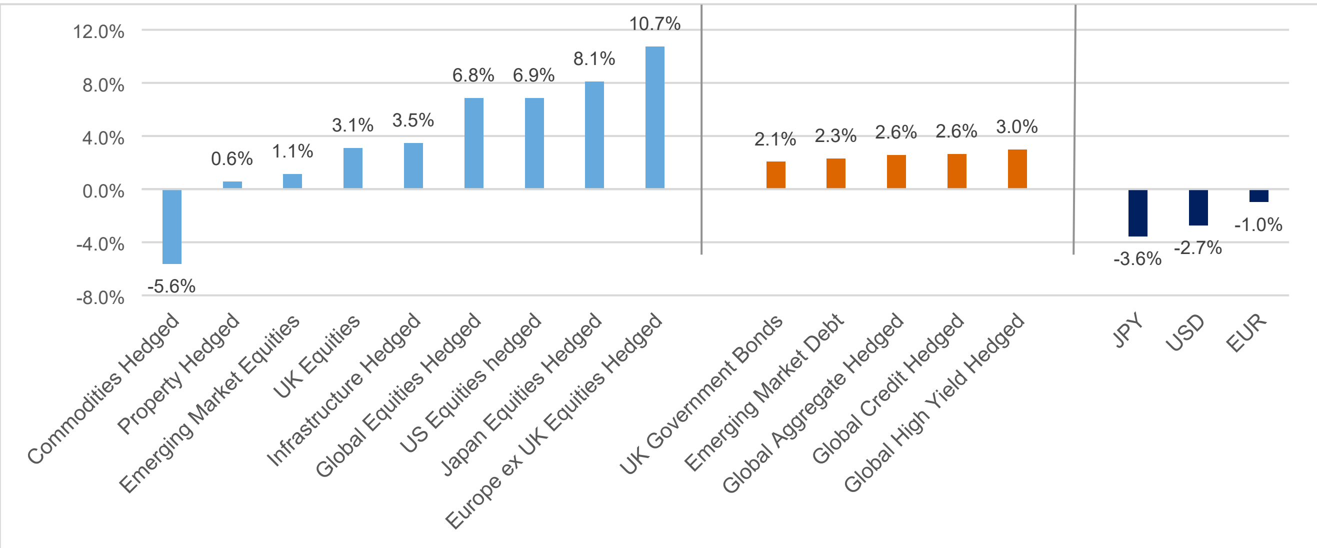
JGC - WPP Performance Summary Q1 2023

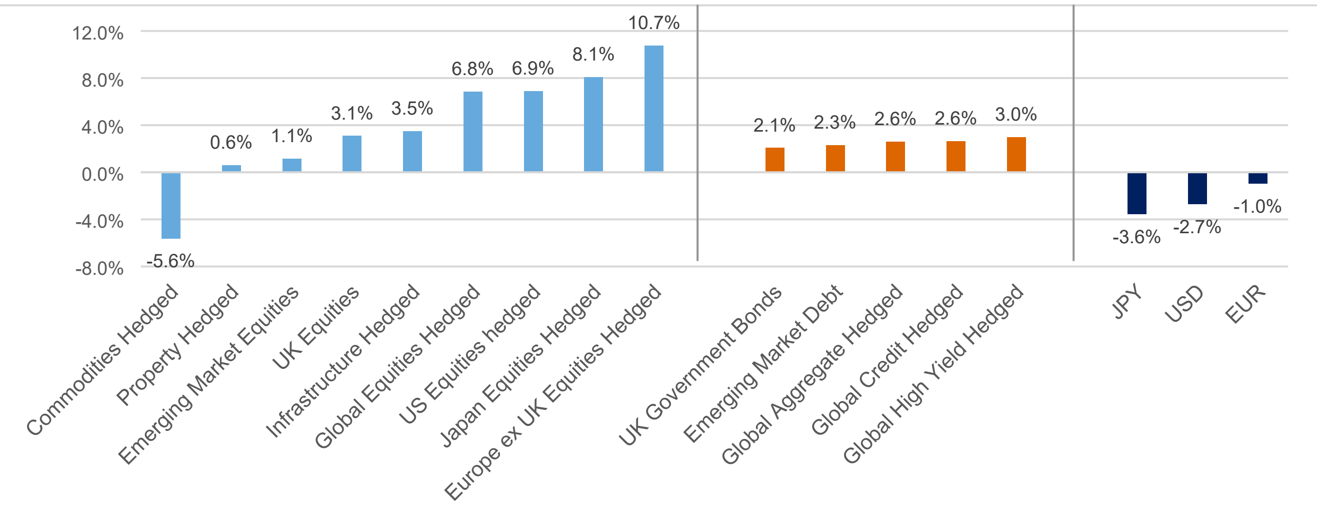
Global Market Commentary

Positive January and March performance bookended mid-quarter market volatility. Equity markets started the year strongly with investors encouraged by signs that inflation was being tamed and the prospect of China's reopening from Covid-19 restrictions boosting demand. In contrast, equities fell broadly in February amid slowing progress on inflation and resilient economic data, which implied interest rates may stay higher for longer. Investor sentiment tumbled further following the failure of three regional US banks, which triggered fears of contagion and a sell-off of banking stocks. In Europe these fears were heightened by a collapse in Credit Suisse's share price, which ultimately led to its takeover by rival UBS. Concerns subsided towards the end of the period. The US Federal Reserve (Fed), the Bank of England (BoE) and European Central Bank (ECB) all raised interest rates as expected this quarter. The US dollar depreciated while oil prices were volatile, falling below $70 per barrel in March before recovering towards quarter-end.

Asset class performance – Quarter to Date (March) 2023



Asset class performance – Year to Date (March) 2023



Global Growth Equity Fund:

Benchmarks : Global equity hedged (MSCI World ACWI), UK equity (FTSE All Share), US equity hedged (Russell 1000 Net GBPH), Europe ex UK equity (MSCI Europe ex UK Equity Net GBPH), Japan equity (TOPIX Net GBPH), Emerging equity (MSCI Emerging Markets Net), Global HY bonds (BofAML Global High Yield 2% Constrained Index), EMD LC (JP Morgan GBI-EM Global Diversified Index), Global credit hedged (Bloomberg Barclays Global Aggregate Credit Index), Global aggregate hedged (Bloomberg Barclays Global Aggregate Bond Index GBPH), UK Government Bonds (ICEBofAML UK Gilts All Stocks (GB), Property hedged (FTSEEPRA Nareit Dev Re GBP)

	Three Months	1 Year	Since Inception
Gross	5.56	-0.54	9.40
Net	5.46	-0.90	8.98
MSCI AC World Index Net	4.39	-1.43	9.79
Excess returns (gross)	1.16	0.90	-0.40

Inception Date: 6th February 2019

Source: Northern Trust as of 31 March 2023

Overall Fund Commentary

