

## Wales Pension Partnership (WPP) - JGC Update

JGC meeting date: Wednesday 20 September 2023

Location: Hybrid meeting, hosted by RCT

Chair: Cllr Ted Palmer, Clwyd

Vice Chair: Cllr Elwyn Williams, Dyfed

Agenda item	Detail
Host Authority update	<p>Anthony Parnell of the Host Authority provided an update in relation to work that has been completed since the last JGC meeting and WPP's next steps / priorities.</p> <p>There has been no change to the operator procurement timetable and the ITT is still on target to be issued mid-October 2023.</p> <p>The WPP is in the process of drafting a response to the LGPS Investments consultation and the response will be submitted ahead of the 2 October 2023 deadline.</p> <p>Anthony also presented the 2023/24 Business Plan update as at 30 June 2023 (attached).</p>
Risk Register Q3 2023 Review	<p>The OWG is responsible for maintaining the WPP Risk Register and reporting back any changes or developments to the JGC on a quarterly basis. The OWG has a dedicated Risk Sub-Group to take ownership of the Risk Register and the quarterly review of the document.</p> <p>During Q3 2023, a review has taken place of the Training &amp; Resources and Communication Risks.</p> <p>Hymans presented the changes which were approved by the JGC. The Risk Register has been uploaded on the WPP website.</p>
New policy: Breaches & Errors Policy	<p>A new Breaches and Errors Policy has been developed for the WPP which sets out WPP's policy and procedures on identifying, managing and where</p>

	<p>necessary reporting breaches of the law in accordance with section 70 of the Pensions Act 2004.</p> <p>The new policy was approved and has been uploaded on the WPP website.</p> <p>There were no policy reviews this quarter.</p>
Operator Update	<p>Link presented their quarterly update report as at 30 June 2023 (attached). This provides an update on WPP's sub funds and corporate and engagement activity.</p> <p>The sale of Link Fund Solutions to Waystone Management UK Ltd is due to complete on 9 October 2023.</p>
Performance Reports as at 30 June 2023	<p>Russell Investments presented a Q2 2023 performance summary paper (attached) summarising the performance of each individual ACS sub fund for the quarter ending 30 June 2023.</p>
<p><b>Exempt Items</b> – the following items were discussed during the non-public part of the meeting.</p>	
Securities Lending Report as at 30 June 2023	<p>Stock Lending commenced in March 2020 and Northern Trust presented the Securities Lending Report for Q2 2023 (quarter ending 30 June 2023).</p>
Robeco Engagement Report – Q2 2023	<p>In March 2020, Robeco was appointed as WPP's Voting &amp; Engagement Provider to undertake Voting and Engagement functions on behalf of the WPP. Robeco commenced their engagement service in April 2020, and they have provided an engagement report for Quarter 2 2023. The engagement theme chosen for this quarter was Global Controversy Engagement.</p>
Responsible Investment and Climate Risk reports	<p>Each quarter, Hymans Robertson produce quarterly Responsible Investment &amp; Climate Risk Reports for WPP's sub funds.</p> <p>For Quarter 2 2023 (quarter ending 30 June 2023), the ARB and MAC reports were produced.</p> <p>Hymans presented the reports to the JGC members.</p>

<p>Sustainable Equity Sub fund transition review</p>	<p>WPP has launched a Sustainable Active Equity Fund to be managed by Russell Investments. The fund has a portfolio value of £1.2bn, with all eight Welsh Funds participating. Citi was appointed as the transition manager.</p> <p>Hymans partnered with Byhiras, an independent provider of transition analytics, have carried out a review of the Citi implementation and validation of the costs incurred. The transition implementation effectively managed a number of key risks, namely, project management, currency, sector and out of market risk, and successfully moved assets into the Sustainable Equity sub-fund on behalf of all eight Constituent Authorities</p> <p>Hymans presented the report to the JGC members.</p>
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Webcast link for the 20 September 2023 JGC meeting below:

[Agenda for Wales Pension Partnership Joint Governance Committee on Wednesday, 20th September, 2023, 10.00 am](#)

WPP's website address - [Wales Pension Fund | Home \(walespensionpartnership.org\)](http://walespensionpartnership.org)

Next meeting:

- Wednesday 13 December 2023 – Virtual meeting