

# Wales Pension Partnership

## Joint Governance Committee

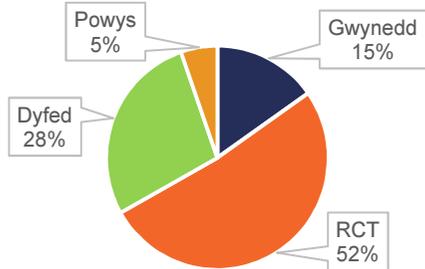
28<sup>th</sup> July 2021



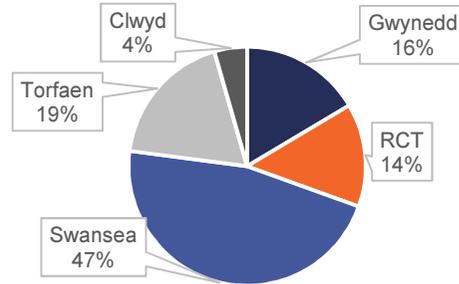
# 31 March 2021 LF Wales PP Fund Snapshot

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

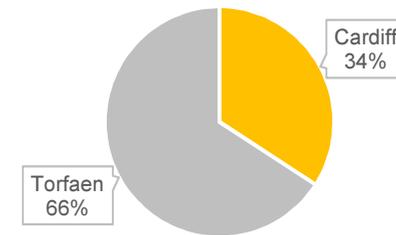
## Global Growth



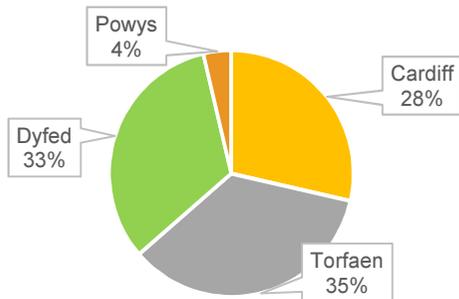
## Global Opportunities



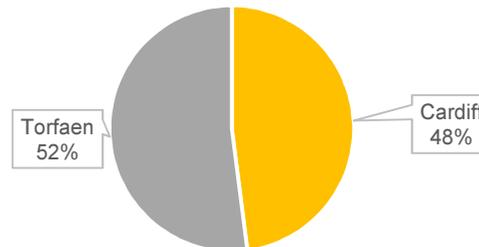
## UK Opportunities



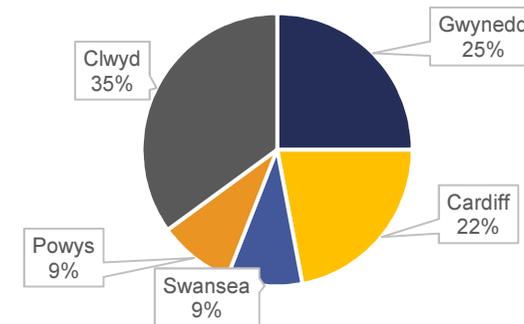
## Global Credit



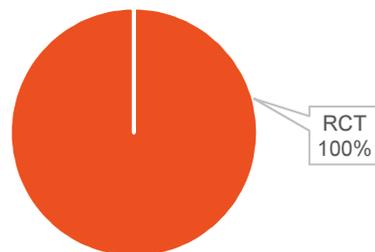
## Global Gov. Bond



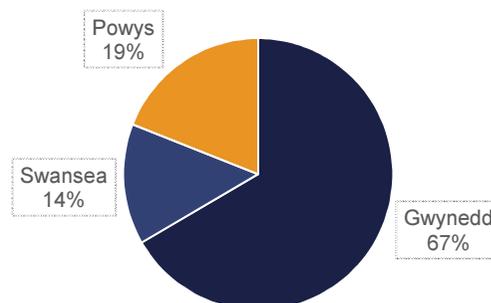
## Multi Asset Credit



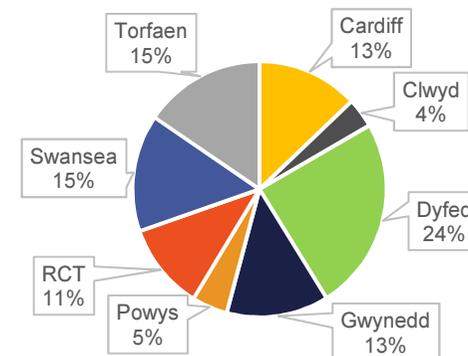
## Sterling Credit



## Absolute Return Bond



## Passive



# 31 March 2021 LF Wales PP Fund Snapshot

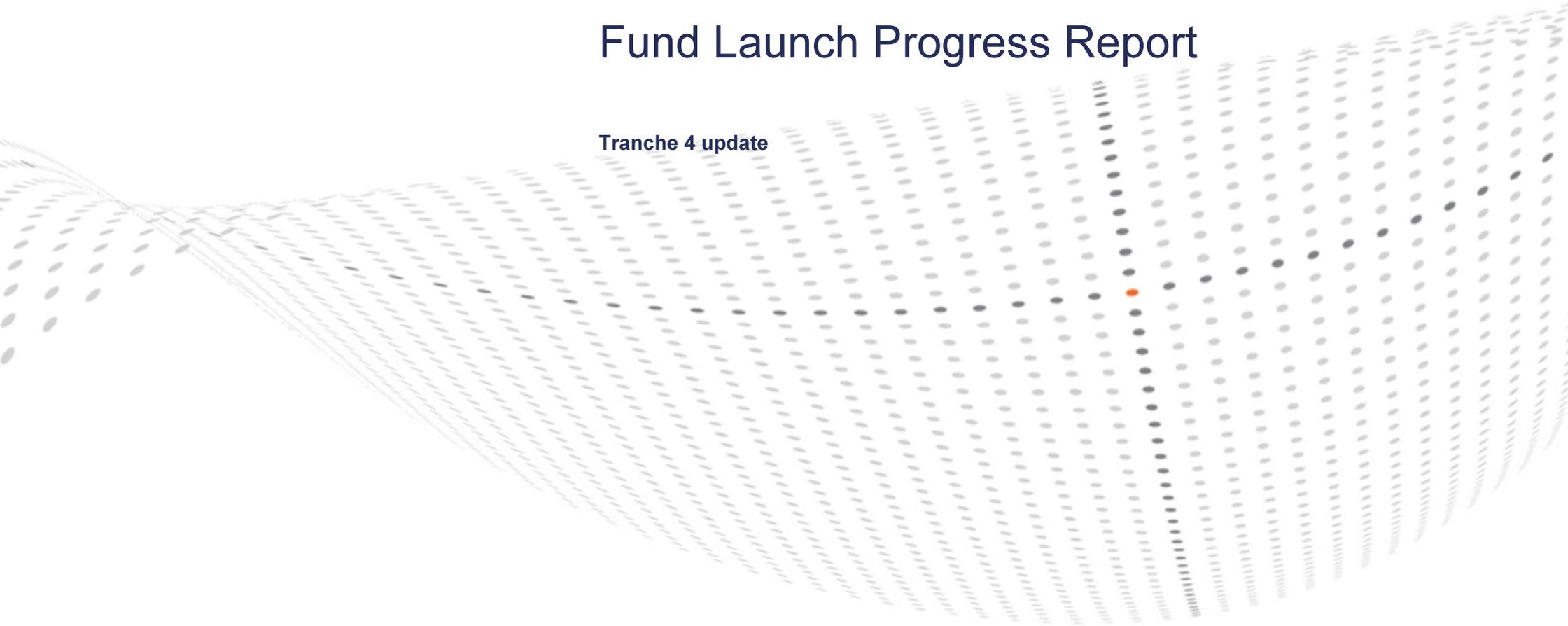
Fund	AUM	Inception date
Global Growth	£3,061,322,424	6 <sup>th</sup> Feb 2019
Global Opportunities	£2,624,491,911	14 <sup>th</sup> Feb 2019
UK Opportunities	£674,459,695	10 <sup>th</sup> Oct 2019
Global Credit	£791,481,163	21 <sup>st</sup> Aug 2020
Global Government Bond	£526,762,620	20 <sup>th</sup> Aug 2020
Multi Asset Credit	£714,417,901	12 <sup>th</sup> Aug 2020
Sterling Credit	£550,986,287	19 <sup>th</sup> Aug 2020
Absolute Return Bond	£456,254,568	30 <sup>th</sup> Sept 2020
<b>Total Active Investments</b>	<b>£9,400,176,569</b>	
<b>Total Passive Investments</b>	<b>£5,232,789,521</b>	
<b>Total Pooled Assets</b>	<b>£14,632,966,090</b>	

Note: All data as at 31<sup>st</sup> March 2021



# Fund Launch Progress Report

Tranche 4 update



# Open Launch Activity

## Key Achievements & Updates

Fund Launches Progress				
	Overview	Status	Progress in period	Launch / completion dates
