

DYDD IAU, 9 TACHWEDD 2023

AT: HOLL AELODAU'R PWYLLGOR CRONFA BENSIWN DYFED

YR WYF DRWY HYN YN EICH GALW I FYNYCHU **CYFARFOD AML-LEOLIAD O'R PWYLLGOR CRONFA BENSIWN DYFED** A GYNHELIR YN Y SIAMBR, NEUADD Y SIR, CAERFYRDDIN, SA31 1JP AC O BELL AM **2.30 YP, DYDD MERCHER, 15 TACHWEDD, 2023** ER MWYN CYFLAWNI'R MATERION A AMLINELLIR AR YR AGENDA SYDD YNGHLWM

Wendy Walters

PRIF WEITHREDWR

Swyddog Democrataidd:	Janine Owen
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Cyfarfod aml-leoliad yw hwn. Gall aelodau'r pwyllgor fynychu'n bersonol yn y lleoliad a nodir uchod neu o bell drwy'r ddolen Zoom a ddarperir ar wahân. Gellir gwyllo'r cyfarfod ar wefan y cyngor drwy'r ddolen canlynol:-
<https://carmarthenshire.public-i.tv/core/portal/home>

Wendy Walters Prif Weithredwr, *Chief Executive*,
Neuadd y Sir, Caerfyrddin. SA31 1JP
County Hall, Carmarthen. SA31 1JP

**AELODAETH PWYLLGOR CRONFA BENSIWN DYFED
3 AELOD**

GRŴP PLAID CYMRU (2)

- 1 Cynghorydd Elwyn Williams (Cadeirydd)
- 2 Cynghorydd Dai Thomas

GRŴP LLAFUR (1)

- 1 Cynghorydd Rob James

DIRPRWY ENWEBEDIG (1)

Cynghorydd Neil Lewis

AGENDA

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NI DDYLID CYHOEDDI'R ADRODDIAD SY'N YMWNEUD Â'R MATERION CANLYNOL GAN EU BOD YN CYNWYS GWYBODAETH EITHRIEDIG FEL Y'I DIFFINIWDYD YM MHARAGRAFF 14 O RAN 4 O ATODLEN 12A I DDEDDF LLYWODRAETH LEOL 1972 FEL Y'I DIWYGIWDYD GAN ORCHYMYN LLYWODRAETH LEOL (MYNEDIAD AT WYBODAETH) (AMRYWIO) (CYMRU) 2007. OS BYDD Y PWYLLGOR AR ÔL CYNNAL PRAWF LLES Y CYHOEDD YN PENDERFYNU YN UNOL Â'R DDEDDF, I YSTYRIED Y MATER HYN YN BREIFAT, GORCHMYNNIR I'R CYHOEDD ADAEL Y CYFARFOD YN YSTOD TRAFODAETH O'R FATH.
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PWYLLGOR CRONFA BENSIWN DYFED

DYDD IAU, 28 MEDI 2023

YN BRESENNOL: Y Cynghorydd D.E. Williams (Cadeirydd)

Cynghorwyr (Yn y Siambr):

N. Lewis

D. Thomas

Sylwedydd (Yn rhithwir):

Mr. J. Jones, Cadeirydd Bwrdd Pensiwn Cronfa Bensiwn Dyfed

Hefyd yn bresennol (Yn y Siambr):

C. Moore, Cyfarwyddwr Gwasanaethau Corfforaethol

R. Hemingway, Pennaeth Gwasanaethau Ariannol

A. Parnell, Rheolwr Pensiwn a Buddsodiadau Gyllidol

M. Owens, Cyfrifydd Cynorthwywr

E. Evans, Prif Swyddog Gwasanaethau Democraataidd

J. Owens, Swyddog Gwasanaethau Democraataidd R. Morris, Swyddog Cefnogi Aelodau

Hefyd yn bresennol (Yn rhithwyr):

A. Brown, Ymgynghorydd Buddsoddi Annibynnol

R. Morris, Swyddog Cefnogi Aelodau

Siambr - Neuadd y Sir, Caerfyrddin. SA31 1JP ac o bell - 3.00 yp – 5.11

1. YMDDIHEURIADAU AM ABSENOLDEB

Cafwyd ymddiheuriad am absenoldeb gan y Cynghorydd R. James yn ystod y cyfarfod.

2. DATGAN BUDDIANNAU PERSONOL

Ni chafwyd datganiadau o fuddiant personol.

3. COFNODION CYFARFOD Y PWYLLGOR A GYNHALIWDYD AR 26 MEHEFIN 2023

PENDERFYNWYD YN UNFRYDOL lofnodi bod cofnodion cyfarfod y Pwyllgor ar 26 Mehefin 2023 yn gofnod cywir.

4. COFNODION BWRDD PENSIWN CRONFA BENSIWN DYFED 18 EBRILL 2023

PENDERFYNWYD YN UNFRYDOL fod cofnodion cyfarfod Bwrdd Pensiwn Cronfa Bensiwn Dyfed ar 18 Ebrill 2023 yn cael eu derbyn.

Sylwer: Mae'r cofnodion hyn yn amodol ar gael eu cadarnhau yn y cyfarfod nesaf

5. RHAGARCHWILIAD O DDATGANIAD CYFRIFON 2022-23

Cafodd y Pwyllgor Datganiad o Gyfrifon Cyn-archwilio Cronfa Bensiwn Dyfed ar gyfer 2022-23 a oedd yn darparu gwybodaeth am y sefyllfa ariannol, perfformiad a hyblygrwydd ariannol y Gronfa am y cyfnod adrodd.

Rhodddwyd trosolwg i'r Pwyllgor ar y pwyntiau amlycaf yn yr adroddiad, a oedd yn ystyried a oedd y datganiad ariannol yn rhoi darlun cywir a theg o sefyllfa ariannol Cronfa Bensiwn Dyfed ar 31 Mawrth 2023 a'r incwm a'r gwariant yn ystod y flwyddyn honno.

Dywedodd Cyfarwyddwr y Gwasanaethau Corfforaethol wrth y Pwyllgor fod disgwyl i Archwilio Cymru orffen ei archwiliad erbyn diwedd Hydref 2023, ac yn dilyn hynny byddai'r Pwyllgor Llywodraethu ac Archwilio yn ystyried Datganiad Cyfrifon Cronfa Bensiwn Dyfed.

Mewn ymateb i ymholiad ynghylch cyfraniadau gwirfoddol ychwanegol, eglurwyd i'r Aelodau fod y ffigwr yn cynrychioli'r swm arian a dalwyd i mewn i'r Gronfa lle mae'r aelodau wedi defnyddio elfen o'u cyfraniadau gwirfoddol ychwanegol i brynu buddion pensiwn ychwanegol.

PENDERFYNWYD YN UNFRYDOL dderbyn Datganiad Cyfrifon Cyn-archwilio Cronfa Bensiwn Dyfed 2022/23.

6. MONITRO CYLLIDEB 1 EBRILL 2023 - 30 MEHEFIN 2023

Derbyniodd y Pwyllgor Adroddiad Monitro Cronfa Bensiwn Dyfed a oedd yn rhoi'r wybodaeth ddiweddaraf am y sefyllfa gyllidebol o ran blwyddyn ariannol 2023/24. Nodwyd bod y sefyllfa bresennol, fel yr oedd ar 30 Mehefin 2023, yn danwariant o gymharu â'r gyllideb o £0.9m.

O ran gwariant, rhagwelid tanwariant o £1.3m ar Bensiynau Taladwy o achos yr amrywiant rhwng y cynnydd a amcangyfrifwyd a'r cynnydd gwirioneddol mewn aelodaeth pensiynwyr hyd yn hyn. Fodd bynnag, pwysleisiwyd y gallai'r ffigwr hwn amrywio yn ystod y flwyddyn.

Roedd effaith net y cyfraniadau a'r incwm buddsoddi £0.4m islaw'r gyllideb. I'r perwyl hwn, eglurwyd roeddid yn rhagweld byddai cyfraniadau £1.9m dros y gyllideb o ganlyniad i aelodau pensiynadwy ar y gyflogres, a gan fod yr incwm buddsoddi £2.3m islaw'r gyllideb roedd hynny'n gwneud iawn amdano.

Amcangyfrifwyd mai cyfanswm y gwariant cyffredinol oedd £121.5m ac mai cyfanswm yr incwm oedd £122.4m, gan arwain i sefyllfa llif arian gadarnhaol o £0.9m.

PENDERFYNWYD YN UNFRYDOL dderbyn Adroddiad Monitro Cyllideb Cronfa Bensiwn Dyfed ar gyfer y cyfnod 1 Ebrill 2023 hyd at 30 Mehefin 2023.

Sylwer: Mae'r cofnodion hyn yn amodol ar gael eu cadarnhau yn y cyfarfod nesaf

7. CYSONI ARIAN PAROD FEL YR OEDD AR 30 MEHEFIN 2023

Bu'r Pwyllgor yn ystyried yr adroddiad Cysoni Arian Parod a roddai'r wybodaeth ddiweddaraf am sefyllfa ariannol Cronfa Bensiwn Dyfed. Nodwyd ar 30 Mehefin, 2023 fod Cyngor Sir Caerfyrddin yn cadw £7.8m o arian parod ar ran y Gronfa ar gyfer gofynion llif arian uniongyrchol i dalu pensiynau, cyfandaliadau a chostau rheoli buddsoddiadau.

PENDERFYNWYD YN UNFRYDOL dderbyn adroddiad Cysoni Arian Parod Cronfa Bensiwn Dyfed.

8. ADRODDIAD GWEINYDDU PENSIYNAU

Derbyniodd y Pwyllgor adroddiad a roddai ddiweddariad ar Weinyddu Pensiynau. Roedd yr adroddiad yn cynnwys diweddariadau ar y gweithgareddau yn y gwasanaeth Gweinyddu Pensiynau ac roedd yn cynnwys materion rheoleiddiol, y gofrestr torri amodau, i-Connect, cysoniad GMP a llif gwaith.

Cyfeiriwyd at ddiweddariad McCloud/Sargeant lle nodwyd bod cynnydd da'n cael ei wneud o ran cysoni a dilysu data a bod datrys ymholiadau hefyd wedi cychwyn. Mewn ymateb i'r Pwyllgor, cadarnhawyd bod y rheoliadau wedi cael eu cyflwyno ers cyhoeddi'r adroddiad, a bod cyflenwr y meddalwedd yn dal i wneud gwaith i adlewyrchu'r newidiadau yn y system pensiynau, ac a fyddai'n nodi'r gofynion ymyrraeth.

PENDERFYNWYD YN UNFRYDOL fod yr Adroddiad Gweinyddu Pensiynau mewn perthynas â Chronfa Bensiwn Dyfed yn cael ei nodi.

9. ADRODDIAD TORRI AMODAU

Cafodd y Pwyllgor yr Adroddiad Torri Amodau i'w ystyried mewn perthynas â Chronfa Bensiwn Dyfed a baratwyd yn unol ag Adran 70 Deddf Pensiwn 2004, Côd Ymarfer rhif 14 a Pholisi Torri Amodau Cronfa Bensiwn Dyfed.

Tynnwyd sylw'r Pwyllgor at y rhestr o achosion o dorri rheolau a oedd ynghlwm wrth yr adroddiad a oedd yn manylu ar yr achosion lle nad oedd cyfraniadau gweithwyr/cyflogwyr wedi dod i law mewn pryd. I'r perwyl hwn, cyfeiriodd Rheolwr y Trysorlys a Phensiynau at achos o dorri amodau a adroddwyd mewn perthynas â Chyflogwr a oedd wedi methu'n rheolaidd dalu'r cyfraniadau gofynnol i'r Gronfa. Mewn diweddariad i'r Pwyllgor, cadarnhaodd yr adroddiad fod y Rheoleiddiwr Pensiynau hefyd wedi cael gwybod fod y Cyflogwr wedi mynd i ddwylo'r gweinyddwyr ac amcangyfrifwyd mai'r cyfraniadau oedd yn ddyledus i'r Gronfa hyd yn hyn oedd 7,230.56. Rhoddwyd sicrwydd i'r Pwyllgor fod trafodaethau'n parhau rhwng y Gronfa a'r gweinyddwyr ynghylch y cyfraniadau oedd yn ddyledus.

PENDERFYNWYD YN UNFRYDOL nodi'r Adroddiad Torri Amodau mewn perthynas â Chronfa Bensiwn Dyfed.

10. COFRESTRE RISG

Sylwer: Mae'r cofnodion hyn yn amodol ar gael eu cadarnhau yn y cyfarfod nesaf

Cafodd y Pwyllgor y Gofrestr Risg, a oedd yn manylu ar yr holl risgiau gweithredol a strategol a nodwyd mewn perthynas â swyddogaethau Cronfa Bensiwn Dyfed, i'w hystyried.

Dywedwyd wrth y Pwyllgor fod y gofrestr risg wedi'i hadolygu ac nad oedd unrhyw newidiadau i risgiau unigol wedi'u nodi ers cyfarfod diwethaf y Pwyllgor.

PENDERFYNWYD YN UNFYRDOL i nodi adroddiad y gofrestr risg.

11. PARTNERIAETH PENSIWN CYMRU:

Bod y Pwyllgor yn cael i'w hystyried y wybodaeth ddiweddaraf am weithgareddau a chynnydd Partneriaeth Pensiwn Cymru fel a ganlyn:

11.1. Y WYBODAETH DDIWEDDARAF GAN Y CYD-BWYLLGOR LLYWODRAETHU

Rhoddodd adroddiad Cyd-bwyllgor Llywodraethu Partneriaeth Pensiwn Cymru grynodedb o'r eitemau a ystyriwyd yn y cyfarfod a gynhaliwyd ar 19 Gorffennaf 2023. Mewn ymateb i ymholiad ynghylch buddsoddi cyfrifol yng nghyd-destun risgiau newid hinsawdd, cadarnhaodd Rheolwr y Trysorlys a Buddsoddiadau Pensiwn fod hwn wedi bod yn faes blaenoriaeth i Gronfa Bensiwn Dyfed ers blynnyddoedd lawer a bod momentwm wedi cyflymu ar draws Awdurdodau Cyfansawdd yng Nghymru yn y blynnyddoedd diwethaf. Canmolwyd yr Awdurdod gan y Pwyllgor am ei ymagwedd ragweithiol at fuddsoddi cyfrifol a monitro risgiau cysylltiedig â'r hinsawdd. Awgrymwyd bod swyddogion yn edrych ar gyfleoedd i godi ymwybyddiaeth y cyhoedd a hyrwyddo ymhellach ymdrechion yr Awdurdod yn hyn o beth.

PENDERFYNWYD YN UNFRYDOL dderbyn diweddariad Partneriaeth Pensiwn Cymru ar y Cyd-bwyllgor Llywodraethu.

11.2. Y WYBODAETH DDIWEDDARAF GAN Y GWEITHREDWR

Adolygodd y Pwyllgor adroddiad y gweithredwr a oedd yn rhoi'r wybodaeth ddiweddaraf am gerrig milltir a chynnydd Partneriaeth Pensiwn Cymru mewn perthynas â'r Is-gronfeydd ynghyd â Diweddariad Corfforaethol ac Ymgysylltu, gan gynnwys y protocol ymgysylltu.

Wrth ystyried yr is-gronfa ecwiti, dywedwyd wrth y Pwyllgor, mewn ymateb i ymholiad, fod Cronfa Bensiwn Dyfed wedi dewis peidio â buddsoddi yn *UK Opportunities* ar sail y wybodaeth oedd ar gael adeg lansio'r is-gronfa ecwiti yn 2018-19, ac yn unol â dyhead risg Cronfa Bensiwn Dyfed. Yn ogystal, cadarnhaodd yr Ymgynghorydd Buddsoddi Annibynnol fod digon o sylw'n cael ei roi i Gronfa Bensiwn Dyfed drwy'r portffolio *Passive*.

PENDERFYNWYD YN UNFRYDOL dderbyn y diweddariad gan Weithredwr Partneriaeth Pensiwn Cymru.

Sylwer: Mae'r cofnodion hyn yn amodol ar gael eu cadarnhau yn y cyfarfod nesaf

12. CYNLLUN HYFFORDDI 2023-2024

Cafodd y Pwyllgor ddiweddariad i'w ystyried ynghylch y Cynllun Hyfforddi ar gyfer y cyfnod 2023-2024 a oedd yn manylu ar amserlen cyfarfodydd y pwyllgor, a digwyddiadau hyfforddi ar gyfer aelodau a swyddogion Cronfa Bensiwn Dyfed.

Cyfeiriwyd at Gynhadledd Flynyddol LAPFF a oedd i'w chynnal yn Bournemouth 6 – 8 Rhagfyr 2023. Yn dilyn trafodaeth, cytunwyd, pe bai llefydd ar gael, fyddai'r Pennaeth Gwasanaethau Ariannol yn mynychu gyda'r Cyng. N. Lewis i gynrychioli Pwyllgor Cronfa Bensiwn Dyfed.

PENDERFYNWYD YN UNFRYDOL nodi'r Cynllun Hyfforddi ar gyfer 2023-24.

13. ADOLYGIAD O'R DYRANIAD ASED AU STRATEGOL 2023

Yn dilyn cyfarfod y Pwyllgor ar 26 Mehefin 2023 (gweler cofnod rhif 13), rhoddodd y Pwyllgor ystyriaeth i adroddiad a gyflwynai ganfyddiadau dyrannu asedau strategol portffolio buddsoddi Cronfa Bensiwn Dyfed. Tynnwyd sylw'r Pwyllgor at Dabl 1 yr adroddiad a oedd yn cynnig pum portffolio amgen i'r Pwyllgor Pensiwnau i optimeiddio risg ac elw yn unol ag amcanion a gofynion y Gronfa. Yn dilyn rhoi ystyriaeth fanwl i Ddadansoddiad Optimeiddio Portffolio yr adolygiad, ynghyd ag opsiynau ac ystyriaethau'r Portffolio, **PENDERFYNWYD YN UNFRYDOL FOD:**

Opsiwn 1A (newid dyraniad 5% o Ecwiti i Gredyd Preifat) yn cael ei fabwysiadu am y rhesymau a nodwyd yn yr adroddiad.

14. GORCHYMYN I'R CYHOEDD ADAEL Y CYFARFOD

PENDERFYNWYD YN UNFRYDOL, yn unol â Deddf Llywodraeth Leol 1972, fel y'i newidiwyd gan Orchymyn Llywodraeth Leol (Mynediad at Wybodaeth) (Amrywio) (Cymru) 2007, orchymyn i'r cyhoedd adael y cyfarfod tra oedd yr eitemau canlynol yn cael eu hystyried, gan fod yr adroddiadau'n cynnwys gwybodaeth eithriadig fel y'i diffiniwyd ym mharagraff 14 o Ran 4 o Atodlen 12A i'r Ddeddf.

15. MEINI PRAWF GWERTHUSO - PARTNERIAETH PENSIWN CYMRU CAFFAEL GWEITHREDWR

Yn sgil gweithredu'r prawf budd y cyhoedd PENDERFYNWYD YN UNFRYDOL, yn unol â'r Ddeddf y cyfeiriwyd ati yng nghofnod rhif 14 uchod, fod y mater hwn yn cael ei ystyried yn breifat, gan beidio â gadael i'r cyhoedd fod yn bresennol yn y cyfarfod, gan y byddai datgelu gwybodaeth yn debygol o achosi niwed ariannol i'r Gronfa Bensiwn ac o niweidio trafodaethau parhaus a thrafodaethau'r dyfodol.

Adolygodd y Pwyllgor y meini prawf gwerthuso a'r pwysoliadau o ran proses gaffael gweithredwr Partneriaeth Pensiwn Cymru a oedd ar waith eisoes. Nodwyd bod y Gwahoddiad i Dendro i fod i gael ei roi ganol mis Hydref 2023.

Sylwer: Mae'r cofnodion hyn yn amodol ar gael eu cadarnhau yn y cyfarfod nesaf

PENDERFYNWYD YN UNFRYDOL gymeradwyo'r meini prawf gwerthuso a nodwyd yn yr adroddiad ar gyfer caffael Gweithredwr Partneriaeth Pensiwn Cymru.

16. ADOLYGIAD O BERFFORMIAD BENTHYCA GWARANNAU NORTHERN TRUST 2022-23

Yn sgil gweithredu'r prawf budd y cyhoedd PENDERFYNWYD YN UNFRYDOL, yn unol â'r Ddeddf y cyfeiriwyd ati yng nghofnod rhif 14 uchod, fod y mater hwn yn cael ei ystyried yn breifat, gan beidio â gadael i'r cyhoedd fod yn bresennol yn y cyfarfod, gan y byddai datgelu gwybodaeth yn debygol o achosi niwed ariannol i'r Gronfa Bensiwn ac o niweidio trafodaethau parhaus a thrafodaethau'r dyfodol.

