

# Wales Pension Partnership

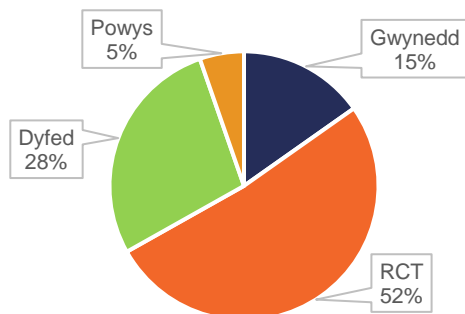
## Joint Governance Committee

10<sup>th</sup> December 2020

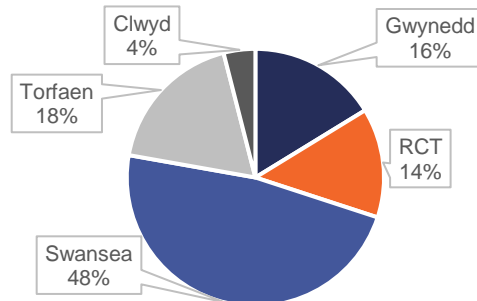


# September 2020 LF Wales PP Fund Snapshot

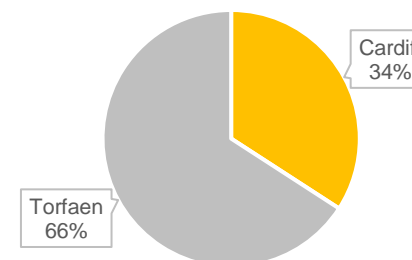
## Global Growth



## Global Opportunities



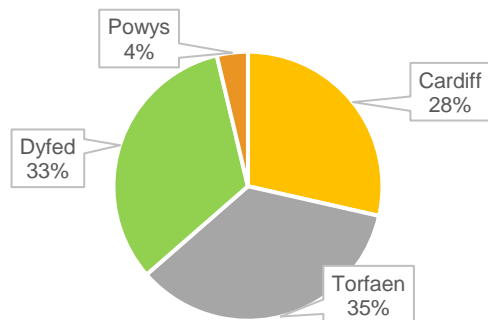
## UK Opportunities



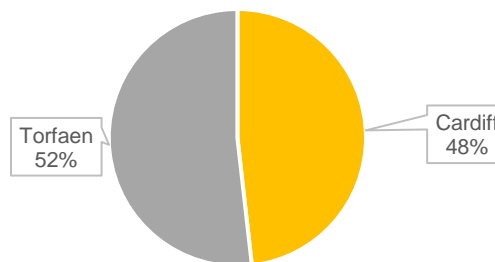
Key:

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

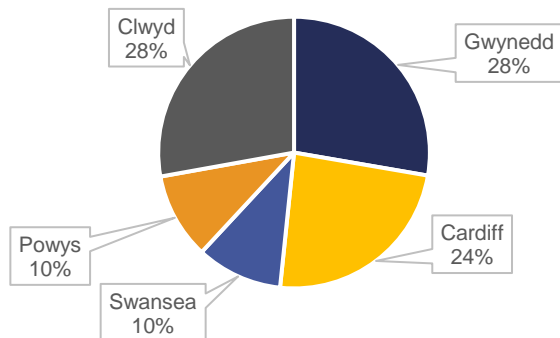
## Global Credit



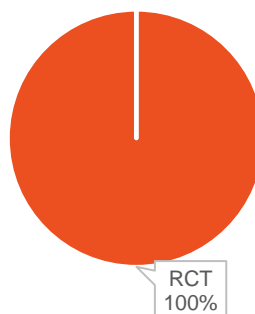
## Global Gov. Bond



## Multi Asset Credit



## Sterling Credit



Fund	AUM	Inception date
Global Growth	£2,445,037,288	6 <sup>th</sup> Feb 2019
Global Opportunities	£2,284,960,573	14 <sup>th</sup> Feb 2019
UK Opportunities	£544,517,720	10 <sup>th</sup> Oct 2019
Global Credit	£789,846,587	21 <sup>st</sup> Aug 2020
Global Government Bond	£531,735,711	20 <sup>th</sup> Aug 2020
Multi Asset Credit	£636,770,339	12 <sup>th</sup> Aug 2020
Sterling Credit	£554,652,347	19 <sup>th</sup> Aug 2020
<b>Total</b>	<b>£7,787,520,565</b>	