Global equity markets made solid gains in the first quarter of 2023 with the MSCI ACWI rising 4.4% in GBP. Inflationary pressures eased, and economic data was generally stronger than expected, supporting the proposition that central banks would be able to conclude their monetary policy tightening. Financials had gained steadily from a Q3-2022 low but fell 15% in a matter of days following the collapse of Silicon Valley Bank, followed quickly by that of New York based Signature Bank. Despite a significant spike in volatility the broad market recovered to finish the quarter just short of February's high although mid-sized lenders remain under pressure. Financials joined Real Estate, Utilities, Health Care and Energy in recording negative returns for the quarter. Information Technology, Communication Services, and Consumer Discretionary sectors led the market. This mix of returns consolidated the Q1 leadership of growth over value and the crisis in the banking sector prompted a renewed focus on the quality style.

The WPP Global Growth portfolio outperformed the market by 1.0% in the quarter, returning 5.5% in GBP, net of fees. All three funds exceeded the benchmark return however the 3.8% out-performance of value biased, quality manager Veritas was the highlight. This was attributable to ongoing strength in Meta Platforms and the potential of an offer for pharmaceutical company Catalent Inc. Baillie Gifford suffered from direct exposure to Signature Bank to finish the quarter 0.2% ahead of the benchmark. Pzena's overweight exposure to value financials had served it well until underperformance driven by fears of contagion took hold and left it only 0.1% ahead for the quarter.

Global Opportunities Equity Fund:

	Three Months	1 Year	Since Inception
Gross	3.41	0.55	10.83
Net	3.33	0.28	10.51
MSCI AC World Index Net	4.39	-1.43	9.47
Excess returns (gross)	-0.99	1.98	1.36

Inception Date: COB 14th February 2019

Source: Northern Trust as of 31 March 2023

Overall Fund Commentary

The Fund registered positive absolute returns over the first quarter but finished behind the benchmark on a relative basis. In factor performance, growth and large cap stocks were the best performing styles, significantly outperforming the global index, although this was driven by the US. Small cap stocks underperformed, however, small cap growth names fared better. In contrast, value and high dividend yielding stocks were unrewarded in the market environment. As such, growth manager Morgan Stanley significantly outperformed over the period. Value manager Sanders and quality growth manager Intermede also achieved positive excess returns. Numeric Low Volatility and Nissay were the weakest managers in the quarter. Jacobs Levy, Numeric (core) and SW Mitchell were also behind their benchmarks.