Cafodd y Pwyllgor i'w ystyried adolygiad Perfformiad Benthycia Gwarannau Northern Trust ar gyfer 2022-23, a nodai wybodaeth oedd yn ymwneud â throsolwg o'r rhaglen, tueddiadau'r farchnad ac arsylwadau, dadansoddi perfformiad a dadansoddi cyfochrog.

PENDERFYNWYD YN UNFRYDOL dderbyn adolygiad Perfformiad Benthycia Gwarannau Northern Trust 2022-23.

17. ADRODDIAD YMGYSYLLTU ROBECO 1 IONAWR 2023 - 31 MAWRTH 2023

Yn sgil gweithredu'r prawf budd y cyhoedd PENDERFYNWYD YN UNFRYDOL, yn unol â'r Ddeddf y cyfeiriwyd ati yng nghofnod rhif 14 uchod, fod y mater hwn yn cael ei ystyried yn breifat, gan beidio â gadael i'r cyhoedd fod yn bresennol yn y cyfarfod, gan y byddai datgelu gwybodaeth yn debygol o achosi niwed ariannol i'r Gronfa Bensiwn ac o niweidio trafodaethau parhaus a thrafodaethau'r dyfodol.

Derbyniodd y Pwyllgor adroddiad ymgysylltu Robeco ynghylch y cyfnod 1 Ionawr 2023 – 31 Mawrth 2023 i'w ystyried. Roedd yr adroddiad yn rhoi ystadegau manwl mewn perthynas â gweithgareddau ymgysylltu a gynhaliwyd ar bortffolio'r Bartneriaeth yn ystod y chwarter, a detholiad o astudiaethau achos o'r gweithgareddau ymgysylltu wnaed.

PENDERFYNWYD YN UNFRYDOL dderbyn Adroddiad Ymgysylltu Robeco am y cyfnod 1 Ionawr 2023 - 31 Mawrth 2023.

18. ADRODDIAD PERFFORMIAD A RISG YMGYNGHORYDD BUDDSODDI ANNIBYNNOL 30 MEHEFIN 2023

Yn sgil gweithredu'r prawf budd y cyhoedd PENDERFYNWYD YN UNFRYDOL, yn unol â'r Ddeddf y cyfeiriwyd ati yng nghofnod rhif 14 uchod, fod y mater hwn yn cael ei ystyried yn breifat, gan beidio â gadael i'r cyhoedd fod yn bresennol yn y cyfarfod, gan y byddai datgelu gwybodaeth yn debygol o achosi niwed ariannol i'r Gronfa Bensiwn ac o niweidio trafodaethau parhaus a thrafodaethau'r dyfodol.

Sylwer: Mae'r cofnodion hyn yn amodol ar gael eu cadarnhau yn y cyfarfod nesaf

Ystyriodd y Pwyllgor Adroddiad yr Ymgynghorydd Buddsoddi Annibynnol, a roddai wybodaeth mewn perthynas â pherfformiad y rheolwr buddsoddiadau ar gyfer pob chwarter, pob 12 mis a chyfnodau treigl o 3 blynedd, gan ddod i ben ar 30 Mehefin 2023. Roedd yr adroddiad hefyd yn cynnwys cefndir y farchnad fyd-eang a materion a ystyriwyd gan y Pwyllgor.

PENDERFYNWYD YN UNFRYDOL

- 18.1** nodi Adroddiad yr Ymgynghorydd Buddsoddi Annibynnol fel yr oedd ar 30 Mehefin;
- 18.2** bod £30m pellach (1.0%) o ail-gydbwysedd yn cael ei ymrwymo i'r Gronfa Credyd Byd-eang, i'w gyllido gan bortffolio marchnadoedd newydd goddefol, a hynny oherwydd y rhesymau a nodwyd yn yr adroddiad.

19. ADRODDIAD PERFFORMIAD NORTHERN TRUST 30 MEHEFIN 2023

Yn sgil gweithredu'r prawf budd y cyhoedd **PENDERFYNWYD YN UNFRYDOL**, yn unol â'r Ddeddf y cyfeiriwyd ati yng nghofnod rhif 14 uchod, fod y mater hwn yn cael ei ystyried yn breifat, gan beidio â gadael i'r cyhoedd fod yn bresennol yn y cyfarfod, gan y byddai datgelu gwybodaeth yn debygol o achosi niwed ariannol i'r Gronfa Bensiwn ac o niweidio trafodaethau parhaus a thrafodaethau'r dyfodol.

Ystyriodd y Pwyllgor adroddiad Perfformiad Northern Trust ar gyfer Cronfa Bensiwn Dyfed fel yr oedd ar 30 Mehefin 2023, a oedd yn nodi dadansoddiad o berfformiad o ran lefel y gronfa gyfan a chan y rheolwr buddsoddi am y cyfnodau cyn i'r gronfa gychwyn.

PENDERFYNWYD YN UNFRYDOL dderbyn adroddiad Perfformiad Northern Trust ar gyfer Cronfa Bensiwn Dyfed fel yr oedd ar 30 Mehefin 2023.

20. ADRODDIADAU'R RHEOLWR BUDDSODDI AR 30 MEHEFIN 2023

Yn sgil gweithredu'r prawf budd y cyhoedd **PENDERFYNWYD YN UNFRYDOL**, yn unol â'r Ddeddf y cyfeiriwyd ati yng nghofnod rhif 14 uchod, fod y mater hwn yn cael ei ystyried yn breifat, gan beidio â gadael i'r cyhoedd fod yn bresennol yn y cyfarfod, gan y byddai datgelu gwybodaeth yn debygol o achosi niwed ariannol i'r Gronfa Bensiwn ac o niweidio trafodaethau parhaus a thrafodaethau'r dyfodol.

Rhoddodd y Pwyllgor ystyriaeth i adroddiadau'r rheolwr buddsoddi a oedd yn nodi perfformiad pob rheolwr fel yr oeddent ar 30 2023.

- BlackRock - Adroddiad Chwarterol 30 Mehefin 2023;
- Schroders - Adroddiad Buddsoddi Ch2 2023;
- Partners Group - Adroddiad Chwarterol Ch2 2023;
- Cronfa Tyfu Byd-eang Partneriaeth Pensiwn Cymru - 30 Mehefin 2023;
- Cronfa Credyd Byd-eang Partneriaeth Pensiwn Cymru - 30 Mehefin 2023.

Sylwer: Mae'r cofnodion hyn yn amodol ar gael eu cadarnhau yn y cyfarfod nesaf

PENDERFYNWYD YN UNFRYDOL dderbyn adroddiadau'r rheolwr buddsoddi ar gyfer Cronfa Bensiwn Dyfed.

CHAIR

DATE

Sylwer: Mae'r cofnodion hyn yn amodol ar gael eu cadarnhau yn y cyfarfod nesaf

PWYLLGOR CRONFA BENSIWN DYFED**15 TACHWEDD 2023****ADRODDIAD YNGHYLCH YR ARCHWILIAD O DDATGANIADAU
ARIANNOL 2022-23**

Pwyllgor Cronfa Bensiwn Dyfed i adolygu a sylwi ar Adroddiad Archwiliad o Ddatganiadau Ariannol (ISA 260) 2022-23

Yr Argymhellion / Penderfyniadau Allweddol Sydd Eu Hangen:

Pwyllgor i derbyn yr Adroddiad Archwiliad o Ddatganiadau Ariannol (ISA 260) 2022-23.

Y Rhesymau:

Bydd Pwyllgor Cronfa Bensiwn Dyfed yn adolygu ac yn rhoi sylwadau ar Adroddiad Archwilio Datganiadau Ariannol (ISA260) 2022-23. Mae'r adroddiad hwn i'w ystyried gan y Pwyllgor Pensiwn gan fod y Pwyllgor Llywodraethu ac Archwilio'n gyfrifol am gymeradwyo'r adroddiad.

Angen i'r Cabinet wneud penderfyniad Amherthnasol

Angen i'r Cyngor wneud penderfyniad Amherthnasol

YR AELOD O'R CABINET SY'N GYFRIFOL AM Y PORTFFOLIO:- Amherthnasol

Y Gyfarwyddiaeth:

Gwasanaethau Corfforaethol

Enw'r Gyfarwyddwr:

Chris Moore

Awdur yr Adroddiad:

Chris Moore

Swyddi:

Cyfarwyddwr Gwasanaethau
Corfforaethol,
Cyngor Sir Gâr

Rhifau ffôn:

01267 224120

Cyfeiriadau E-bost:

CMoore@sirgar.gov.uk

EXECUTIVE SUMMARY

DYFED PENSION FUND COMMITTEE

15TH NOVEMBER 2023

AUDIT OF FINANCIAL STATEMENTS REPORT 2022-23

The Auditor General is responsible for providing an opinion on whether the financial statements of the Dyfed Pension Fund give a true and fair view of their financial position at 31 March 2023 and of its income and expenditure for the year ended 31 March 2023.

This report sets out for consideration the matters arising from the audit of the financial statements of Dyfed Pension Fund for 2022-23, that require reporting under ISA 260.

The Governance & Audit Committee approved the Audit of Financial Statements Report 2022-23 for Dyfed Pension Fund on 27 October 2023.

DETAILED REPORT ATTACHED?

YES

IMPLICATIONS

I confirm that other than those implications which have been agreed with the appropriate Directors / Heads of Service and are referred to in detail below, there are no other implications associated with this report:

Signed: **C Moore**

Director of Corporate Services

Policy, Crime & Disorder and Equalities	Legal	Finance	ICT	Risk Management Issues	Staffing Implications	Physical Assets
NONE	YES	NONE	NONE	NONE	NONE	NONE

Legal

This report is for review and comment by the Pension Committee. The Governance & Audit Committee is charged with the responsibility of approving the ISA 260. The Governance & Audit Committee granted approval on 27 October 2023.

CONSULTATIONS

I confirm that the appropriate consultations have taken in place and the outcomes are as detailed below

Signed: **C Moore**

Director of Corporate Services

1. Scrutiny Committee request for pre-determination	N/A
2. Local Member(s) N/A	
3. Community / Town Council N/A	
4. Relevant Partners N/A	
5. Staff Side Representatives and other Organisations N/A	

CABINET MEMBER PORTFOLIO HOLDER(S) AWARE/CONSULTED

N/A

**Section 100D Local Government Act, 1972 – Access to Information
List of Background Papers used in the preparation of this report:**

THERE ARE NONE

Mae'r dudalen hon yn wag yn fwriadol

Audit of Accounts Report – Dyfed Pension Fund

Audit year: 2022-23

Date issued: October 2023

Document reference: 3793A2023

This document has been prepared as part of work performed in accordance with statutory functions.

In the event of receiving a request for information to which this document may be relevant, attention is drawn to the Code of Practice issued under section 45 of the Freedom of Information Act 2000. The section 45 code sets out the practice in the handling of requests that is expected of public authorities, including consultation with relevant third parties. In relation to this document, the Auditor General for Wales and the Wales Audit Office are relevant third parties. Any enquiries regarding disclosure or re-use of this document should be sent to the Wales Audit Office at infoofficer@audit.wales.

We welcome correspondence and telephone calls in Welsh and English. Corresponding in Welsh will not lead to delay. Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg. Ni fydd gohebu yn Gymraeg yn arwain at oedi.

Mae'r ddogfen hon hefyd ar gael yn Gymraeg. This document is also available in Welsh.

Contents

We intend to issue an unqualified audit report on your Accounts. There are some issues to report to you prior to their approval.

Audit of Accounts Report

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Audit of Accounts Report

Introduction

- 1 We summarise the main findings from our audit of your 2022-23 accounts in this report.
- 2 We have already discussed these issues with the Director of Corporate Services and his team.
- 3 Auditors can never give complete assurance that accounts are correctly stated. Instead, we work to a level of 'materiality'. This level of materiality is set to try to identify and correct misstatements that might otherwise cause a user of the accounts into being misled.
- 4 We set this level at £31.3 million for this year's audit.
- 5 There are some areas of the accounts that may be of more importance to the reader and we have set a lower materiality level for these, as follows:
 - Key Management Personnel Disclosures – £1,000
 - Related Party disclosures – £10,000
- 6 The timetable for completion of the audited accounts is set out in **Exhibit 1**.

Exhibit 1 – accounts timetable

Timetable	<ul style="list-style-type: none">• The deadline for completing your accounts was 31 July 2023.• We received the draft accounts on 7 July 2023.• Our deadline for completing the audit is 30 November 2023.• We expect your audit report to be signed on 2 November 2023.
------------------	--

- 7 We have now substantially completed this year's audit but at the time of drafting this report, the following work is outstanding:
 - the final review of our audit file
- 8 We will provide a verbal update on this outstanding item at the Audit and Governance Committee on 27th October 2023.
- 9 In our professional view, we have complied with the ethical standards that apply to our work; remain independent of yourselves; and our objectivity has not been compromised in any way. There are no relationships between ourselves and yourselves that we believe could undermine our objectivity and independence.

Proposed audit opinion

- 10 We intend to issue an unqualified audit opinion on this year's accounts once you have provided us with a Letter of Representation based on that set out in **Appendix 1**.
- 11 We issue a 'qualified' audit opinion where we have material concerns about some aspects of your accounts; otherwise we issue an unqualified opinion.
- 12 The Letter of Representation contains certain confirmations we are required to obtain from you under auditing standards along with confirmation of other specific information you have provided to us during our audit.
- 13 Our proposed audit report is set out in **Appendix 2**.

Significant issues arising from the audit

Uncorrected misstatements

- 14 There are no misstatements identified in the accounts, which remain uncorrected.

Corrected misstatements

- 15 There were initially misstatements in the accounts that have now been corrected by management. However, we believe that these should be drawn to your attention and they are set out with explanations in **Appendix 3**.

Other significant issues arising from the audit

- 16 In the course of the audit, we consider a number of matters relating to the accounts and report any significant issues arising to you. There were no significant issues arising in these areas this year.

Appendix 1

Final letter of representation

[Audited body's letterhead]

Auditor General for Wales
Wales Audit Office
1 Capital Quarter
Tyndall Street
Cardiff
CF10 4BZ

27 October 2023

Representations regarding the 2022-23 financial statements

This letter is provided in connection with your audit of the financial statements of Dyfed Pension Fund for the year ended 31 March 2023 for the purpose of expressing an opinion on their truth and fairness and their proper preparation.

We confirm that to the best of our knowledge and belief, having made enquiries as we consider sufficient, we can make the following representations to you.

Management representations

Responsibilities

We have fulfilled our responsibilities for:

- the preparation of the financial statements in accordance with legislative requirements and CIPFA's Code of Practice on Local Authority Accounting in the United Kingdom UK 2022-23; in particular the financial statements give a true and fair view in accordance therewith; and
- the design, implementation, maintenance and review of internal control to prevent and detect fraud and error.

Information provided

We have provided you with:

- full access to:
 - all information of which we are aware that is relevant to the preparation of the financial statements such as books of account and supporting documentation, minutes of meetings and other matters;

- additional information that you have requested from us for the purpose of the audit; and
- unrestricted access to staff from whom you determined it necessary to obtain audit evidence;
- the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud;
- our knowledge of fraud or suspected fraud that we are aware of and that affects Dyfed Pension Fund and involves:
 - management;
 - employees who have significant roles in internal control; or
 - others where the fraud could have a material effect on the financial statements;
- our knowledge of any allegations of fraud, or suspected fraud, affecting the financial statements communicated by employees, former employees, regulators or others;
- our knowledge of all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements; and
- the identity of all related parties and all the related party relationships and transactions of which we are aware.

Financial statement representations

All transactions, assets and liabilities have been recorded in the accounting records and are reflected in the financial statements.

Significant assumptions used in making accounting estimates, including those measured at fair value, are reasonable.

Related party relationships and transactions have been appropriately accounted for and disclosed.

All events occurring subsequent to the reporting date which require adjustment or disclosure have been adjusted for or disclosed.

All known actual or possible litigation and claims whose effects should be considered when preparing the financial statements have been disclosed to the auditor and accounted for and disclosed in accordance with the applicable financial reporting framework.

The financial statements are free of material misstatements, including omissions. There are no uncorrected misstatements in the financial statements.

Representations by those charged with governance

We acknowledge that the representations made by management, above, have been discussed with us.

We acknowledge our responsibility for the preparation of true and fair financial statements in accordance with the applicable financial reporting framework. The financial statements were approved by the Governance and Audit Committee on 29 September 2023.

We confirm that we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that it has been communicated to you. We confirm that, as far as we are aware, there is no relevant audit information of which you are unaware.

Signed by:

Director of Corporate Services

Date:

Signed by:

Chair of the Governance and Audit
Committee

Date:

Appendix 2

Proposed audit report

The independent auditor's report of the Auditor General for Wales to the members of Carmarthenshire County Council as administering authority for Dyfed Pension Fund

Opinion on financial statements

I have audited the financial statements of Dyfed Pension Fund for the year ended 31 March 2023 under the Public Audit (Wales) Act 2004. Dyfed Pension Fund's financial statements comprise the fund account, the net assets statement and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and international accounting standards as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2022-23.

In my opinion the financial statements:

- give a true and fair view of the financial position of Dyfed Pension Fund as at 31 March 2023 and of the amount and disposition at that date of its assets and liabilities, other than the liabilities to pay pensions and benefits after the end of the year; and
- have been properly prepared in accordance with legislative requirements and international accounting standards as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2022-23.

Basis of opinion

I conducted my audit in accordance with applicable law and International Standards on Auditing in the UK (ISAs (UK)) and Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report.

My staff and I are independent of the pension fund in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern

In auditing the financial statements, I have concluded that the use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the pension fund's ability to continue to adopt the going concern basis of accounting for a period of at least 12 months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the responsible financial officer with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements. The Responsible Financial Officer is responsible for the other information contained within the annual report. My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my report, I do not express any form of assurance conclusion thereon. My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Report on other requirements

Opinion on other matters

In my opinion, based on the work undertaken in the course of my audit:

- the information contained in the annual report for the financial year for which the financial statements are prepared is consistent with the financial statements and the annual report has been prepared in accordance with the Local Government Pension Scheme Regulations 2013.

Matters on which I report by exception

In the light of the knowledge and understanding of the pension fund and its environment obtained in the course of the audit, I have not identified material misstatements in the annual report.

I have nothing to report in respect of the following matters, which I report to you, if, in my opinion:

- adequate accounting records have not been kept, or returns adequate for my audit have not been received from branches not visited by my team;
- the financial statements are not in agreement with the accounting records and returns; or
- I have not received all the information and explanations I require for my audit.

Responsibilities

Responsibilities of the responsible financial officer for the financial statements

As explained more fully in the Statement of Responsibilities for the Statement of Accounts set out on pages 58-59, the responsible financial officer is responsible for:

- the preparation of the financial statements, which give a true and fair view;
- maintaining proper accounting records;
- internal controls as the responsible financial officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; and
- assessing the Dyfed Pension Fund's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the responsible financial officer anticipates that the services provided by Dyfed Pension Fund will not continue to be provided in the future.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit the financial statements in accordance with the Public Audit (Wales) Act 2004.

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

My procedures included the following:

- enquiring of management, the pension fund's head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to Dyfed Pension Fund's policies and procedures concerned with:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
 - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- considering as an audit team how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, I identified potential for fraud in the posting of unusual journals.
- obtaining an understanding of Dyfed Pension Fund's framework of authority as well as other legal and regulatory frameworks that Dyfed Pension Fund operates in, focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of Dyfed Pension Fund.
- obtaining an understanding of related party relationships.

In addition to the above, my procedures to respond to identified risks included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations discussed above;
- enquiring of management, the Governance and Audit Committee and legal advisors about actual and potential litigation and claims;
- reading minutes of meetings of those charged with governance and the pension committee; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

I also communicated relevant identified laws and regulations and potential fraud risks to all audit team and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

The extent to which my procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of Dyfed Pension Fund's controls, and the nature, timing and extent of the audit procedures performed.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website www.frc.org.uk/auditorsresponsibilities. This description forms part of my auditor's report.

Other auditor's responsibilities

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Certificate of completion of audit

I certify that I have completed the audit of the accounts of Dyfed Pension Fund in accordance with the requirements of the Public Audit (Wales) Act 2004 and the Auditor General for Wales' Code of Audit Practice.

Adrian Crompton
Auditor General for Wales

2 November 2023

1 Capital Quarter
Tyndall Street
Cardiff
CF10 4BZ

Appendix 3

Summary of corrections made

During our audit, we identified the following misstatements that have been corrected by management, but which we consider should be drawn to your attention due to their relevance to your responsibilities over the financial reporting process.

