLICATIONS

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

CONSULTATIONS

Details of any consultations undertaken are to be included here

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

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

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Wales Pension Partnership Business Plan 2022 -2023 Q3 Review

Governance

Work to be completed	Completed	Comments
<ul style="list-style-type: none"> Development of a WPP Whistleblowing Policy 	Yes	Approved at the July 2022 JGC
<ul style="list-style-type: none"> Development of a WPP Business Continuity Plan (including Cyber) 	Yes	Approved at the July 2022 JGC
<ul style="list-style-type: none"> Development of a WPP Complaints Policy 	Yes	Approved at the December 2022 JGC
<ul style="list-style-type: none"> Development of a WPP Breaches and Errors Policy 	In progress	To be finalised in Q2 (April to June) 2023
<ul style="list-style-type: none"> Ongoing review of the Inter Authority Agreement 	Ongoing	
<ul style="list-style-type: none"> Annual/biennial 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"> Appoint Private Market Allocators 	In progress	Private Debt and Infrastructure Allocators appointed in April 2022. Private Equity Allocator appointed in December 2022.
<ul style="list-style-type: none"> Launch of Private Debt & Infrastructure Sub-Funds 		Launch delayed to Q2 (April to June) 2023
<ul style="list-style-type: none"> Launch of Private Equity Sub-Fund 		Launch due Q2 (April to June) 2023
<ul style="list-style-type: none"> Launch Sustainable Equities Sub-Fund 		Launch due Q2 (April to June) 2023
<ul style="list-style-type: none"> Formulate the WPP's Property requirements and optimal means of implementation 	In progress	Initial discussions have taken place and work is progressing

<ul style="list-style-type: none"> • Consultation with CAs on need for further sub-funds 	Ongoing	
<ul style="list-style-type: none"> • Consideration of Local Investment opportunities 	Ongoing	

Operator Services

Work to be completed	Completed	Comments
<ul style="list-style-type: none"> • Operator contract / procurement process 	In progress	Procurement work has commenced
<ul style="list-style-type: none"> • Operator oversight 	Ongoing	

Investments and Reporting

Work to be completed	Completed	Comments
<ul style="list-style-type: none"> • Finalise Voting & Engagement Reporting Requirements 	Completed	
<ul style="list-style-type: none"> • Formulate WPP Engagement Priorities and Implementation Framework 	Completed	
<ul style="list-style-type: none"> • Review Sub-Fund mandates to ensure compatibility with WPP's Responsible Investment and Climate Risk Beliefs 	Ongoing	
<ul style="list-style-type: none"> • Task Force on Climate-related Financial Disclosures (TCFD) reporting 		TCFD consultation in process
<ul style="list-style-type: none"> • Stewardship Code reporting 	Yes	2021/22 report submitted on 31 October 2022
<ul style="list-style-type: none"> • Consider additional reporting that demonstrates WPP's commitment to Responsible Investment 	Ongoing	
<ul style="list-style-type: none"> • On-going Investment Manager performance reporting, scrutiny and challenge 	Ongoing	

<ul style="list-style-type: none"> Annual review of WPP's Cost Transparency Requirements 	In progress	To be completed by the end of March 2023
<ul style="list-style-type: none"> Annual performance review of WPP Sub Funds (Equity and Fixed Income) 	In progress	To be completed by the end of March 2023
<ul style="list-style-type: none"> On-going engagement with Constituent Authorities regarding minimum ESG / RI standards and their climate ambitions 	Ongoing	

Communication, Training and Reporting

Work to be completed	Completed	Comments
<ul style="list-style-type: none"> Formulation of the WPP's Annual Responsible Investment Progress Report 	Yes	Report presented at the July 2022 JGC and published on website
<ul style="list-style-type: none"> Formulation of the WPP's annual training plan 	Yes	2023/24 training plan being taken to the March JGC for approval
<ul style="list-style-type: none"> Formulation of the WPP's Annual Update 	Yes	2021/22 Annual Update published in September 2022
<ul style="list-style-type: none"> Formulation of the WPP's Annual Report 	Yes	2021/22 Annual Report published in October 2022

Resources, budget and fees

Work to be completed	Completed	Comments
<ul style="list-style-type: none"> Annual review of resources and capacity 	Yes	Reviewed when formulating the 2023/24 budget
<ul style="list-style-type: none"> Formulation of Annual WPP Budget 	Yes	Formulated and included in the 2023-26 Business Plan
<ul style="list-style-type: none"> Review and Monitoring of Fees (including Link & Russell) 	Ongoing	

Training Plan

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

	Completed	Comments
• Private Market Asset Classes & the role of the Allocator	Yes – September 2022	
• Active Sustainable Equities	Yes – September 2022	
• Governance and Administration	Yes – October 2022	
• Roles and Responsibilities	Yes – October 2022	
• What RI means for the WPP	Yes – December 2022	
• Stewardship Code and TCFD Reporting	Yes – December 2022	
• Progress of other LGPS Pools	Yes – February 2023	
• Collaboration Opportunities	Yes – February 2023	

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

Budget

2022-2023 Budget Monitoring Report:

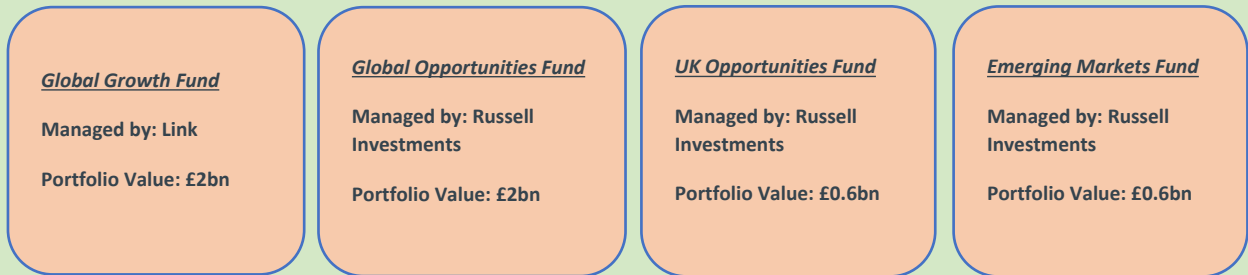
	Budget 2022 – 2023 £000	Forecast 2022 – 2023 £000	Variances 2022 – 2023 £000
Host Authority *	191	170	21
External Advisors *	1,206	1,163	43
TOTAL to be recharged	1,397	1,333	64
Operator Services **	33,319	34,080	(761)
TOTAL to be deducted from the NAV	33,319	34,080	(761)

**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.*

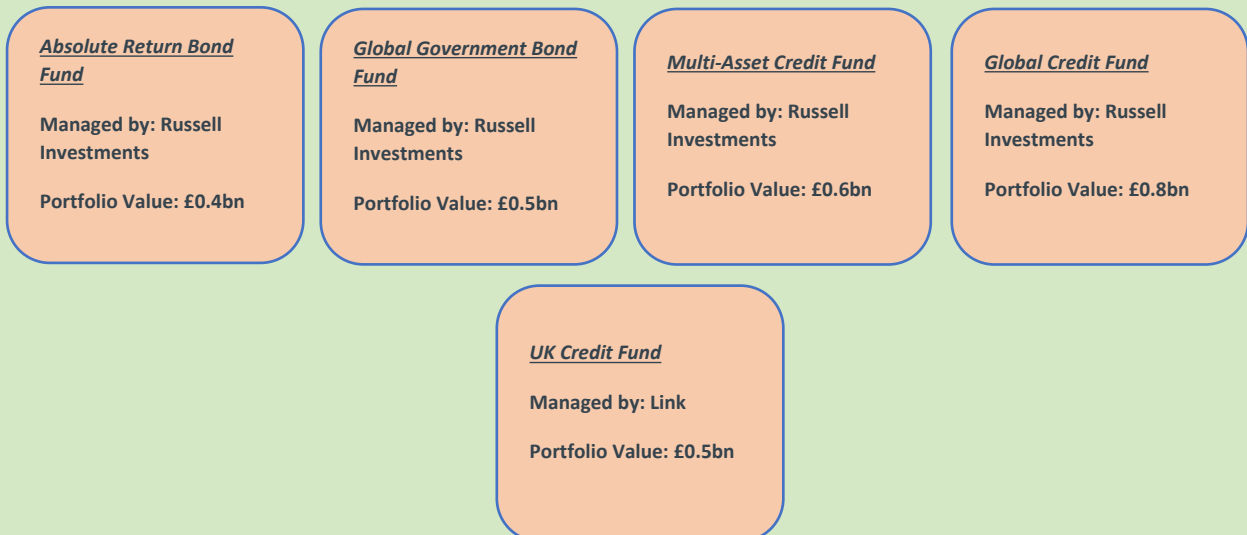
***Operator Services costs are based on each Constituent Authority's percentage share of WPP assets (held with the Operator) and are deducted directly from the Net Asset Value (NAV) of the Constituent Authority's assets (held with the Operator).*

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 29 MARCH 2023

SUBJECT

WPP TRAINING PLAN – 2023/24

RECOMMENDATIONS / KEY DECISIONS REQUIRED:

To approve the WPP training plan for 2023/24

REASONS:

A 2023/24 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 29 MARCH 2023

WPP TRAINING PLAN – 2023/24

BRIEF SUMMARY OF PURPOSE OF REPORT

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

A Training Requirements Questionnaire was issued to all OWG and JGC members in December 2022 and the responses from the completed questionnaires have been assessed in the preparation of the 2023/24 WPP training plan.

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

The 2023/24 training sessions will be held quarterly and will cover the following topics:

- Product Knowledge
- Reporting
- Responsible Investment
- Market Understanding & Regulatory Requirements

DETAILED REPORT ATTACHED?

YES

IMPLICATIONS

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

CONSULTATIONS

Details of any consultations undertaken are to be included here

**Section 100D Local Government Act, 1972 – Access to Information
List of Background Papers used in the preparation of this report:
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Wales Pension Partnership Training Plan 2023/24

Background and Introduction

It is best practice for WPP personnel to have:

Appropriate knowledge and understanding of:

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

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

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

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

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

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

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

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

Individual Training

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

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

2023/24 Training

We have set out below a list of training topics which the Host Authority will arrange during the 2023/24 financial year. The topics outlined below are based on current WPP topical priorities and from an analysis of the WPP training requirements questionnaire/ assessment responses, completed by members of the Joint Governance Committee ('JGC') and Officers Working Group ('OWG').

Topic	Date *
Product Knowledge	
<ul style="list-style-type: none">Private Market Asset Classes – Private Equity / Property	Q1
<ul style="list-style-type: none">Levelling up / development opportunities	April – June 2023
Reporting	
<ul style="list-style-type: none">TCFD reporting	Q2
<ul style="list-style-type: none">Performance reporting	July – September 2023
Responsible Investment (RI)	
<ul style="list-style-type: none">Voting & Engagement	Q3
<ul style="list-style-type: none">RI within the WPP sub funds	October – December 2023
Market Understanding & Regulatory Requirements	
<ul style="list-style-type: none">Progress of other LGPS pools & Collaboration Opportunities	Q4
<ul style="list-style-type: none">Pooling Guidance	January – March 2024

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



WALES PENSION PARTNERSHIP JOINT GOVERNANCE COMMITTEE

DATE 29 MARCH 2023

SUBJECT

WPP BUSINESS PLAN 2023 - 2026

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 2023 – 2026 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 29 MARCH 2023

WPP BUSINESS PLAN 2023 - 2026

BRIEF SUMMARY OF PURPOSE OF REPORT

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

The purpose of the business plan is to:

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

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

DETAILED REPORT ATTACHED?	YES
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IMPLICATIONS

Policy, Crime & Disorder and Equalities	Legal	Finance	Risk Management Issues	Staffing Implications
YES	NONE	NONE	NONE	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 2023 -2026



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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 2023/24, 2024/25 and 2025/26. 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:



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.

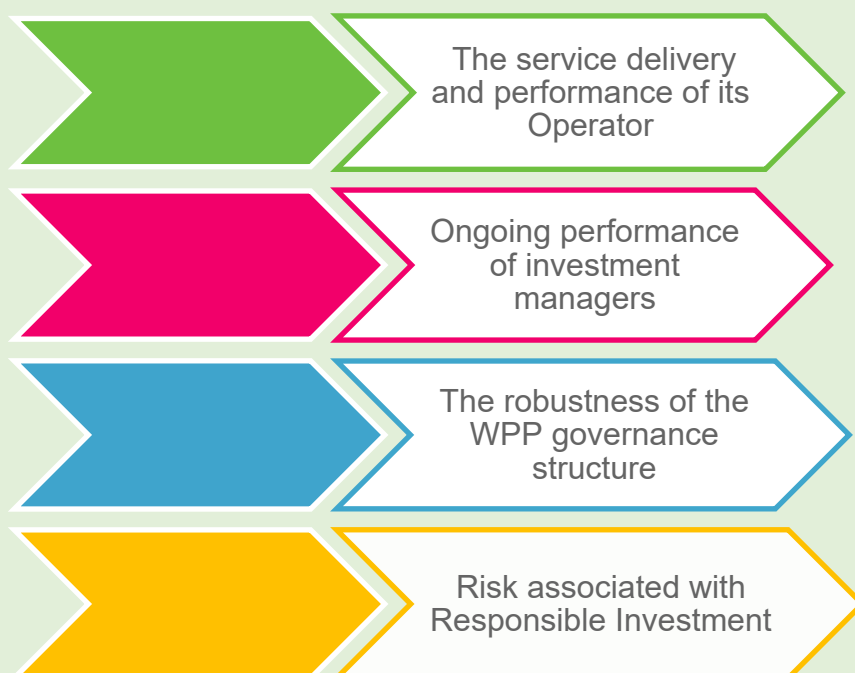
Risk management is a critical element of WPP's commitment to good governance, the WPP has developed a structured, extensive and robust risk strategy. This strategy will be embedded into the WPP's governance framework to ensure better decision-making, improved outcomes for stakeholders and greater efficiency.

