

# Wales Pension Partnership

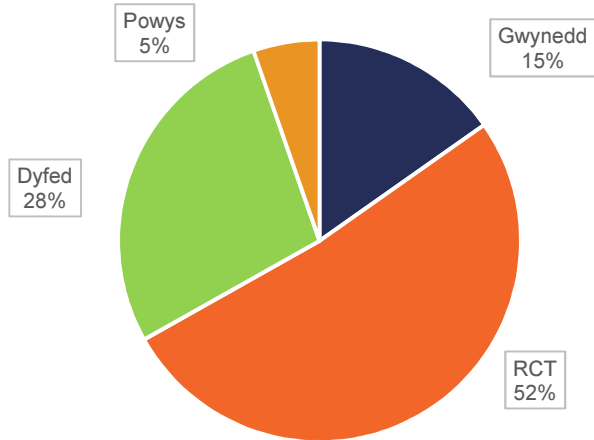
Joint Governance Committee

11<sup>th</sup> September 2020

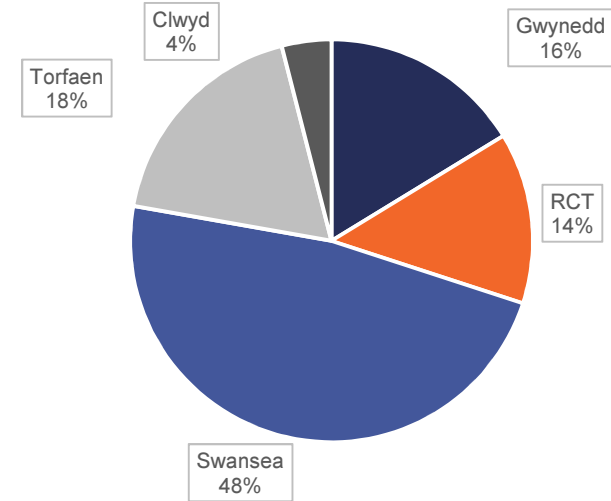


# June 2020 LF Wales PP Fund Snapshot

## Global Growth Equity



## Global Opportunities Equity



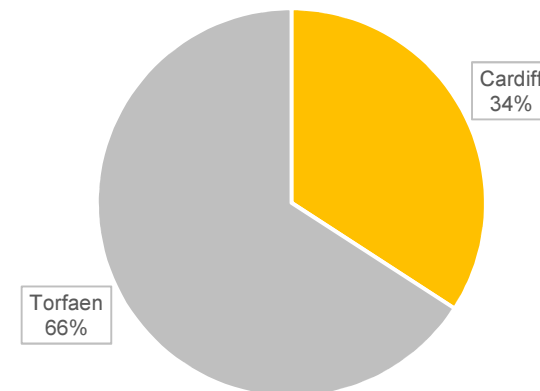
Fund	AUM	Launch date
Global Growth	£2,373,367,154	6 <sup>th</sup> Feb 2019
Global Opportunities	£2,230,646,643	14 <sup>th</sup> Feb 2019
UK Opportunities	£545,585,824	10 <sup>th</sup> Oct 2019

Note: All data as at 30<sup>th</sup> June 2020

Key:

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

## UK Opportunities Equity





# Fund Launch Progress Report

Tranche 3, 4 & 5 updates



# Open Launch Activity

## Key Achievements & Updates

Key:  
■ On track  
■ Progressing with delays  
■ On hold / progressing with major delays