Exhibit 2: summary of corrections made

Value of correction	Nature of correction	Reason for correction
Inclusion of a Post Balance Sheet Events Note (No overall effect on the primary statements)	Post Balance Sheet Events Note The CIPFA code requires a disclosure regarding any event both favourable or unfavourable that occurs between the end of the reporting period and the date the financial statements are authorised for issue. The financial statements were updated to include a Post Balance Sheet Events note.	To ensure that the financial statements comply with the relevant standards (CIPFA Code)
Explanation for movement in Fair Values (No overall effect on the primary statements)	Notes 13.5 and 13.6 Investments Fair Values Investments of £89.9m had been incorrectly classified by a Fund Manager as a Level 3 investment in 2021-22 whereas they should have been classified as a Level 2 investment. This information became available to officers during 2022-23 and the draft financial statements reflected this movement in the disclosures within Notes 13.5 and 13.6. Given the values involved, the financial statements were updated to include additional narrative to explain this.	To ensure that users of the financial statements are provided with sufficient information to understand the disclosures.
Various (No overall effect on the primary statements)	A couple of minor amendments were made to the financial statements relating to either revisions to disclosures of information or narrative changes.	To ensure the accuracy of the financial statements.



Audit Wales

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Website: www.audit.wales

We welcome correspondence and telephone calls in Welsh and English.
Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg.

**PWYLLGOR CRONFA BENSIWN DYFED
15 TACHWEDD 2023**

**COFNODION BWRDD PENSIWN CRONFA BENSIWN DYFED
25 HYDREF 2023**

Rhoi gwybod i'r Pwyllgor am gyfarfod y Bwrdd Pensiwn a gynhaliwyd ar 25 Hydref 2023.

Yr Argymhellion / Penderfyniadau Allweddol Sydd Eu Hangen:

Y Pwyllgor i nodi cofnodion cyfarfod Bwrdd Pensiwn Cronfa Bensiwn Dyfed a gynhaliwyd ar 25 Hydref 2023.

Y Rhesymau:

Rhoi gwybod i'r Pwyllgor am gyfarfod y Bwrdd Pensiwn a gynhaliwyd ar 25 Hydref 2023.

Angen i'r Cabinet wneud penderfyniad Amherthnasol

Angen i'r Cyngor wneud penderfyniad Amherthnasol

YR AELOD O'R CABINET SY'N GYFRIFOL AM Y PORTFFOLIO:- Amherthnasol

Y Gyfarwyddiaeth:

Gwasanaethau Corfforaethol

Enw'r Cyfarwyddwr:

Chris Moore

Awdur yr Adroddiad:

Chris Moore

Swyddi:

Cyfarwyddwr Gwasanaethau
Corfforaethol,
Cyngor Sir Gâr

Rhifau ffôn:

01267 224120

Cyfeiriadau E-bost:

CMoore@sirgar.gov.uk

EXECUTIVE SUMMARY

DYFED PENSION FUND COMMITTEE

15TH NOVEMBER 2023

DYFED PENSION FUND PENSION BOARD MINUTES 25 OCTOBER 2023

A meeting of the Dyfed Pension Fund Pension Board took place on 25 October 2023. The following items were considered:

- Draft Minutes of the Pension Fund Committee meeting 28 September 2023
- Pre-Audit Statement of Accounts 2022-23
- Budget Monitoring 1 April 2023 – 30 June 2023
- Cash reconciliation as at 30 June 2023
- Pensions Administration Report
- Breaches Report
- Risk Register
- Wales Pension Partnership (WPP) Update
- Training Plan 2023-24
- Strategic Asset Allocation (SAA) Review 2023
- Pension Board Budget Monitoring 1 April 2023 – 30 September 2023
- Pension Board Work Plan 2023
- Pension Board Work Plan 2024
- Evaluation Criteria – WPP Operator Procurement
- Northern Trust Securities Lending Performance Review 2022-23
- Robeco Engagement Report 1 January 2023 – 31 March 2023
- Independent Advisor Performance & Risk Report to 30 June 2023
- Northern Trust Performance Report to 30 June 2023
- Investment Manager Reports to 30 June 2023

DETAILED REPORT ATTACHED?

YES

IMPLICATIONS

I confirm that other than those implications which have been agreed with the appropriate Directors / Heads of Service and are referred to in detail below, there are no other implications associated with this report:

Signed: **C Moore**

Director of Corporate Services

Policy, Crime & Disorder and Equalities	Legal	Finance	ICT	Risk Management Issues	Staffing Implications	Physical Assets
NONE	NONE	NONE	NONE	NONE	NONE	NONE

CONSULTATIONS

I confirm that the appropriate consultations have taken in place and the outcomes are as detailed below

Signed: **C Moore**

Director of Corporate Services

1. Scrutiny Committee request for pre-determination	N/A
--	-----

2. Local Member(s) N/A

3. Community / Town Council N/A

4. Relevant Partners N/A

5. Staff Side Representatives and other Organisations N/A

CABINET MEMBER PORTFOLIO HOLDER(S) AWARE/CONSULTED

N/A

**Section 100D Local Government Act, 1972 – Access to Information
List of Background Papers used in the preparation of this report:**

THERE ARE NONE

Mae'r dudalen hon yn wag yn fwriadol

BWRDD PENSIWN

25 HYDREF 2023

YN BRESENNOL: Mr J. Jones [Cadeirydd] (Yn y Siambr)

Aelodau'r Bwrdd (Yn y Siambr):

Mr. R. Edwards, Cynrychiolydd Cyflogwyr sy'n Aelodau;
Mr. M. Evans, Cynrychiolydd Aelodau;
Cynghorydd A. Lenny, Cynrychiolydd Cyflogwyr sy'n Aelodau;
Cynghorydd W. Thomas, Cynrychiolydd Cyflogwyr sy'n Aelodau.

Aelod o'r Bwrdd (Rhithwir):

Mr. T. Bowler, Cynrychiolydd o'r Undeb.

Hefyd yn bresennol fel sylwedydd (Rhithwir):

Cynghorydd D.E. Williams, Cadeirydd Pwyllgor Cronfa Bensiwn Dyfed;

Hefyd yn bresennol (Yn y Siambr):

R. Hemingway, Pennaeth y Gwasanaethau Ariannol;
A. Parnell, Rheolwr Pensiwn a Buddsodiadau Gyllidol;
J. Williams, Cyfrifydd Cynorthwyol;
E. Evans, Prif Swyddog Gwasanaethau Democraidd;
S. Rees, Cyfieithydd ar y Pryd;
J. Owen, Swyddog Gwasanaethau Democraidd.

Hefyd yn bresennol (Rhithwir):

A. Brown, Cynghorydd Buddsoddi Annibynnol;

Y Siambr, Neuadd y Sir, Caerfyrddin, SA31 1JP ac o bell: 1:00yp - 3:08yp

[Syl. Am 2:53yp, cafodd y Bwrdd egwyl cyn ailddechrau am 2:56yp.]

1. YMDDIHEURIADAU AM ABSENOLDEB

Cafwyd ymddiheuriad am absenoldeb gan M. Rogers, Cynrychiolydd Pensiynwyr sy'n Aelodau.

2. DATGANIADAU O FUDDIANNAU PERSONOL

Ni ddatganwyd unrhyw fuddiannau personol yn y cyfarfod.

3. COFNODION CYFARFOD Y BWRDD PENSIWN A GYNHALIWDYD AR 19 GORFFENNAF 2023

CYTUNWYD bod cofnodion cyfarfod y Bwrdd Pensiwn a gynhaliwyd ar 19 Gorffennaf 2023 yn cael eu cadarnhau fel cofnod cywir.

4. CYFARFOD Y PWYLLGOR CRONFA BENSIWN DYFED A GYNHALIWYD AR 28 MEDI 2023

Cafodd y Bwrdd yr adroddiadau a ystyriwyd gan Bwyllgor Cronfa Bensiwn Dyfed ar 28 Medi 2023, fel y nodwyd yng nghofnodion 4.1- 4.10 isod, er mwyn eu hystyried a gwneud sylwadau arnynt.

4.1. RHAGARCHWILIAD O DDATGANIAD CYFRIFON 2022-23

Cafodd y Bwrdd y Datganiad Cyfrifon Cyn-Archwilio 2022-23 a gafodd ei ystyried a'i gymeradwyo gan Bwyllgor Cronfa Bensiwn Dyfed ar 28 Medi 2023.

Roedd cyfrifon Cronfa Bensiwn Dyfed yn darparu gwybodaeth am sefyllfa ariannol, perfformiad a hyblygrwydd ariannol y Gronfa am y flwyddyn 2022-23, a oedd yn cynnwys:

- Cyfrif y Gronfa.
- Y Datganiad Asedau Net.
- Y Datganiad gan yr Actiwari Ymgynghori

Rhodddwyd gwybod i'r Bwrdd fod y Datganiad o Gyfrifon fel sydd ar gael ar y wefan i'w weld yn gyhoeddus a byddai'n cael ei gyflwyno i'r Pwyllgor Llywodraethu ac Archwilio ar 27 Hydref 2023 er mwyn cydymffurfio â Rheoliadau Cyfrifon ac Archwilio (Cymru) 2014.

Codwyd y sylwadau/ymholiadau canlynol ynghylch yr adroddiad ac ymatebwyd iddynt:-

- Nododd Rheolwr y Trysorlys a Buddsoddiadau Pensiwn mewn ymateb i ymholiad ynghylch gostwng yr asedau net o £210m i ddiffyg o £83m bod y mwyafrif wedi ei briodoli i golled nad oedd wedi'i wireddu o £106m a oedd yn gysylltiedig â newid yng ngwerth cronfa'r farchnad ac oherwydd bod yr ecwiti a'r incwm sefydlog wedi bod yn gyfnewidiol eleni gan achosi gwerth y farchnad i ostwng.
- Mewn ymateb i ymholiad ynglŷn â'r ffigurau sy'n ymwneud â'r asedau presennol ers mis Mawrth 2022, dywedodd Rheolwr y Trysorlys a Buddsoddiadau Pensiwn fod y cynnydd yn bennaf oherwydd y dyfarniad cyflog hwyr ym mis Mawrth 2023. Ar ben hynny, y brif elfen arall oedd y balans arian a oedd yn cael ei gadw gan Reolwyr Trysorlys Cyngor Sir Caerfyrddin ar gyfer Cronfa Bensiwn Dyfed a gynyddodd o £4.5m i £6.6m yn y flwyddyn.
- Rodd y Bwrdd am ddiolch i'r swyddogion a'r staff oedd yn rhan o'r gwaith o baratoi a chwblhau'r cyfrifon.

CYTUNWYD YN UNFRYDOL i nodi Datganiad Cyfrifon Cyn-Archwilio 2022-2023.

4.2. MONITRO CYLLIDEB 1 EBRILL 2023 - 30 MEHEFIN 2023

Cafodd y Bwrdd adroddiad Monitro Cyllideb Cronfa Bensiwn Dyfed a oedd yn rhoi'r wybodaeth ddiweddaraf am y sefyllfa gyllidebol ddiweddaraf o ran blwyddyn ariannol 2023/24.

Dywedwyd y rhagwelwyd tanwariant o £1.3m ar Bensiynau Taladwy. Yn ogystal, dywedwyd adeg gosod y gyllideb ar gyfer 2023-24 bod cynnydd o 2.2% wedi'i gynnwys i amcangyfrif y pensiynau ychwanegol a dalwyd ar aelodau newydd y pensiwn am y flwyddyn a hyd yma roedd y cynnydd gwirioneddol mewn aelodau pensiwn yn agosach at 1%.

O ran incwm, rhagwelwyd bod cyfraniadau yn £1.9m a oedd yn fwy na'r hyn a gyllidebwyd oherwydd bod cyflogres bensiynadwy aelodau yn uwch na'r hyn a ragwelwyd wrth osod y gyllideb. Rhagwelwyd y byddai incwm buddsoddi yn is na'r gyllideb o £2.3m. Felly, rhagwelwyd byddai incwm yn is na'r gyllideb o £0.4m.

Nodwyd mae amcangyfrif cyfanswm y gwariant oedd £121.5m ac mai cyfanswm yr incwm oedd £122.4m, gan arwain at sefyllfa llif arian gadarnhaol o £0.9m.

CYTUNWYD YN UNFRYDOL i nodi'r adroddiad.

4.3. CYSONI ARIAN PAROD FEL YR OEDD AR 30 MEHEFIN 2023

Bu'r Bwrdd yn ystyried yr adroddiad Cysoni Arian Parod a oedd yn rhoi'r wybodaeth ddiweddaraf am sefyllfa ariannol Cronfa Bensiwn Dyfed fel yr oedd ar 30 Mehefin 2023.

CYTUNWYD bod yr adroddiad yn cael ei nodi.

4.4. ADRODDIAD GWEINYDDU PENSIYNAU

Bu'r Bwrdd yn ystyried adroddiad a oedd yn rhoi'r wybodaeth ddiweddaraf am gynnydd nifer o brosiectau sy'n cael eu cynnal, ynghyd â gwybodaeth am faterion perthnasol wrth weinyddu buddion y cynllun.

Codwyd y sylwadau/ymholiadau canlynol ynghylch yr adroddiad ac ymatebwyd iddynt:-

- Wrth gyfeirio at ddiweddariad McCloud / Sargeant mynegwyd pryder ynghylch effaith y goblygiadau o ran yr adnoddau sydd eu hangen i ailgyfrifo'r holl bensiynau. Gofynnwyd a fyddai angen adnoddau ychwanegol er mwyn cwblhau'r gwaith? Dywedodd Pennaeth y Gwasanaethau Ariannol fod y tîm wedi cynyddu dros y blynyddoedd diwethaf er mwyn cefnogi'r broses o gasglu data, fodd bynnag, yn fwy penodol roedd aelod arall o staff wedi ychwanegu at y tîm yn ddiweddar er mwyn gweithio ar yr ymarfer casglu data. Dywedwyd yn dilyn rhai cyfrifiadau prawf bod ansicrwydd yn parhau o ran faint o gyfrifiadau y gellid eu hawtomeiddio a faint y byddai'n rhaid

eu gwneud â llaw ac felly byddai angen profion pellach i ganfod sut y gallai'r system wneud y llwyth gwaith yn haws.

Gofynnwyd a ellid cyflogi Deallusrwydd Artiffisial i ymgymryd â'r gwaith angenrheidiol? Eglurodd y Pennaeth Gwasanaethau Ariannol fod Deallusrwydd Artiffisial yn cael ei archwilio ar draws ystod o wasanaethau gyda'r nod o leihau amser swyddogion.

CYTUNWYD bod yr Adroddiad Gweinyddu Pensiynau mewn perthynas â Chronfa Bensiwn Dyfed yn cael ei nodi.

4.5. ADRODDIAD TORRI AMODAU

Bu'r Bwrdd yn ystyried Adroddiad Torri Amodau, mewn perthynas â Chronfa Bensiwn Dyfed. Nodwyd bod Adran 70 o Ddeddf Pensiynau 2004 yn pennu'r ddyletswydd gyfreithiol i riportio achosion o dorri'r gyfraith. Cymeradwywyd Polisi Torri Amodau Cronfa Pensiwn Dyfed gan Bwyllgor Cronfa Bensiwn Dyfed ym mis Mawrth 2016 ac o dan y polisi, mae'n ofynnol rhoi gwybod am achosion o dorri'r gyfraith i'r Rheoleiddiwr Pensiynau.

Ers cyfarfod diwethaf Pwyllgor y Gronfa Bensiwn bu ychydig achosion lle nad oedd cyfraniadau gweithwyr/cyflogwr wedi'u derbyn ar amser. Rhoddwyd gwybod am y mater hwn i'r Rheoleiddiwr Pensiynau.

CYTUNWYD bod yr Adroddiad Torri Amodau mewn perthynas â Chronfa Bensiwn Dyfed yn cael ei nodi.

4.6. COFRESTRY RISG

Rhoddwyd gwybod i'r Bwrdd fod y Gofrestr Risg yn ddogfen waith sy'n tynnu sylw at yr holl risgiau a nodwyd mewn perthynas â swyddogaethau Cronfa Bensiwn Dyfed. Mae'r gofrestr risg yn cael ei monitro a'i hadolygu'n rheolaidd ac mae risgiau'n cael eu nodi fel rhai gweithredol a strategol. Dywedwyd nad oedd unrhyw newidiadau ers cyfarfod blaenorol y pwyllgor.

Codwyd y sylwadau/ymholiadau canlynol ynghylch yr adroddiad ac ymatebwyd iddynt:-

- Wrth gydnabod y materion sy'n digwydd ar hyn o bryd yn y Dwyrain Canol, cydnabuwyd y gallai fod potensial uchel i ansefydlogrwydd y farchnad effeithio ar werth asedau. Gofynnwyd a ellid diogelu'r gronfa, a sut? Eglurodd Rheolwr y Trysorlys a Buddsoddiadau Pensiwn fod y gofrestr risg yn cynnwys digwyddiadau geowleidyddol, fodd bynnag, dywedwyd mai nifer fach o fuddsoddiadau oedd yn yr ardaloedd yr effeithiwyd arnynt. Mewn ymateb i ymholiad pellach ynghylch buddsoddiadau yn y diwydiant arfau, rhoddodd Rheolwr y Trysorlys a Buddsoddiadau Pensiwn sicrwydd mai ychydig iawn o fuddsoddiadau oedd yn yr ardaloedd yr effeithiwyd arnynt a bod y buddsoddiadau hynny mewn meysydd sy'n peri pryder yn cael eu monitro'n agos.

- Wrth gyfeirio at y gofrestr gynhwysfawr a manwl, gofynnwyd a oedd modd cael gwared ar y risgiau is. Eglurodd Rheolwr y Trysorlys a Buddsoddiadau Pensiwn, er bod y gofrestr yn cael ei hadolygu'n chwarterol, roedd y risgiau â sgôr is yn parhau ar y gofrestr rhag ofn y byddent yn digwydd eto, e.e. Coronafeirws. Fodd bynnag, byddai ystyriaeth bellach mewn perthynas â'r risgiau is yn cael ei wneud cyn cyfarfod nesaf Pwyllgor Cronfa Bensiwn Dyfed.

CYTUNWYD bod y wybodaeth ddiweddaraf am y gofrestr risg yn cael ei nodi.

4.7. PARTNERIAETH PENSIWN CYMRU (PPC)

Bu'r Bwrdd yn ystyried y wybodaeth ddiweddaraf am weithgareddau a chynnydd Partneriaeth Pensiwn Cymru gan gynnwys gwaith sydd wedi'i gwblhau ers cyfarfod diwethaf y Cyd-bwyllgor Llywodraethu a chamau nesaf/blaenoriaethau Partneriaeth Pensiwn Cymru.

Codwyd y sylwadau/ymholiadau canlynol ynghylch yr adroddiad ac ymatebwyd iddynt:-

- Mewn ymateb i ymholiad, dywedodd Rheolwr y Trysorlys a Buddsoddiadau Pensiwn fod yr holl adnoddau sydd ar gael o fewn Link Solutions Group wedi cael eu trosglwyddo'n ddi-dor i'r Waystone Group. Yn ogystal, roedd y Waystone Group wedi darparu rhagor o staff a croesawyd hyn. Dywedwyd hefyd na fyddai costau cynyddol ar gyfer Partneriaeth Pensiwn Cymru o ganlyniad i'r newid. Ar ben hynny, dywedwyd wrth y Bwrdd er y byddai'r uwch-reolwyr yr un peth, y byddai Prif Swyddog Gweithredol o Waystone Group hefyd yn ymuno â'r strwythur rheoli a oedd yn adnodd ychwanegol i'w groesawu ar lefel uwch.

CYTUNWYD bod adroddiad Partneriaeth Pensiwn Cymru yn cael ei nodi.

4.8. CYNLLUN HYFFORDDI 2023-2024

Bu'r Bwrdd yn ystyried Cynllun Hyfforddi Cronfa Bensiwn Dyfed ar gyfer 2023/24, a oedd yn darparu manylion am gyfarfodydd, digwyddiadau hyfforddi a'r aelodau a'r swyddogion y rhagwelwyd y byddent yn mynychu'r digwyddiadau hynny.

CYTUNWYD bod Cynllun Hyfforddi Cronfa Bensiwn Dyfed ar gyfer 2023/24 yn cael ei nodi.

4.9. ADOLYGIAD O'R DYRANIAD ASED AU STRATEGOL 2023

Bu'r Bwrdd yn ystyried adroddiad a oedd yn rhoi manylion am yr Adolygiad o'r Dyraniad Asedau Strategol a oedd yn archwilio Dyraniad Asedau Strategol cyffredinol y portffolio buddsoddi ac yn rhoi argymhellion ynghylch lle y gellir gweithredu'r portffolio mor effeithiol â phosibl i gyflawni amcanion a gofynion y Gronfa.

Roedd yr adroddiad yn cynnig argymhelliad i fabwysiadu Opsiwn 1A a oedd yn cynnwys dyraniad o 5% i Gredyd Preifat a fyddai'n cael ei ariannu gan ostyngiad yn y dyraniad i Ecwitiâu. Argymhelliad pellach yn yr adroddiad oedd rhoi'r gorau i ailfuddsoddi incwm a gynhyrchir o'r Gronfa Credyd Byd-eang a dechrau derbyn yr incwm hwn fel dosbarthiad.