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 c72% 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	2023 - 2024	2024 - 2025	2025 - 2026
Governance			
Development of a WPP Breaches and Errors Policy	✓		
Legal Services provider contract (initial 3 year review)	✓		
Oversight Advisor procurement process		✓	
Voting & Engagement Service provider procurement process		✓	
Ongoing review of Inter Authority Agreement	✓	✓	✓
Annual review of WPP's policies and plans	✓	✓	✓
Quarterly reviews of the Risk Register	✓	✓	✓
Respond to any pooling related consultations and carry out any necessary changes as a result of consultation outcomes	✓	✓	✓
Ongoing Sub-Fund development			

Launch of Private Debt & Infrastructure Sub-Funds	✓		
Launch Sustainable Equities Sub-Fund	✓		
Launch of Private Equity Sub-Fund	✓		
Formulate the WPP's Property requirements and optimal means of implementation & launch the property Sub-funds	✓	✓	
Consideration of WPP's Levelling up / impact requirements	✓	✓	
Launch of other Private Market sub-funds (TBC)	✓	✓	✓
Consultation with CAs on need for further sub-funds, review and develop a mechanism to pool any suitable non-pooled assets	✓	✓	✓
Consideration of Local Investment opportunities	✓	✓	✓
Operator Services			
Operator contract / procurement process	✓	✓	
New Operator Contract		✓	
Operator Oversight	✓	✓	✓
Investments and Reporting			
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 Operator / external provider fees	✓	✓	✓

Training Plan

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

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

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

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

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

We have set out below a list of training topics which the Host Authority will arrange training for during the 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').

Product Knowledge

- o Private Market Asset Classes – Private Equity / Property
- o Levelling up / development opportunities

Reporting

- o TCFD reporting
- o Performance reporting

Responsible Investment

- o Voting & Engagement
- o RI within the WPP sub funds

Market Understanding & Regulatory Requirements

- o Progress of other LGPS pools & Collaboration Opportunities
- o Pooling Guidance

Budget

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

	2023-24	2024-25	2025-26
	£'000	£'000	£'000
Host Authority *	200	205	209
External Advisors *	1,448	1,130	1,040
TOTAL to be recharged	1,648	1,335	1,249
Operator / Allocator Services **	37,257	40,982	45,080
TOTAL to be deducted from the NAV	37,257	40,982	45,080

**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 £23bn (as at 31 March 2022). 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	Underlying Investment Managers	Launch Date
Global Growth	MSCI ACWI ND	RCT, Dyfed, Gwynedd, Cardiff and Powys	Baillie Gifford, Veritas and Pzena	Feb 19
Global Opportunities	MSCI ACWI ND	Swansea, Torfaen, Gwynedd, RCT, Cardiff and Clwyd	Morgan Stanley, Numeric, Sanders, Jacobs Levy, SW Mitchell, Nissay, Intermede and Oaktree	Feb 19
UK Opportunities	FTSE All Share	Cardiff and Torfaen	Liontrust (Majedie), Lazard, Baillie Gifford, Ninety-One, J O Hambro and Liontrust	Sept 19
Emerging Markets	MSCI Emerging Markets Index	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	Underlying Investment 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 WGBI Index	Cardiff and Torfaen	Bluebay and Colchester	July 20
Multi-Asset Credit	3 Month GBP SONIA plus 4%	Cardiff, Clwyd, Gwynedd, Powys, and Swansea	ICG, Man GLG, BlueBay, Barings and Voya	July 20
Absolute Return Bond Fund	3 Month GBP SONIA plus 2%	Gwynedd, Powys and Swansea	Wellington, 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:

Postal Address - Wales Pension Partnership

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Treasury & Pension Investments Section

County Hall

Carmarthen

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

The website can be found here:

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





WALES PENSION PARTNERSHIP JOINT GOVERNANCE COMMITTEE

DATE 29 MARCH 2023

SUBJECT

RISK REGISTER Q1 2023 REVIEW

RECOMMENDATIONS / KEY DECISIONS REQUIRED:

To approve the amendments to the WPP Risk Register

REASONS:

The Wales Pension Partnership (WPP) Risk Register was formulated and approved by the Joint Governance Committee (JGC) on 17 July 2020. The Officers Working Group (OWG) has carried out a quarterly review of the register, looking at the first half of the Governance and Regulation section, risks G.1 to G.6.

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EXECUTIVE SUMMARY
JOINT GOVERNANCE COMMITTEE
DATE 29 MARCH 2023

RISK REGISTER Q1 2023 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. During this review, the sub-group also reviewed Risk G.12 - The WPP's Operator fails to deliver on its contractual obligations or stops providing Operator services due to exiting the market or regulatory restrictions. 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 2023 and will focus on the remaining risks within the Governance & Regulation Risks section.

DETAILED REPORT ATTACHED?

YES

IMPLICATIONS

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








CONSULTATIONS

Details of any consultations undertaken are to be included here

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

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

WPP Risk Register Update – March 2023 JGG

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 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"> A scheme member representative was appointed to the JGC in March 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. Score to be reviewed once the additional controls have been in place for a full financial year.
G.4	The WPP fails to maintain suitable records, documentation is not filed in a suitable manner and personal data is not stored securely.	8	8		HA	<ul style="list-style-type: none"> No significant updates
G.5	The WPP fails to provide suitable and accurate accounts by the statutory deadline.	4	4		HA	<ul style="list-style-type: none"> No significant updates
G.6	The WPP does not manage conflicts of interests.	3	3		HA/OWG	<ul style="list-style-type: none"> No significant updates
Page 57 5.12	The WPP's Operator fails to deliver on its contractual obligations or stops providing Operator services due to exiting the market or regulatory restrictions.	10	15		OWG	<ul style="list-style-type: none"> The OWG receives regular updates on the progress the Link Group sale of Link Fund Solutions, the FCA penalty/restitution payment in relation to Woodford and the FCA's review of the ACD Operator market The Operator procurement process has commenced, and the process has been front loaded to ensure that WPP can act quickly if needed.

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Governance & Regulation Risk

Risk Detail				Current Situation	Scoring			Management and Monitoring			
Risk & Nature of Risk	Cause of Risk	Implications of Risk	Risk Owner & Impact Period	Current Risk Controls	Severity	Probability	Score	Current Status	Action Required	Responsible Party & Review Date	Progress Report/ Comments
G.1	WPP fails to comply with relevant regulation and LGPS guidance.	<ul style="list-style-type: none"> WPP is unaware and/ or ignores relevant regulation, guidance and recent updates. No means of monitoring regulatory compliance. Mis-interpretation of how regulation and guidance applies to WPP. Insufficient resources to meet guidance and regulatory requirements, this includes Pooling Guidance. 	Potential Fines, loss of sovereignty and a negative impact on the WPP's reputation.	<ul style="list-style-type: none"> Ensure sufficient training takes place Maintain a mechanism for monitoring recent regulations changes and progression toward meeting the new requirements Engagement with relevant regulatory bodies (such as Scheme Advisory Board, Pension Regulator and DLUHC) Appointment of an expert legal advisor Regulation and Governance Updates is a standing item at each OWG meeting. The Operator now provides quarterly regulatory developments updates to the OWG The WPP has facilitated and hosted training sessions with DLUHC and the SAB over the past twelve months. It has also hosted a dedicated training session on the different regulation and guidance that the WPP needs to be aware of and the different bodies and institutions that produce relevant guidance/ regulation. 	Current			👍	N/A	OWG (RR Sub-Group)	New pooling guidance is expected this year but exact dates are still to be confirmed.
	Operational / Reputational				HA & OWG	5	2				
			Medium Term		Target					Q1 2024	
					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.	<ul style="list-style-type: none"> Ensure sufficient training takes place Appointment of an Oversight Advisor to advise on the WPP's governance structure Procurement and use of external advisors and suppliers that add inform/ provide guidance and bring a diversity of views to the decision-making process Use of a governance structure that ensure sufficient scrutiny prior to decisions being approved Adoption of a governance structure that does not allow high levels of decision-making concentration Annual review of WPP's resource requirements Bi-Annual meeting with Pension Boards held, which provide an invaluable source of knowledge and variety of views Scheme Member Representative appointed to the JGC Dedicated Training Policy in place Sub Groups used when additional debate/ discussion is required on a certain matter WPP has formulated a governance manual that provides transparency on the WPP's governance arrangement as well as reaffirms the WPP's governance structure 	Current			👍	N/A	OWG (RR Sub-Group)	A scheme member representative was apointed to the JGC in March 2022.
					JGC & OWG	3	1				
			Long Term		Target					Q1 2024	
	Operational				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.	<ul style="list-style-type: none"> Monitoring of current expenditure and remaining budget Engagement with relevant suppliers to ascertain whether fees are due to change and/or in line with expectation Annual Budget approved by the Constituent Authorities Budget variance is reported to the JGC on a quarterly basis as part of the Host Authority Update Host Authority has put in place additional fee check for its external advisors 	Current			👎	N/A	HA/ OWG	New control procedures were put in place in April 2022. Score to be reviewed once the controls have been in place for a complete financial year. If controls prove to be sufficient, current probability score to be changed to 1 at the next review, making it on target.
					HA/ JGC	4	2				
			Short Term		Target					Q1 2024	
	Financial / Reputational				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.	<ul style="list-style-type: none"> Ongoing training on best practice Relevant WPP personnel are expected to complete GDPR training Adoption of a secure documents portal to hold relevant records and documentations Legal Advisor appointed to provide guidance on relevant regulation and interpretation of this regulation External audit carried out Suitable internal controls in place at the Host Authority, including a cyber security policy The WPP in all instances minimise the amount of personal data that it processes or stores. It does not hold or process any Member data 	Current			👍	N/A	HA	N/A
					HA	4	2				
			Medium Term		Target					Q1 2024	
	Financial / Reputational				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"> • Lack of adequate planning for closure of accounts. • Lack of resources leads to late or inadequate accounts. • Lack of sufficient knowledge/ expertise. • IGC approval cannot be provided due to certain circumstances. 	The WPP's reputation is negatively impacted. Potential referral to the Scheme Advisory Board and the DLUHC.	<ul style="list-style-type: none"> • Ongoing training • Timetabled audit process • Engagement with external audit to discuss deadlines and forward planning • Appropriate level of expertise in place at Host Authority • Accounts are externally audited by an expert 	Current			👍	N/A	HA	N/A
	Reputational				HA/ JGC	4	1				
					Target						
			Medium Term		4	1	4			Q1 2024	
G.6	The WPP does not manage conflicts of interests.	<ul style="list-style-type: none"> • Failure of WPP Personnel to state any potential conflicts. • No policy in place which outlines how conflicts of interests should be managed. • Inability of WPP personnel to disassociate personnel interest from the interests of the WPP's stakeholders. 	Inappropriate decisions are made that are not in the best interest of the WPP's stakeholders. The WPP's reputation is negatively impacted. Potential referral to the Scheme Advisory Board and the MHCLG.	<ul style="list-style-type: none"> • Declaration of conflict is an ongoing agenda item at the Joint Governance Committee • Conflict of interest policy in place • Engagement with relevant bodies such as the Scheme Advisory Board on best practice and relevant guidance • 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
					WPP Personnel/ Suppliers and Advisors	3	1				
					Target						
	Operational / Reputational		Medium Term		3	1	3			Q1 2024	
G.12	The WPP's Operator fails to deliver on its contractual obligations or stops providing Operator services due to exiting the market or regulatory restrictions.	<ul style="list-style-type: none"> • Operator is not adequately resourced. • Operator does not put sufficient performance/risk reporting systems in place. • The Operator does not have the resources/expertise to carry out Manager monitoring, fee negotiations, facilitate vehicles & establishment services. • The Operator does not put in place sufficient checks and balances to ensure compliance with all relevant regulations. • The Operator lacks the ability or regulatory approval to provide Depository and Custody services (via ACS). • Insufficient monitoring of appointed entities for fund administration & transfer agency (Northern Trust). • The Operator fails to put in place suitable 	The WPP assets held within the Operator ACS are put at risk. A number of the WPP's contracts are broken, as these are currently mandated via the Operator. The WPP is unable to work efficiently, required work is not completed, sub-funds are unable to be managed or launched.	<ul style="list-style-type: none"> • Designated Operator Oversight Advisor in place • Intensive engagement protocols with Operator • Operator Oversight Framework currently in development • Engagement with the wider Operator market (and other suitable suppliers) is built into the WPP business plan • The WPP has formulated contracts that have natural break or exit points and minimal exit fees • The WPP has put in place an Operator Workplan to monitor the various workstreams relating to Operator Oversight • The FCA maintains a list of replacement ACS Operators which could step in if the WPP's Operator were to exit the market • The process for Operator procurement has commenced 	Current			👎	The OWG is continuing to monitor any developments in relation to the Link sale, the FCA penalty/restitution payment in relation to Woodford and the FCA's review of the ACD Operator market. The OWG recognises the resource strain these items place on the Operator. The Host Authority, with support from its Oversight Advisor, is continuing to have regular review meetings with the Operator and will provide regular written updates to Constituent Authorities.	OWG	The OWG receives regular updates on the progress the Link Group sale of Link Fund Solutions, the FCA penalty/restitution payment in relation to Woodford and the FCA's review of the ACD Operator market. Link have been issued with a draft warning notice by the FCA which includes a proposed penalty of £50 million the basis for redress payments of up to £306 million. The initial stages of procurement have commenced, specifically market engagement. The process for the procurement of a new Operator has been front loaded to ensure that WPP can act quickly if needed. An enhanced Operator Management Information Reporting Pack is now in place with further developments ongoing. This risk continues to be significant, and all current mitigations will continue. Other mitigations will also be considered if deemed necessary.
					Oversight Advisor/HA/ OWG/ Legal Advisor	5	3				
					Target						
	Financial / Operational		Short Term		5	2	10			Q2 2023	



WALES PENSION PARTNERSHIP JOINT GOVERNANCE COMMITTEE

DATE 29 MARCH 2023

SUBJECT

ANNUAL POLICY REVIEWS

RECOMMENDATIONS / KEY DECISIONS REQUIRED:

To approve the updated Governance Matrix

REASONS:

The current Governance Matrix was initially approved by the JGC in December 2019. An annual review of the Matrix has taken place and the updated document requires approval by the JGC.