### Fund Launches Progress

Overview	Status	Progress in period	Planned Launch date
<p>Tranche 3: <b>Fixed Income sub-fund launch</b></p> <ul style="list-style-type: none"> <li>Establishment of 5 Fixed Income sub-funds within the ACS</li> <li>FCA approval received and BlackRock appointed as transition manager</li> </ul>	<span style="color: orange;">■</span>	<ul style="list-style-type: none"> <li>April launch date revised and agreed by all parties for 27<sup>th</sup> and 30<sup>th</sup> July 2020 as a result of COVID-19</li> <li>Operational setups continue to track green</li> <li>BlackRock have re-engaged the legacy managers to obtain up to date data for the transition report</li> <li>Delay to Absolute Return Bond fund launch due to ineligible asset</li> </ul>	<p>27<sup>th</sup> and 30<sup>th</sup> July 2020</p> <p>September for ARB</p>
<p>Tranche 4: <b>Emerging Markets sub-fund launch</b></p> <ul style="list-style-type: none"> <li>Emerging Market fund to be created under the Enhanced Portfolio Implementation model with a carbon reducing overlay</li> </ul>	<span style="color: orange;">■</span>	<ul style="list-style-type: none"> <li>JGC agreed manager structure proposal March 2020</li> <li>Prospectus submission delayed being worked through with Russell Investments and Eversheds before review by WPP</li> <li>Submission to FCA planned</li> </ul>	<p>Q1 2021</p>

### Strategic developments

Overview	Status	Progress in period	Planned Launch date
<p>Tranche 5: <b>Private Markets strategy development</b></p> <ul style="list-style-type: none"> <li>Development of a WPP Private Market strategy including a road map for the potential creation of a standalone Private Market sub fund</li> </ul>	<span style="color: green;">■</span>	<ul style="list-style-type: none"> <li>Private Markets session held on 23<sup>rd</sup> January 2020 incl. Russell Investments presentation on Impact Investing</li> <li>Russell Investments paper to outline launch proposal based on legacy asset and strategic plan of each participating Authority discussed within Working Group</li> <li>LFS / Hymans / Host Authority held call to discuss progress 5<sup>th</sup> August 2020</li> </ul>	<p>January to June 2021</p>



# LFS Corporate Update & Engagement



# LFS Corporate Update & Engagement

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## Personnel change

- **Richard Thornton:** LFS have appointed Richard Thornton as Head of Relationship Management, Asset Owners and Eamonn Gough will report to Richard. Richard has been a prominent member of the Relationship Management team since 2005 and has worked with a number of strategic clients during this period, forming lasting relationships.
- **Duncan Lowman:** Having spent the last three and a half years as Head of Relationship Management, Duncan's role is shifting focus to working within our Business Development team, as well as retaining overall accountability for Relationship Management.
- **Sheetal Shetty:** Sheetal will also be moving roles within Link Fund Solutions to start working within our Investment Risk team. The Client Service Team will remain the key channel for Operational / Investor queries.

These moves emphasise the importance that Link Group places in supporting our employees to further their careers whilst continuing to maintain a strong relationship model with our clients.

## Key Q2 and future WPP Engagement

### Link attendance at OWG/JGC meetings in period:

- JGC 17<sup>th</sup> July 2020 (VC)
- OWG 24<sup>th</sup> July 2020 (VC)

### Link attendance at OWG/JGC meetings in next quarter:

- JGC 11<sup>th</sup> Sep 2020 (VC)
- OWG 18<sup>th</sup> Sep 2020 (VC)

### Link - Pension Committee attendance in period:

- Cardiff – 16<sup>th</sup> June 2020 (VC)

### Link - Pension Committee attendance in next quarter :

- None arranged, 2020/21 dates to be confirmed

### **Other meetings in period**

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

### **Other meetings in next quarter**

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

# LFS Engagement Protocol

## Business as Usual

Strategic Relationship Review	Frequency	Objective
	<ul style="list-style-type: none"><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>▪ Richard Thornton, Head of Relationship Management, Asset Owners</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 / Adam Tookey, Head of Product – as required</li><li>▪ Richard Thornton, Head of Relationship Management, Asset Owners / Duncan Lowman, Head of Client Coverage</li><li>▪ Eamonn Gough, Senior Relationship Manager</li><li>▪ Russell Investments</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>▪ Richard Thornton, Head of Relationship Management, Asset Owners</li><li>▪ Eamonn Gough, Senior Relationship Manager</li><li>▪ Adam Tookey, Head of Product (as required)</li><li>▪ Ada Wabara, Relationship Manager (as required)</li><li>▪ Ad-hoc Link attendance from functional departments: Tax, Compliance, Product, etc.</li><li>▪ Russell Investments</li></ul>