Codwyd y sylwadau/ymholiadau canlynol ynghylch yr adroddiad ac ymatebwyd iddynt:-

- Cyfeiriwyd at ffigur 3 – Rhagolwg Incwm sydd ei angen/ a gynhyrchwyd gan y Dyraniad Asedau Strategol Cyfredol sydd ar dudalen 12 yr adroddiad. I gydnabod bod y balans wedi gostwng drwy gydol y cyfnod o 5 mlynedd, gofynnwyd a fyddai'r balans yn lefelu yn yr hir dymor? Dywedodd yr Ymgynghorydd Buddsoddi Annibynnol bod disgwyl i'r balans barhau i ddirywio yn yr hir dymor. Roedd yn arferol i gronfeydd pensiwn fod yn negyddol o ran arian parod wrth i amser fynd yn ei flaen ac wrth i'r gronfa aeddfedu oherwydd mwy o bensiynwyr hŷn a llai o weithwyr presennol. Oherwydd lefel yr arian sy'n incwm digonol, nid oedd hyn yn cael ei ystyried yn risg sylweddol.
- Gofynnwyd beth oedd y risgiau ynghlwm â buddsoddi mewn credyd preifat o ran diffygion neu beidio â chyflwyno enillion? Esboniodd yr Ymgynghorydd Buddsoddi Annibynnol yn nodweddiadol cwmnïau ail haen neu ganolig yw credyd preifat yn ogystal â rhai cytundebau ecwiti preifat. Cydnabuwyd bod risg fach mewn buddsoddi mewn cwmnïau credyd preifat, fodd bynnag, roedd y gyfradd llog yn uwch na bond corfforaethol. Esboniodd yr Ymgynghorydd Buddsoddi Annibynnol ymhellach y ddadl dros fuddsoddi mewn credyd preifat.
- Gan gyfeirio at symudiad yn y gronfa, gofynnwyd a oedd y gronfa wedi profi hyn o'r blaen? Dywedodd yr Ymgynghorydd Buddsoddi Annibynnol nad oedd y gronfa wedi newid ar y raddfa hon yn ddiweddar, ond fel arfer byddai hyn yn gam a fyddai'n cael ei wneud o bryd i'w gilydd er mwyn sicrhau bod y portffolio'n parhau i wneud y gorau posibl wrth gyflawni amcanion a gofynion y gronfa. Dywedodd Rheolwr y Trysorlys a Buddsoddiadau Pensiwn mai'r prif newid oedd yn 2016 pan benderfynwyd ar seilwaith ar 5% o ran Partneriaeth Pensiwn Cymru. Ychwanegodd yr Ymgynghorydd Buddsoddi Annibynnol fod symudiadau fel hyn yn cronni dros nifer o flynyddoedd i godi'r 5% i'r gronfa gredyd breifat.

CYTUNWYD bod yr Adolygiad o'r Dyraniad Asedau Strategol yn cael ei nodi.

4.10. COFNODION DRAFFT CYFARFOD Y PWYLLGOR PENSIWN 28 MEDI 2023

CYTUNWYD bod cofnodion drafft cyfarfod Pwyllgor Cronfa Bensiwn Dyfed a gynhaliwyd ar 28 Medi 2023 yn cael eu nodi.

5. MONITRO CYLLIDEB Y BWRDD PENSIWN 1 EBRILL 2023 - 30 MEDI 2023

Bu'r Bwrdd yn ystyried adroddiad Monitro Cyllideb y Bwrdd Pensiwn fel yr oedd ar 30 Medi, 2023. Cyfanswm y gwariant gwirioneddol oedd £9.6k. Rhagwelwyd y byddai'r gwariant ar gyfer y flwyddyn yn cyd-fynd â'r gyllideb.

CYTUNWYD bod yr adroddiad yn cael ei nodi.

6. CYNLLUN GWAITH Y BWRDD PENSIWN 2023

Bu'r Bwrdd yn ystyried Cynllun Gwaith y Bwrdd Pensiwn ar gyfer 2023 a oedd yn amlinellu gwaith arfaethedig y Bwrdd Pensiwn a'r eitemau i'w cyflwyno ym mhob cyfarfod.

CYTUNWYD bod Cynllun Gwaith y Bwrdd Pensiwn ar gyfer 2023 yn cael ei nodi.

7. CYNLLUN GWAITH Y BWRDD PENSIWN 2024

Bu'r Bwrdd yn ystyried Cynllun Gwaith y Bwrdd Pensiwn ar gyfer 2024 a oedd yn amlinellu gwaith arfaethedig y Bwrdd Pensiwn a'r eitemau i'w cyflwyno ym mhob cyfarfod.

CYTUNWYD bod Cynllun Gwaith y Bwrdd Pensiwn ar gyfer 2024 yn cael ei gymeradwyo.

8. GORCHYMYN I'R CYHOEDD ADAEL Y CYFARFOD

PENDERFYNWYD YN UNFRYDOL, yn unol â Deddf Llywodraeth Leol 1972, fel y'i newidiwyd gan Orchymyn Llywodraeth Leol (Mynediad at Wybodaeth) (Amrywio) (Cymru) 2007, orchymyn i'r cyhoedd adael y cyfarfod tra oedd yr eitemau canlynol yn cael eu hystyried, gan fod yr adroddiadau'n cynnwys gwybodaeth eithriedig fel y'i diffiniwyd ym mharagraff 14 o Ran 4 o Atodlen 12A i'r Ddeddf.

**9. MEINI PRAWF GWERTHUSO - PARTNERIAETH PENSIWN CYMRU
CAFFAEL GWEITHREDWR**

Yn sgil gweithredu'r prawf budd y cyhoedd PENDERFYNWYD YN UNFRYDOL, yn unol â'r Ddeddf y cyfeiriwyd ati yng nghofnod rhif 8 uchod, fod y mater hwn yn cael ei ystyried yn breifat, gan beidio â gadael i'r cyhoedd fod yn bresennol yn y cyfarfod, gan y byddai datgelu gwybodaeth yn cael effaith andwyol ar y Gronfa Bensiwn drwy beryglu perfformiad buddsoddi.

Bu'r Bwrdd yn ystyried adroddiad ar y Meini Prawf Gwerthuso ar gyfer Caffael Gweithredwr Partneriaeth Pensiwn Cymru.

CYTUNWYD bod yr adroddiad yn cael ei nodi.

10. ADOLYGIAD O BERFFORMIAD BENTHYCA GWARANNAU NORTHERN TRUST 2022-23

Yn sgil gweithredu'r prawf budd y cyhoedd PENDERFYNWYD YN UNFRYDOL, yn unol â'r Ddeddf y cyfeiriwyd ati yng nghofnod rhif 8 uchod, fod y mater hwn yn cael ei ystyried yn breifat, gan beidio â gadael i'r cyhoedd fod yn bresennol yn y cyfarfod, gan y byddai datgelu gwybodaeth yn cael effaith andwyol ar y Gronfa Bensiwn drwy beryglu perfformiad buddsoddi.

Bu'r Bwrdd yn ystyried adroddiad ar Adolygiad Perfformiad Benthycia Gwarantau Northern Trust 2022-23 a oedd yn cynnwys y canlynol:-

- Trosolwg o'r Rhaglen
- Tueddiadau ac arsylwadau'r farchnad • Dadansoddiad perfformiad
- Dadansoddiad cyfochrog

CYTUNWYD y dylid nodi Adolygiad Perfformiad Benthycia Gwarantau Northern Trust 2022-23.

11. ADRODDIAD YMGYSYLLTU ROBECO 1 IONAWR 2023 - 31 MAWRTH 2023

Yn sgil gweithredu'r prawf budd y cyhoedd PENDERFYNWYD YN UNFRYDOL, yn unol â'r Ddeddf y cyfeiriwyd ati yng nghofnod rhif 8 uchod, fod y mater hwn yn cael ei ystyried yn breifat, gan beidio â gadael i'r cyhoedd fod yn bresennol yn y cyfarfod, gan y byddai datgelu gwybodaeth yn cael effaith andwyol ar y Gronfa Bensiwn drwy beryglu perfformiad buddsoddi.

Bu'r Bwrdd yn ystyried adroddiad Ymgysylltu Robeco am y cyfnod 1 Ionawr 2023 – 31 Mawrth 2023.

CYTUNWYD bod yr adroddiad yn cael ei nodi.

12. ADRODDIAD PERFFORMIAD A RISG YMGYNGHORYDD BUDDSODDI ANNIBYNNOL 30 MEHEFIN 2023

Yn sgil gweithredu'r prawf budd y cyhoedd PENDERFYNWYD YN UNFRYDOL, yn unol â'r Ddeddf y cyfeiriwyd ati yng nghofnod rhif 8 uchod, fod y mater hwn yn cael ei ystyried yn breifat, gan beidio â gadael i'r cyhoedd fod yn bresennol yn y cyfarfod, gan y byddai datgelu gwybodaeth yn cael effaith andwyol ar y Gronfa Bensiwn drwy beryglu perfformiad buddsoddi.

Bu'r Bwrdd yn ystyried Adroddiad yr Ymgynghorydd Buddsoddi Annibynnol ar Berfformiad a Risg, a roddai wybodaeth mewn perthynas â pherfformiad y Rheolwr Buddsoddiadau ar gyfer pob chwarter, pob 12 mis a chyfnodau treigl o 3 blynedd, gan ddod i ben ar 30 Mehefin, 2023. Roedd yr adroddiad hefyd yn cynnwys cefndir y farchnad fyd-eang a materion i'w hystyried.

CYTUNWYD bod yr adroddiad Perfformiad a Risg gan yr Ymgynghorydd Annibynnol fel yr oedd ar 30 Mehefin, 2023 yn cael ei nodi.

13. ADRODDIAD PERFFORMIAD NORTHERN TRUST 30 MEHEFIN 2023

Yn sgil gweithredu'r prawf budd y cyhoedd PENDERFYNWYD YN UNFRYDOL, yn unol â'r Ddeddf y cyfeiriwyd ati yng nghofnod rhif 8 uchod, fod y mater hwn yn cael ei ystyried yn breifat, gan beidio â gadael i'r cyhoedd fod yn bresennol yn y cyfarfod, gan y byddai datgelu gwybodaeth yn cael effaith andwyol ar y Gronfa Bensiwn drwy beryglu perfformiad buddsoddi.

Bu'r Bwrdd yn ystyried adroddiad Perfformiad Northern Trust a oedd yn nodi perfformiad Cronfa Bensiwn Dyfed fel yr oedd ar 30 Mehefin, 2023. Roedd yr adroddiad yn darparu dadansoddiad perfformiad ar lefel cronfa gyfan a chan y Rheolwr Buddsoddi am y cyfnodau hyd at y cychwyn.

CYTUNWYD bod adroddiad Perfformiad Northern Trust ar gyfer Cronfa Bensiwn Dyfed fel yr oedd ar 30 Mehefin 2023 yn cael ei nodi.

14. ADRODDIADAU'R RHEOLWR BUDDSODDI AR 30 MEHEFIN 2023

Yn sgil gweithredu'r prawf budd y cyhoedd PENDERFYNWYD YN UNFRYDOL, yn unol â'r Ddeddf y cyfeiriwyd ati yng nghofnod rhif 8 uchod, fod y mater hwn yn cael ei ystyried yn breifat, gan beidio â gadael i'r cyhoedd fod yn bresennol yn y cyfarfod, gan y byddai datgelu gwybodaeth yn cael effaith andwyol ar y Gronfa Bensiwn drwy beryglu perfformiad buddsoddi.

Bu'r Bwrdd yn ystyried adroddiad a oedd yn rhoi'r wybodaeth ddiweddaraf am berfformiad y Rheolwr Buddsoddi fel yr oedd ar 30 Mehefin, 2023.

CYTUNWYD bod adroddiadau'r Rheolwr Buddsoddi ar gyfer Cronfa Bensiwn Dyfed yn cael eu nodi.

CADEIRYDD

DYDDIAD

Mae'r dudalen hon yn wag yn fwriadol

PWYLLGOR CRONFA BENSIWN DYFED

15 TACHWEDD 2023

**ADRODDIAD BWRDD PENSIWN CRONFA BENSIWN DYFED
25 HYDREF 2023**

Yr Argymhellion / Penderfyniadau Allweddol Sydd Eu Hangen:

Y Pwyllgor i nodi Adroddiad Bwrdd Pensiwn Cronfa Bensiwn Dyfed.

Y Rhesymau:

Mae Cadeirydd Annibynnol Bwrdd Pensiwn Cronfa Bensiwn Dyfed wedi paratoi adroddiad i roi'r wybodaeth ddiweddaraf i'r Pwyllgor Pensiwn o gyfarfod y Bwrdd Pensiwn ar 25 Hydref 2023.

Angen i'r Cabinet wneud penderfyniad Amherthnasol

Angen i'r Cyngor wneud penderfyniad Amherthnasol

YR AELOD O'R CABINET SY'N GYFRIFOL AM Y PORTFFOLIO:- Amherthnasol

Y Gyfarwyddiaeth:

Gwasanaethau Corfforaethol

Enw'r Gyfarwyddwr:

Chris Moore

Awdur yr Adroddiad:

Chris Moore

Swyddi:

Cyfarwyddwr Gwasanaethau
Corfforaethol,
Cyngor Sir Gâr

Rhifau ffôn:

01267 224120

Cyfeiriadau E-bost:

CMoore@sirgar.gov.uk

EXECUTIVE SUMMARY

DYFED PENSION FUND COMMITTEE 15TH NOVEMBER 2023

DYFED PENSION FUND PENSION BOARD REPORT – 25 OCTOBER 2023

The Independent Chair has provided a report detailing the Dyfed Pension Fund Pension Board's update from the Pension Board meeting on 25 October 2023.

The items discussed at the Pension Board meeting on 25 October 2023 include:

- Pre-Audit Statement of Accounts
- Budget Monitoring
- Pensions Administration Update
- Risk Register
- Strategic Asset Allocation
- Robeco Engagement Report
- Northern Trust Securities Lending

Further details of the discussions which took place at the Pension Board meeting are included in the Independent Chair's report which is attached.

DETAILED REPORT ATTACHED?

YES

IMPLICATIONS

I confirm that other than those implications which have been agreed with the appropriate Directors / Heads of Service and are referred to in detail below, there are no other implications associated with this report:

Signed: **C Moore**

Director of Corporate Services

Policy, Crime & Disorder and Equalitie	Legal	Finance	ICT	Risk Management Issues	Staffing Implications	Physical Assets
NONE	NONE	NONE	NONE	NONE	NONE	NONE

CONSULTATIONS

I confirm that the appropriate consultations have taken in place and the outcomes are as detailed below

Signed: **C Moore**

Director of Corporate Services

1. Scrutiny Committee request for pre-determination	N/A
--	-----

2. Local Member(s) N/A

3. Community / Town Council N/A

4. Relevant Partners N/A

5. Staff Side Representatives and other Organisations N/A

CABINET MEMBER PORTFOLIO HOLDER(S) AWARE/CONSULTED

N/A

**Section 100D Local Government Act, 1972 – Access to Information
List of Background Papers used in the preparation of this report:**

THERE ARE NONE

Mae'r dudalen hon yn wag yn fwriadol

Pension Board Submission to the Dyfed Pension Fund Committee

To: Dyfed Pension Fund Committee

From: John Jones Independent Chair Dyfed Pension Board

Date: 15th November 2023

1. This is the first report submitted to the Pension Committee following a meeting of the Pension Board. Its purpose is to highlight issues arising in the Board and then draw these to the attention of the Committee. Councillor Elwyn Williams as Chair of the Pension Committee already attends Board meetings as an observer, and this report will help strengthen and develop the governance arrangements of the Dyfed Pension Fund. Any comments or feedback from the Committee can be discussed at the next Board meeting.
2. The Board held a hybrid meeting on Wednesday 25th October 2023. The main items on the agenda were consideration of the pre audit statement of accounts for 2022/23; an update on the current position in Pensions administration; consideration of the risk register; a presentation and discussion on the Strategic Asset Allocation review 2023 and consideration of the Robeco engagement report. The meeting was well attended with 6 members present in the room or online.
3. The pre audit statement of accounts for 2022/23 was discussed and noted. A number of questions and points were raised by the Board covering the change in value of the Fund compared to the previous year; the level of management expenses and the increase in debtors and creditors compared to the previous year. The Board recognised all the work done to produce these accounts to timetable and recorded their thanks to all members of the Finance team.
4. The budget monitoring statement for the first quarter of 2023/24 was discussed and the variances explained to the Board. We noted that it is still early in the financial year and will continue to review the financial position of the Fund at future Board meetings.

5. The Board considered and reviewed the latest Risk register noting that there had been no changes in individual risk levels since the last meeting. The risk register is an important document in the overall governance of the Fund, and should be reviewed at each Board and Committee meeting so that risks can be identified and managed. There were a number of questions on the potential impact on asset values arising from the current geopolitical issues and the implications for ESG strategy. The point was made in the meeting that as well as adding risks to the register, it is important to review and remove any risks that are no longer valid.
6. We were updated on a number of projects currently underway in the pension administration service. It is pleasing to note the progress in the implementation of the I connect system to upload data directly rather than it having to be input manually as was the case in the past. Although further work still needs to be done only a few external bodies now remain outside this system and these are expected to be fully online soon. We were updated on progress with the McCloud decision and the implications for staff workload, the resources needed together with the implementation timetable. It was noted that further staffing resources may be required by the team in order to address this workload, but the Board were reassured that plans had been made and some additional resources were already in place.
7. The Board received a presentation from the Independent Adviser to the Fund on the outcome of the Strategic Asset Allocation Review and the decision to invest in an allocation to private credit. This prompted a number of questions from the Board around the markets to be accessed; the risks of this asset class and the basis of valuing future investments. It was noted that this is a major change in asset allocation and that the investments will be made via the Wales Pension Partnership (WPP). The Board supported the approach being taken. We were also updated later in the meeting on the Fund's performance in the first quarter 2023/24.
8. There was a full discussion on the Robeco Engagement report, noting that this is the first report received by the Board on this subject. This initiative was welcomed and there were a number of questions and points raised. Engagement on ESG issues has become increasingly important across the LGPS in general and for the Fund in delivering on its ESG strategy. The Board's view was

that it would be helpful if in future an executive summary could be provided to enable easier access to the key issues and highlights raised by Robeco.

9. The Board also considered a progress report from Northern Trust on securities lending. Further thought should be given to the approach being taken by the WPP given the potential loss of voting rights arising from securities lending considered against the income received. The Board were also updated on progress with the WPP and the operator procurement process.
10. Continuing training and development on pensions matters is important for both Committee and Board members in delivering strong governance of the Fund. It is also a requirement for Board members to undertake knowledge and skills training in order to discharge their role, with progress discussed and monitored at each Board meeting. The current LGA training modules have been well received by new Board members and I would encourage Committee members to also take advantage of the training courses and sessions made available.

John Jones
1st November 2023

Mae'r dudalen hon yn wag yn fwriadol

PWYLLGOR CRONFA BENSIWN DYFED

15 TACHWEDD 2023

MONITRO CYLLIDEB 1 EBRILL 2023 – 30 MEDI 2023

Rhoi'r wybodaeth ddiweddaraf i Bwyllgor Cronfa Bensiwn Dyfed am y sefyllfa gyllidebol fel yr oedd ar 30 Medi 2023

Yr Argymhellion / Penderfyniadau Allweddol Sydd Eu Hangen:

Y Pwyllgor i derbyn yr adroddiad Monitro Cyllideb diweddaraf Cronfa Bensiwn Dyfed ac ystyried y sefyllfa gyllidebol.

Y Rhesymau:

Rhoi'r wybodaeth ddiweddaraf i Bwyllgor Cronfa Bensiwn Dyfed am y sefyllfa gyllidebol fel yr oedd ar 30 Medi 2023.

Angen i'r Cabinet wneud penderfyniad Amherthnasol

Angen i'r Cyngor wneud penderfyniad Amherthnasol

YR AELOD O'R CABINET SY'N GYFRIFOL AM Y PORTFFOLIO:- Amherthnasol

Y Gyfarwyddiaeth:

Gwasanaethau Corfforaethol

Enw'r Gyfarwyddwr:

Chris Moore

Awdur yr Adroddiad:

Chris Moore

Swyddi:

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EXECUTIVE SUMMARY

DYFED PENSION FUND COMMITTEE 15TH NOVEMBER 2023

BUDGET MONITORING 1 APRIL 2023 – 30 SEPTEMBER 2023

The position as at 30 September 2023 was an under spend compared to budget of £1.6m.

Expenditure

Expenditure is projected to be overspent by £500k. Pensions payable is forecast to be underspent by £1.2m. At budget setting for 2023-24 an increase of 2.2% was included to estimate the additional pensions paid on new pensioner members for the year, to date the actual increase in pensioner membership has been closer to 1%.