Report Author:
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Designation:
Director of Corporate Services
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Council**

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**EXECUTIVE SUMMARY
JOINT GOVERNANCE COMMITTEE**

DATE 29 MARCH 2023

ANNUAL POLICY REVIEWS

BRIEF SUMMARY OF PURPOSE OF REPORT

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

The Governance Matrix was approved by the JGC in December 2019 and was reviewed and updated in December 2020 and March 2022 respectively. This quarter the 2023 annual review of the matrix was undertaken and has been updated to reference the relevant sections of the Inter Authority Agreement (IAA).

If approved, the Governance Matrix 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 Governance Matrix is a formal document of the Wales Pension Partnership.				

CONSULTATIONS

Details of any consultations undertaken are to be included here

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

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

	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, SC2.10)	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	Recommend	Written Approval (IAA, SC2.4)	Recommend to CAs	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, SC2.2)	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 (IAA, SC2.3)	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	Review & Approve (IAA, SC2.11)	Recommend	Implement	Advise & monitor implementation
	Agree supplier requirements & remit (e.g., transition managers, stock-lending agents, advisors)	Formulate	Recommend	N/A	Approve	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, SC2.1)	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	N/A	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 (IAA, SC2.7)	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	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 29 MARCH 2023

SUBJECT

OPERATOR UPDATE

RECOMMENDATIONS / KEY DECISIONS REQUIRED:

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

REASONS:

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

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

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Designation:
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Council**

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**EXECUTIVE SUMMARY
JOINT GOVERNANCE COMMITTEE**

DATE 29 MARCH 2023

OPERATOR UPDATE

BRIEF SUMMARY OF PURPOSE OF REPORT

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

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

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

DETAILED REPORT ATTACHED?

YES

IMPLICATIONS

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

CONSULTATIONS

Details of any consultations undertaken are to be included here

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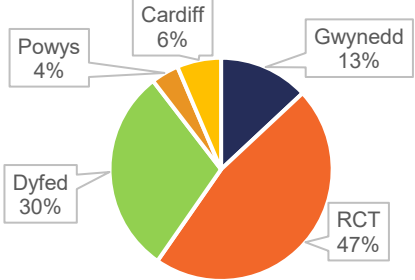
Wales Pension Partnership

Q3 2022 review

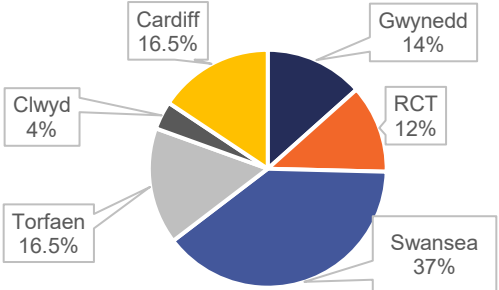
Joint Governance Committee
29 March 2023

December 2022 Fund Snapshot - Equities

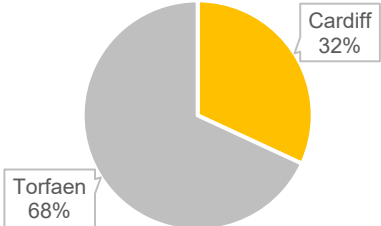
Global Growth



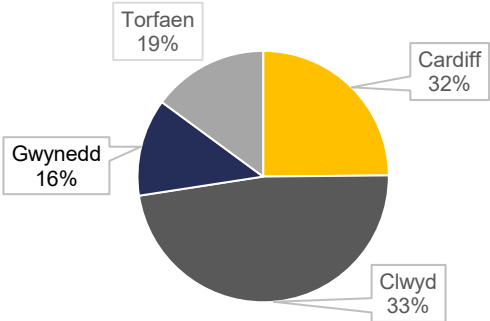
Global Opportunities



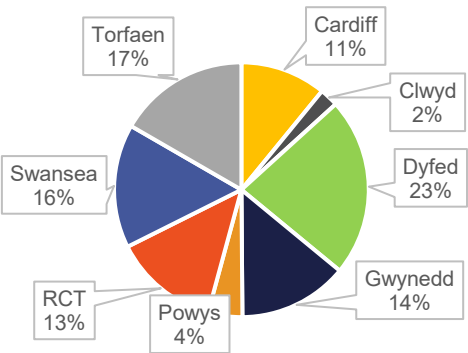
UK Opportunities



Emerging Markets



Passive*

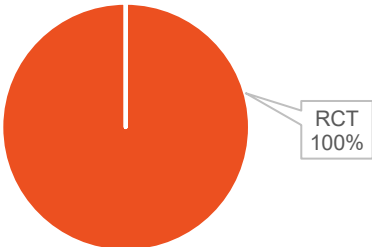


- Key:
- Dyfed
 - Powys
 - Gwynedd
 - RCT
 - Torfaen
 - Clwyd
 - Swansea
 - Cardiff

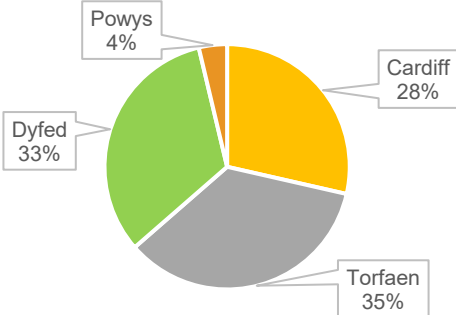
* Assets with BlackRock

December 2022 Fund Snapshot - Fixed Income

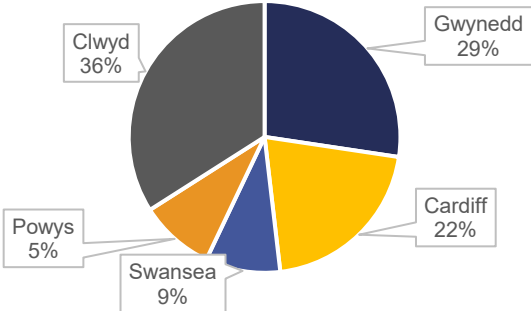
Sterling Credit



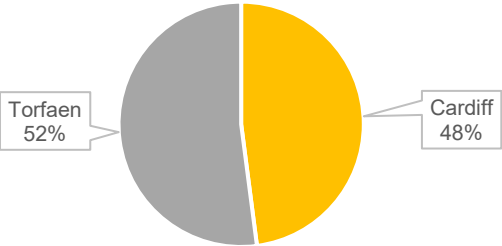
Global Credit



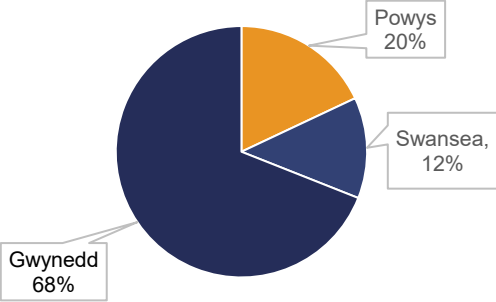
Multi Asset Credit



Global Gov. Bond



Absolute Return Bnd



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

December 2022 LF Wales PP Fund AUM

Fund	AUM	Inception date
Global Growth	£3,104,778,363	6 th Feb 2019
Global Opportunities	£3,188,458,078	14 th Feb 2019
UK Opportunities	£717,591,254	10 th Oct 2019
Emerging Markets	£342,319,147	20 th Oct 2021
Sterling Credit	£507,744,202	19 th Aug 2020
Global Credit	£680,034,155	21 st Aug 2020
Multi Asset Credit	£627,408,462	12 th Aug 2020
Global Government Bond	£469,482,425	20 th Aug 2020
Absolute Return Bond	£528,372,987	30 th Sept 2020
Total Active Investments	£10,166,189,073	
Total Passive Investments	£4,942,219,628	
Total Pooled Assets	£15,108,408,701 as at 31 December 2022	

Fund Launches & Updates

Progress Report

Fund Activity in the Period

Key Achievements & Updates

Fund Launches Progress				
	Overview	Status	Progress in period	Launch / completion dates
Sustainable Equity fund	<ul style="list-style-type: none"> Establishment of a sustainable equities fund 	In progress	<ul style="list-style-type: none"> All 8 authorities will look to invest into the new fund Timetable provided with potential launch early in Q2. Due to nature of the fund and detailed questions raised, a March 2023 launch was unachievable, but will look to reduce times where possible Transition Manager discussions ongoing with RFP shared with WPP with preferred TM documented 	Q2-23 (full timetable to be provided)
New Investment Manager	<ul style="list-style-type: none"> Addition of Robeco to the Global Credit fund, removal of T Rowe Price 	In progress	<ul style="list-style-type: none"> New Investment Manager 'Robeco' to be approved Q1-23 with implementation soon after 	Q2-23

LFS Corporate Update & Engagement

LFS Corporate Update & Engagement

LFS updates

- As discussed at the last Joint Governance Committee on 5 December 2022 the FCA issued a draft warning notice to LFSL in respect of the Woodford matter. This states that the FCA's preliminary view was that a penalty £50m (prior to taking into account any available discount) would be appropriate in addition to a restitution payment of up to £306,096,527. The draft warning notice is not a final decision but signal the start of the FCA's settlement decision process. LFSL are exploring all options, including engaging in settlement discussions with the FCA, and challenging any warning notice that may be issued. Engagement with the FCA continues.
- Link Group announced in October the intention to commence a process to explore divestment options for the Link Fund Solutions business, which includes Link Fund Solutions Limited (LFSL), and that Macquarie Capital and UBS Securities Australia Ltd have been appointed as advisers. Discussions with potential interested parties ongoing.
- Link Group announced on 20th February 2023 that it is in exclusive negotiation with the Waystone Group in respect of the sale of the whole of its Fund Solution Business, excluding Woodford related liabilities. This follows a period of confidential exclusive negotiation with and due diligence by Waystone. Any transaction with Waystone is subject to successful finalisation of due diligence and finalisation of detailed legal agreements, and to board and other approvals. Link Group has granted a further period of exclusivity to Waystone to enable the parties to conclude the necessary legal agreements before the end of March 2023.
- At the same time, Link Group and Link Fund Solutions Limited (LFSL) are in advanced confidential discussions with the FCA to settle the FCA investigation against LFSL. If a settlement is agreed with the FCA, it would resolve the current FCA investigation and would also be contingent on a scheme of arrangement of LFSL to resolve all Woodford related contingent liabilities and redress obligations of LFSL.

A sale of the FS Business to Waystone would not be contingent on the scheme of arrangement or any FCA settlement becoming unconditional. No legally binding agreement has been reached with either Waystone or the FCA and at present there can be no certainty that any of such agreements will ultimately be concluded.

LFS Corporate Update & Engagement

Key Q3 and future WPP Engagement

Link attendance at OWG/JGC meetings in period:

- OWG 14 October 2022
- WPP JGC 5 December 2022

Link attendance at OWG/JGC meetings in next quarter:

- OWG 7 February 2023
- WPP JGC 29 March 2023

Link - Pension Committee attendance in period:

- None

Link - Pension Committee attendance in next quarter :

Pension Board RCT – Pension committee meeting 6 March 2023

Pension Board Dyfed – Pension committee meeting 28 March 2023

Other meetings in period

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

Other meetings in next quarter

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

LFS Engagement Protocol

Business as Usual

Strategic Relationship Review	Frequency	Objective
	<ul style="list-style-type: none"> ▪ Bi-annual 	<ul style="list-style-type: none"> ▪ Ensure strategic alignment between Host Authority and Link
WPP Attendees <ul style="list-style-type: none"> ▪ Chris Moore ▪ Anthony Parnell ▪ Two Section 151 / Deputy Section 151 officers 		Link Attendees <ul style="list-style-type: none"> ▪ Karl Midl, Managing Director ▪ Richard Thornton, Head of Relationship Management, Asset Owners
JGC Engagement	Frequency	Objective
	<ul style="list-style-type: none"> ▪ Quarterly 	<ul style="list-style-type: none"> ▪ Engage with JGC on pertinent matters and strategic deliverables
WPP Attendees <ul style="list-style-type: none"> ▪ Joint Governance Committee (JGC) 		Link Attendees <ul style="list-style-type: none"> ▪ Karl Midl, Managing Director / Adam Tookey, Head of Product – as required ▪ Richard Thornton, Head of Relationship Management, Asset Owners ▪ James Zealander, Senior Relationship Manager ▪ Russell Investments
OWG Engagement	Frequency	Objective
	<ul style="list-style-type: none"> ▪ Every 2 Months 	<ul style="list-style-type: none"> ▪ Identify and deliver on opportunities to improve and expand the relationship ▪ Provide update on open projects or issues ▪ Monthly KPI Review (Data supplied monthly)
WPP Attendees <ul style="list-style-type: none"> ▪ Officers Working Group (OWG) 		Link Attendees <ul style="list-style-type: none"> ▪ James Zealander, Senior Relationship Manager ▪ Richard Thornton, Head of Relationship Management, Asset Owners ▪ Alistair Coyle/Heidi Robinson, Relationship Managers (as required) ▪ Ad-hoc Link attendance from functional departments: Tax, Compliance, Product, etc. ▪ Russell Investments

Link Engagement Protocol continued...

Business as Usual

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

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WALES PENSION PARTNERSHIP JOINT GOVERNANCE COMMITTEE

DATE 29 MARCH 2023

SUBJECT

PERFORMANCE REPORTS AS AT 31 DECEMBER 2022

RECOMMENDATIONS / KEY DECISIONS REQUIRED:

To note the performance reports of the following sub funds as at 31 December 2022:

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

REASONS:

Northern Trust have prepared performance reports for the WPP sub funds as at 31 December 2022.

Report Author:
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Designation:
Director of Corporate Services

**Carmarthenshire County
Council**

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**EXECUTIVE SUMMARY
JOINT GOVERNANCE COMMITTEE**

DATE 29 MARCH 2023

PERFORMANCE REPORTS AS AT 31 DECEMBER 2022

BRIEF SUMMARY OF PURPOSE OF REPORT

Northern Trust have provided performance reports for the WPP's sub funds as at 31 December 2022.

