

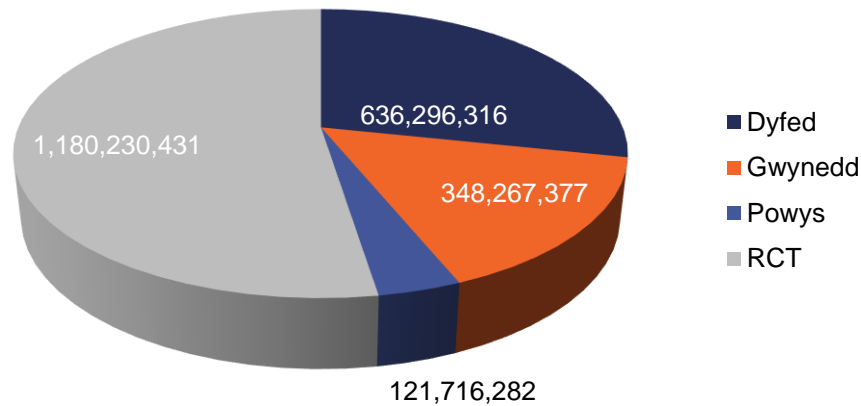
# Wales Pension Partnership JGC

December 9<sup>th</sup> 2019

County Hall, Carmarthen

# Current LF Wales PP Fund Holdings

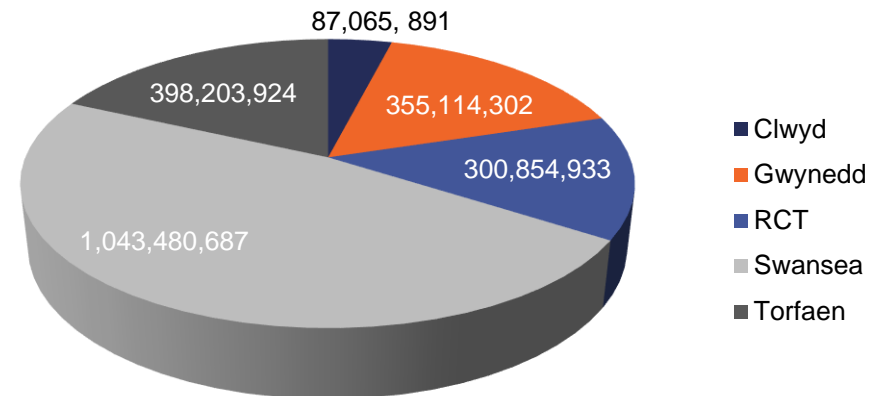
## Global Growth Equity



**£2,288,355,103**

AUM as at 30<sup>th</sup> September 2019

## Global Opportunities Equity



**£2,186,490,978**

AUM as at 30<sup>th</sup> September 2019

# Fund Launch Progress Report

Tranche 2, 3 & 4 updates



Part of **Link Group**



# Key Milestones

| Task                                 | Date         | RAG | Comment/Responsible  |
|--------------------------------------|--------------|-----|--|
| Agree Funds – <b>Tranche 2</b>       | 25/07/18     | C   | Two funds agreed UK Equity and European ex UK Equity   |
| Approval of Fund Prospectus          | 05/10/18     | C   |  |
| FCA Submission – Tranche 2           | 18/01/19     | C   | FCA approval received 22 <sup>nd</sup> February, agreeing launch date with intended investors  |
| Securities Lending prospectus update | Aug 2019     | C   | Prospectus submitted to FCA for approval   |
| Operational Setup                    | Aug 2019     | C   | NT – Russell – Link operational setup complete   |
| Transition Manager approval          | Aug 2019     | C   | Russell Investments appointed as TM  |
| Fund Launch – Tranche 2              | 23/09/19     | C   |  |
| Agree Funds – <b>Tranche 3</b>       | 28/06/19     | C   | Four Fixed Income sub funds: Global Credit , Global Government Bond, Absolute Return Bond and Multi Asset Credit fund structures approved by JGC in March and finalised manager line-up and fee proposal approval required at June JGC |
| Transition Advisor & Manager         | Sep/Oct 2019 | C   | Hymans appointed as Transition Advisor & Blackrock appointed Transition Manager  |
| FCA Submission – Tranche 3           | Nov 2019     | R   | Revised target 21 <sup>st</sup> November submission date for the FCA with target launch date 14 <sup>th</sup> January  |
| Fund Launch – Tranche 3              | Jan 2020     | R   |  |

# Progress to date

## **Tranche 2 (UK and European Equities)**

- FCA approval received 22<sup>nd</sup> February 2019
- Advice received from Torfaen that the Europe Ex-UK fund will not be launched due to a strategy change
- Russell Investments appointed as Transition Manager for UK Equity fund
- UK Equity fund launched 23<sup>rd</sup> September 2019

## **Tranche 3 (Fixed Income)**

- Fund structure, manager line-up and fee proposals approved by JGC
- WPP appointed Hymans as Transition Advisor
- Link, Hymans, Byhiras and the host authority have been involved in the selection process for a Fixed Income Transition Manager
- Link have appointed Blackrock as the Fixed Income Transition Manager
- First call with Blackrock took place on the 31<sup>st</sup> October 2019 to go through key project matters
- FCA submission targeted for 21<sup>st</sup> November 2019 with the revised 14<sup>th</sup> January 2020 launch date
- Go/no/go decision scheduled for the 9<sup>th</sup> December 2019 to decide whether the fund launch will take place in January