Lump sum death benefits are forecast to be underspent by £1m and management expenses by £100k. Offsetting these underspends, lump sum retirement benefits are forecast to be £2.3m more than budget whilst transfers out are forecast to be £500k more than budget.

Income

Contributions are forecast to be £2.6m more than budgeted which is due to member pensionable payroll being higher than anticipated at budget setting. Higher augmentation income from Employers has also been received than was anticipated at budget setting.

Transfers in are forecast to exceed budget by £500k and investment income is forecast to below budget by £1m. Therefore, income is forecast to be exceed budget by £2.1m.

Total expenditure is estimated at £123.3m and total income estimated at £124.9m resulting in a positive cash flow position of £1.6m.

DETAILED REPORT ATTACHED?

YES

IMPLICATIONS

I confirm that other than those implications which have been agreed with the appropriate Directors / Heads of Service and are referred to in detail below, there are no other implications associated with this report:

Signed: **C Moore**

Director of Corporate Services

Policy, Crime & Disorder and Equalities	Legal	Finance	ICT	Risk Management Issues	Staffing Implications	Physical Assets
NONE	NONE	YES	NONE	NONE	NONE	NONE

Finance

Overall, the Fund needs to maintain a positive cash flow balance to meet its obligations. The cash flow projection was positive by £1.6m as at 30 September 2023.

CONSULTATIONS

I confirm that the appropriate consultations have taken in place and the outcomes are as detailed below

Signed: **C Moore**

Director of Corporate Services

1. Scrutiny Committee request for pre-determination	N/A
--	-----

2. Local Member(s) N/A

3. Community / Town Council N/A

4. Relevant Partners N/A

5. Staff Side Representatives and other Organisations N/A

CABINET MEMBER PORTFOLIO HOLDER(S) AWARE/CONSULTED

N/A

**Section 100D Local Government Act, 1972 – Access to Information
List of Background Papers used in the preparation of this report:**

THERE ARE NONE

Mae'r dudalen hon yn wag yn fwriadol

Dyfed Pension Fund

Budget Monitoring

1st April 2023 - 30th September 2023

	Budget Type	Actual 2022-2023	Budget 2023-2024	Total income/ expenditure to date	Forecast Commitments	Forecast 2023-2024	End of year variance		Assumptions/Comments
	Controllable / Non Controllable	£ '000 (a)	£ '000 (b)	£ '000 (c)	£ '000 (d)	£ '000 (e)	£ '000 (f)	%	
Expenditure									
Benefits Payable	Both	99,422	108,932	55,100	53,915	109,015	83	0.1	
Pensions Payable	Controllable	81,126	92,432	45,236	45,958	91,194	-1,238		2.2% included at budget setting for new pensioners, actual increase year to date is 1%
Commutation and lump sum retirement benefits	Non Controllable	15,626	14,000	9,121	7,200	16,321	2,321		Payments to date higher than anticipated at budget setting
Lump sum death benefits	Non Controllable	2,670	2,500	743	757	1,500	-1,000		Payments to date lower than anticipated at budget setting
Payments to and account of leavers	Non Controllable	4,529	3,670	2,748	1,422	4,170	500	13.6	Payments to date higher than anticipated at budget setting
Management Expenses		9,253	10,211	3,437	6,678	10,115	-96	-0.9	
Computer Software	Controllable	579	500	35	465	500	0		
Printing charges	Controllable	8	20	15	5	20	0		
Subscriptions, Legal fees, Conf Exps, Med Exps	Controllable	51	70	22	48	70	0		
Fund Managers									
BlackRock	Controllable	1,650	1,600	403	1,185	1,588	-12		Forecast a reduction in fees due to transitions to WPP Global Credit Fund and Sustainable Equity Fund
Schroders	Controllable	708	750	169	525	694	-56		Market values lower than budgeted
Wales Pension Partnership	Controllable	4,062	4,900	1,160	3,805	4,965	65		Forecast overspend due to transitions from BlackRock to WPP Global Credit and Sustainable Equity Fund
Partners Group	Controllable	657	700	151	456	607	-93		Administration and other fees lower than budgeted.
Custodian									
Northern Trust	Controllable	39	31	11	20	31	0		
Actuary									
Mercer	Controllable	242	125	53	72	125	0		
Performance Manager									
Northern Trust / PIRC / CEM	Controllable	9	26	0	26	26	0		
Independent Advisor	Controllable	28	30	7	23	30	0		
Other									
Euraplan, LSE, Pension Board	Controllable	23	47	15	32	47	0		
Central recharges	Non Controllable	1,164	1,380	1,380	0	1,380	0		
Audit fees	Controllable	33	32	16	16	32	0		
Controllable Expenditure		89,215	101,263	47,293	52,636	99,929	-1,334		
Non Controllable Expenditure		23,990	21,550	13,992	9,379	23,371	1,821		
Total Expenditure		113,205	122,813	61,285	62,015	123,300	487		
Income									
Contributions									
Employer	Controllable	-71,232	-69,522	-25,436	-45,797	-71,233	-1,711	2.5	Advance payments made resulting in discounted contributions; Carms CC & Ceredigion CC in 2023-24. Augmentation income from Employers also higher than anticipated at budget setting.
Member	Controllable	-24,699	-25,577	-4,439	-21,984	-26,423	-846	3.3	Employee pensionable pay higher than anticipated at budget setting.
Investment Income	Controllable	-19,436	-24,214	-11,103	-12,122	-23,225	989	-4.1	Includes SAIF and Schroders dividend income.
Other Income	Controllable	0	0	0	0	0	0	0.0	
Transfers in from other pension funds	Non Controllable	-4,986	-3,500	-2,854	-1,146	-4,000	-500	14.3	
Controllable Income		-115,367	-119,313	-40,978	-79,903	-120,881	-1,568		
Non Controllable Income		-4,986	-3,500	-2,854	-1,146	-4,000	-500		
Total Income		-120,353	-122,813	-43,832	-81,049	-124,881	-2,068		
Controllable Total		-26,152	-18,050	6,315	-27,267	-20,952	-2,902		
Non Controllable Total		19,004	18,050	11,138	8,233	19,371	1,321		
Total		-7,148	0	17,453	-19,034	-1,581	-1,581		
Cash									
Transfer to Fund Managers	Cash	12,000	0	2,557	0	2,557	2,557		Capital Dynamics - Capital Calls to date
Net Total of Cash Related Items		4,852	0	20,010	-19,034	976	976		
Non-Cash									
Indirect Transactional Management Fees (fees deducted from NAV)	Non Cash	4,314	5,000	0	5,000	5,000	0	0.0	CIPFA Management cost guidance issued to show indirect transactional fees indirectly paid by the funds
Investment Income (fees deducted from NAV)	Non Cash	-4,314	-5,000	0	-5,000	-5,000	0	0.0	Contra entry to the Indirect transactional fees
Realised gain/loss	Non Cash	4,696	-50,000	-51,402	0	-51,402	-1,402	2.8	Non Controllable. No impact to cash.
Net Total of Non-Cash Related Items		4,696	-50,000	-51,402	0	-51,402	-1,402		

Mae'r dudalen hon yn wag yn fwriadol

**PWYLLGOR CRONFA BENSIWN DYFED
15 TACHWEDD 2023**

CYSONI ARIAN PAROD FEL YR OEDD AR 30 MEDI 2023

Rhoi'r wybodaeth ddiweddaraf i Bwyllgor Cronfa Bensiwn Dyfed am y sefyllfa arian parod fel yr oedd ar 30 Medi 2023

Yr Argymhellion / Penderfyniadau Allweddol Sydd Eu Hangen:

Pwyllgor i derbyn Adroddiad Cysoni arian parod diweddaraf Cronfa Bensiwn Dyfed ac ystyried y sefyllfa o ran arian parod.

Y Rhesymau:

Rhoi'r wybodaeth ddiweddaraf i Bwyllgor Cronfa Bensiwn Dyfed am y sefyllfa arian parod fel yr oedd ar 30 Medi 2023.

Angen i'r Cabinet wneud penderfyniad Amherthnasol

Angen i'r Cyngor wneud penderfyniad Amherthnasol

YR AELOD O'R CABINET SY'N GYFRIFOL AM Y PORTFFOLIO:- Amherthnasol

Y Gyfarwyddiaeth:

Gwasanaethau Corfforaethol

Enw'r Gyfarwyddwr:

Chris Moore

Awdur yr Adroddiad:

Chris Moore

Swyddi:

Cyfarwyddwr Gwasanaethau
Corfforaethol,
Cyngor Sir Gâr

Rhifau ffôn:

01267 224120

Cyfeiriadau E-bost:

CMoore@sirgar.gov.uk

EXECUTIVE SUMMARY

DYFED PENSION FUND COMMITTEE 15TH NOVEMBER 2023

CASH RECONCILIATION AS AT 30 SEPTEMBER 2023

The position as at 30 September 2023 reports £6m cash held by Carmarthenshire County Council on behalf of the Fund for immediate cash flow requirements to pay pensions, lump sums and investment management costs.

DETAILED REPORT ATTACHED?

YES

IMPLICATIONS

I confirm that other than those implications which have been agreed with the appropriate Directors / Heads of Service and are referred to in detail below, there are no other implications associated with this report:

Signed: **C Moore**

Director of Corporate Services

Policy, Crime & Disorder and Equalities	Legal	Finance	ICT	Risk Management Issues	Staffing Implications	Physical Assets
NONE	NONE	YES	NONE	NONE	NONE	NONE

Finance

A sufficient cash balance is required to be held by Carmarthenshire to ensure the Fund can meet its immediate cash flow requirements.

CONSULTATIONS

I confirm that the appropriate consultations have taken in place and the outcomes are as detailed below

Signed: **C Moore**

Director of Corporate Services

1. Scrutiny Committee request for pre-determination	N/A
--	-----

2. Local Member(s) N/A

3. Community / Town Council N/A

4. Relevant Partners N/A

5. Staff Side Representatives and other Organisations N/A

CABINET MEMBER PORTFOLIO HOLDER(S) AWARE/CONSULTED

N/A

**Section 100D Local Government Act, 1972 – Access to Information
List of Background Papers used in the preparation of this report:**

THERE ARE NONE

Mae'r dudalen hon yn wag yn fwriadol

Dyfed Pension Fund Cash Reconciliation**September 2023**

Balance b/f 1st April 2023		£5,855,271.44
	0.00	
<i>Investment trades</i>	0.00	
Sales	334,856,572.20	
Purchases	-360,453,776.64	
		<hr/>
		-£25,597,204.44
Contributions received	£49,159,758.21	
Payments made	-£59,225,424.75	
Dividend Income	£34,217,382.20	£24,151,715.66
		<hr/>
		£4,409,782.66
Total Available for Investment		<hr/> £4,409,782.66 <hr/>
 <i>Represented by :</i>		
Cash at Carmarthenshire		£5,982,514.96
Cash due to be received/deducted		£0.00
CCC Debtors		£275,922.20
CCC Creditors		-£1,848,654.50
		<hr/>
		£4,409,782.66 <hr/>
		£0.00

Mae'r dudalen hon yn wag yn fwriadol

PWYLLGOR CRONFA BENSIWN DYFED**15 TACHWEDD 2023****ADRODDIAD GWEINYDDU PENSIYNAU**

Rhoi'r wybodaeth ddiweddaraf am Weinyddu Pensiynau i Bwyllgor Cronfa Bensiwn Dyfed

Yr Argymhellion / Penderfyniadau Allweddol Sydd Eu Hangen:

Bod y Pwyllgor yn nodi'r Adroddiad Gweinyddu Pensiynau.

Y Rhesymau:

Rhoi'r wybodaeth ddiweddaraf am Weinyddu Pensiynau i Bwyllgor Cronfa Bensiwn Dyfed.

Angen i'r Cabinet wneud penderfyniad Amherthnasol

Angen i'r Cyngor wneud penderfyniad Amherthnasol

YR AELOD O'R CABINET SY'N GYFRIFOL AM Y PORTFFOLIO:- Amherthnasol

Y Gyfarwyddiaeth:

Gwasanaethau Corfforaethol

Enw'r Gyfarwyddwr:

Chris Moore

Awdur yr Adroddiad:

Chris Moore

Swyddi:

Cyfarwyddwr Gwasanaethau
Corfforaethol,
Cyngor Sir Gâr

Rhifau ffôn:

01267 224120

Cyfeiriadau E-bost:

CMoore@sirgar.gov.uk

EXECUTIVE SUMMARY

DYFED PENSION FUND COMMITTEE 15TH NOVEMBER 2023

PENSIONS ADMINISTRATION REPORT

The attached report has been prepared by the Pensions Manager to provide an update to the Pension Committee on activity within the Pensions Administration service. The report includes updates on:

- Regulatory matters
- Breaches register
- i-Connect
- GMP reconciliation
- Workflows

DETAILED REPORT ATTACHED?

YES

IMPLICATIONS

I confirm that other than those implications which have been agreed with the appropriate Directors / Heads of Service and are referred to in detail below, there are no other implications associated with this report:

Signed: **C Moore**

Director of Corporate Services

Policy, Crime & Disorder and Equalities	Legal	Finance	ICT	Risk Management Issues	Staffing Implications	Physical Assets
NONE	NONE	NONE	NONE	NONE	NONE	NONE

CONSULTATIONS

I confirm that the appropriate consultations have taken in place and the outcomes are as detailed below

Signed: **C Moore**

Director of Corporate Services

1. Scrutiny Committee request for pre-determination

N/A

2. Local Member(s) N/A

3. Community / Town Council N/A

4. Relevant Partners N/A

5. Staff Side Representatives and other Organisations N/A

CABINET MEMBER PORTFOLIO HOLDER(S) AWARE/CONSULTED

N/A

**Section 100D Local Government Act, 1972 – Access to Information
List of Background Papers used in the preparation of this report:**

THERE ARE NONE

Mae'r dudalen hon yn wag yn fwriadol

PENSIONS ADMINISTRATION REPORT – 15th November 2023

This report provides a progress update on a number of projects being simultaneously undertaken, along with providing information on relevant issues in the administration of scheme benefits.

1. Regulatory update –

- a. McCloud/Sargeant update – You will recall from the previous report that the remedy would require the recalculation all pensions (including dependants pensions), death grants, and deferred benefits calculated since 1st April 2014 for those that were active on 31st March 2012. This will require employers to provide the hours for each part time scheme member, including any changes, for the remedy period 1st April 2014 to 31st March 2022. This will enable all benefits to be recalculated on a service and final salary basis for comparison with CARE benefits accrued during the remedy period. All Employers have also been provided with data extracts to undertake data comparisons and identify any issues. Data reconciliation and validation is progressing well and query resolution is underway. Amending regulations were issued by 31st October, however, due to the delay, our software supplier will continue to develop the system in accordance with the regulations and until this has been completed, manual calculations must be done.

2. Breaches Register

Regulation 18(5) of the LGPS Regulations 2013 prescribes that there is a time limit for payment of a refund of pension contributions:

“An administering authority shall refund contributions to a person entitled under paragraph (1) when the person requests payment, or on the expiry of a period of five years beginning with the date the person’s active membership ceased if no request is made before then or, if the person attains age 75 before then, on the day before attaining age 75.”

The National Technical Group recommend to SAB, to change the regulations concerning the payment of a refund to reflect the position prior to 1 April 2014 i.e. to remove the prescription that requires an administering authority to pay a refund on the expiry of a period of five years beginning with the date the person’s active membership ceased if no request is made before then.

In making this recommendation the group acknowledged that interest would be added up to the date of payment, as opposed to on the expiry of 5 years and if a fully completed mandate is not returned by the member, no further action

would take place i.e. the group agreed not to waste time or money on using Tracing services in respect of members who have been contacted repeatedly and do not reply. The SAB have made recommendations to MHCLG.

The refunds scheduled to be automatically paid in September 2023 and October 2023 have been included on the breaches register as the scheme members have not replied in order for the refund to be paid.

3. I-connect

In order to improve the timeliness of data flow from scheme employers to the administration section, a monthly update system called 'i-connect' has been implemented.

Further development work has continued with employers to 'on board' them in order that data can be transferred electronically. The table below shows the employers who are active on i-connect. In order to expedite the transition to electronic transmission of data, Pembrokeshire College, Coleg Ceredigion and Coleg Sir Gar have all be provided with a spreadsheet template to provide updates similar to i-connect. This process is known colloquially as 'Monthly Updates'. Many of the other smaller employers already utilise 'Monthly Updates'.

Coleg Ceredigion and Coleg Sir Gar (CSG) are continuing to work with their payroll provider to ensure the data required is extracted and inputted into the correct fields. They have been given additional access to 'test' load the files in order that discrepancies can be immediately identified. CSG are continuing to upload test files. Pembrokeshire College are still working on resolving the outstanding queries before submitting further files.

Dyfed Powys Police have confirmed their intention is to implement i-connect with assistance from their payroll provider by April 2024.

Employer	i-Connect status
ABERYSTWYTH TOWN COUNCIL	Active
ADAPT	Active
BURRY PORT MARINA LTD	Active
CAREERS WALES WEST	Active
CARMARTHEN TOWN COUNCIL	Active
CARMARTHENSHIRE AVS	Active
CARMARTHENSHIRE C C	Active
COLEG SIR GAR	
CARMARTHENSHIRE FED OF YFC	Active
CEREDIGION AVO	Active
CEREDIGION C C	Active
COLEG CEREDIGION	
CWARTER BACH COMMUNITY COUNCIL	Active
CWMAMMAN TOWN COUNCIL	Active

DYFED-POWYS POLICE	
GORSLAS COMMUNITY COUNCIL	Active
IAITH CYFYNGEDIG	Active
KIDWELLY TOWN COUNCIL	Active
LLANBADARN FAWR COUMMUNITY	Active
LLANEDI COMMUNITY COUNCIL	Active
LLANELLI RURAL COUNCIL	Active
LLANELLI TOWN COUNCIL	Active
LLANGENNECH COMMUNITY COUNCIL	Active
LLANNON COMMUNITY COUNCIL	Active
LLESIAANT DELTA WELLBEING LTD	Active
MENTER BRO DINEFWR	Active
MENTER CASTELL NEDD PT	Active
MENTER CWM GWENDRAETH	Active
MENTER GORLLEWIN SIR GAR	Active
MID & WEST WALES FIRE	
NARBERTH AND DISTRICT SPORTS ASSOC	Active
PEMBREY AND BURRY PORT TOWN COUNCIL	Active
PEMBROKE DOCK TOWN COUNCIL	Active
PEMBROKE TOWN COUNCIL	Active
PEMBROKESHIRE AVS	Active
PEMBROKESHIRE C C	Active
PEMBROKESHIRE COAST NAT PARK	Active
PEMBROKESHIRE COLLEGE	
PLANED	Active
TAI CEREDIGION	Active
TENBY TOWN COUNCIL	Active
TRINITY COLLEGE	Active
UNIVERSITY COLLEGE OF WALES	Active
WELSH BOOKS COUNCIL	Active
WEST WALES ACTION FOR MENTAL HEALTH	Active
VALUATION TRIBUNAL FOR WALES	Active
VISIT PEMBROKESHIRE	Active

4. GMP Reconciliation

When a scheme member attains State Pension Age, they will be advised of the amount of Guaranteed Minimum Pension (GMP) which is included in their pension. The GMP relates to the part of the pension for the period between April 1978 and April 1997 for which they were 'contracted-out'. For this period, the Scheme has to guarantee that their pension will be at least the same as it would have been, had they not been 'contracted-out'. Contracting out ceased in April 2016. HMRC have now stated that they will not be sending a statement to all individuals affected specifying who is responsible for paying their Guaranteed Minimum Pension (GMP). The pensions section will continue to reconcile the