Performance - Inception to date:

Global Opportunities Fund	Gross of Fees (%)	Net of Fees (%)
Actual	10.47	10.18
Benchmark	8.89	8.89
Excess Return	1.58	1.29

Global Growth Fund	Gross of Fees (%)	Net of Fees (%)
Actual	8.51	8.09
Benchmark	9.23	9.23
Excess Return	(0.73)	(1.14)

Emerging Markets Fund	Gross of Fees (%)	Net of Fees (%)
Actual	(10.47)	(10.78)
Benchmark	(9.47)	(9.47)
Excess Return	(1.00)	(1.31)

UK Opportunities Fund	Gross of Fees (%)	Net of Fees (%)
Actual	2.14	1.73
Benchmark	3.93	3.93
Excess Return	(1.79)	(2.20)

Global Government Bond Fund	Gross of Fees (%)	Net of Fees (%)
Actual	(4.89)	(5.12)
Benchmark	(6.82)	(6.82)
Excess Return	1.93	1.70

Global Credit Fund	Gross of Fees (%)	Net of Fees (%)
Actual	(6.09)	(6.25)
Benchmark	(6.48)	(6.48)
Excess Return	0.39	0.23

Multi Asset Credit Fund	Gross of Fees (%)	Net of Fees (%)
Actual	(2.22)	(2.56)
Target *	4.65	4.65

Absolute Return Bond Strategy Fund	Gross of Fees (%)	Net of Fees (%)
Actual	1.87	1.56
Target *	2.67	2.67

UK Credit Fund	Gross of Fees (%)	Net of Fees (%)
Actual	(6.61)	(6.73)
Target *	(7.14)	(7.14)

* EXCESS RETURN IS NOT SHOWN AS THIS IS A TARGET

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

DETAILED REPORT ATTACHED?	YES
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IMPLICATIONS

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

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

- Global Opportunities – outperformed by 1.58% gross / 1.29% net
- Global Growth – underperformed by 0.73% gross / 1.14% net
- Emerging Markets – underperformed by 1.00% gross / 1.31% net
- UK Opportunities – underperformed by 1.79% gross / 2.20% net
- Global Government Bond – outperformed by 1.93% gross / 1.70% net
- Global Credit – outperformed by 0.39% gross / 0.23% net

The MAC and ARB funds did not meet their targets.

The UK Credit fund exceeded its target.

CONSULTATIONS

Details of any consultations undertaken are to be included here

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

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

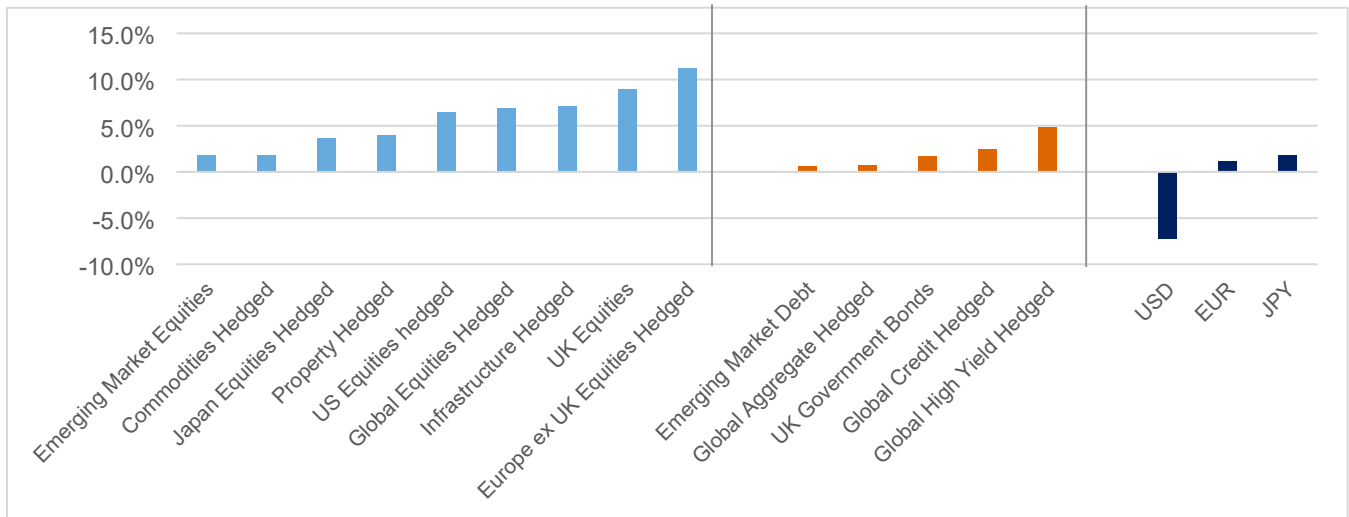
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JGC - WPP Performance Summary Q4 2022

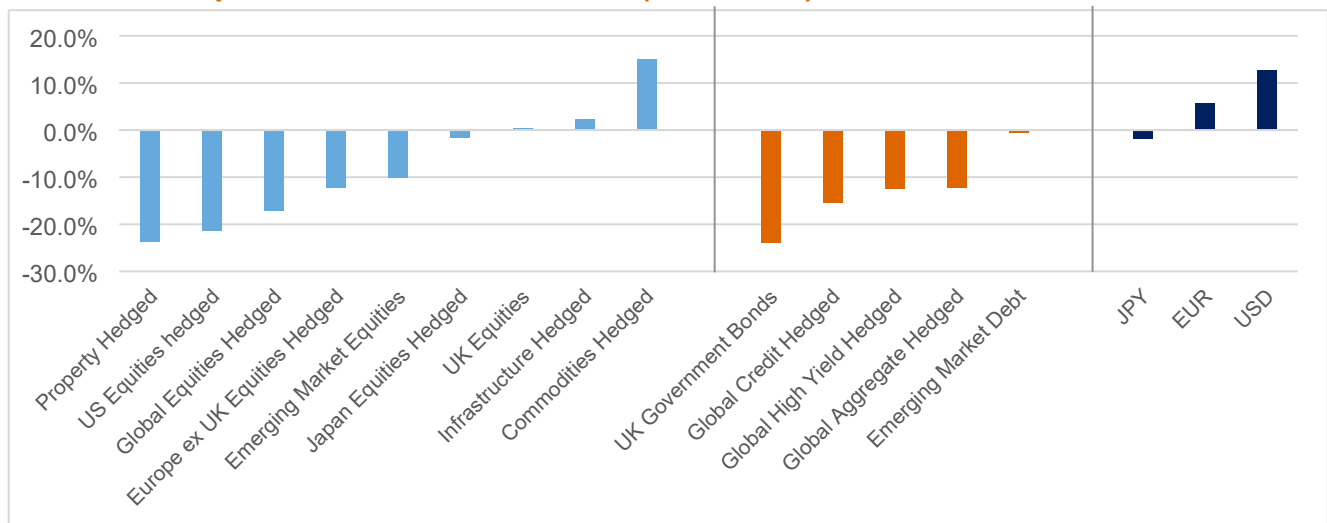
Global Market Commentary

The MSCI World Net Index recorded its first positive quarter in a year. This was the strongest quarter for the index since the fourth quarter of 2020. An anticipated slower pace of future interest rate hikes and softer-than expected inflation data boosted investor enthusiasm. However, the US Federal Reserve (Fed), Bank of England (BoE) and European Central Bank (ECB) all raised interest rates as expected this quarter. The US dollar (USD) depreciated over the quarter in contrast to its strong 2022 performance. US equities underperformed other markets in a weaker period for large cap growth stocks and the US dollar. In the eurozone, value stocks were in demand. The central bank also downgraded its 2023 growth forecasts but pushed 2024 expectations higher. In the UK, market conditions improved after former Chancellor of the Exchequer, Rishi Sunak, became the leader of the Conservative party and the UK's new Prime Minister. Emerging Markets narrowly lagged global equities.

Asset class performance – Quarter to Date (December) 2022



Asset class performance – Year to Date (December) 2022



Benchmarks : Global equity hedged (MSCI World ACWI), UK equity (FTSE All Share), US equity hedged (Russell 1000 Net GBPH), Europe ex UK equity (MSCI Europe ex UK Equity Net GBPH), Japan equity (TOPIX Net GBPH), Emerging equity (MSCI Emerging Markets Net), Global HY bonds (BofAML Global High Yield 2% Constrained Index), EMD LC (JP Morgan GBI-EM Global Diversified Index), Global credit hedged (Bloomberg Barclays Global Aggregate Credit Index), Global aggregate hedged (Bloomberg Barclays Global Aggregate Bond Index GBPH), UK Government Bonds (ICEBofAML UK Gilts All Stocks (GB), Property hedged (FTSEEPRA Nareit Dev Re GBP)

Global Opportunities Equity Fund:

	Three Months	1 Year	Since Inception
Gross	2.17	-4.14	10.47
Net	2.10	-4.39	10.18
MSCI AC World Index Net	1.86	-8.08	8.89
Excess returns (gross)	0.31	3.94	1.58

Inception Date: COB 14th February 2019

Source: Russell Investments as of 31 December 2022

Overall Fund Commentary

In factor performance, large cap value stocks were in the highest demand this quarter. In sharp contrast, large cap growth stocks were the weakest performers. Overall, value comfortably outperformed growth, which extended growth's weak 2022 performance. Small cap stocks outperformed large caps this quarter but slightly lagged over 2022 on aggregate. Momentum also outperformed this period. European growth manager SW Mitchell significantly outperformed over the quarter, followed by Sanders, which benefitted from its global value focus. In contrast, Morgan Stanley detracted, punished by its focus on growth. Nissay, Jacobs Levy and Numeric (core) also underperformed in the quarter, albeit to a lesser extent.

Global Growth Equity Fund:

	Three Months	1 Year	Since Inception
Gross	3.57	-10.46	8.51
Net	3.47	-10.80	8.09
MSCI AC World Index Net	1.86	-8.08	9.23
Excess returns (gross)	1.71	-2.38	-0.73

Inception Date: 6th February 2019

Source: Northern Trust as of 31 December 2022

Overall Fund Commentary

After an extremely difficult year for equities, global stock markets staged a rebound in Q4. The strength in the rally was driven primarily by expectations that global inflation has peaked and will start to decline in 2023 and that central banks are much closer to the end of their tightening cycles. The unexpected relaxation of China's zero-covid policy also helped to boost returns.

The fund outperformed its benchmark in Q4 rising 3.47% net of fees vs the benchmark of 1.86%. Value continued to outperform growth in Q4, and as such, top contributor to performance was the fund's holding in value manager Pzena, who saw strong gains due in part to its holdings in value driven sectors such energy, financials, and materials. The strength in Pzena performance was offset by underperformance from Baillie Gifford and Veritas. From a geographic perspective, gains in the fourth quarter were made from strong regional performance from the US, France, and the UK

As we move into 2023 the outlook for global equities remains mixed and we would expect continued volatility throughout the year as the tensions between whether global central banks can cool economies sufficiently to dampen inflation without causing a global recession.

EM Market Commentary

The MSCI Emerging Markets (EM) Index narrowly lagged global equities in the final quarter of 2022. Investors responded positively to developments in China, as the country loosened strict Covid restrictions. An anticipated slower pace of future interest rate hikes in developed markets and softer-than-expected inflation data boosted investor enthusiasm. In contrast to its strong 2022 performance, the US dollar depreciated over the period which was a further tailwind. South Korea enjoyed a strong return but ended the year in negative territory. Elsewhere, South Africa's central bank also increased rates, by 75 bps to 7.0% as expected. Brazil capped a positive year with a 2.4% return this quarter. Former president and Workers' Party candidate Luiz Inácio Lula da Silva narrowly defeated incumbent Jair Bolsonaro in the second-round Presidential election.

EM Opportunities Equity Fund:

	Three Months	1 Year	Since Inception
Gross	1.63	-11.23	-10.47
Net	1.54	-11.53	-10.78
MSCI Emerging Market Index	1.80	-10.02	-9.47
Excess returns (gross)	-0.18	-1.21	-1.00

Inception Date: COB 20th October 2021

Source: Russell Investments as of 31 December 2022

Overall Fund Commentary

The Fund's tilt towards and effective selection of value stocks contributed positively. In contrast to early-year performance, underweights to India, Saudi Arabia and Qatar contributed positively this period. An underweight to China was negative although exposure to Hong Kong-based stocks and effective selection effects contributed positively. Selection within Mexico and the financials (banks) and materials (metals & mining) sectors was also rewarded. The overweight to and selection within Brazil and selection within Taiwan weighed on performance.

UK Market Commentary

The FTSE All Shares Index - Total Returns recorded a positive return in the final quarter. Market conditions improved from the negative and volatile third quarter. Former Chancellor of the Exchequer, Rishi Sunak, became the leader of the Conservative party and the UK's new Prime Minister. This followed Liz Truss' resignation as leader after a tumultuous period. However, new Chancellor Jeremy Hunt announced restrictive fiscal policies in his Autumn Statement – a sharp contrast to the previous administration's "growth plan". The Bank of England twice raised rates, including its largest rate increase in three decades in November (+75 basis points). The central bank's rate setting committee argued more hikes were likely to be required despite warning the UK economy may have to endure a "very challenging" two-year economic contraction.

UK Opportunities Equity Fund:

	Three Months	1 Year	Since Inception
Gross	11.03	-7.33	2.14
Net	10.92	-7.65	1.73
FTSE All Share	8.90	0.34	3.93
Excess returns (gross)	2.13	-7.67	-1.79

Inception Date: COB 11th October 2019

Source: Northern Trust as of 31 December 2022

Overall Fund Commentary

In factor performance, high dividend yield stocks produced the strongest returns this quarter, while small and mid-capitalisation stocks did better than large caps. Value outperformed growth during the quarter, extending its positive 2022 performance. In sectors, basic materials and health care produced the biggest absolute returns, followed by consumer discretionary. Telecommunications was the only sector to produce an absolute negative return for the quarter. Within this environment, the Fund's overweight to small caps was advantageous. Stock selection within financials and consumer staples contributed to the positive return. All managers produced positive relative returns versus the benchmark with the exception of Baillie Gifford. Ninety One led the outperformance followed by Liontrust.

Fixed Income Market Commentary

The Bloomberg Global Aggregate Bond Index brought a negative year to a close with a positive return in the fourth quarter. Investors continued to assess the future path for interest rates amid expectations of a global slowdown. The US Federal Reserve (Fed), Bank of England (BoE) and European Central Bank (ECB) raised interest rates as expected during the period. Policymakers predicted rates would continue to rise to tackle high inflation. However, an anticipated slower pace of future rate hikes and softer-than-expected inflation data boosted investor enthusiasm. In the US, the Fed increased its benchmark interest rate by 75 basis points (bps) and 50 bps respectively to end the year at a 4.5% rate. Fed Chair Jerome Powell highlighted a likely moderation in rate increases going forward. In the eurozone, the ECB twice raised rates to end the year at a 2.5% rate – the highest level since 2009. In Japan, the benchmark 10-year yield climbed a notable 18 bps to 0.42%.