EM Market Commentary

Emerging Markets recorded a positive return in a volatile quarter but underperformed developed market equities. The first quarter of 2023 saw a dampening in risk appetite and doubts surrounding the strength of China's recovery following its reopening and the impact on global economic growth. Despite this, China's strength continued for another quarter as the market outperformed the broader emerging markets index for the second-successive quarter. In contrast, India underperformed, as names within the Adani Group dragged the market down, and Brazil also struggled following a strong 2022. The US dollar depreciated over the period. Small cap growth stocks were in the highest demand this period.

EM Opportunities Equity Fund:

	Three Months	1 Year	Since Inception
Gross	2.57	-3.19	-6.24
Net	2.44	-3.62	-6.69
MSCI Emerging Market Index	1.14	-4.91	-7.16
Excess returns (gross)	1.43	1.72	0.92

Inception Date: COB 20th October 2021

Source: Russell Investments as of 31 March 2023

Overall Fund Commentary
The Fund outperformed the positive benchmark return. Similar to the fourth quarter of 2022, large capitalisation stocks outperformed small caps and high dividend yielding stocks were in demand amid the elevated inflation environment. Growth marginally outperformed the index return and the value factor. Small cap value stocks lagged during this period. In sectors, technology and communication services were the standout performers, driven higher by names including TSMC, Samsung Electronics and Tencent Holdings. All other sectors underperformed, with utilities and health care lagging the most. Within this environment, the Fund's effective country positioning included an underweight to India in a period where the market slipped lower. Selection was positive within Taiwan (semiconductors) and Mexico (financials, staples). However, stock selection within China was negative on aggregate this quarter, with an underweight to Tencent a key detractor. Selection within Thailand and South Korea was also negative.

UK Market Commentary

UK equities underperformed the global index. Consumer discretionary, industrials and telecommunications were the best performers, although this was offset by weakness in materials, consumer staples and health care. The Bank of England raised rates by 50 bps, and then a further 25 bps, signalling that the outlook for both economic growth and inflation had improved. However, inflation unexpectedly rose in February to 10.4% from 10.1% in January, largely driven by higher food and beverage prices. In his Budget, Chancellor Jeremy Hunt announced a 100% tax break for business investment and the launch of 12 low-tax zones to encourage economic growth and reduce regional disparity. Other measures included plans to keep people in work and an extension of free childcare. In an upbeat speech he said the economy was "proving the doubters wrong" and would avoid a technical recession this year.

UK Opportunities Equity Fund:

	Three Months	1 Year	Since Inception
Gross	6.05	4.60	3.72
Net	5.95	4.23	3.32
FTSE All Share	3.08	2.92	4.55
Excess returns (gross)	2.97	1.68	-0.83

Inception Date: COB 11th October 2019

Source: Northern Trust as of 31 March 2023

Overall Fund Commentary
The Fund outperformed the positive benchmark return in the quarter. In factor performance, mid cap stocks produced the strongest performance while large cap and small cap stocks lagged. Growth also outperformed while value was out of favour. In sectors, consumer discretionary produced the biggest absolute returns followed by industrials. Basic materials was the only sector to produce an absolute negative return for the quarter. Overweight exposure and stock selection in communication services and consumer discretionary contributed to the positive return. Ninety One led the outperformance, benefitting from its focus on value, although all managers produced positive relative returns versus the benchmark.

Fixed Income Market Commentary

Government bonds rallied following turmoil in the banking sector. In this environment, longer duration US Treasuries, eurozone sovereigns and UK gilts outperformed equivalents elsewhere, particularly in China. The US Federal Reserve (Fed), Bank of England (BoE) and European Central Bank (ECB) all raised rates. However, the market turbulence led to increased uncertainty over the future direction of interest rates.

The Fed increased its benchmark interest rate by 25 basis points (bps) twice in the quarter to end at its highest since 2007. However, comments from the Fed were noticeably more dovish towards quarter-end. The benchmark 10-year US Treasury yield fell 40 bps over the quarter to close at 3.47%, while the 2-year yield declined 38 bps to 3.98%. In the UK, the BoE raised rates by 50 bps, and then a further 25 bps, signalling that the outlook for both economic growth and inflation had improved. The benchmark 10-year gilt yield ended the quarter 18 bps lower at 3.49%. In the eurozone the ECB raised interest rates by 50 bps twice. Over the quarter the German 10-year bund yield fell 28 bps to 2.29%.

