

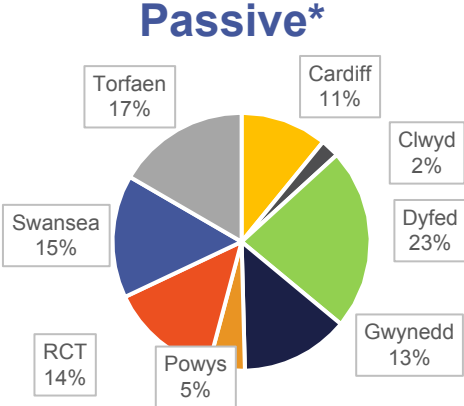
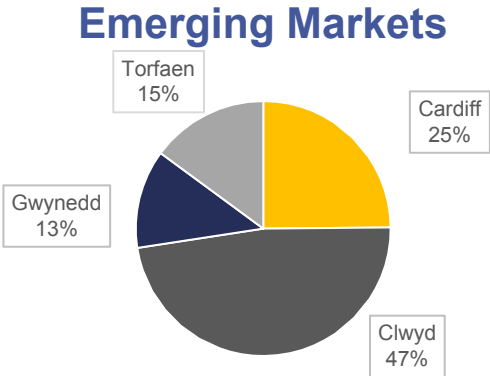
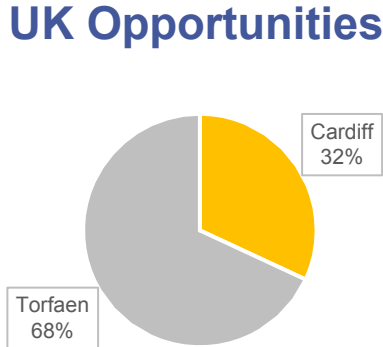
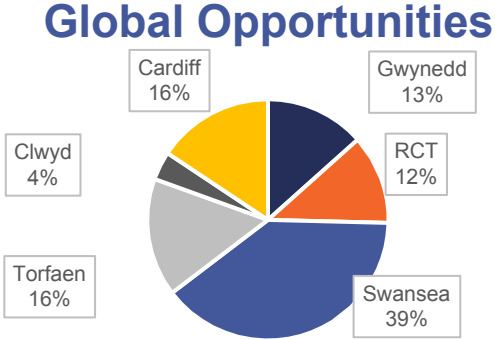
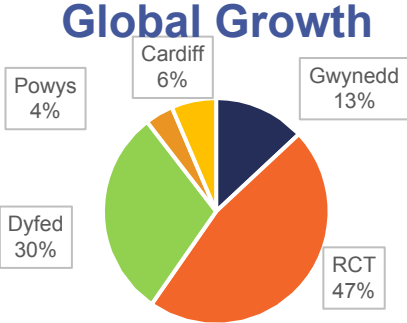
# Wales Pension Partnership

Joint Governance Committee  
Q4 2021 review

23<sup>rd</sup> March 2022



# December 2021 Fund Snapshot - Equities

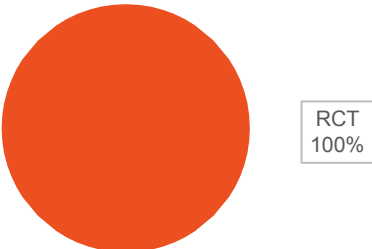


- Key:
- Dyfed
  - Powys
  - Gwynedd
  - RCT
  - Torfaen
  - Clwyd
  - Swansea
  - Cardiff

