

Wales Pension Partnership

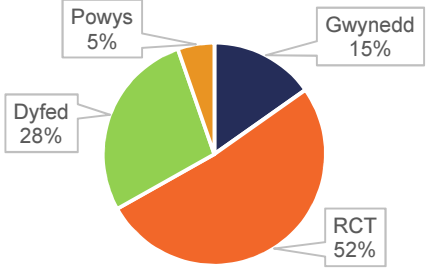
Joint Governance Committee

24th March 2021

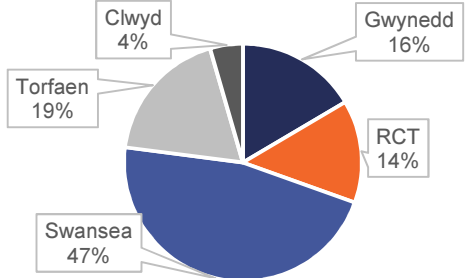


December 2020 LF Wales PP Fund Snapshot

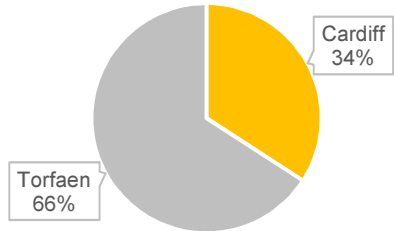
Global Growth



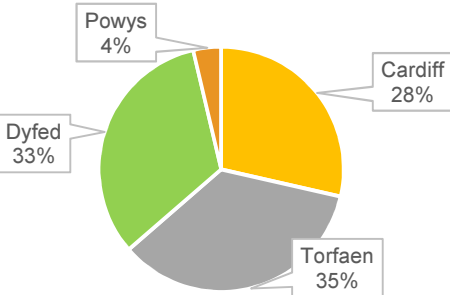
Global Opportunities



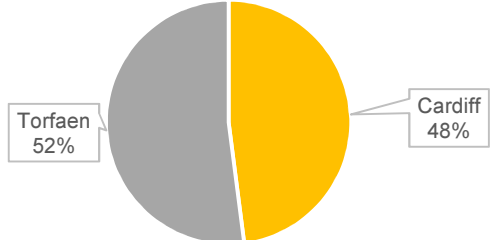
UK Opportunities



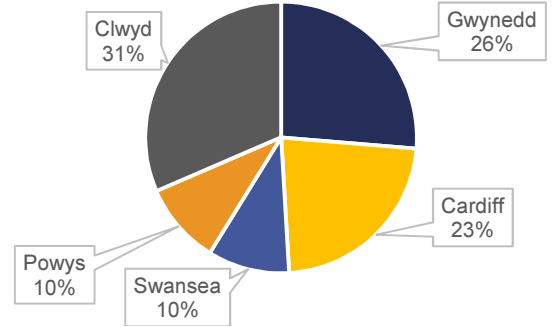
Global Credit



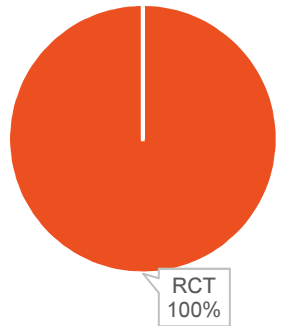
Global Gov. Bond



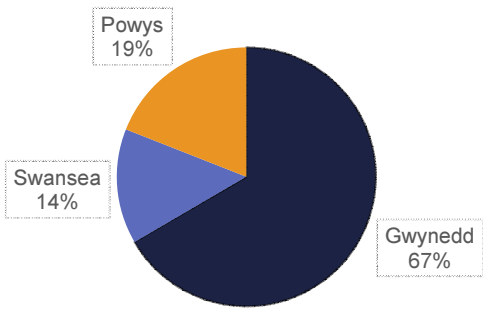
Multi Asset Credit



Sterling Credit



Absolute Return Bond



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

December 2020 LF Wales PP Fund Snapshot

Fund	AUM	Inception date
Global Growth	£2,765,653,588	6 th Feb 2019
Global Opportunities	£2,497,364,432	14 th Feb 2019
UK Opportunities	£635,984,319	10 th Oct 2019
Global Credit	£813,895,265	21 st Aug 2020
Global Government Bond	£541,409,848	20 th Aug 2020
Multi Asset Credit	£672,186,892	12 th Aug 2020
Sterling Credit	£575,953,784	19 th Aug 2020
Absolute Return Bond	£441,065,073	30 th Sept 2020
Total	£8,943,513,201	