Global Government Bond Fund:

	Three Months	1 Year	Since Inception
Gross	2.59	-4.86	-3.50
Net	2.53	-5.10	-3.73
FTSE World Gvt Bond Index (GBP Hedged)	3.02	-6.62	-5.13
Excess returns (gross)	-0.43	1.76	1.63

Inception Date: COB 19th August 2020

Source: Russell Investments as of 31 March 2023

Overall Fund Commentary
The Fund slightly underperformed the positive benchmark return in a volatile quarter for financial markets. Within this environment, Blue Bay outperformed while Colchester underperformed the benchmark. The Fund's underweight exposure to US Treasuries was detrimental. An underweight to Japanese bonds, notably of 5- and 30-year duration also detracted. Negative exposure to shorter duration German bunds was offset by a positive contribution from 5 and 10-year issues. An overweight o Columbian rates was also additive.

Global Credit Fund:

	Three Months	1 Year	Since Inception
Gross	2.05	-8.27	-4.79
Net	2.00	-8.43	-4.96
Bloomberg Barclays Global Agg Credit Index (GBP Hedged)	2.63	-6.56	-4.94
Excess returns (gross)	-0.58	-1.71	0.15

Inception Date: COB 20th August 2020

Source: Russell Investments as of 31 March 2023

Overall Fund Commentary
The Fund underperformed the benchmark return this quarter. Within this environment, effective credit positioning early in the quarter was offset by losses in March. Overweight to US high yield credit was slightly additive, with exposure to financials detracting but industrials contributing positively. An overweight to European high yield financials detracted, while an overweight to European investment grade utilities contributed positively. In hard currency emerging market debt an underweight to Middle East investment grade credit was additive, although some of this was offset by underweights to Europe and Latin America.

Multi Asset Credit Fund:

	Three Months	1 Year	Since Inception
Gross	3.34	-5.89	-0.78
Net	3.25	-6.23	-1.13
3 Month GBP SONIA + 4%	1.94	6.36	4.96

Performance Target is 3 Month GBP SONIA + 4%, we have not shown excess return as this is a target.

Inception Date: COB 11th August 2020

Source: Russell Investments as of 31 March 2023

Overall Fund Commentary
The Fund recorded a positive return in a volatile quarter for financial markets. High yield (HY) was stronger than investment grade corporate debt, particularly in Europe but also in the US. Global investment grade spreads widened slightly. Markets were calmer towards quarter end with risk appetite starting to recover. However, concerns about the real estate sector were reflected in bond markets with issuance by some property companies coming under pressure. Hard currency emerging market debt spreads widened in the volatile market environment. Loan specialist ICG was the best performing manager.

Absolute Return Bond Strategy Fund:

	Three Months	1 Year	Since Inception
Gross	1.07	2.34	2.11
Net	1.01	2.07	1.81
3 Month GBP SONIA + 2%	1.44	4.32	2.99

Performance Target is 3 Month GBP SONIA + 2%, we have not shown excess return as this is a target.

Inception Date: COB 30th September 2020

Source: Russell Investments as of 31 March 2023

Overall Fund Commentary
The Fund recorded a positive return this quarter. Aegon and Wellington both recorded positive returns, whereas Insight and mortgage prepayment specialist Putnam recorded negative returns. Macro strategies had a positive impact. Although European asset-backed security (ABS) spreads held up well following the market volatility, primary issuance of European ABS stalled. Some issuers postponed their deals or reverted to partially or pre-placing (privately) their ABS.

Sterling Credit Fund:

	Three Months	1 Year	Since Inception
Gross	2.58	-9.26	-5.08
Net	2.54	-9.38	-5.20
ICE Bank of America Merrill Lynch Euro-Sterling Index plus 0.65%	2.53	-9.58	-5.59

Inception Date: COB 19th August 2020

Source: Northern Trust as of 31 March 2023

Overall Fund Commentary
The Wales Pension Partnership Sterling Credit portfolio returned 2.6% in Q1, outperforming the BofA Euro-Sterling benchmark by 0.2%. The quarter started positively with both government yields decreasing and corporate spreads tightening as markets were hopeful the monetary policy tightening cycle was nearing an end and a recession could be avoided with China’s economy reopening and Western economies more resilient to inflation pressures than expected. The fund’s long sterling duration position enhanced returns but was partially offset by the underweight euro duration position. The overweight exposure to financial credits was a negative but both, the Bank of England (BoE) and the European Central Bank (ECB) on the health of their financial sectors. Stronger UK economic data supported higher than expected inflation and suggested further action by the Bank of England (BoE). A 25bp increase followed and the BoE expressed confidence in the banking system following the collapse of Silicon Valley Bank suggesting further rises ahead if inflation remains elevated. Similarly, the European Central Bank assured markets it was ‘fully equipped’ to ensure financial stability and raised rates by 0.5%. Despite the market turmoil in March positive risk sentiment led to further fall in UK government bond yields and a slight widening in credit spreads.