## **Tranche 4 (Emerging Markets)**

- Russell presented emerging markets proposal paper at OWG on the 8<sup>th</sup> November 2019
- Discussions have commenced regarding the tranche 4 Managers and preferred fund structure

# Link Engagement Protocol



# Link Engagement Protocol

## Business as Usual

| Strategic Relationship Review  | Frequency  | Objective  |
|--|--|--|
|  | <ul style="list-style-type: none"><li>▪ Bi-annual</li></ul>      | <ul style="list-style-type: none"><li>▪ Ensure strategic alignment between Host Authority and Link</li></ul>   |
| <b>WPP Attendees</b> <ul style="list-style-type: none"><li>▪ Chris Moore</li><li>▪ Anthony Parnell</li><li>▪ Two Section 151 / Deputy Section 151 officers</li></ul> |  | <b>Link Attendees</b> <ul style="list-style-type: none"><li>▪ Karl Midl,, Managing Director</li><li>▪ Duncan Lowman, Head of Client Coverage</li></ul>   |
| JGC Engagement   | Frequency  | Objective  |
|  | <ul style="list-style-type: none"><li>▪ Quarterly</li></ul>      | <ul style="list-style-type: none"><li>▪ Engage with JGC on pertinent matters and strategic deliverables</li></ul>  |
| <b>WPP Attendees</b> <ul style="list-style-type: none"><li>▪ Joint Governance Committee (JGC)</li></ul>  |  | <b>Link Attendees</b> <ul style="list-style-type: none"><li>▪ Karl Midl, Managing Director / Duncan Lowman, Head of Client Coverage</li><li>▪ Eamonn Gough, Senior Relationship Manager</li><li>▪ Denise Jones, Head of Change Management (as required)</li></ul>  |
| OWG Engagement   | Frequency  | Objective  |
|  | <ul style="list-style-type: none"><li>▪ Every 2 Months</li></ul> | <ul style="list-style-type: none"><li>▪ Identify and deliver on opportunities to improve and expand the relationship</li><li>▪ Provide update on open projects or issues</li><li>▪ Monthly KPI Review (Data supplied monthly)</li></ul>  |
| <b>WPP Attendees</b> <ul style="list-style-type: none"><li>▪ Officers Working Group (OWG)</li></ul>  |  | <b>Link Attendees</b> <ul style="list-style-type: none"><li>▪ Eamonn Gough, Senior Relationship Manager</li><li>▪ Duncan Lowman, Head of Relationship Management</li><li>▪ Denise Jones, Head of Change Management (as required)</li><li>▪ Ada Wabara, Relationship Manager (as required)</li><li>▪ Sheetal Shetty, Client Service Manager (as required)</li><li>▪ Ad-hoc Link attendance from functional departments: Tax, Compliance, Product, etc.</li><li>▪ Investment Manager (ad-hoc if required for operational issues)</li></ul> |

Note: The OWG Engagement and Monthly KPI meetings may be conducted remotely and/or amalgamated where required.

## Business as Usual

| Annual Shareholder Day   | Frequency  | Objective   |
|--|--|---|
| <ul style="list-style-type: none"> <li>Open to all involved parties</li> </ul>               | <ul style="list-style-type: none"> <li>Annual</li> </ul> | <ul style="list-style-type: none"> <li>Open day for presentations on strategy and performance (with IM)</li> <li>Link Client Team</li> <li>Northern Trust</li> <li>Russell Investments and/or other consultants (e.g. Hymans, bFinance)</li> <li>Investment Managers</li> </ul>       |
| Pension Fund Committees  |  | Objective   |
| <ul style="list-style-type: none"> <li>Individual Pension Fund Committee meetings</li> </ul> | <ul style="list-style-type: none"> <li>Annual</li> </ul> | <ul style="list-style-type: none"> <li>General update on the ACS and planned initiatives</li> <li>Eamonn Gough, Senior Relationship Manager</li> <li>Ada Wabara, Relationship Manager</li> <li>Duncan Lowman, Head of Relationship Management</li> <li>Russell Investments</li> </ul> |

## Key 2019/20 Link - WPP Engagement

### Link attendance at Officers Working Group meetings:

- 6<sup>th</sup> June (Complete)
- 28<sup>th</sup> August (Complete)
- 8<sup>th</sup> November (Complete)
- 31<sup>st</sup> January

### Ongoing project calls:

- Ongoing every two weeks - Thursday

### Link - Pension Committee attendance dates Sep to March:

- Dyfed – 18<sup>th</sup> September 2019 (Complete)
- Powys – 4<sup>th</sup> October 2019 (Complete)
- Swansea – 21<sup>st</sup> November 2019 (Complete)
- Clwyd – 28<sup>th</sup> November 2019
- Cardiff – 10<sup>th</sup> December 2019
- Gwynedd – 16<sup>th</sup> January 2020
- Torfaen – 9<sup>th</sup> March 2020
- RCT – 23<sup>rd</sup> March 2020

### Strategic relationship review:

- 7<sup>th</sup> May (Complete)
- 7<sup>th</sup> June (Complete)
- 6<sup>th</sup> November (Complete)

### Link attendance at Pension Board Chair meeting:

- 2<sup>nd</sup> April (Complete)
- 3<sup>rd</sup> October (Complete)

### Annual Shareholder Day:

- September 19<sup>th</sup> – Equities (Complete)
- November 12<sup>th</sup> - Fixed Income (Complete)