Global Government Bond Fund:

	Three Months	1 Year	Since Inception
Gross	1.85	-10.76	-4.89
Net	1.78	-11.00	-5.12
FTSE World Gvt Bond Index (GBP Hedged)	-0.62	-13.76	-6.82
Excess returns (gross)	2.47	3.00	1.93

Inception Date: COB 19th August 2020

Source: Northern Trust as of 31 December 2022

Overall Fund Commentary

The Fund significantly outperformed the negative benchmark return this quarter with both underlying managers outperforming. The Fund's exposure to short-dated UK gilts early in the period suited the market environment. An underweight to Japanese and core European duration in a period where yields rose was also rewarded.

Global Credit Fund:

	Three Months	1 Year	Since Inception
Gross	3.14	-15.91	-6.09
Net	3.09	-16.06	-6.25
Bloomberg Barclays Global Agg Credit Index (GBP Hedged)	2.43	-15.34	-6.48
Excess returns (gross)	0.71	-0.58	0.39

Inception Date: COB 20th August 2020

Source: Northern Trust as of 31 December 2022

Overall Fund Commentary

The Fund's overweight to European HY and IG credit was a key positive driver this quarter. An overweight to US HY was also rewarded, although this was slightly mitigated by an underweight to US IG credit. In contrast to the previous quarter, the Fund's EMD positioning weighed on returns this period.

Multi Asset Credit Fund:

	Three Months	1 Year	Since Inception
Gross	4.28	-12.49	-2.22
Net	4.17	-12.74	-2.56
3 Month GBP SONIA + 4%	1.69	5.47	4.65

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

Inception Date: COB 11th August 2020

Source: Northern Trust as of 31 December 2022

Overall Fund Commentary

Global credit markets increased amid a wider investor enthusiasm for risk assets. This was most notable in Europe while US high yield also tightened for the quarter despite widening in December. Global investment grade credit spreads tightened more modestly in comparison. Emerging Market debt (EMD) benefitted from a weaker US dollar (USD) and expectations of a slowing of policy tightening within developed market countries. All underlying managers recorded positive absolute returns, with loan specialist ICG and EMD specialist Man GLG performing well.

Absolute Return Bond Strategy Fund:

	Three Months	1 Year	Since Inception
Gross	1.67	2.55	1.87
Net	1.56	2.42	1.56
3 Month GBP SONIA + 2%	1.20	3.44	2.67

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

Inception Date: COB 30th September 2020

Source: Northern Trust as of 31 December 2022

Overall Fund Commentary

Investment grade credit positioning was a key contributor this period in a positive environment for the tilt towards European credit. Duration exposure also remained positive through short duration positioning to German 5-year, US 10-year and Japan 10-year bonds. In contrast to the previous quarter, prepayment strategies contributed positively. Long exposure to mortgage basis was rewarded in a period where spreads tightened. Macro strategies also had a positive impact.

Sterling Credit Fund:

	Three Months	1 Year	Since Inception
Gross	6.46	-16.39	-6.61
Net	6.43	-16.50	-6.73
ICE Bank of America Merrill Lynch Euro-Sterling Index plus 0.65%	6.38	-17.10	-7.14

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

Inception Date: COB 19th August 2020

Source: Northern Trust as of 31 December 2022

Overall Fund Commentary

The Fund exhibited positive returns of 6.46% gross in the fourth quarter of 2022.

The fund is mostly exposed to Western countries, mainly US (~13%), UK (~38%), and EU (~29%) corporate IG and HY bonds denominated in GBP where bond returns have been impacted by inflation, monetary policies from the central banks in these regions, and energy prices in the wake of the conflict in Ukraine.

The first three quarters saw the bond market have its worst performance since the 2008 crisis as a result of a sharp increase in government yields and credit spread widening due to accelerating inflation, central bank aggressive interest rate hikes and high recession risk. During that period the 10-year Gilt yield sharply increased by about 3.9%, Global IG and HY credit spreads sharply widened by about 79 bps and 212 bps, respectively.

Conversely, in the fourth quarter, the bond market was supported by slowing inflation, smaller increases in energy prices, central banks reducing the pace of interest rate hikes, and western economies turning out to be more resilient than expected. As a result, the 10-year Gilt yield decreased by about 46bps, Global IG and HY credit spreads tightened by about 28 bps and 73 bps, respectively, which explains the fund's 6.46% positive returns over the fourth quarter. Unfortunately, the fourth-quarter positive returns were not sufficient to offset the strong negative returns generated in the three first quarters, and the fund finished the year with a negative performance of 16.39% gross.



NORTHERN
TRUST

Wales Pension Partnership

Investment Risk & Analytical Services

December 31, 2022

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SECTION 1

Wales Pension Partnership

Investment Risk & Analytical Services

December 31, 2022

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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	10,170,621,226	100.00	-2.94	3.33	-8.79	6.37	06/02/2019	
Equity	7,356,044,196	72.33	-3.88	3.26	-7.77	8.95	06/02/2019	
Global Growth Fund	3,105,965,525	30.54	-3.93	3.57	-10.46	8.51	06/02/2019	
MSCI ACWI ND			-4.89	1.86	-8.08	9.23	06/02/2019	
Excess Return			0.97	1.71	-2.38	-0.73	06/02/2019	
Emerging Markets Equity Fund	342,629,529	3.37	-1.93	2.98	-10.23	-9.51	29/10/2021	
MSCI Emerging Markets Index			-2.39	1.80	-10.02	-9.52	29/10/2021	
Excess Return			0.46	1.17	-0.21	0.01	29/10/2021	
Global Opportunities Equity	3,189,587,194	31.36	-4.56	1.54	-4.69	10.42	14/02/2019	
MSCI ACWI ND			-4.89	1.86	-8.08	8.89	14/02/2019	
Excess Return			0.33	-0.32	3.39	1.53	14/02/2019	
UK Opportunities Equity	717,861,949	7.06	-1.45	11.03	-7.33	2.14	11/10/2019	
FTSE All-Share			-1.42	8.90	0.34	3.93	11/10/2019	
Excess Return			-0.03	2.13	-7.67	-1.79	11/10/2019	
Fixed Income	2,814,577,030	27.67	-0.38	3.48	-11.43	-3.89	11/08/2020	
Absolute Return Bond Fund	529,049,498	5.20	1.13	1.67	2.55	1.87	30/09/2020	
3 month GBP Sonia plus 2%			0.44	1.20	3.44	2.67	30/09/2020	
Excess Return			0.69	0.47	-0.89	-0.80	30/09/2020	
Sterling Credit Fund	507,876,232	4.99	-1.55	6.46	-16.39	-6.61	19/08/2020	
ICE BofA ML Eur-Stg plus 0.65%			-1.65	6.38	-17.10	-7.14	19/08/2020	
Excess Return			0.10	0.08	0.71	0.53	19/08/2020	
Multi Asset Credit Fund	627,688,349	6.17	0.27	4.28	-12.49	-2.22	11/08/2020	
3 month GBP Sonia plus 4%			0.60	1.69	5.47	4.65	11/08/2020	
Excess Return			-0.33	2.59	-17.95	-6.86	11/08/2020	
Global Government Bond Fund	469,735,945	4.62	-0.91	1.85	-10.76	-4.89	19/08/2020	
FTSE WGBI Index			-4.67	-3.15	-15.95	-7.83	19/08/2020	
Excess Return			3.76	5.00	5.19	2.95	19/08/2020	
Global Credit Fund	680,227,005	6.69	-0.86	3.14	-15.91	-6.09	20/08/2020	
BBG Global Aggregate Credit Index hedged into GBP			-0.85	2.43	-15.34	-6.48	20/08/2020	
Excess Return			-0.01	0.71	-0.58	0.39	20/08/2020	

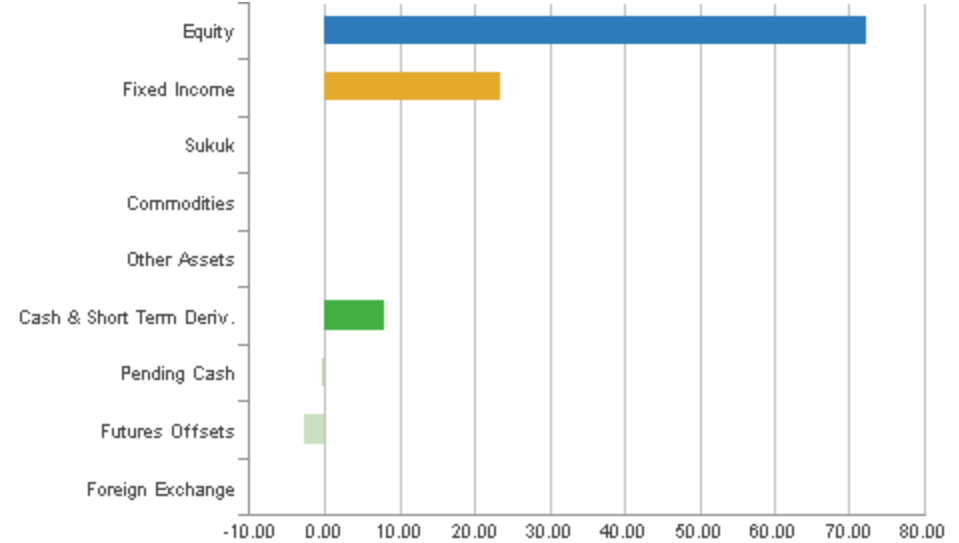
Wales Pension Partnership Summary

Account/Group -Rate of Return	E.MV-GOF	End Wt	1 Mo	3 Mos	1 Yr	ITD	Inc Date
Wales Pension Partnership	10,170,621,226	100.00	-2.94	3.33	-8.79	6.37	06/02/2019
Equity	7,356,044,196	72.33	-3.88	3.26	-7.77	8.95	06/02/2019
Global Growth Fund	3,105,965,525	30.54	-3.93	3.57	-10.46	8.51	06/02/2019
Emerging Markets Equity Fund	342,629,529	3.37	-1.93	2.98	-10.23	-9.51	29/10/2021
Global Opportunities Equity	3,189,587,194	31.36	-4.56	1.54	-4.69	10.42	14/02/2019
UK Opportunities Equity	717,861,949	7.06	-1.45	11.03	-7.33	2.14	11/10/2019
Fixed Income	2,814,577,030	27.67	-0.38	3.48	-11.43	-3.89	11/08/2020
Absolute Return Bond Fund	529,049,498	5.20	1.13	1.67	2.55	1.87	30/09/2020
Sterling Credit Fund	507,876,232	4.99	-1.55	6.46	-16.39	-6.61	19/08/2020
Multi Asset Credit Fund	627,688,349	6.17	0.27	4.28	-12.49	-2.22	11/08/2020
Global Government Bond Fund	469,735,945	4.62	-0.91	1.85	-10.76	-4.89	19/08/2020
Global Credit Fund	680,227,005	6.69	-0.86	3.14	-15.91	-6.09	20/08/2020

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



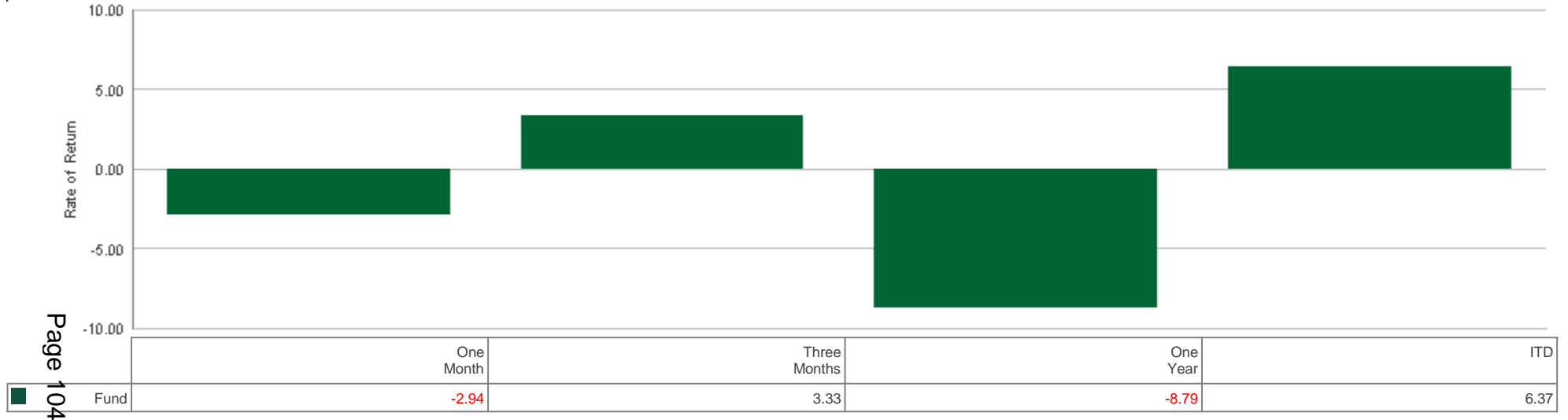
ASSET CLASS ENDING WEIGHTS



Total Fund Gross of Fees

Account/Group -Rate of Return	E.MV-GOF	End Wt	1 Mo	3 Mos	1 Yr	ITD	Inc Date
Wales Pension Partnership	10,170,621,226	100.00	-2.94	3.33	-8.79	6.37	06/02/2019
Equity	7,356,044,196	72.33	-3.88	3.26	-7.77	8.95	06/02/2019
Global Growth Fund	3,105,965,525	30.54	-3.93	3.57	-10.46	8.51	06/02/2019
Emerging Markets Equity Fund	342,629,529	3.37	-1.93	2.98	-10.23	-9.51	29/10/2021
Global Opportunities Equity	3,189,587,194	31.36	-4.56	1.54	-4.69	10.42	14/02/2019
UK Opportunities Equity	717,861,949	7.06	-1.45	11.03	-7.33	2.14	11/10/2019
Fixed Income	2,814,577,030	27.67	-0.38	3.48	-11.43	-3.89	11/08/2020
Absolute Return Bond Fund	529,049,498	5.20	1.13	1.67	2.55	1.87	30/09/2020
Sterling Credit Fund	507,876,232	4.99	-1.55	6.46	-16.39	-6.61	19/08/2020
Multi Asset Credit Fund	627,688,349	6.17	0.27	4.28	-12.49	-2.22	11/08/2020
Global Government Bond Fund	469,735,945	4.62	-0.91	1.85	-10.76	-4.89	19/08/2020
Global Credit Fund	680,227,005	6.69	-0.86	3.14	-15.91	-6.09	20/08/2020