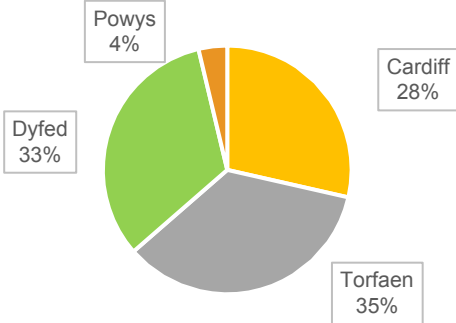
\* Assets with BlackRock

# December 2021 Fund Snapshot - Fixed Income

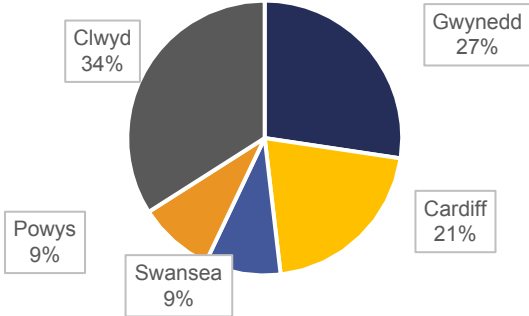
**Sterling Credit**



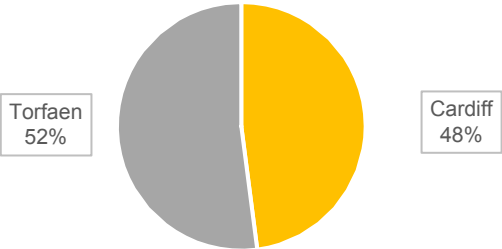
**Global Credit**



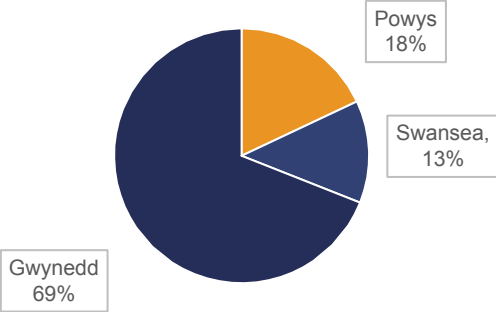
**Multi Asset Credit**



**Global Gov. Bond**



**Absolute Return Bnd**



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

# December 2021 LF Wales PP Fund AUM

Fund	AUM	Inception date
Global Growth	£3,479,433,963	6 <sup>th</sup> Feb 2019
Global Opportunities	£3,434,745,846	14 <sup>th</sup> Feb 2019
UK Opportunities	£777,707,324	10 <sup>th</sup> Oct 2019
Emerging Markets	£489,091,444	20 <sup>th</sup> Oct 2021
Sterling Credit	£607,650,635	19 <sup>th</sup> Aug 2020
Global Credit	£810,105,382	21 <sup>st</sup> Aug 2020
Multi Asset Credit	£751,351,587	12 <sup>th</sup> Aug 2020
Global Government Bond	£527,455,551	20 <sup>th</sup> Aug 2020
Absolute Return Bond	£502,773,610	30 <sup>th</sup> Sept 2020
<b>Total Active Investments</b>	<b>£11,380,315,342</b>	
<b>Total Passive Investments*</b>	<b>£5,812,464,076</b>	
<b>Total Pooled Assets</b>	<b>£17,192,779,418</b>	

\* Assets with BlackRock

## Fund Launches & Updates

Progress Report

A decorative background graphic consisting of numerous parallel, slightly curved lines of small dots. The dots are arranged in a way that creates a sense of depth and movement, with some dots appearing larger or more prominent than others. The overall effect is a dynamic, flowing pattern that suggests progress and forward motion.

# Fund Activity in the Period

## Key Achievements & Updates

Completed fund activity				
	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 created under the Enhanced Portfolio Implementation model with a carbon reducing overlay</li> </ul>	Complete	<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 with £505m AUM</li> <li>Trading activity completed</li> </ul>	20 <sup>th</sup> October 2021
<b>Fund prospectus updates</b>	<ul style="list-style-type: none"> <li>Proposed in-flight prospectus updates</li> </ul>	Complete	<ul style="list-style-type: none"> <li>Baillie Gifford GAPA: implementation of a carbon screening process on the BG sleeve of the Global Growth fund Nov 22<sup>nd</sup> 2021</li> <li>Inclusion of Nissay to the Global Opps IM line up and J O Hambro to the UK Opps line up</li> </ul>	November 2021  December 2021
Active fund activity				
	Overview	Status	Progress in period	Launch / completion dates
<b>UK Opps decarb</b>	<ul style="list-style-type: none"> <li>Addition of the Russell Investments decarb function to the UK Opportunities fund</li> </ul>	In progress	<ul style="list-style-type: none"> <li>Host Authority (on behalf of WPP), Torfaen and Cardiff officially approve the addition of the decarb function on the UK Opportunities fund</li> <li>LFS to progress through internal governance</li> </ul>	April 2022
<b>Sustainable Equity fund</b>	<ul style="list-style-type: none"> <li>Establishment of a sustainable equities fund</li> </ul>	In progress	<ul style="list-style-type: none"> <li>Russell Investments to present paper to OWG 1<sup>st</sup> Feb</li> </ul>	



# LFS Corporate Update & Engagement



# LFS Corporate Update & Engagement

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## **LFS updates**

- Dye & Durham, a Canadian domiciled provider of cloud-based software and technology solutions, has agreed to acquire 100% of the shares in Link Group by way of a Scheme of Arrangement
- Following initial due diligence, Carlyle Group have ceased their interest in acquiring 100% of the shares in Link Group after the Dye & Durham announcement
- Chris Addenbrooke has taken the decision to retire and is stepping down from his role as CEO. Karl Midl, current Managing Director of Link Fund Solutions Limited (UK), has been appointed to the position with effect from February 2022. Karl also remains Managing Director for Link Fund Solutions Limited