Note: All data as at 31st December 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: Fixed Income sub-fund launch	<ul style="list-style-type: none"> ▪ Establishment of 5 Fixed Income sub-funds within the ACS ▪ FCA approval received and BlackRock appointed as transition manager 	Completed	<ul style="list-style-type: none"> ▪ All 5 funds launched successfully ▪ BlackRock have completed the post transition report and review with Host Authority / Hymans 28th September (final document issued 26th October) ▪ Byhiras review of transition completed 	27 th and 30 th July 2020 30 th September
Tranche 4: Emerging Markets sub-fund launch	<ul style="list-style-type: none"> ▪ Emerging Market fund to be created under the Enhanced Portfolio Implementation model with a carbon reducing overlay 	In progress	<ul style="list-style-type: none"> ▪ JGC agreed manager structure proposal March 2020 ▪ Prospectus review completed by LFS, Burgess Salmon and NT Depositary ▪ Submission to FCA due 19th February 	September 2021

Strategic developments				
	Overview	Status	Progress in period	Planned Launch date
Tranche 5: Private Markets strategy development	<ul style="list-style-type: none"> ▪ Development of a WPP Private Market strategy including a road map for the potential creation of Private Market sub-funds with particular focus on Private Debt and Infrastructure 	In progress	<ul style="list-style-type: none"> ▪ Russell Investments paper to outline launch proposal based on legacy asset and strategic plan of each participating Authority discussed within Working Group ▪ LFS provided a consultation paper on suitable structures to Host Authority / Hymans on 28th August ▪ Follow up paper on operating model and investment approach provided to Host Authority / Hymans on 28th October 	September to December 2021



LFS Corporate Update & Engagement



LFS Corporate Update & Engagement

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 4th November 2020 (VC)
- JGC 10th December 2020 (VC)

Link attendance at OWG/JGC meetings in next quarter:

- OWG 26th February 2021 (VC)
- JGC 24th March 2021 (VC)

Link - Pension Committee attendance in period:

- Dyfed – 16th October 2020
- Clwyd – 25th November 2020

Link - Pension Committee attendance in next quarter :

- RCT – 1st March 2021 (VC)

Other meetings in period

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

Other meetings in next quarter

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

LFS Engagement Protocol

Business as Usual

Strategic Relationship Review	Frequency	Objective
	<ul style="list-style-type: none">▪ Bi-annual	<ul style="list-style-type: none">▪ Ensure strategic alignment between Host Authority and Link
WPP Attendees <ul style="list-style-type: none">▪ Chris Moore▪ Anthony Parnell▪ Two Section 151 / Deputy Section 151 officers		Link Attendees <ul style="list-style-type: none">▪ Karl Midl, Managing Director▪ Richard Thornton, Head of Relationship Management, Asset Owners▪ Duncan Lowman, Head of Client Coverage
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 / Duncan Lowman, Head of Client Coverage▪ Eamonn Gough, Senior Relationship Manager▪ Russell Investments
OWG Engagement	Frequency	Objective
	<ul style="list-style-type: none">▪ Every 2 Months	<ul style="list-style-type: none">▪ Identify and deliver on opportunities to improve and expand the relationship▪ Provide update on open projects or issues▪ Monthly KPI Review (Data supplied monthly)
WPP Attendees <ul style="list-style-type: none">▪ Officers Working Group (OWG)		Link Attendees <ul style="list-style-type: none">▪ Eamonn Gough, Senior Relationship Manager▪ Richard Thornton, Head of Relationship Management, Asset Owners▪ Adam Tookey, Head of Product (as required)▪ Ada Wabara, Relationship Manager (as required)▪ Ad-hoc Link attendance from functional departments: Tax, Compliance, Product, etc.▪ Russell Investments

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"> ▪ 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 ▪ Eamonn Gough, Senior Relationship Manager ▪ Ada Wabara, Relationship Manager (as required) ▪ Sheetal Shetty, 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
<ul style="list-style-type: none"> ▪ Individual Pension Fund Committee meetings 		<ul style="list-style-type: none"> ▪ Eamonn Gough, Senior Relationship Manager ▪ Ada Wabara, Relationship Manager ▪ Richard Thornton, Head of Relationship Management, Asset Owners ▪ Russell Investments