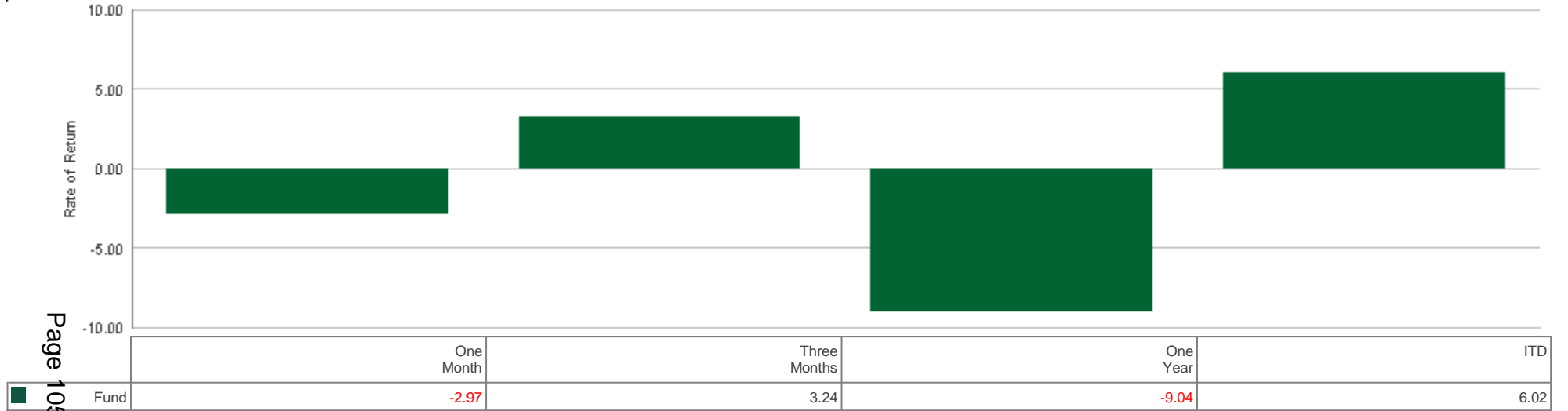
WALES PENSION PARTNERSHIP TOTAL FUND GROSS OF FEES



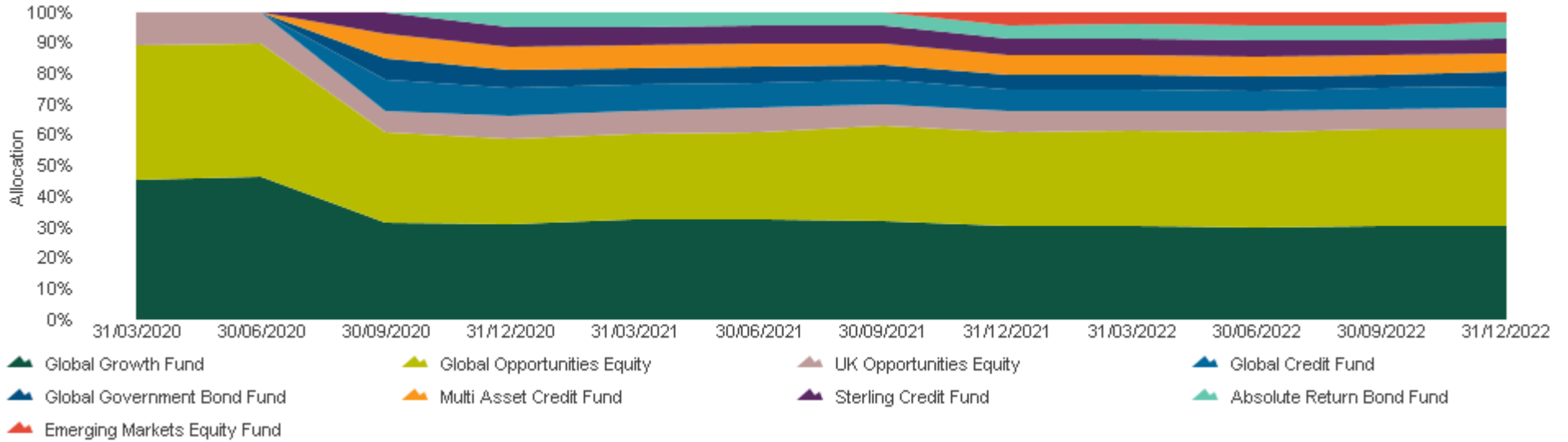
Total Fund Net of Fees

Account/Group -Rate of Return	E.MV-NOF	End Wt	1 Mo	3 Mos	1 Yr	ITD	Inc Date
Wales Pension Partnership	10,166,695,138	100.00	-2.97	3.24	-9.04	6.02	06/02/2019
Equity	7,353,024,536	72.32	-3.91	3.17	-8.06	8.57	06/02/2019
Global Growth Fund	3,104,745,426	30.54	-3.96	3.47	-10.80	8.09	06/02/2019
Emerging Markets Equity Fund	342,314,302	3.37	-2.01	2.78	-10.64	-9.95	29/10/2021
Global Opportunities Equity	3,188,381,594	31.36	-4.60	1.46	-4.91	10.09	14/02/2019
UK Opportunities Equity	717,583,214	7.06	-1.48	10.92	-7.65	1.73	11/10/2019
Fixed Income	2,813,670,602	27.68	-0.40	3.40	-11.61	-4.11	11/08/2020
Absolute Return Bond Fund	528,840,297	5.20	1.09	1.56	2.42	1.56	30/09/2020
Sterling Credit Fund	507,795,930	4.99	-1.56	6.43	-16.50	-6.73	19/08/2020
Multi Asset Credit Fund	627,425,841	6.17	0.23	4.17	-12.74	-2.56	11/08/2020
Global Government Bond Fund	469,514,950	4.62	-0.93	1.78	-11.00	-5.12	19/08/2020
Global Credit Fund	680,093,584	6.69	-0.88	3.09	-16.06	-6.25	20/08/2020

WALES PENSION PARTNERSHIP TOTAL FUND NET OF FEES



Allocation over Time



Account / Group	31/03/2022		30/06/2022		30/09/2022		31/12/2022	
	Market Value	Actual Weight	Market Value	Actual Weight	Market Value	Actual Weight	Market Value	Actual Weight
Wales Pension Partnership	10,963,236,664	100.00	10,138,881,636	100.00	9,922,517,348	100.00	10,170,621,226	100.00
Global Growth Fund	3,304,938,415	30.15	3,029,470,681	29.88	3,002,059,424	30.26	3,105,965,525	30.54
Emerging Markets Equity Fund	465,099,336	4.24	441,870,246	4.36	425,468,636	4.29	342,629,529	3.37
Global Opportunities Equity	3,389,635,031	30.92	3,135,386,196	30.92	3,124,281,227	31.49	3,189,587,194	31.36
UK Opportunities Equity	730,575,270	6.66	674,445,628	6.65	647,858,865	6.53	717,861,949	7.06
Absolute Return Bond Fund	509,821,541	4.65	491,744,428	4.85	520,974,227	5.25	529,049,498	5.20
Sterling Credit Fund	574,330,031	5.24	531,530,290	5.24	477,276,897	4.81	507,876,232	4.99
Multi Asset Credit Fund	723,508,905	6.60	657,321,457	6.48	602,858,046	6.08	627,688,349	6.17
Global Government Bond Fund	507,497,615	4.63	483,667,197	4.77	461,701,165	4.65	469,735,945	4.62
Global Credit Fund	757,830,520	6.91	693,445,514	6.84	660,038,861	6.65	680,227,005	6.69

SECTION 2

Equity

Investment Risk & Analytical Services

December 31, 2022

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Investment Hierarchy

Account/Group	Ending Market Value GBP	Ending Weight	Policy Weight	% Rate of Return							
				One Month	Three Months	One Year	Three Years	Five Years	Ten Years	Inception to Date	Inception Date
Equity	7,356,044,196	100.00		-3.88	3.26	-7.77	6.52	-	-	8.95	06/02/2019
Global Growth Fund	3,105,965,525	42.22		-3.93	3.57	-10.46	6.28	-	-	8.51	06/02/2019
MSCI ACWI ND				-4.89	1.86	-8.08	7.40	-	-	9.23	06/02/2019
Excess Return				0.97	1.71	-2.38	-1.12	-	-	-0.73	06/02/2019
LF WPP GGF - BAILLIE GIFFORD	1,178,731,988	16.02	40.00	-4.61	1.27	-21.82	4.14	-	-	7.75	06/02/2019
MSCI ACWI ND				-4.89	1.86	-8.08	7.40	-	-	9.23	06/02/2019
Excess Return				0.28	-0.59	-13.74	-3.26	-	-	-1.48	06/02/2019
LF WPP GGF - PZENA INV MGT LLC	1,167,016,344	15.86	35.00	-2.90	9.26	4.67	8.84	-	-	9.23	06/02/2019
MSCI ACWI ND				-4.89	1.86	-8.08	7.40	-	-	9.23	06/02/2019
Excess Return				1.99	7.40	12.74	1.44	-	-	-0.00	06/02/2019
LF WPP GGF - VERITAS AM LLP	759,213,413	10.32	25.00	-4.43	-0.78	-10.49	5.04	-	-	7.83	06/02/2019
MSCI ACWI ND				-4.89	1.86	-8.08	7.40	-	-	9.23	06/02/2019
Excess Return				0.46	-2.64	-2.41	-2.36	-	-	-1.41	06/02/2019
Operator Account	981,764	0.01		8.18	9.65	-32.49	-	-	-	-	31/01/2018
Top Account	0	0.00		0.00	0.00	-	-	-	-	-	31/01/2018
Transition Account	22,015	0.00		2.62	1.10	5.67	1.55	-	-	-	31/01/2018
Emerging Markets Equity Fund	342,629,529	4.66		-1.93	2.98	-10.23	-	-	-	-9.51	29/10/2021
MSCI Emerging Markets Index				-2.39	1.80	-10.02	-	-	-	-9.52	29/10/2021
Excess Return				0.46	1.17	-0.21	-	-	-	0.01	29/10/2021
LF WALES PP EM RUSSELL ENHANCE	338,078,072	4.60		-1.81	1.96	-10.74	-	-	-	-9.90	29/10/2021
LF WALES PP EM-FA INC COLL A/C	901,531	0.01		0.07	17.89	-	-	-	-	-	29/10/2021
LF WALES PP EMEF RUSSELL CASH	3,649,926	0.05		-12.61	9.37	-33.73	-	-	-	-32.30	29/10/2021
Top Account	0	0.00		0.00	-	-	-	-	-	-	29/10/2021
Global Opportunities Equity	3,189,587,194	43.36		-4.56	1.54	-4.69	8.89	-	-	10.42	14/02/2019
MSCI ACWI ND				-4.89	1.86	-8.08	7.40	-	-	8.89	14/02/2019
Excess Return				0.33	-0.32	3.39	1.49	-	-	1.53	14/02/2019
LF WALES PPGOEF	3,048,993,306	41.45	15.00	-3.58	3.48	-3.94	6.37	-	-	7.72	14/02/2019
MSCI ACWI ND				-4.89	1.86	-8.08	7.40	-	-	8.89	14/02/2019
Excess Return				1.32	1.62	4.14	-1.03	-	-	-1.17	14/02/2019
LF WALES PPGOEF - MSTANLEY	12,091	0.00	12.00	26.46	74.33	82.27	23.82	-	-	22.81	14/02/2019
MSCI ACWI ND				-4.89	1.86	-8.08	7.40	-	-	8.89	14/02/2019
Excess Return				31.35	72.47	90.35	16.42	-	-	13.92	14/02/2019
LF WALES PPGOEF JACOBS LEVY	0	0.00	14.00	0.00	11.54	-14.71	12.97	-	-	13.72	14/02/2019