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

# Link Engagement Protocol continued...

## Business as Usual

Host Authority Update	Frequency	Objective
<p data-bbox="98 424 309 450"><b>WPP Attendees</b></p> <ul data-bbox="98 466 331 536" style="list-style-type: none"> <li data-bbox="98 466 331 497">▪ Anthony Parnell</li> <li data-bbox="98 504 331 536">▪ Tracey Williams</li> </ul>	<ul data-bbox="609 370 766 402" style="list-style-type: none"> <li data-bbox="609 370 766 402">▪ Bi-Weekly</li> </ul>	<ul data-bbox="967 370 1890 536" style="list-style-type: none"> <li data-bbox="967 370 1890 402">▪ Regular Host Authority – LFS to discuss deliverables and business updates</li> <li data-bbox="967 424 1814 456">▪ Richard Thornton, Head of Relationship Management, Asset Owners</li> <li data-bbox="967 462 1550 494">▪ Eamonn Gough, Senior Relationship Manager</li> <li data-bbox="967 501 1585 533">▪ Ada Wabara, Relationship Manager (as required)</li> </ul>
WPP Working Group	Frequency	Objective
<p data-bbox="98 711 309 737"><b>WPP Attendees</b></p> <ul data-bbox="98 753 510 823" style="list-style-type: none"> <li data-bbox="98 753 510 785">▪ Officers Working Group (OWG)</li> <li data-bbox="98 791 241 823">▪ Hymans</li> </ul>	<ul data-bbox="609 657 766 689" style="list-style-type: none"> <li data-bbox="609 657 766 689">▪ Bi-Weekly</li> </ul>	<ul data-bbox="967 657 1648 868" style="list-style-type: none"> <li data-bbox="967 657 1648 689">▪ Regular project call to discuss progress of deliverables</li> <li data-bbox="967 711 1205 743">▪ Link Client Team</li> <li data-bbox="967 750 1182 782">▪ Northern Trust</li> <li data-bbox="967 788 1249 820">▪ Russell Investments</li> <li data-bbox="967 826 1397 858">▪ Other consultants (e.g. bFinance)</li> </ul>
Annual Shareholder Day	Frequency	Objective
<ul data-bbox="98 1002 465 1034" style="list-style-type: none"> <li data-bbox="98 1002 465 1034">▪ Open to all involved parties</li> </ul>	<ul data-bbox="609 944 725 976" style="list-style-type: none"> <li data-bbox="609 944 725 976">▪ Annual</li> </ul>	<ul data-bbox="967 944 1993 1155" style="list-style-type: none"> <li data-bbox="967 944 1778 976">▪ Open day for presentations on strategy and performance (with IM)</li> <li data-bbox="967 999 1205 1031">▪ Link Client Team</li> <li data-bbox="967 1037 1182 1069">▪ Northern Trust</li> <li data-bbox="967 1075 1993 1107">▪ Russell Investments and other Investment Managers (e.g. Global Growth Managers)</li> <li data-bbox="967 1114 1541 1145">▪ Other consultants as required (e.g. bFinance)</li> </ul>
Pension Fund Committees		Objective
<ul data-bbox="98 1289 676 1321" style="list-style-type: none"> <li data-bbox="98 1289 676 1321">▪ Individual Pension Fund Committee meetings</li> </ul>		<ul data-bbox="609 1232 1809 1442" style="list-style-type: none"> <li data-bbox="609 1232 725 1264">▪ Annual</li> <li data-bbox="967 1232 1594 1264">▪ General update on the ACS and planned initiatives</li> <li data-bbox="967 1286 1809 1318">▪ Richard Thornton, Head of Relationship Management, Asset Owners</li> <li data-bbox="967 1324 1550 1356">▪ Eamonn Gough, Senior Relationship Manager</li> <li data-bbox="967 1362 1429 1394">▪ Ada Wabara, Relationship Manager</li> <li data-bbox="967 1401 1249 1433">▪ Russell Investments</li> </ul>