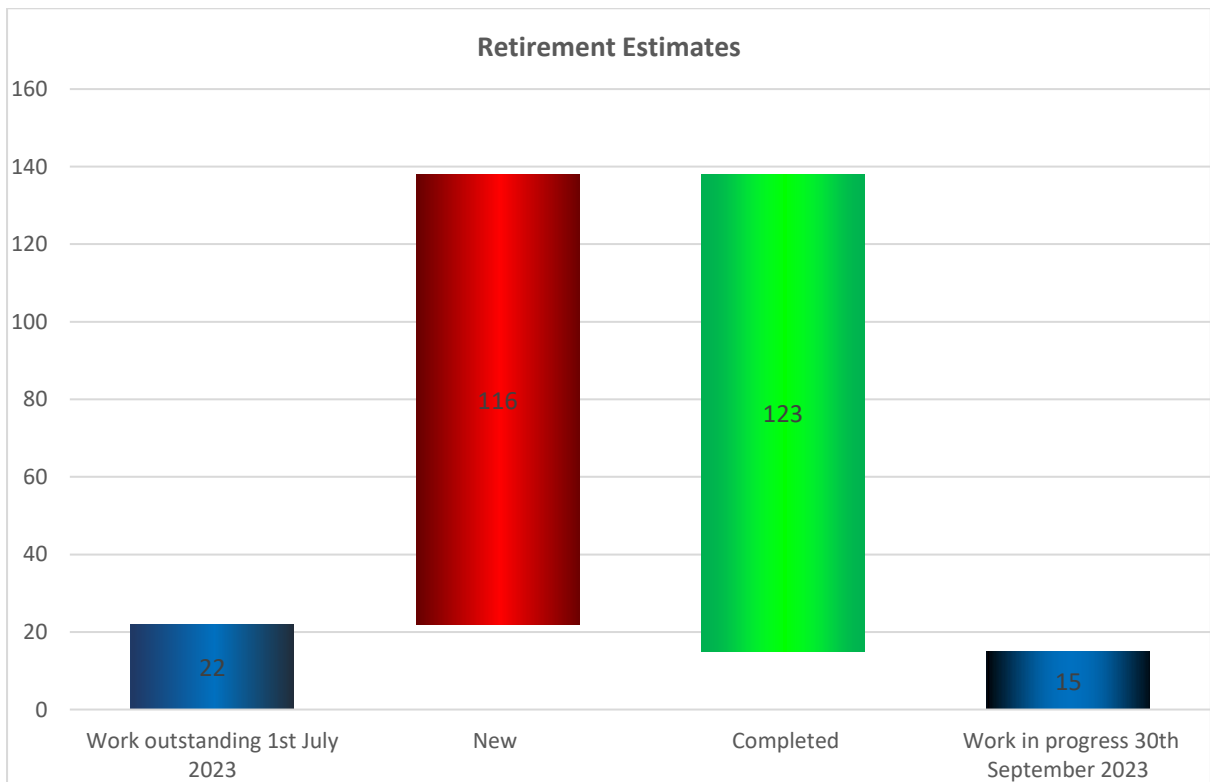
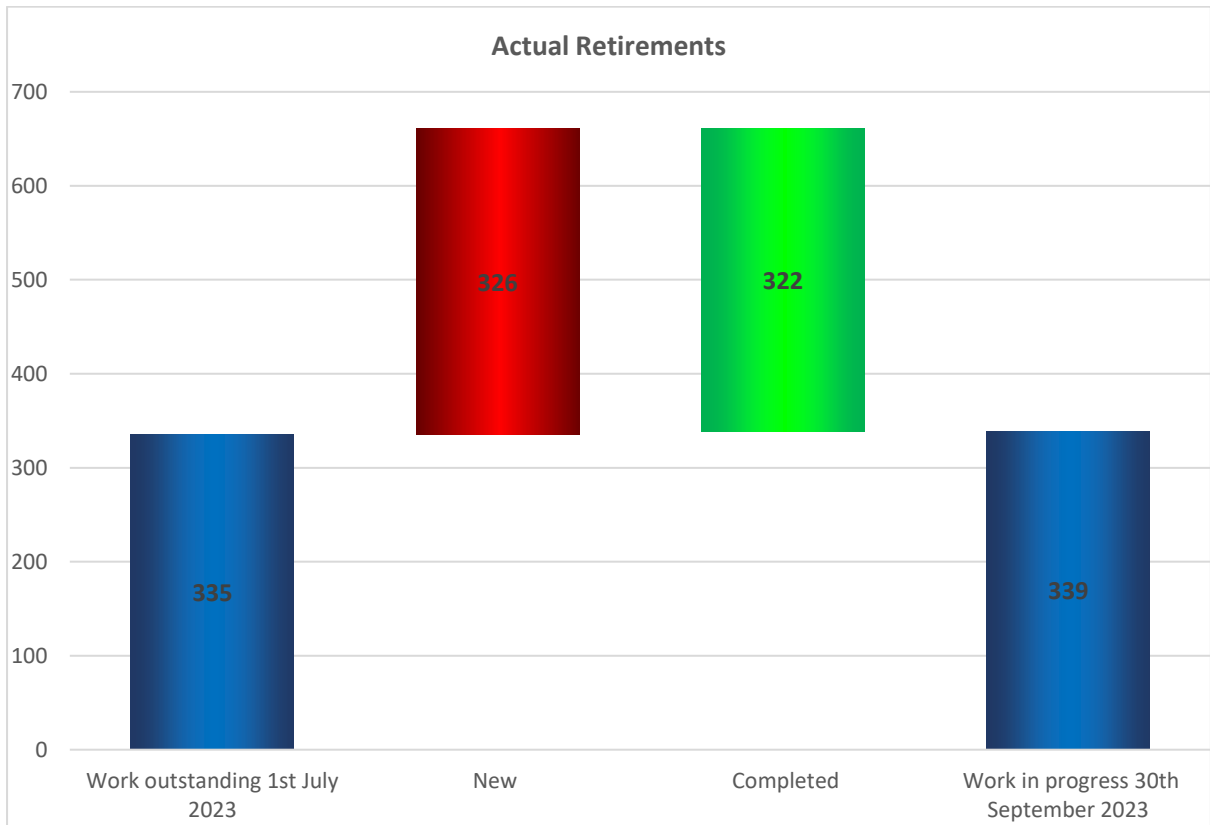
GMP values it holds for members with those calculated by HMRC. It ensures that all individuals recorded by HMRC against the fund are correct. The pensions section has reconciled 99.76% of the records held. Further information has also been issued to HMRC in order that they can amend their records, unfortunately, a response remains outstanding. Reconciliation work has also been undertaken in respect of active scheme members and 99.40% have been reconciled. Unfortunately HMRC have not responded to all the outstanding queries and therefore the reconciled data remains the same as the previous report.

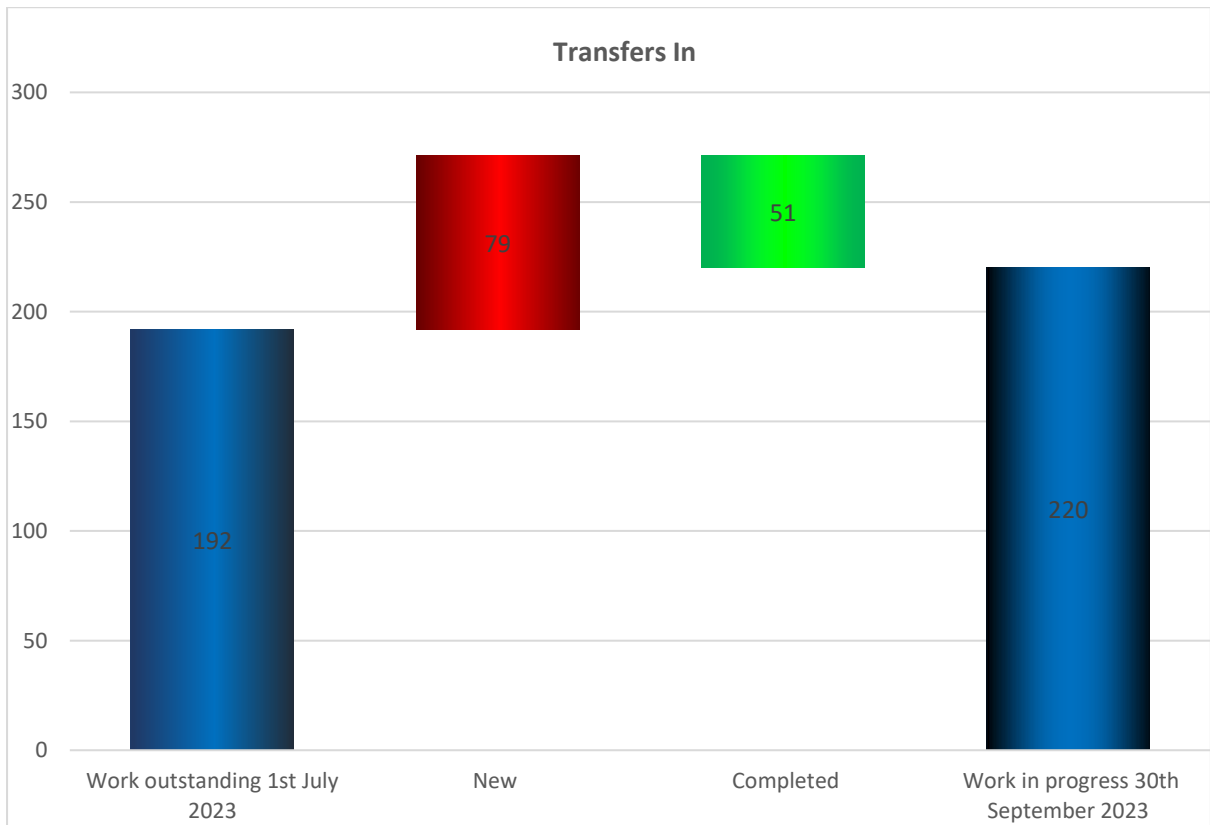
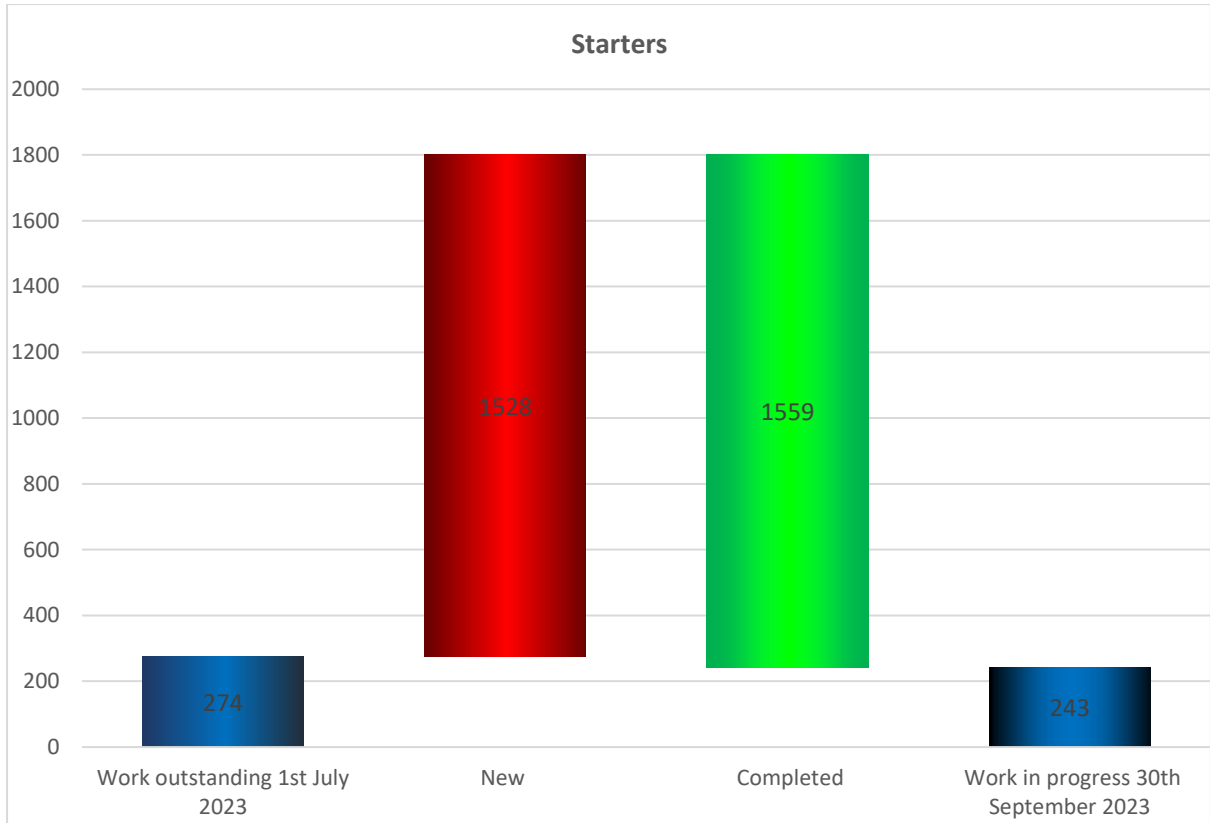
5. Workflow

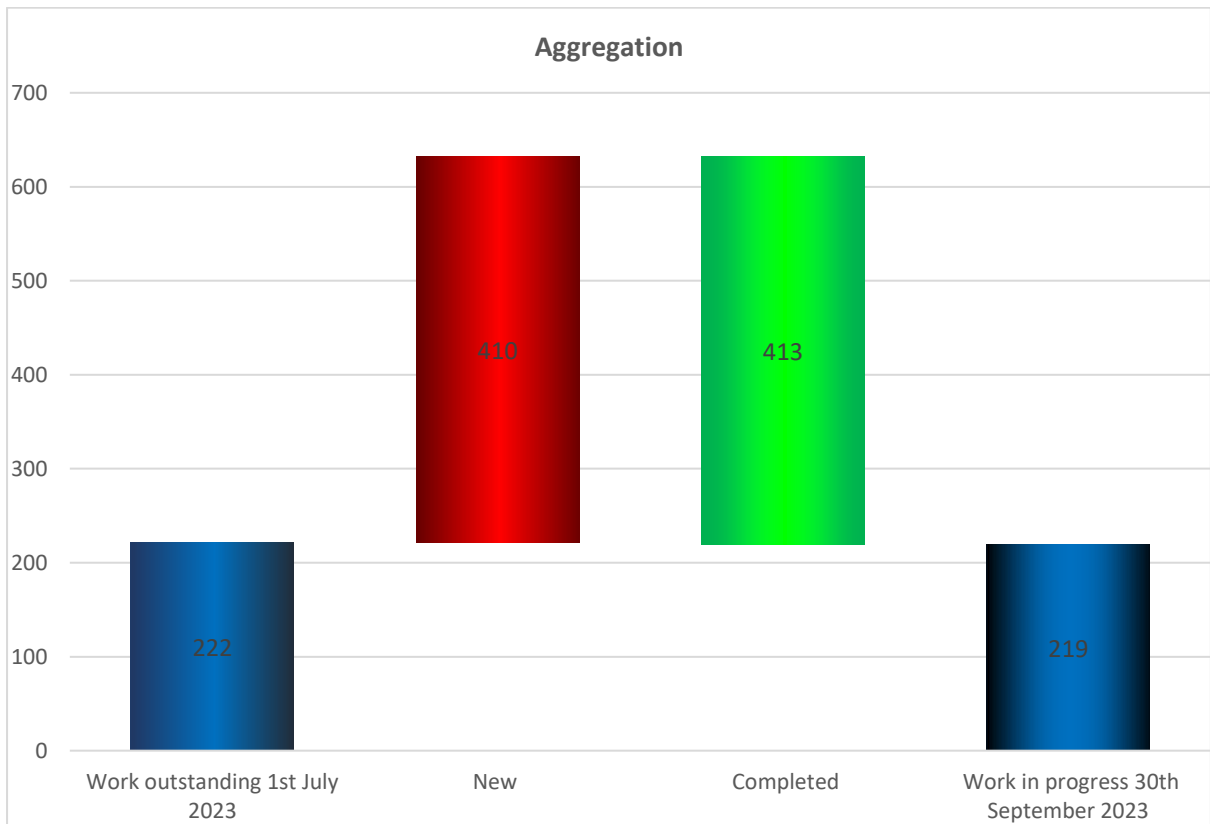
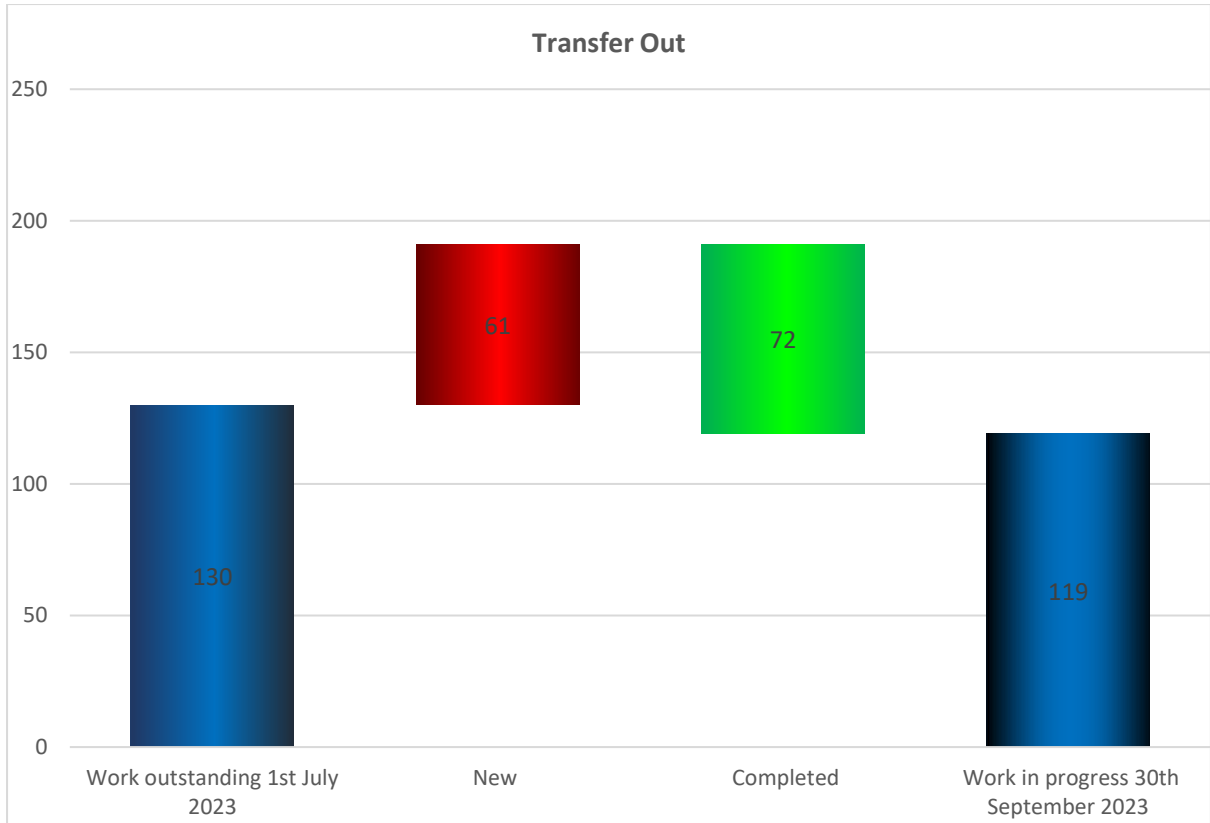
The tables overleaf detail the workflow statistics for the key tasks undertaken in the section for the period 1st July 2023 to 30th September 2023 in respect of the LGPS only. Please note that in circumstances where multiple iterations for the same calculation date have been undertaken, this is recorded as a single estimate. The workflow statistics are recorded on a quarterly basis.

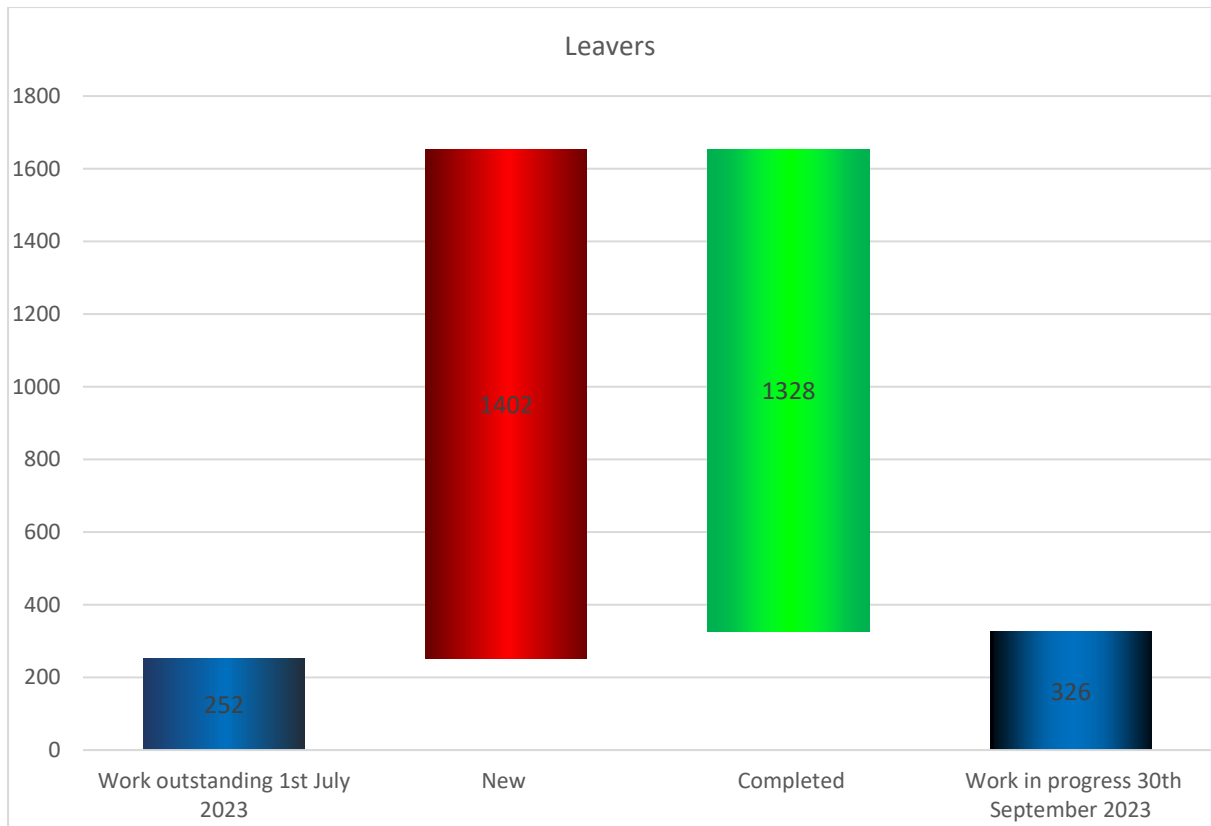
Kevin Gerard

Pensions Manager









PWYLLGOR CRONFA BENSIWN DYFED

15 Tachwedd 2023

ADRODDIAD TORRI AMODAU

Nodi unrhyw achosion o dorri amodau sydd wedi digwydd yng Nghronfa Bensiwn Dyfed yn unol â Pholisi Torri Amodau

Yr Argymhellion / Penderfyniadau Allweddol Sydd Eu Hangen:

Nodi unrhyw achosion o dorri amodau sydd wedi digwydd yng Nghronfa Bensiwn Dyfed.