## **Key Q4 and future WPP Engagement**

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

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

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

- OWG 1<sup>st</sup> Feb 2022
- JGC 23<sup>rd</sup> March 2022

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

- Cardiff 14<sup>th</sup> Dec 2021
- Powys 17<sup>th</sup> Dec 2021

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

- Gwynedd 17<sup>th</sup> Jan 2022
- Clwyd 9<sup>th</sup> Feb 2022
- RCT 8<sup>th</sup> March 2022
- Dyfed 29<sup>th</sup> March 2022

### **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
<p data-bbox="91 424 309 448"><b>WPP Attendees</b></p> <ul data-bbox="91 467 327 536" style="list-style-type: none"> <li data-bbox="91 467 327 496">▪ Anthony Parnell</li> <li data-bbox="91 507 327 536">▪ Tracey Williams</li> </ul>	<ul data-bbox="600 371 763 400" style="list-style-type: none"> <li data-bbox="600 371 763 400">▪ Bi-Weekly</li> </ul>	<ul data-bbox="958 371 1895 579" style="list-style-type: none"> <li data-bbox="958 371 1895 400">▪ Regular Host Authority – LFS to discuss deliverables and business updates</li> <li data-bbox="958 424 1816 453">▪ Richard Thornton, Head of Relationship Management, Asset Owners</li> <li data-bbox="958 467 1547 496">▪ Eamonn Gough, Senior Relationship Manager</li> <li data-bbox="958 507 1592 536">▪ Alistair Coyle, Relationship Manager (as required)</li> <li data-bbox="958 547 1615 576">▪ Clair Baguley, Client Service Manager (as required)</li> </ul>
WPP Working Group	Frequency	Objective
<p data-bbox="91 711 309 735"><b>WPP Attendees</b></p> <ul data-bbox="91 754 510 823" style="list-style-type: none"> <li data-bbox="91 754 510 783">▪ Officers Working Group (OWG)</li> <li data-bbox="91 798 237 826">▪ Hymans</li> </ul>	<ul data-bbox="600 659 763 687" style="list-style-type: none"> <li data-bbox="600 659 763 687">▪ Bi-Weekly</li> </ul>	<ul data-bbox="958 659 1648 866" style="list-style-type: none"> <li data-bbox="958 659 1648 687">▪ Regular project call to discuss progress of deliverables</li> <li data-bbox="958 711 1205 740">▪ Link Client Team</li> <li data-bbox="958 754 1178 783">▪ Northern Trust</li> <li data-bbox="958 794 1245 823">▪ Russell Investments</li> <li data-bbox="958 834 1402 863">▪ Other consultants (e.g. bFinance)</li> </ul>
Annual Shareholder Day	Frequency	Objective
<ul data-bbox="91 999 461 1027" style="list-style-type: none"> <li data-bbox="91 999 461 1027">▪ Open to all involved parties</li> </ul>	<ul data-bbox="600 946 719 975" style="list-style-type: none"> <li data-bbox="600 946 719 975">▪ Annual</li> </ul>	<ul data-bbox="958 946 1995 1153" style="list-style-type: none"> <li data-bbox="958 946 1783 975">▪ Open day for presentations on strategy and performance (with IM)</li> <li data-bbox="958 999 1200 1027">▪ Link Client Team</li> <li data-bbox="958 1042 1178 1070">▪ Northern Trust</li> <li data-bbox="958 1082 1995 1110">▪ Russell Investments and other Investment Managers (e.g. Global Growth Managers)</li> <li data-bbox="958 1121 1536 1150">▪ Other consultants as required (e.g. bFinance)</li> </ul>
Pension Fund Committees		Objective
<ul data-bbox="91 1286 674 1315" style="list-style-type: none"> <li data-bbox="91 1286 674 1315">▪ Individual Pension Fund Committee meetings</li> </ul>		<ul data-bbox="958 1233 1816 1441" style="list-style-type: none"> <li data-bbox="958 1233 1603 1262">▪ General update on the ACS and planned initiatives</li> <li data-bbox="958 1286 1547 1315">▪ Eamonn Gough, Senior Relationship Manager</li> <li data-bbox="958 1329 1435 1358">▪ Alistair Coyle, Relationship Manager</li> <li data-bbox="958 1369 1816 1398">▪ Richard Thornton, Head of Relationship Management, Asset Owners</li> <li data-bbox="958 1409 1245 1437">▪ Russell Investments</li> </ul>