Account/Group	Ending Market Value GBP	Ending Weight	Policy Weight	% Rate of Return							
				One Month	Three Months	One Year	Three Years	Five Years	Ten Years	Inception to Date	Inception Date
LF WALES PPGOEF NUMERIC	403,120	0.01	19.00	33.58	106.47	110.36	-1.17	-	-	1.20	14/02/2019
<i>MSCI World Index</i>				<i>-5.20</i>	<i>1.86</i>	<i>-7.83</i>	<i>8.37</i>	-	-	<i>9.85</i>	<i>14/02/2019</i>
<i>Excess Return</i>				<i>38.78</i>	<i>104.60</i>	<i>118.19</i>	<i>-9.54</i>	-	-	<i>-8.65</i>	<i>14/02/2019</i>
LF WALES PPGOEF NWQ INV MGMT	-0	-0.00	14.00	0.00	-0.00	-0.00	-8.58	-	-	-4.67	14/02/2019
LF WALES PPGOEF SANDERS CAP	295,468	0.00	15.00	43.75	173.06	172.20	23.04	-	-	22.04	14/02/2019
<i>MSCI ACWI ND</i>				<i>-4.89</i>	<i>1.86</i>	<i>-8.08</i>	<i>7.40</i>	-	-	<i>8.89</i>	<i>14/02/2019</i>
<i>Excess Return</i>				<i>48.65</i>	<i>171.20</i>	<i>180.28</i>	<i>15.64</i>	-	-	<i>13.15</i>	<i>14/02/2019</i>
LF WALES PPGOEF SW MITCHELL	298,432	0.00	11.00	1.68	1.06	3.06	-4.45	-	-	0.97	14/02/2019
<i>MSCI Europe ND</i>				<i>-0.99</i>	<i>10.75</i>	<i>-4.36</i>	<i>4.66</i>	-	-	<i>6.71</i>	<i>14/02/2019</i>
<i>Excess Return</i>				<i>2.67</i>	<i>-9.70</i>	<i>7.41</i>	<i>-9.11</i>	-	-	<i>-5.74</i>	<i>14/02/2019</i>
Operator Account	925,505	0.01		0.10	-39.80	-	-	-	-	-	31/01/2019
RI - Overlays	138,642,563	1.88		-22.26	-20.03	-9.22	24.58	-	-	27.36	14/02/2019
Top Account	0	0.00		0.00	-	-	-	-	-	-	31/01/2018
Transition Account	16,709	0.00		4.53	1.75	-1.18	-3.42	-	-	-	31/01/2018
UK Opportunities Equity	717,861,949	9.76		-1.45	11.03	-7.33	-0.19	-	-	2.14	11/10/2019
<i>FTSE All-Share</i>				<i>-1.42</i>	<i>8.90</i>	<i>0.34</i>	<i>2.30</i>	-	-	<i>3.93</i>	<i>11/10/2019</i>
<i>Excess Return</i>				<i>-0.03</i>	<i>2.13</i>	<i>-7.67</i>	<i>-2.49</i>	-	-	<i>-1.79</i>	<i>11/10/2019</i>
Collection Account	1,104,097	0.02		-0.44	-691.16	-601.54	-	-	-	-	11/10/2019
RI - Overlays	7,434,664	0.10		-0.82	1.87	-0.79	-9.96	-	-	-8.37	11/10/2019
Top Account	0	0.00		0.00	-	-	-	-	-	-	11/10/2019
Transition account	3,597	0.00		0.00	0.29	0.29	6.19	-	-	5.89	11/10/2019
W PP UK OPPTS EQ RC	709,319,591	9.64	100.00	-1.46	11.06	-7.49	-0.17	-	-	2.15	11/10/2019
<i>FTSE All-Share</i>				<i>-1.42</i>	<i>8.90</i>	<i>0.34</i>	<i>2.30</i>	-	-	<i>3.93</i>	<i>11/10/2019</i>
<i>Excess Return</i>				<i>-0.04</i>	<i>2.15</i>	<i>-7.83</i>	<i>-2.47</i>	-	-	<i>-1.78</i>	<i>11/10/2019</i>

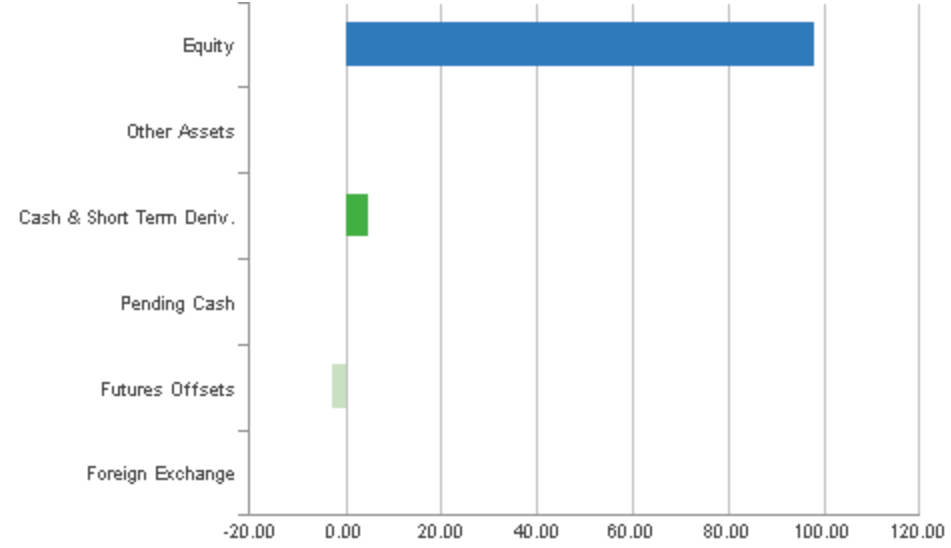
Equity Summary

Account/Group -Rate of Return	E.MV-GOF	End Wt	1 Mo	3 Mos	1 Yr	3 Yrs	ITD	Inc Date
Equity	7,356,044,196	100.00	-3.88	3.26	-7.77	6.52	8.95	06/02/2019
Global Growth Fund	3,105,965,525	42.22	-3.93	3.57	-10.46	6.28	8.51	06/02/2019
Emerging Markets Equity Fund	342,629,529	4.66	-1.93	2.98	-10.23	-	-9.51	29/10/2021
Global Opportunities Equity	3,189,587,194	43.36	-4.56	1.54	-4.69	8.89	10.42	14/02/2019
UK Opportunities Equity	717,861,949	9.76	-1.45	11.03	-7.33	-0.19	2.14	11/10/2019

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



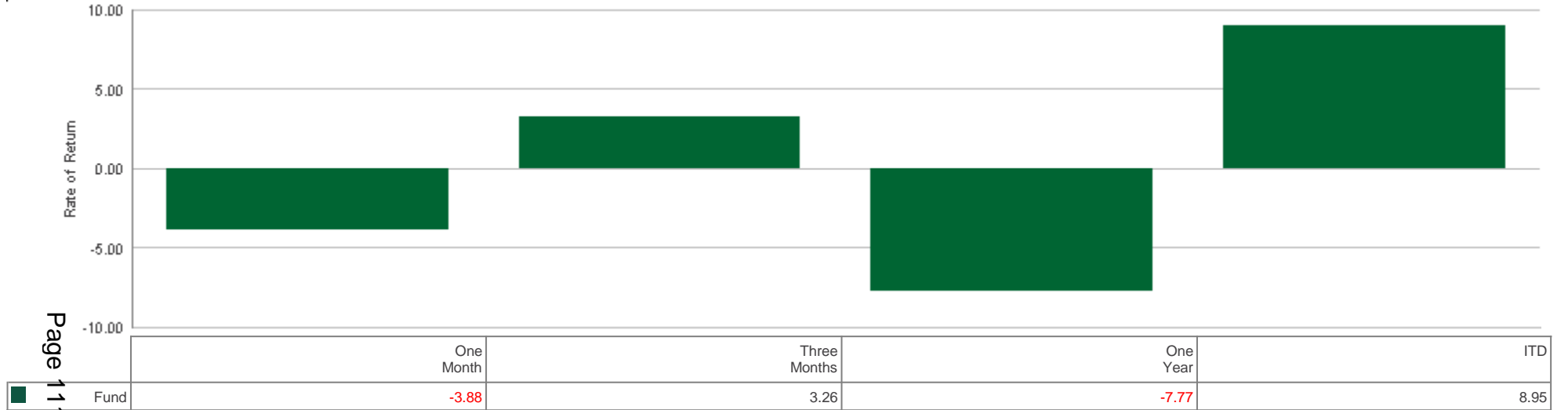
ASSET CLASS ENDING WEIGHTS



Total Fund Gross of Fee

Account/Group -Rate of Return	E.MV-GOF	End Wt	1 Mo	3 Mos	1 Yr	3 Yrs	ITD	Inc Date
Equity	7,356,044,196	100.00	-3.88	3.26	-7.77	6.52	8.95	06/02/2019
Global Growth Fund	3,105,965,525	42.22	-3.93	3.57	-10.46	6.28	8.51	06/02/2019
Emerging Markets Equity Fund	342,629,529	4.66	-1.93	2.98	-10.23	-	-9.51	29/10/2021
Global Opportunities Equity	3,189,587,194	43.36	-4.56	1.54	-4.69	8.89	10.42	14/02/2019
UK Opportunities Equity	717,861,949	9.76	-1.45	11.03	-7.33	-0.19	2.14	11/10/2019

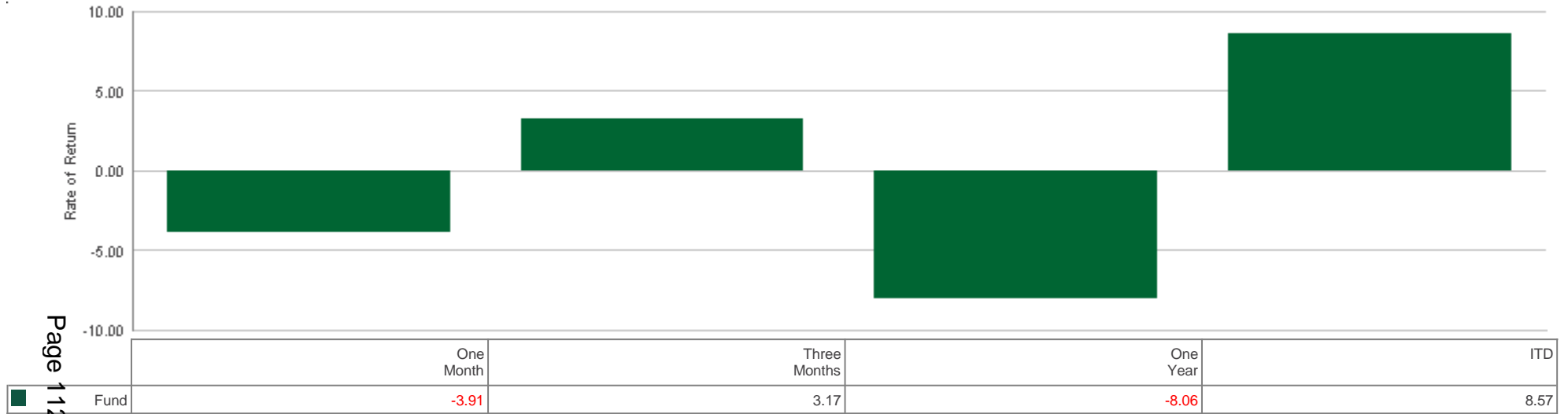
EQUITY TOTAL FUND GROSS OF FEES



Total Fund Net of Fee

Account/Group -Rate of Return	E.MV-NOF	End Wt	1 Mo	3 Mos	1 Yr	ITD	Inc Date
Equity	7,353,024,536	100.00	-3.91	3.17	-8.06	8.57	06/02/2019
Global Growth Fund	3,104,745,426	42.22	-3.96	3.47	-10.80	8.09	06/02/2019
Emerging Markets Equity Fund	342,314,302	4.66	-2.01	2.78	-10.64	-9.95	29/10/2021
Global Opportunities Equity	3,188,381,594	43.36	-4.60	1.46	-4.91	10.09	14/02/2019
UK Opportunities Equity	717,583,214	9.76	-1.48	10.92	-7.65	1.73	11/10/2019

EQUITY TOTAL FUND NET OF FEES



SECTION 3

Fixed Income

Investment Risk & Analytical Services

December 31, 2022

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Investment Hierarchy

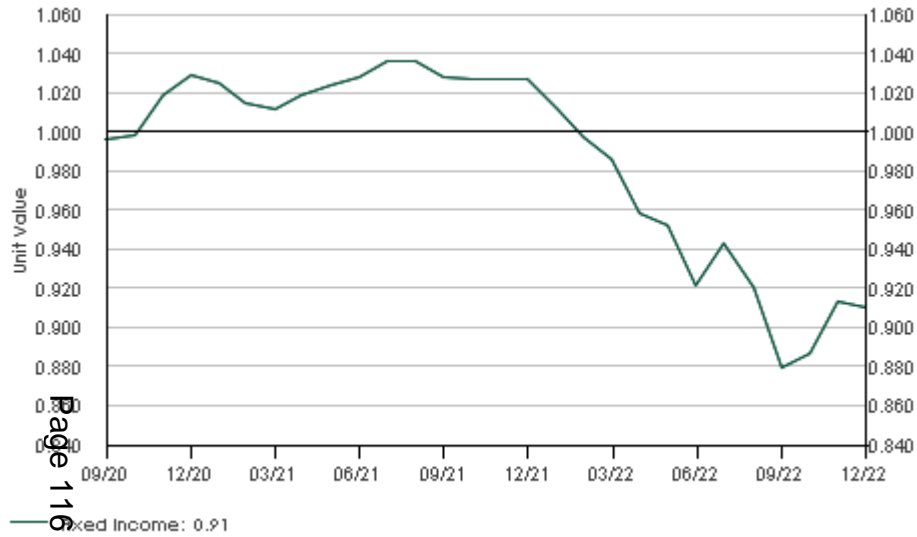
Account/Group	Ending Market Value GBP	Ending Weight	Policy Weight	% Rate of Return							Inception to Date	Inception Date
				One Month	Three Months	One Year	Three Years	Five Years	Ten Years			
Fixed Income	2,814,577,030	100.00		-0.38	3.48	-11.43	-	-	-	-3.89	11/08/2020	
Absolute Return Bond Fund	529,049,498	18.80		1.13	1.67	2.55	-	-	-	1.87	30/09/2020	
<i>3 month GBP Sonia plus 2%</i>				<i>0.44</i>	<i>1.20</i>	<i>3.44</i>	-	-	-	<i>2.67</i>	<i>30/09/2020</i>	
<i>Excess Return</i>				<i>0.69</i>	<i>0.47</i>	<i>-0.89</i>	-	-	-	<i>-0.80</i>	<i>30/09/2020</i>	
Collection Account	373,060	0.01		0.09	0.16	-22.39	-	-	-	-	30/07/2020	
LF WPP ARF - Aegon	113,175,201	4.02		3.02	1.21	1.91	-	-	-	-	30/09/2020	
LF WPP ARF - Insight	119,167,152	4.23		1.56	2.57	3.20	-	-	-	-	30/09/2020	
LF WPP ARF - Putnam	57,952,566	2.06		-0.35	-4.79	13.12	-	-	-	-	30/09/2020	
LF WPP ARF - Wellington	218,053,934	7.75		1.42	1.67	5.79	-	-	-	-	30/09/2020	
Russell Curr Hedge	-2,803,331	-0.10		-567.26	-40.34	-38225.89	-	-	-	-	30/06/2020	
Russell Overlay	23,130,917	0.82		0.47	6.27	11.51	-	-	-	-	30/06/2020	
Top Account	0	0.00		0.00	0.00	0.00	-	-	-	-	30/06/2020	
Sterling Credit Fund	507,876,232	18.04		-1.55	6.46	-16.39	-	-	-	-6.61	19/08/2020	
<i>ICE BofA ML Eur-Stg plus 0.65%</i>				<i>-1.65</i>	<i>6.38</i>	<i>-17.10</i>	-	-	-	<i>-7.14</i>	<i>19/08/2020</i>	
<i>Excess Return</i>				<i>0.10</i>	<i>0.08</i>	<i>0.71</i>	-	-	-	<i>0.53</i>	<i>19/08/2020</i>	
Collection Account	0	0.00		0.00	0.00	-	-	-	-	-	27/07/2020	
LF WPP SCF - Fidelity	507,876,214	18.04		-1.55	6.46	-16.32	-	-	-	-7.04	19/08/2020	
Top Account	0	0.00		0.00	0.00	-	-	-	-	-	27/07/2020	
Transition Account	18	0.00		0.00	0.00	0.06	-	-	-	-	27/07/2020	
Multi Asset Credit Fund	627,688,349	22.30		0.27	4.28	-12.49	-	-	-	-2.22	11/08/2020	
<i>3 month GBP Sonia plus 4%</i>				<i>0.60</i>	<i>1.69</i>	<i>5.47</i>	-	-	-	<i>4.65</i>	<i>11/08/2020</i>	
<i>Excess Return</i>				<i>-0.33</i>	<i>2.59</i>	<i>-17.95</i>	-	-	-	<i>-6.86</i>	<i>11/08/2020</i>	
Collection Account	528,378	0.02		81.46	-	-	-	-	-	-	27/07/2020	
LF WPP MAC - Barings	159,036,824	5.65		0.18	-0.57	-5.99	-	-	-	0.48	11/08/2020	
LF WPP MAC - BlueBay	73,283,166	2.60		-0.26	-2.18	3.30	-	-	-	3.55	11/08/2020	
LF WPP MAC - GLG	127,077,283	4.51		-0.80	1.18	4.44	-	-	-	0.37	11/08/2020	
LF WPP MAC - Voya	83,171,694	2.96		-0.10	-7.49	10.15	-	-	-	5.14	11/08/2020	
Russell Curr Hedge	-89,420	-0.00		-131.36	-78.96	-	-	-	-	-	27/07/2020	
Russell Overlay	40,692,589	1.45		0.74	-1.29	-26.30	-	-	-	-	27/07/2020	
Russell Pooled	144,020,840	5.12		-1.04	-2.28	-8.19	-	-	-	-	27/07/2020	
Top Account	-33,000	-0.00		55323.98	-	-	-	-	-	-	27/07/2020	
Transition Account	-5	-0.00		0.00	-0.21	0.22	-	-	-	1014.20	27/07/2020	