Y Rhesymau:

Yn unol â Pholisi Torri Amodau Cronfa Bensiwn Dyfed.

Angen i'r Cabinet wneud penderfyniad Amherthnasol

Angen i'r Cyngor wneud penderfyniad Amherthnasol

YR AELOD O'R CABINET SY'N GYFRIFOL AM Y PORTFFOLIO:- Amherthnasol

Y Gyfarwyddiaeth:

Gwasanaethau Corfforaethol

Enw'r Gyfarwyddwr:

Chris Moore

Awdur yr Adroddiad:

Chris Moore

Swyddi:

Cyfarwyddwr Gwasanaethau
Corfforaethol,
Cyngor Sir Gâr

Rhifau ffôn:

01267 224120

Cyfeiriadau E-bost:

CMoore@sirgar.gov.uk

EXECUTIVE SUMMARY

DYFED PENSION FUND COMMITTEE 15TH NOVEMBER 2023

BREACHES REPORT

Introduction

Section 70 of the Pension Act 2004 sets out the legal duty to report breaches of the law. In the Code of Practice no 14, published by the Pensions Regulator in April 2015, paragraphs 241 to 275 provides guidance on reporting these breaches. The Dyfed Pension Fund Breaches Policy was approved by the Dyfed Pension Fund Committee in March 2016.

Under the policy, breaches of the law are required to be reported to the Pensions Regulator where there is a reasonable cause to believe that:

- a legal duty which is relevant to the administration of the scheme has not been, or is not being, complied with
- the failure to comply is likely to be of material significance to the regulator in the exercise of any of its functions.

It has been previously reported to Committee that an Employer has regularly failed to pay contributions as required into the Fund. This has been reported to The Pensions Regulator, who have also been advised that the Employer has now entered administration. The contributions owed to the Fund to the date of administration are estimated to be £7,230.56. Ongoing discussions between the Fund and administrators are taking place in relation to the contributions owed.

DETAILED REPORT ATTACHED?

YES

IMPLICATIONS

I confirm that other than those implications which have been agreed with the appropriate Directors / Heads of Service and are referred to in detail below, there are no other implications associated with this report:

Signed: **C Moore**

Director of Corporate Services

Policy, Crime & Disorder and Equalities	Legal	Finance	ICT	Risk Management Issues	Staffing Implications	Physical Assets
NONE	NONE	NONE	NONE	NONE	NONE	NONE

CONSULTATIONS

I confirm that the appropriate consultations have taken in place and the outcomes are as detailed below

Signed: **C Moore**

Director of Corporate Services

1. Scrutiny Committee request for pre-determination

N/A

2. Local Member(s) N/A

3. Community / Town Council N/A

4. Relevant Partners N/A

5. Staff Side Representatives and other Organisations N/A

CABINET MEMBER PORTFOLIO HOLDER(S) AWARE/CONSULTED

N/A

**Section 100D Local Government Act, 1972 – Access to Information
List of Background Papers used in the preparation of this report:**

THERE ARE NONE

Mae'r dudalen hon yn wag yn fwriadol

Breaches Report

Breach Number	Year	Date of Breach / Likely Breach	Failure Type	A description of the breach (including relevant dates), its cause and effect, including the reasons it is, or is not, believed to be of material significance	Been reported to tPR before	RAG Status	Report to tPR	Actions taken to rectify the breach. A brief descriptions of any longer term implications and actions required to prevent similar types of breaches recurring in the future
117	2022-23	22/4/22	Contributions	March payment of £693.45 not yet received. Finance Manager has been contacted by email.	No	Amber	No Report	Payment received 26.9.22
118	2022-23	22/4/22	Contributions	March qtr payment & paperwork not received yet. Clerk (only contributor) passed away in February 2022. Pensions Admin in contact with new clerk regarding paperwork.	No	Amber	No Report	There are no long term implications associated with this breach. Payment received 28.10.22
119	2022-23	April 2022, May 2022, June 2022	Automatic payment of refund after 5 years for post 2014 leavers	Members have been contacted requesting bank details in order to pay refunds, however, no reply has been received from the scheme members. April - 16 members & total refunds = £4374.47, May - 10 members & total refunds = £1821.48, June - 11 members & total refunds = £1883.03	No	Amber	No Report	The National Technical Group has recommended to the SAB that the regulations in respect of refunds is amended and reflects the position prior to April 2014.
120	2022-23	22/5/22	Contributions	April payment & remittance not yet received. Finance Manager has been contacted by email.	No	Amber	No Report	Payment received 1.9.22
121	2022-23	22/6/22	Contributions	May payment & remittance not yet received.	No	Amber	No Report	Payment received 1.9.22
122	2022-23	22/7/22	Contributions	Remittance advices dated April-July have now been received. No payments received but are expected to be made by 19 August.	No	Amber	No Report	Payment received 1.9.22
123	2022-23	July 2022, August 2022	Automatic payment of refund after 5 years for post 2014 leavers	Members have been contacted requesting bank details in order to pay refunds, however, no reply has been received from the scheme members. July - 21 members & total refunds = £2948.40, August - 27 members & total refunds = £8464.63	No	Amber	No Report	The National Technical Group has recommended to the SAB that the regulations in respect of refunds is amended and reflects the position prior to April 2014.
124	2022-23	22/7/22	Contributions	June contributions of £185.54 received 8 days late. New Clerk in post, slight delay due to payment issues. Future payments will be made by Standing Order	No	Amber	No Report	There are no long term implications associated with this breach.
125	2022-23	22/8/22	Contributions	July contributions of £802.17 received 10 days late. April, May and June payments that were outstanding were received on the same date (1.9.22). March 22 payment still outstanding, email sent requesting that payment be made immediately.	No	Amber	No Report	Payment received 1.9.22
126	2022-23	22/9/22	Contributions	August contributions of £802.17 received 4 days late. March 22 payment received on the 26 September.	No	Amber	No Report	Payment received 26.9.22
127	2022-23	22/9/22	Contributions	August contributions of £4,725.38 received 6 days late. Finance person had IT issue with emails which resulted in the payment being made late.	No	Amber	No Report	There are no long term implications associated with this breach.
128	2022-23	22/10/22	Contributions	No paperwork or payment received for September contributions. Email has been sent to Finance Manager	No	Red	Yes	Ongoing discussions taking place. Report to The Pensions Regulator.
129	2022-23	September 2022, October 2022	Automatic payment of refund after 5 years for post 2014 leavers	Members have been contacted requesting bank details in order to pay refunds, however, no reply has been received from the scheme members. September - 11 members & total refunds = £2190.02, October - 22 members & total refunds = £7315.25	No	Amber	No Report	The National Technical Group has recommended to the SAB that the regulations in respect of refunds is amended and reflects the position prior to April 2014.
130	2022-23	22/11/22	Contributions	No paperwork or payment received for October contributions. Email has been sent to Finance Manager	No	Red	Yes	Ongoing discussions taking place. Report to The Pensions Regulator.

131	2022-23	22/12/22	Contributions	No paperwork or payment received for November contributions.	No	Red	Yes	Ongoing discussions taking place. Report to The Pensions Regulator.
132	2022-23	22/1/23	Contributions	No paperwork or payment received for December contributions.	No	Red	Yes	Ongoing discussions taking place. Report to The Pensions Regulator.
133	2022-23	22/1/23	Contributions	December contributions of £24,380.47 received 2 days late. Issue at bank with second authoriser approval which resulted in the payment being made late.	No	Amber	No Report	There are no long term implications associated with this breach.
134	2022-23	22/1/23	Contributions	December contributions of £518.84 received 1 day late. New finance officer thought monthly payment was made by standing order.	No	Amber	No Report	There are no long term implications associated with this breach.
135	2022-23	22/2/23	Contributions	No paperwork or payment received for January contributions.	No	Red	Yes	Ongoing discussions taking place. Report to The Pensions Regulator.
136	2022-23	November 2022, December 2022, January 2023, February 2023	Automatic payment of refund after 5 years for post 2014 leavers	Members have been contacted requesting bank details in order to pay refunds, however, no reply has been received from the scheme members. November - 12 members & total refunds = £6214.68, December - 10 members & total refunds = £2914.10, January - 17 members & total refunds = £4376.92, February - 6 members & total refunds = £1948.39	No	Amber	No Report	The National Technical Group has recommended to the SAB that the regulations in respect of refunds is amended and reflects the position prior to April 2014.
137	2022-23	22/3/23	Contributions	No paperwork or payment received for February contributions.	No	Red	Yes	Ongoing discussions taking place. Report to The Pensions Regulator.
138	2022-23	22/3/23	Contributions	February contributions of £1,550.34 received 6 days late. Payment not actioned by internal finance team.	No	Amber	No Report	There are no long term implications associated with this breach.
139	2022-23	22/4/23	Contributions	No paperwork or payment received for March contributions.	No	Red	Yes	Ongoing discussions taking place. Report to The Pensions Regulator.
140	2023-24	22/5/23	Contributions	No paperwork or payment received for April contributions.	No	Red	Yes	Ongoing discussions taking place. Report to The Pensions Regulator.
141	2023-24	22/5/23	Contributions	April contributions of £5,373.96 received 2 days late. Payment not actioned by finance team.	No	Amber	No Report	There are no long term implications associated with this breach.
142	2023-24	March 2023, April 2023, May 2023	Automatic payment of refund after 5 years for post 2014 leavers	Members have been contacted requesting bank details in order to pay refunds, however, no reply has been received from the scheme members. March 2023 - 20 members & total refunds = £10211.91, April - 12 members & total refunds = £3294.38, May - 12 members & total refunds = £4924.85	No	Amber	No Report	The National Technical Group has recommended to the SAB that the regulations in respect of refunds is amended and reflects the position prior to April 2014.
143	2023-24	June 2023, July 2023, August 2023	Automatic payment of refund after 5 years for post 2014 leavers	Members have been contacted requesting bank details in order to pay refunds, however, no reply has been received from the scheme members. June 2023 - 17 members & total refunds = £16888.08, July - 21 members & total refunds = £2344.57, August - 39 members & total refunds = £12963.03	No	Amber	No Report	The National Technical Group has recommended to the SAB that the regulations in respect of refunds is amended and reflects the position prior to April 2014.
144	2023-24	Ongoing	Contributions	No paperwork or payments received for May-July contributions.	No	Red	Yes	Ongoing discussions taking place with the Administrators. The Pensions Regulator are aware of the situation.
145	2023-24	September & October 2023	Automatic payment of refund after 5 years for post 2014 leavers	Members have been contacted requesting bank details in order to pay refunds, however, no reply has been received from the scheme members. September 2023 - 28 members & total refunds = £13112.89, October 2023 - 18 members & total refunds = £8670.27	No	Amber	No Report	The National Technical Group has recommended to the SAB that the regulations in respect of refunds is amended and reflects the position prior to April 2014.

146	2023-24	22/09/2023	Contributions	August contributions of £10,529.94 received 18 days late. Payroll had completed this on time but there was an issue with the finance team who were late paying it.	No	Amber	No Report	There are no long term implications associated with this breach.
147	2023-24	Ongoing	Contributions	No paperwork or payments received for August-September contributions.	No	Red	Yes	Ongoing discussions taking place with the Administrators. The Pensions Regulator are aware of the situation.
148	2023-24	22/10/23	Contributions	September contributions of £2,758.46 received 1 day late. Finance officer off sick and IT issues prevented the payment being sent whilst working from home.	No	Amber	No Report	There are no long term implications associated with this breach.
149	2023-24	22/10/23	Contributions	September qtr contributions of £7,563.16 received 2 days late. Clerk sent remittance but forgot to action the payment.	No	Amber	No Report	There are no long term implications associated with this breach.
150	2023-24	22/10/23	Contributions	September qtr contributions of £385.11 received 5 days late. Clerk in hospital and delay with payroll.	No	Amber	No Report	There are no long term implications associated with this breach.

Mae'r dudalen hon yn wag yn fwriadol

PWYLLGOR CRONFA BENSIWN DYFED

15 TACHWEDD 2023

COFRESTR RISG

Yr Argymhellion / Penderfyniadau Allweddol Sydd Eu Hangen:

Hysbysu'r Pwyllgor bod y gofrestr risg wedi'i hadolygu i sicrhau bod unrhyw risg yn cael eu nodi a'u hasesu.

Y Rhesymau:

I sicrhau bod pob risg yn cael eu nodi a'u hasesu'n gywir.

Angen i'r Cabinet wneud penderfyniad Amherthnasol

Angen i'r Cyngor wneud penderfyniad Amherthnasol

YR AELOD O'R CABINET SY'N GYFRIFOL AM Y PORTFFOLIO:- Amherthnasol

Y Gyfarwyddiaeth:

Gwasanaethau Corfforaethol

Enw'r Gyfarwyddwr:

Chris Moore

Awdur yr Adroddiad:

Chris Moore

Swyddi:

Cyfarwyddwr Gwasanaethau
Corfforaethol,
Cyngor Sir Gâr

Rhifau ffôn:

01267 224120

Cyfeiriadau E-bost:

CMoore@sirgar.gov.uk

EXECUTIVE SUMMARY

DYFED PENSION FUND COMMITTEE 15TH NOVEMBER 2023

RISK REGISTER

The Risk Register is a working document that highlights all the risks identified in relation to the functions of the Dyfed Pension Fund. This is regularly monitored and reviewed.

The register includes:

- Details of all identified risks
- Assessment of the potential impact, probability and risk rating
- The risk control measures that are in place
- The responsible officer
- Target Date (if applicable)

The document identifies the risks as operational and strategic.

The Risk Register has been reviewed and no changes have been made since the previous Committee meeting.

DETAILED REPORT ATTACHED?

YES

IMPLICATIONS

I confirm that other than those implications which have been agreed with the appropriate Directors / Heads of Service and are referred to in detail below, there are no other implications associated with this report:

Signed: **C Moore**

Director of Corporate Services

Policy, Crime & Disorder and Equalities	Legal	Finance	ICT	Risk Management Issues	Staffing Implications	Physical Assets
NONE	NONE	NONE	NONE	YES	NONE	NONE

Risk Management Issues

The register is used to identify any risks relating to the functions of the Dyfed Pension Fund and highlights what measures are in place to mitigate these risks. Failure to manage the risks correctly could result in the Fund not meeting its objectives.

CONSULTATIONS

I confirm that the appropriate consultations have taken in place and the outcomes are as detailed below

Signed: **C Moore**

Director of Corporate Services

1. Scrutiny Committee request for pre-determination	N/A
--	-----

2. Local Member(s) N/A

3. Community / Town Council N/A

4. Relevant Partners N/A

5. Staff Side Representatives and other Organisations N/A

CABINET MEMBER PORTFOLIO HOLDER(S) AWARE/CONSULTED

N/A

Section 100D Local Government Act, 1972 – Access to Information List of Background Papers used in the preparation of this report:

THERE ARE NONE

Mae'r dudalen hon yn wag yn fwriadol

Risk Register

Organisation/Department/Function/Project: **Dyfed Pension Fund Operational**

Manager **Pensions Manager and Treasury & Pensions Investments Manager**

Date: **7 November, 2023**

Risk (Threat to achievement of business objective)	Assessment of Uncontrolled (Assume NO Controls in place)		Risk	Controls	Assigned To	Target Date Priority	Assessment of Controlled (Assume CONTROLLED in place)		Risk
	Impact	Probability	Current Risk Rating				Impact	Probability	Controlled Risk Rating
DPFOP0001 - Failure to process accurate pension benefits payments, including lump sum payments, in a timely manner	Significant 3	Unlikely 2	Medium 6	<ul style="list-style-type: none"> • Segregation of duties and authorisation of benefits following calculation by Senior Pensions Officer <i>Implemented</i> • Altair Development Officer is responsible for regular system checks regarding calculations <i>Implemented</i> • Communication&Training Officer liaises closely with all employing authorities to ensure timely submission of information to DPF <i>Implemented</i> • Payroll deadline procedures in place <i>Implemented</i> • Item in Business Continuity/Disaster Recovery Plan <i>Implemented</i> 	Pensions Manager Pensions Manager Pensions Manager Pensions Manager Pensions Manager		Significant 3	Improbable 1	Very Low 3

Risk Register

Organisation/Department/Function/Project: **Dyfed Pension Fund Operational**

Manager **Pensions Manager and Treasury & Pensions Investments Manager**

Date: **7 November, 2023**

Risk (Threat to achievement of business objective)	Assessment of Uncontrolled Risk (Assume NO Controls in place)		Current Risk Rating	Controls	Assigned To	Target Date Priority	Assessment of Controlled Risk (Assume CONTROLLED Controls in place)		Controlled Risk Rating
	Impact	Probability					Impact	Probability	
				<ul style="list-style-type: none"> Participate in National Fraud Initiative (NFI) <i>Implemented</i> Life Certificates exercise carried out for all cheque payments <i>Implemented</i> Undertake reviews of monthly performance to ensure service standards are maintained <i>Implemented</i> IT Contingency/Resilience Plan in place <i>Implemented</i> 	Pensions Manager				
DPFOP0002 - Failure to collect and account for full receipt of contributions from employers and employees on time Failure to collect full receipt of pension contributions from employees and employers in line with Regulation guidelines.	Substantial 4	Possible 3	High 12	<ul style="list-style-type: none"> Contributions monitoring procedures <i>Implemented</i> 	Pensions Manager and Treasury & Pensions Investments Manager		Substantial 4	Unlikely 2	Medium 8

Risk Register

Organisation/Department/Function/Project: **Dyfed Pension Fund Operational**

Manager **Pensions Manager and Treasury & Pensions Investments Manager**

Date: **7 November, 2023**

Risk (Threat to achievement of business objective)	Assessment of Uncontrolled Risk (Assume NO Controls in place)		Controls	Assigned To	Target Date Priority	Assessment of Controlled Risk (Assume CONTROLLED Controls in place)			
	Impact	Probability				Current Risk Rating	Impact	Probability	Controlled Risk Rating
<p>Failure of employers' financial systems; absence of key staff; failure to communicate with employers effectively; failure of key systems such as on-line banking and/or financial ledger.</p> <p>Possible adverse audit opinion; negative cash flow position; delays in producing IAS19 accounting reports; delays in closure of year end accounts; employers forced to leave the scheme.</p>			<ul style="list-style-type: none"> • Formal timescales for receipt of contributions <i>Implemented</i> • Budget set and monthly monitoring against the budget <i>Implemented</i> • Escalation of non receipt of contributions <i>Implemented</i> • Systems Audit undertaken by Internal Audit and External Auditors <i>Implemented</i> 	<p>Pensions Manager and Treasury & Pensions Investments Manager</p> <p>Pensions Manager and Treasury & Pensions Investments Manager</p> <p>Pensions Manager and Treasury & Pensions Investments Manager</p> <p>Pensions Manager and Treasury & Pensions Investments Manager</p>					

