

# Wales Pension Partnership

## Q3 Joint Governance Committee

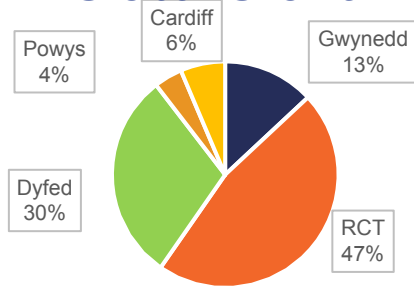
1<sup>st</sup> December 2021



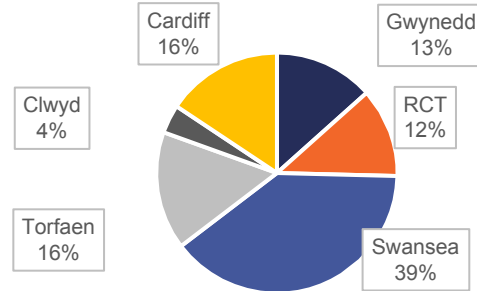
# September 2021 LF Wales PP Fund Snapshot

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

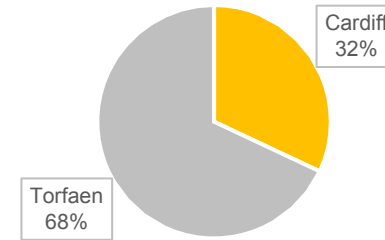
## Global Growth



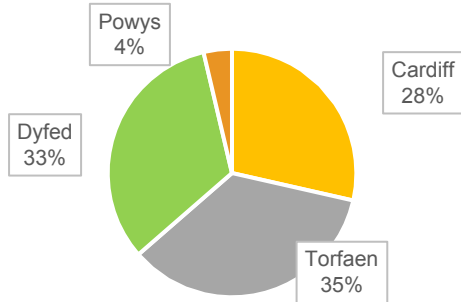
## Global Opportunities



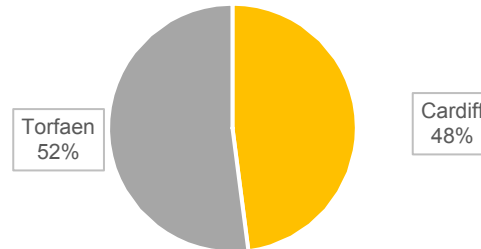
## UK Opportunities



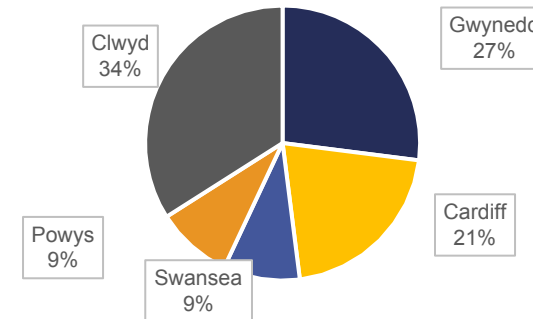
## Global Credit



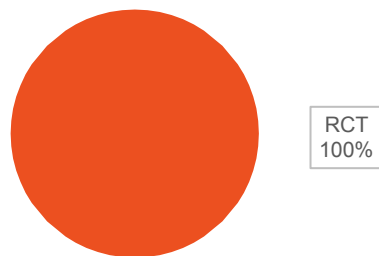
## Global Gov. Bond



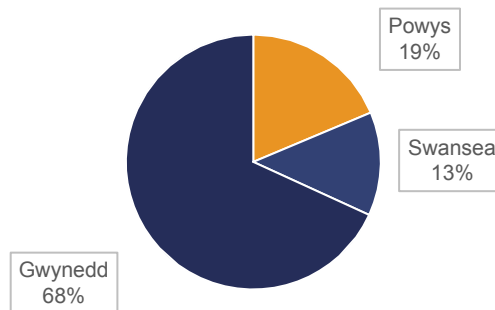
## Multi Asset Credit



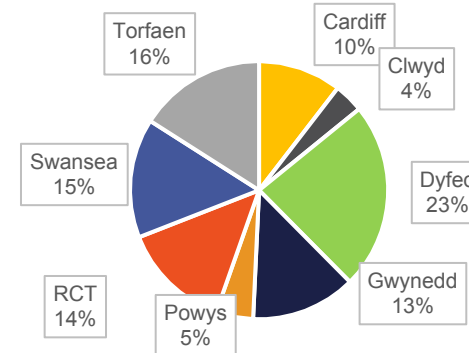
## Sterling Credit



## Absolute Return Bnd



## Passive



# September 2021 LF Wales PP Fund Snapshot

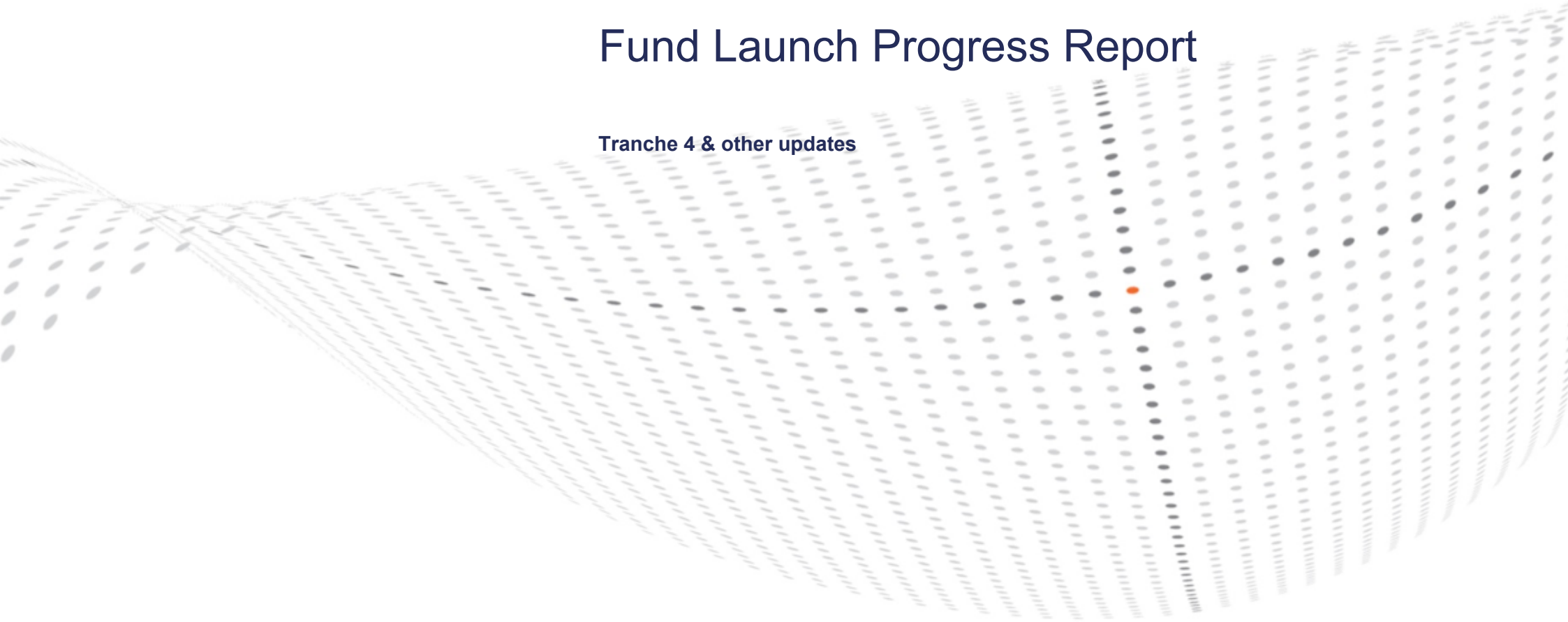
Fund	AUM	Inception date
Global Growth	£3,424,390,657	6 <sup>th</sup> Feb 2019
Global Opportunities	£3,264,686,297	14 <sup>th</sup> Feb 2019
UK Opportunities	£763,871,743	10 <sup>th</sup> Oct 2019
Global Credit	£810,662,820	21 <sup>st</sup> Aug 2020
Global Government Bond	£530,505,300	20 <sup>th</sup> Aug 2020
Multi Asset Credit	£752,139,840	12 <sup>th</sup> Aug 2020
Sterling Credit	£603,246,243	19 <sup>th</sup> Aug 2020
Absolute Return Bond	£486,555,419	30 <sup>th</sup> Sept 2020
<b>Total Active Investments</b>	<b>£10,636,058,319</b>	
<b>Total Passive Investments</b>	<b>£5,663,459,415</b>	
<b>Total Pooled Assets</b>	<b>£16,299,517,734</b>	

Note: All data as at 30<sup>th</sup> September 2021



# Fund Launch Progress Report

Tranche 4 & other updates



# Open Launch Activity

## Key Achievements & Updates

Fund Launches Progress				
	Overview	Status	Progress in period	Launch / completion dates
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>	In progress	<ul style="list-style-type: none"> <li>FCA approval received 22<sup>nd</sup> March</li> <li>Transition plan agreed and shared with each investor</li> <li>Fund launch 20<sup>th</sup> October</li> <li>Trading activity to be completed w/c 1<sup>st</sup> Nov</li> </ul>	October 2021