	<p>Tranche 4: <b>Emerging Markets sub-fund launch</b></p> <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>JGC agreed manager structure proposal March 2020</li> <li>Prospectus review completed by LFS, Burgess Salmon and NT Depositary</li> <li>FCA approval received 22<sup>nd</sup> March</li> <li>Operational setup underway for launch end September / early October</li> </ul>	September / October 2021
	<p><b>Fund prospectus updates</b></p> <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>MAC – change of valuation point from first to last business day of the month to improve investor reporting</li> </ul>	Q2



# LFS Corporate Update & Engagement



# LFS Corporate Update & Engagement

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## **LFS updates**

- Proposal from consortium comprising Pacific Equity Partners, Carlyle Group and their affiliates to acquire 100% of the shares in Link Group has been withdrawn
- Alistair Coyle joins the LFS Relationship Management team following the departure of Ada Wabara

## **Key Q1 and future WPP Engagement**

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

- OWG 26<sup>th</sup> Feb 2021
- JGC 24<sup>th</sup> March 2021

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

- OWG 4<sup>th</sup> May 2021

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

- Dyfed – 11<sup>th</sup> Jan & 25<sup>th</sup> March 2021
- Gwynedd – 21<sup>st</sup> Jan 2021
- RCT – 22<sup>nd</sup> March 2021

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

- None planned

### **Other meetings in period**

- Operator review meeting – 2<sup>nd</sup> Feb 2021
- 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><li>▪ Duncan Lowman, Head of Client Coverage</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 / Duncan Lowman, Head of Client Coverage</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>▪ Adam Tookey, Head of Product (as required)</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>