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



# 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	Launch dates
Tranche 3: <b>Fixed Income sub-fund launch</b>	<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>	Completed	<ul style="list-style-type: none"> <li>All 5 funds launched successfully</li> <li>BlackRock have completed the post transition report and review with Host Authority / Hymans 28<sup>th</sup> September (final document issued 26<sup>th</sup> October)</li> <li>Byhiras review of transition pending</li> </ul>	27 <sup>th</sup> and 30 <sup>th</sup> July 2020  30 <sup>th</sup> September
Tranche 4: <b>Emerging Markets sub-fund launch</b>	<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>	■	<ul style="list-style-type: none"> <li>JGC agreed manager structure proposal March 2020</li> <li>Prospectus review completed by LFS, Burgess Salmon and NT Depositary</li> <li>Submission to FCA due w/c 9<sup>th</sup> Nov</li> </ul>	May 2021

Strategic developments				
	Overview	Status	Progress in period	Planned Launch date
Tranche 5: <b>Private Markets strategy development</b>	<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>	■	<ul style="list-style-type: none"> <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 provided a consultation paper on suitable structures to Host Authority / Hymans on 28<sup>th</sup> August</li> <li>Follow up paper on operating model and investment approach provided to Host Authority / Hymans on 28<sup>th</sup> October</li> </ul>	January to June 2021



# LFS Corporate Update & Engagement



# LFS Corporate Update & Engagement

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## **ASX Announcement**

- A non-binding indicative proposal to acquire Link Group was received from a consortium comprising Pacific Equity Partners, Carlyle Group and their affiliates (Consortium) dated 10 October 2020
- This offer was rejected as it did not represent compelling value for Link Group shareholders and a subsequent offer is under review
- These events have no impact to our service delivery and commitment to the WPP

## **Key Q3 and future WPP Engagement**

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

- OWG 24<sup>th</sup> July 2020 (VC)
- JGC 11<sup>th</sup> Sep 2020 (VC)
- OWG 18<sup>th</sup> Sep 2020 (VC)

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

- OWG 4<sup>th</sup> November 2020 (VC)
- JGC 10<sup>th</sup> Dec 2020 (VC)

### **Link - Pension Committee attendance in period:**

- None

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

- Clwyd – 25<sup>th</sup> November 2020 (VC)

### **Other meetings in period**

- Host Authority update – occurs bi-weekly
- Working group - occurs bi-weekly
- Private markets update 21<sup>st</sup> July 2020

### **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>▪ Eamonn Gough, Senior Relationship Manager</li><li>▪ Richard Thornton, Head of Relationship Management, Asset Owners</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
	<ul style="list-style-type: none"> <li>▪ Bi-Weekly</li> </ul>	<ul style="list-style-type: none"> <li>▪ Regular Host Authority – LFS to discuss deliverables and business updates</li> </ul>
<b>WPP Attendees</b> <ul style="list-style-type: none"> <li>▪ Anthony Parnell</li> <li>▪ Tracey Williams</li> </ul>		<ul style="list-style-type: none"> <li>▪ Richard Thornton, Head of Relationship Management, Asset Owners</li> <li>▪ Eamonn Gough, Senior Relationship Manager</li> <li>▪ Ada Wabara, Relationship Manager (as required)</li> <li>▪ Sheetal Shetty, Client Service Manager (as required)</li> </ul>
WPP Working Group	Frequency	Objective
	<ul style="list-style-type: none"> <li>▪ Bi-Weekly</li> </ul>	<ul style="list-style-type: none"> <li>▪ Regular project call to discuss progress of deliverables</li> </ul>
<b>WPP Attendees</b> <ul style="list-style-type: none"> <li>▪ Officers Working Group (OWG)</li> <li>▪ Hymans</li> </ul>		<ul style="list-style-type: none"> <li>▪ Link Client Team</li> <li>▪ Northern Trust</li> <li>▪ Russell Investments</li> <li>▪ Other consultants (e.g. bFinance)</li> </ul>
Annual Shareholder Day	Frequency	Objective
	<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> </ul>
<ul style="list-style-type: none"> <li>▪ Open to all involved parties</li> </ul>		<ul style="list-style-type: none"> <li>▪ Link Client Team</li> <li>▪ Northern Trust</li> <li>▪ Russell Investments and other Investment Managers (e.g. Global Growth Managers)</li> <li>▪ Other consultants as required (e.g. bFinance)</li> </ul>
Pension Fund Committees		Objective
	<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> </ul>
<ul style="list-style-type: none"> <li>▪ Individual Pension Fund Committee meetings</li> </ul>		<ul style="list-style-type: none"> <li>▪ Eamonn Gough, Senior Relationship Manager</li> <li>▪ Ada Wabara, Relationship Manager</li> <li>▪ Richard Thornton, Head of Relationship Management, Asset Owners</li> <li>▪ Russell Investments</li> </ul>