<b>Fund prospectus updates</b>	<ul style="list-style-type: none"> <li>Proposed in-flight prospectus updates</li> </ul>		<ul style="list-style-type: none"> <li>Review of prospectus language to align all sub funds under PS19/4 requirements - LFS to determine if this will require filing or full FCA approval (in line with other updates)</li> <li>Baillie Gifford GAPA: implementation of a carbon screening process on the BG sleeve of the GG fund</li> </ul>	Q4



# LFS Corporate Update & Engagement



# LFS Corporate Update & Engagement

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## **LFS updates**

- LFS has recruited two investment specialists reporting to Ronan Walsh (CIO):
  - Peter Ritchie - Head of Equities – Investment Risk
  - Fabrice Jaudi - Head of Multi Asset and Fixed Income - Investment Risk

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

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

- OWG 19<sup>th</sup> July 2021
- JGC 28<sup>th</sup> July 2021
- JGC 22<sup>nd</sup> Sep 2021

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

- OWG 3<sup>rd</sup> Nov 2021
- JGC 1<sup>st</sup> Dec 2021

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

- None

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

- Cardiff 14<sup>th</sup> Dec 2021

### **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></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</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>▪ Alistair Coyle, 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>▪ Alistair Coyle, Relationship Manager (as required)</li> <li>▪ Clair Baguley, 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>▪ Alistair Coyle, Relationship Manager</li> <li>▪ Richard Thornton, Head of Relationship Management, Asset Owners</li> <li>▪ Russell Investments</li> </ul>