Account/Group	Ending Market Value GBP	Ending Weight	Policy Weight	% Rate of Return							
				One Month	Three Months	One Year	Three Years	Five Years	Ten Years	Inception to Date	Inception Date
Global Government Bond Fund	469,735,945	16.69		-0.91	1.85	-10.76	-	-	-	-4.89	19/08/2020
<i>FTSE WGBI Index</i>				<i>-4.67</i>	<i>-3.15</i>	<i>-15.95</i>	-	-	-	<i>-7.83</i>	<i>19/08/2020</i>
<i>Excess Return</i>				<i>3.76</i>	<i>5.00</i>	<i>5.19</i>	-	-	-	<i>2.95</i>	<i>19/08/2020</i>
Collection Account	1,013,361	0.04		1.99	304.09	1397.40	-	-	-	-	30/07/2020
LF WPP GGB - BlueBay	251,622,332	8.94		0.08	-0.43	-4.49	-	-	-	-4.35	19/08/2020
LF WPP GGB - Colchester	195,568,591	6.95		0.15	-0.75	-3.10	-	-	-	-3.98	19/08/2020
Russell Curr Hedge	-6,048,320	-0.21		-506.25	3.94	-52737.80	-	-	-	-	18/08/2020
Russell Overlay	27,563,221	0.98		-1.93	-0.63	-4.76	-	-	-	-1.83	30/07/2020
Top Account	16,753	0.00		-55.13	-	-	-	-	-	-	30/07/2020
Transition Account	9	0.00		1.43	-0.12	4.53	-	-	-	-	30/07/2020
Global Credit Fund	680,227,005	24.17		-0.86	3.14	-15.91	-	-	-	-6.09	20/08/2020
<i>BBG Global Aggregate Credit Index hedged into GBP</i>				<i>-0.85</i>	<i>2.43</i>	<i>-15.34</i>	-	-	-	<i>-6.48</i>	<i>20/08/2020</i>
<i>Excess Return</i>				<i>-0.01</i>	<i>0.71</i>	<i>-0.58</i>	-	-	-	<i>0.39</i>	<i>20/08/2020</i>
Collection Account	1,019,585	0.04		0.08	-	-	-	-	-	-	27/07/2020
LF WPP GCF - Fidelity	102,913,481	3.66		0.30	4.36	-10.26	-	-	-	-7.04	20/08/2020
LF WPP GCF - Logan Circle	205,859,145	7.31		-1.23	-3.79	-5.32	-	-	-	-2.35	20/08/2020
LF WPP GCF - T Rowe Price	78,678,398	2.80		-0.51	-1.41	-6.40	-	-	-	-3.42	20/08/2020
LF WPP GCF - Western	232,458,047	8.26		-0.56	-1.04	-7.69	-	-	-	-3.78	20/08/2020
Russell Curr Hedge	-4,274,646	-0.15		51.10	-136.05	-	-	-	-	-	27/07/2020
Russell Overlay	63,572,999	2.26		-1.80	4.00	21.69	-	-	-	-	27/07/2020
Top Account	0	0.00		0.00	-	-	-	-	-	-	27/07/2020
Transition Account	-3	-0.00		-1.82	-12.66	25.70	-	-	-	-53.85	27/07/2020

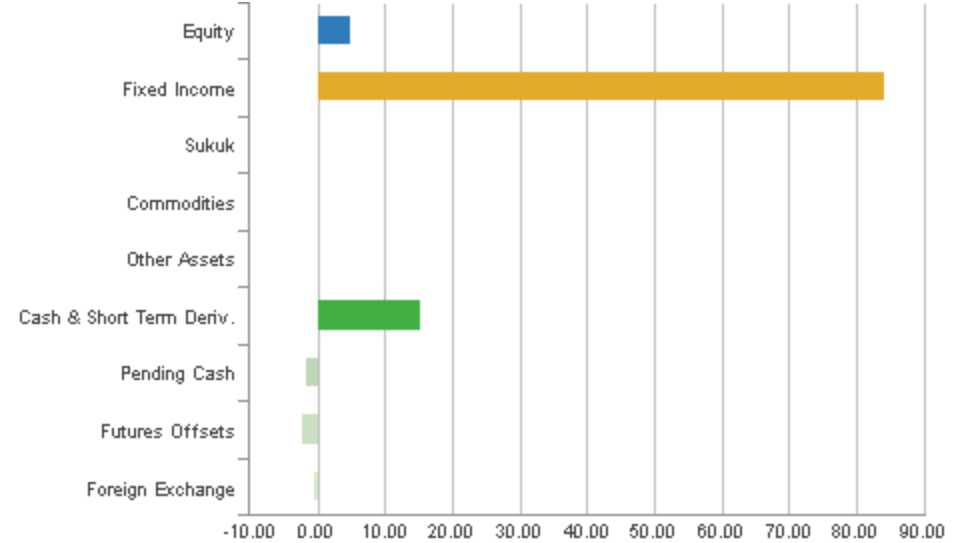
Fixed Income Summary

Account/Group -Rate of Return	E.MV-GOF	End Wt	1 Mo	3 Mos	1 Yr	ITD	Inc Date
Fixed Income	2,814,577,030	100.00	-0.38	3.48	-11.43	-3.89	11/08/2020
Absolute Return Bond Fund	529,049,498	18.80	1.13	1.67	2.55	1.87	30/09/2020
Sterling Credit Fund	507,876,232	18.04	-1.55	6.46	-16.39	-6.61	19/08/2020
Multi Asset Credit Fund	627,688,349	22.30	0.27	4.28	-12.49	-2.22	11/08/2020
Global Government Bond Fund	469,735,945	16.69	-0.91	1.85	-10.76	-4.89	19/08/2020
Global Credit Fund	680,227,005	24.17	-0.86	3.14	-15.91	-6.09	20/08/2020

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



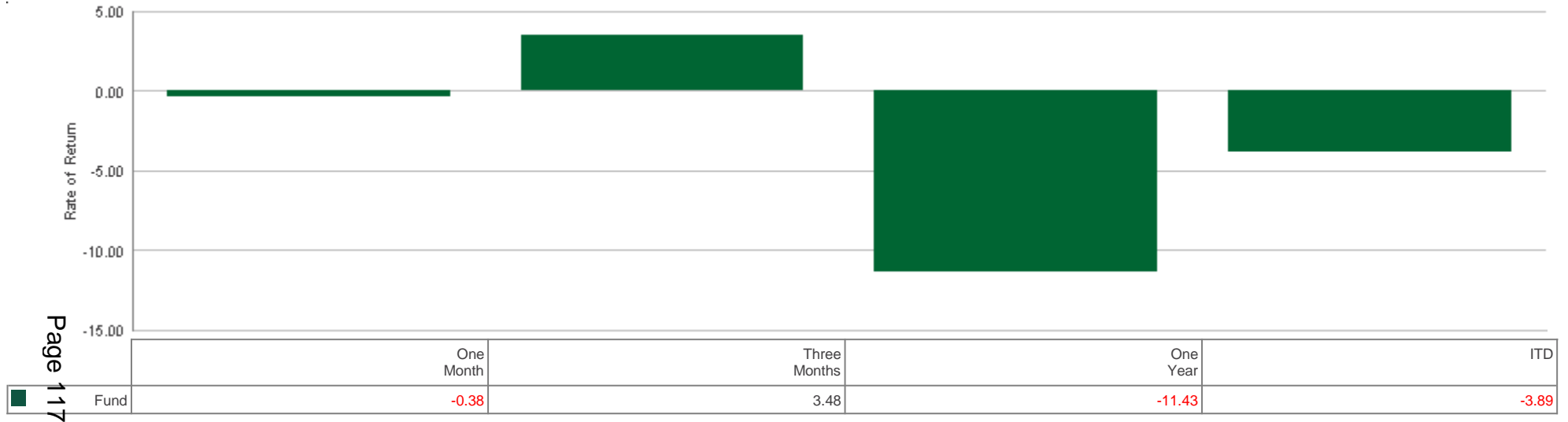
ASSET CLASS ENDING WEIGHTS



Total Fund Gross of Fee

Account/Group -Rate of Return	E.MV-GOF	End Wt	1 Mo	3 Mos	1 Yr	ITD	Inc Date
Fixed Income	2,814,577,030	100.00	-0.38	3.48	-11.43	-3.89	11/08/2020
Absolute Return Bond Fund	529,049,498	18.80	1.13	1.67	2.55	1.87	30/09/2020
Sterling Credit Fund	507,876,232	18.04	-1.55	6.46	-16.39	-6.61	19/08/2020
Multi Asset Credit Fund	627,688,349	22.30	0.27	4.28	-12.49	-2.22	11/08/2020
Global Government Bond Fund	469,735,945	16.69	-0.91	1.85	-10.76	-4.89	19/08/2020
Global Credit Fund	680,227,005	24.17	-0.86	3.14	-15.91	-6.09	20/08/2020

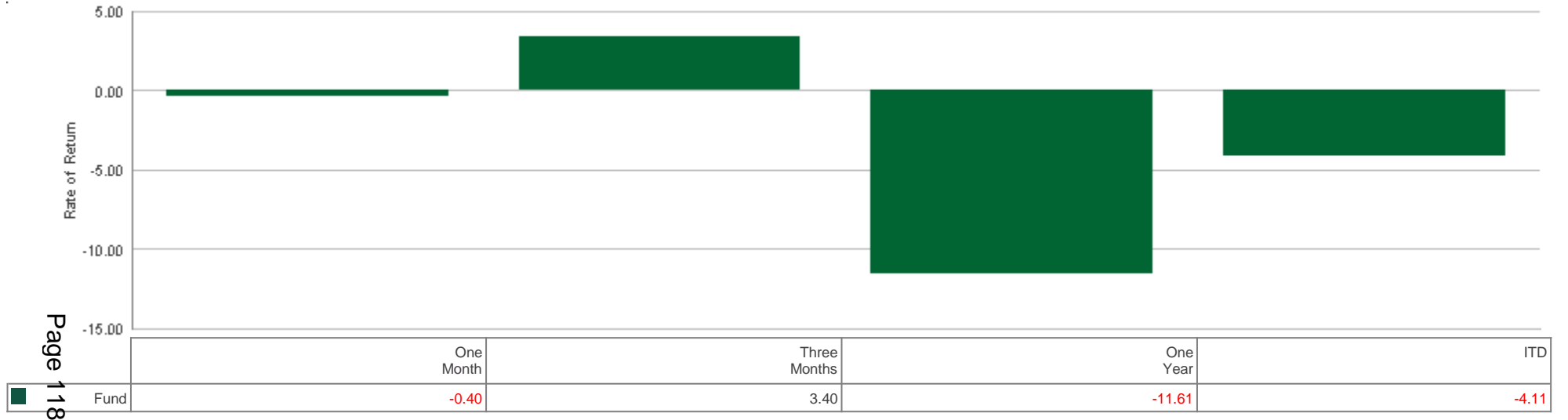
FIXED INCOME TOTAL FUND GROSS OF FEES



Total Fund Net of Fees

Account/Group -Rate of Return	E.MV-NOF	End Wt	1 Mo	3 Mos	1 Yr	ITD	Inc Date
Fixed Income	2,813,670,602	100.00	-0.40	3.40	-11.61	-4.11	11/08/2020
Absolute Return Bond Fund	528,840,297	18.80	1.09	1.56	2.42	1.56	30/09/2020
Sterling Credit Fund	507,795,930	18.05	-1.56	6.43	-16.50	-6.73	19/08/2020
Multi Asset Credit Fund	627,425,841	22.30	0.23	4.17	-12.74	-2.56	11/08/2020
Global Government Bond Fund	469,514,950	16.69	-0.93	1.78	-11.00	-5.12	19/08/2020
Global Credit Fund	680,093,584	24.17	-0.88	3.09	-16.06	-6.25	20/08/2020

FIXED INCOME TOTAL FUND NET OF FEES



SECTION 4

Appendix

Investment Risk & Analytical Services

December 31, 2022

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