Risk Register

Organisation/Department/Function/Project: **Dyfed Pension Fund Operational**

Manager **Pensions Manager and Treasury & Pensions Investments Manager**

Date: **7 November, 2023**

Risk (Threat to achievement of business objective)	Assessment of Uncontrolled (Assume NO Controls in place)		Risk	Controls	Assigned To	Target Date Priority	Assessment of Controlled (Assume CONTROLLED in place)		Risk
	Impact	Probability	Current Risk Rating				Impact	Probability	Controlled Risk Rating
DPFOP0003 - Failure to keep pension records up to date and accurate	Significant 3	Possible 3	Medium 9	<ul style="list-style-type: none"> Senior Officers liaise closely with employing authorities to ensure timely and accurate submission of data to DPF <i>Implemented</i> i-Connect ensures that data from employers is identified by a direct transfer from payroll on a monthly basis <i>Implemented</i> Data accuracy checks undertaken by the pension section prior to continual validation on workflow system <i>Implemented</i> Data integrity validation is performed monthly by Altair Development Officer <i>Implemented</i> Data validation checks also undertaken by the DPF's partners (e.g.the Actuary at Valuation) <i>Implemented</i> 	Pensions Manager Pensions Manager Pensions Manager Pensions Manager Pensions Manager		Significant 3	Improbable 1	Very Low 3

Risk Register

Organisation/Department/Function/Project: **Dyfed Pension Fund Operational**

Manager **Pensions Manager and Treasury & Pensions Investments Manager**

Date: **7 November, 2023**

Risk (Threat to achievement of business objective)	Assessment of Uncontrolled (Assume NO Controls in place)		Risk	Controls	Assigned To	Target Date Priority	Assessment of Controlled (Assume CONTROLLED in place)		Risk
	Impact	Probability	Current Risk Rating				Impact	Probability	Controlled Risk Rating
				<ul style="list-style-type: none"> Additional validation carried out through NFI <i>Implemented</i> Opportunity to escalate non-compliance <i>Implemented</i> 	Pensions Manager				
DPFOP0004 - Failure to hold personal data securely	Substantial 4	Unlikely 2	Medium 8	<ul style="list-style-type: none"> Business Continuity/Disaster Recovery Plan for the Authority with IT firewalls <i>Implemented</i> Disaster Recovery Plan for pensions system <i>Implemented</i> Authorised users have unique usernames and passwords must be changed every 60 days <i>Implemented</i> 	Pensions Manager Pensions Manager Pensions Manager		Significant 3	Improbable 1	Very Low 3

Risk Register

Organisation/Department/Function/Project: **Dyfed Pension Fund Operational**

Manager **Pensions Manager and Treasury & Pensions Investments Manager**

Date: **7 November, 2023**

Risk (Threat to achievement of business objective)	Assessment of Uncontrolled Risk (Assume NO Controls in place)		Current Risk Rating	Controls	Assigned To	Target Date Priority	Assessment of Controlled Risk (Assume CONTROLLED in place)		Controlled Risk Rating
	Impact	Probability					Impact	Probability	
				<ul style="list-style-type: none"> • Documentation is scanned on to the pensions system and paper copies are held for a period of 3 months before shredding <i>Implemented</i> • Compliance with the Data Protection Act 1998 <i>Implemented</i> • Compliance with the Authority's in-house IT policies <i>Implemented</i> • Systems and Payroll audit undertaken annually <i>Implemented</i> 	Pensions Manager Pensions Manager Pensions Manager Pensions Manager				
DPFOP0005 - Loss of funds through fraud or misappropriation in administration related functions	Substantial 4	Unlikely 2	Medium 8	<ul style="list-style-type: none"> • Internal and external audit checks performed to ensure that appropriate and effective controls are in place <i>Implemented</i> 	Pensions Manager		Moderate 2	Unlikely 2	Low 4

Risk Register

Organisation/Department/Function/Project: **Dyfed Pension Fund Operational**

Manager **Pensions Manager and Treasury & Pensions Investments Manager**

Date: **7 November, 2023**

Risk (Threat to achievement of business objective)	Assessment of Uncontrolled Risk (Assume NO Controls in place)		Current Risk Rating	Controls	Assigned To	Target Date Priority	Assessment of Controlled Risk (Assume CONTROLLED in place)		Controlled Risk Rating
	Impact	Probability					Impact	Probability	
				<ul style="list-style-type: none"> • Segregation of duties and authorisation of benefits following calculation by Senior Pensions Officer and Pensions Officer <i>Implemented</i> • Altair Development Officer undertakes data integrity checks <i>Implemented</i> • Systems and Payroll audit undertaken annually <i>Implemented</i> 	Pensions Manager				
<p>DPFOP0006 - Normal operations disrupted by uncontrollable external factors Service delivery threats from fire, bomb, extreme weather, electrical faults etc.</p> <p>Insufficient daily back up, disaster recovery, and IT cover to support systems.</p> <p>Temporary loss of ability to provide service to stakeholders.</p>	Substantial 4	Possible 3	High 12	<ul style="list-style-type: none"> • Business Continuity/Disaster Recovery Plan for the Authority with IT firewalls <i>Implemented</i> • Disaster Recovery Plan for pensions system with the software provider <i>Implemented</i> 	Pensions Manager Pensions Manager		Significant 3	Improbable 1	Very Low 3

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Risk Register

Organisation/Department/Function/Project: **Dyfed Pension Fund Operational**

Manager **Pensions Manager and Treasury & Pensions Investments Manager**

Date: **7 November, 2023**

Risk (Threat to achievement of business objective)	Assessment of Uncontrolled Risk (Assume NO Controls in place)		Current Risk Rating	Controls	Assigned To	Target Date Priority	Assessment of Controlled Risk (Assume CONTROLLED Controls in place)		Controlled Risk Rating
	Impact	Probability					Impact	Probability	
				<ul style="list-style-type: none"> Pension Software is a hosted system provided by Aquila Heywood and is a tier 4 design data centre with ISO27001 accreditation. <i>Implemented</i> 	Pensions Manager				
DPFOP0007 - Inability to keep service going due to loss of main office, computer system, or staff	Moderate 2	Unlikely 2	Low 4	<ul style="list-style-type: none"> Business Continuity/Disaster Recovery Plan for the Authority with IT firewalls <i>Implemented</i> Pension Software is a hosted system provided by Aquila Heywood and is a tier 4 design data centre with ISO27001 accreditation. <i>Implemented</i> 	Pensions Manager Pensions Manager		Moderate 2	Improbable 1	Very Low 2
DPFOP0008 - Lack of expertise among some Pension Administration officers	Significant 3	Unlikely 2	Medium 6	<ul style="list-style-type: none"> Personal development plan in place to support the development of each officer in the Section <i>Implemented</i> 	Pensions Manager		Significant 3	Improbable 1	Very Low 3

Risk Register

Organisation/Department/Function/Project: **Dyfed Pension Fund Operational**

Manager **Pensions Manager and Treasury & Pensions Investments Manager**

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	Impact	Probability					Impact	Probability	Controlled Risk Rating
				<ul style="list-style-type: none"> • Specific courses / seminars attended by officers to further their knowledge and understanding <i>Implemented</i> 	Pensions Manager				
<p>DPFOP0009 - Over reliance on key Pensions Administration and Investment Officers Specialist nature of the work means there are relatively few experts in Investments and the Local Authority Pensions Regulations.</p> <p>Significant knowledge gap left if experts leave.</p>	Significant 3	Possible 3	Medium 9	<ul style="list-style-type: none"> • Key officers convey specialist knowledge to colleagues on a function or topic basis by mentoring <i>Implemented</i> • Enhance training by bespoke sessions / courses / workshops <i>Implemented</i> • Specific relevant qualifications for administration and investment staff <i>Implemented</i> 	<p>Pensions Manager and Treasury & Pensions Investments Manager</p> <p>Pensions Manager and Treasury & Pensions Investments Manager</p> <p>Pensions Manager and Treasury & Pensions Investments Manager</p>		Significant 3	Unlikely 2	Medium 6

Risk Register

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	Impact	Probability					Impact	Probability	
				<ul style="list-style-type: none"> External consultants and independent adviser available for short term assistance <i>Implemented</i> 	Pensions Manager and Treasury & Pensions Investments Manager				
DPFOP0010 - Failure to appropriately attract, manage, develop, and retain staff at all levels	Substantial 4	Possible 3	High 12	<ul style="list-style-type: none"> Training and Development Plan established <i>Implemented</i> Carmarthenshire County Council recruitment and retention policy implemented <i>Implemented</i> 	Pensions Manager Pensions Manager		Substantial 4	Unlikely 2	Medium 8
DPFOP0011 - Failure to communicate properly with stakeholders Lack of clear communications. Scheme members are not aware of their rights and entitlements, are distanced from the Fund, which could lead to a reduction in new members and an increase in leavers. Communication with investment	Significant 3	Unlikely 2	Medium 6	<ul style="list-style-type: none"> Dedicated Communication & Training Officer post established Dedicated Communication & Training Officer will continue to fulfil all the communication requirements of the DPF, in accordance with the Communications Policy Statement <i>Implemented</i> 	Pensions Manager		Significant 3	Improbable 1	Very Low 3

Risk Register

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	Impact	Probability				Current Risk Rating	Impact	Probability
managers, custodian, independent adviser, fund employers, pensioners, scheme members, actuary and government organisations.			<ul style="list-style-type: none"> Comprehensive website is continually updated and developed <i>Implemented</i> My Pension Online is used to enhance the service provided to scheme members <i>Implemented</i> Quarterly meetings with independent adviser and investment managers <i>Implemented</i> Communications Policy in place <i>Implemented</i> Annual Employer & Consultative Meeting <i>Implemented</i> 	<p>Pensions Manager and Treasury & Pensions Investments Manager</p> <p>Pensions Manager</p> <p>Treasury & Pensions Investments Manager</p> <p>Pensions Manager and Treasury & Pensions Investments Manager</p> <p>Pensions Manager and Treasury & Pensions Investments Manager</p>				

Risk Register

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	Impact	Probability	Current Risk Rating				Impact	Probability	Controlled Risk Rating
<p>DPFOP0012 - Liquidity/cashflow risk - insufficient funds to meet liabilities as they fall due Failure of employers to pay contributions on time; low dividend income; significant number of liabilities paid out at the same time.</p> <p>Immediate cash contribution would be required via employers; delay in the payment of promised liabilities; negative publicity and an adverse audit report.</p>	Substantial 4	Possible 3	High 12	<ul style="list-style-type: none"> • Monthly cash and dividend reconciliations <i>Implemented</i> • Quarterly monitoring of investment managers by Pension Committee <i>Implemented</i> • Appointment of custodian <i>Implemented</i> 	Treasury & Pensions Investments Manager Treasury & Pensions Investments Manager Treasury & Pensions Investments Manager		Substantial 4	Unlikely 2	Medium 8
<p>DPFOP0013 - Loss of funds through fraud or misappropriation in investment related functions Fraud or misappropriation of funds by an employer, investment managers or custodian.</p> <p>Financial loss to the fund.</p>	Substantial 4	Possible 3	High 12	<ul style="list-style-type: none"> • Internal and External Audit regularly test that appropriate controls are in place and working <i>Implemented</i> • Regulatory control reports from investment managers, custodian, etc., are also reviewed by audit. <i>Implemented</i> 	Treasury & Pensions Investments Manager Treasury & Pensions Investments Manager		Substantial 4	Unlikely 2	Medium 8

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	Impact	Probability					Impact	Probability	
				<ul style="list-style-type: none"> • Due diligence is carried out whenever a new manager is appointed. <i>Implemented</i> • Reliance also placed in Financial Conduct Authority registration. <i>Implemented</i> • Quarterly monitoring by Pension Committee and Independent Adviser <i>Implemented</i> 	Treasury & Pensions Investments Manager				
DPFOP0014 - Excessive levels of Pension Fund Cash held within Carmarthenshire County Council investment balances High dividend / interest receipts and low benefit payments being made in period. Lower cash like return instead of equity or bond investment returns.	Significant 3	Unlikely 2	Medium 6	<ul style="list-style-type: none"> • Monthly cash reconciliations and separate pension fund bank accounts <i>Implemented</i> • Quarterly monitoring by Pension Fund Committee <i>Implemented</i> 	Treasury & Pensions Investments Manager		Significant 3	Improbable 1	Very Low 3

Risk Register

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	Impact	Probability					Impact	Probability	
				<ul style="list-style-type: none"> Internal Audit and Wales Audit Office review <i>Implemented</i> 	Treasury & Pensions Investments Manager				
<p>DPFOP0015 - Lack of expertise on Pension Fund Committee and/or amongst Officers Lack of training, continuous professional development and 4 year election cycle.</p> <p>Flawed recommendations given to Pension Fund Committee which, unchallenged, could lead to incorrect decisions being made.</p>	Significant 3	Likely 4	High 12	<ul style="list-style-type: none"> Ensure Officers are trained and up to date in key areas through courses, seminars, reading, discussions with consultants, etc. <i>Implemented</i> Members given induction training on joining Committee with subsequent opportunities to attend other specialist training. <i>Implemented</i> Members' training plan and Governance Policy established <i>Implemented</i> Specialist assistance available from consultants and independent adviser <i>Implemented</i> 	Treasury & Pensions Investments Manager Treasury & Pensions Investments Manager Treasury & Pensions Investments Manager Treasury & Pensions Investments Manager		Significant 3	Possible 3	Medium 9

Risk Register

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	Impact	Probability	Current Risk Rating				Impact	Probability	Controlled Risk Rating
DPFOP0016 - Prolonged failure of investment managers to achieve the returns specified on their mandates Under-performance by the investment managers; lack of monitoring and challenging by the Committee.	Substantial 4	Likely 4	Significant 16	<ul style="list-style-type: none"> Quarterly monitoring of investment managers and performance company reports by investment team and Pension Committee <i>Implemented</i> 	Treasury & Pensions Investments Manager		Substantial 4	Unlikely 2	Medium 8
DPFOP0017 - Failure to meet deadlines or maintain robust working papers which do not provide assurance of the accuracy of the accounts Lack of planning for closure of accounts; lack of training; loss of expert knowledge. Qualified audit report; potential bad publicity; members' loss of confidence on officers' abilities.	Substantial 4	Possible 3	High 12	<ul style="list-style-type: none"> Timetabled Governance & Audit Committee cycles <i>Implemented</i> Liase with external audit <i>Implemented</i> Establish closedown timetable <i>Implemented</i> Establish Audit Wales working paper guidance & planning document <i>Implemented</i> 	Treasury & Pensions Investments Manager Treasury & Pensions Investments Manager Treasury & Pensions Investments Manager Treasury & Pensions Investments Manager		Substantial 4	Unlikely 2	Medium 8

Risk Register

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	Impact	Probability					Impact	Probability	Controlled Risk Rating
				<ul style="list-style-type: none"> • Excellent time management skills <i>Implemented</i> • Attendance at CIPFA Pension Fund Accounts Training & CIPFA Pension Fund Example Accounts reviewed <i>Implemented</i> 	Treasury & Pensions Investments Manager				
DPFOP0018 - Adequate skilled resources not available for accounts preparation Lack of training; loss of expert knowledge; annual or study leave. Qualified audit report; unsatisfactory internal audit report; failure to meet statutory closure deadlines; employee stress.	Significant 3	Likely 4	High 12	<ul style="list-style-type: none"> • Appropriate Treasury & Pension Investments structure in place <i>Implemented</i> • Arrange training courses and seminars, and mentoring <i>Implemented</i> 	Treasury & Pensions Investments Manager		Significant 3	Possible 3	Medium 9
DPFOP0019 - Failure to recover all debts Lack of communication between fund officers and administering authority officers (debtors); lack of monitoring / recovery procedures.	Substantial 4	Likely 4	Significant 16	<ul style="list-style-type: none"> • Use of specialist debt recovery section within the administering authority <i>Implemented</i> 	Pensions Manager and Treasury & Pensions Investments Manager		Moderate 2	Improbable 1	Very Low 2

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	Impact	Probability					Impact	Probability	
Loss of income to the Fund; loss of stakeholder confidence in the ability of the administering authority; potential increase in costs to Fund employers				<ul style="list-style-type: none"> • Monthly monitoring of debts due Implemented 	Pensions Manager and Treasury & Pensions Investments Manager				
<p>DPFOP0020 - Officers acting outside delegated authority Threat of officers making unauthorised decisions or payments.</p> <p>Loss of income to fund; loss of stakeholder confidence in the ability of the administering authority; potential increase in costs to fund employers</p>	<p>Substantial</p> <p>4</p>	<p>Unlikely</p> <p>2</p>	<p>Medium</p> <p>8</p>	<ul style="list-style-type: none"> • Undertake regular review of Standing Orders & Constitution Implemented • Report to Executive Board Implemented • Monitoring officer role Implemented 	<p>Pensions Manager and Treasury & Pensions Investments Manager</p> <p>Pensions Manager and Treasury & Pensions Investments Manager</p> <p>Pensions Manager and Treasury & Pensions Investments Manager</p>		<p>Substantial</p> <p>4</p>	<p>Improbable</p> <p>1</p>	<p>Low</p> <p>4</p>

Risk Register

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	Impact	Probability					Impact	Probability	
<p>DPFOP0021 - Non-performance by Officers and Committee Members Lack of training for officers and members; turnover in officers and members; lack of appraisals; lack of PI monitoring; time constraints for members; conflicting deadlines for officers.</p> <p>Qualified audit report; potential bad publicity; members' loss of confidence in officers' abilities; excessive pressure on officers; loss of income to the fund; loss of stakeholder confidence in the ability of the administering authority; potential increase in costs to fund employers</p>	Substantial 4	Possible 3	High 12	<ul style="list-style-type: none"> Establish performance measurement system <i>Implemented</i> Pension Committee member assessments <i>Implemented</i> Officer appraisals in October and March annually <i>Implemented</i> Regular internal and external audits <i>Implemented</i> 	<p>Pensions Manager and Treasury & Pensions Investments Manager</p> <p>Treasury & Pensions Investments Manager</p> <p>Pensions Manager and Treasury & Pensions Investments Manager</p> <p>Pensions Manager and Treasury & Pensions Investments Manager</p>		Substantial 4	Unlikely 2	Medium 8

Risk Register

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	Impact	Probability					Impact	Probability	
				<ul style="list-style-type: none"> Establish & review training plan for officers and members <i>Implemented</i> 	Pensions Manager and Treasury & Pensions Investments Manager				
<p>DPFOP0022 - Failure to operate strict financial and budgetary controls Lack of regular budget monitoring and budget setting; lack of communication between admin and investment sections; lack of scrutiny of investment managers', consultants', and advisers' fees.</p> <p>Unexpected variances over budget headings; members' loss of confidence in officers' abilities; loss of income to the fund; loss of stakeholder confidence in the ability of the administering authority; potential increase in costs to fund employers.</p>	<p>Substantial</p> <p>4</p>	<p>Possible</p> <p>3</p>	<p>High</p> <p>12</p>	<ul style="list-style-type: none"> Quarterly monitoring of budgets <i>Implemented</i> Quarterly forecasting and profiling of budgets <i>Implemented</i> Closure of accounts to Audit Committee <i>Implemented</i> Monthly reconciliations of contributions, dividends, and pension payroll <i>Implemented</i> 	Treasury & Pensions Investments Manager Treasury & Pensions Investments Manager Treasury & Pensions Investments Manager Treasury & Pensions Investments Manager		<p>Substantial</p> <p>4</p>	<p>Unlikely</p> <p>2</p>	<p>Medium</p> <p>8</p>

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	Impact	Probability	Current Risk Rating				Impact	Probability	Controlled Risk Rating
DPFOP0023 - Insufficient resources to provide information requirements for the Wales Pension Partnership on the management of the fund	Substantial 4	Possible 3	High 12	<ul style="list-style-type: none"> Staffing resources to be kept under review to ensure the Fund's interests are properly met when developing investment pooling arrangements <i>Implemented</i> 	Treasury & Pensions Investments Manager		Substantial 4	Unlikely 2	Medium 8
DPFOP0024 - Coronavirus - COVID19 Service delivery threats from COVID-19 and / or similar pandemics. Insufficient daily back up, disaster recovery, and IT cover to support systems and staff. Temporary loss of ability to provide service to stakeholders.	Substantial 4	Possible 3	High 12	<ul style="list-style-type: none"> Business Continuity/Disaster Recovery Plan for the Authority with IT firewalls. Remote working arrangements with access to key systems through CCC IT equipment and software. <i>Implemented</i> 	Pensions Manager and Treasury & Pensions Investments Manager		Moderate 2	Possible 3	Medium 6

Risk Register

Organisation/Department/Function/Project: **Dyfed Pension Fund Strategic**

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Date: **7 November, 2023**

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	Impact	Probability	Current Risk Rating				Impact	Probability	Controlled Risk Rating
DPFST0001 - Failure to comply with LGPS regulations as well as other overriding regulations	Substantial 4	Unlikely 2	Medium 8	<ul style="list-style-type: none"> • Altair Development Officer undertakes Altair system checks to ensure compliance with LGPS regulations <i>Implemented</i> • Network Groups (Altair & LGPC) <i>Implemented</i> • Communication & Training Officer Communication & Training Officer responsible for the maintenance of Online Procedure manuals, and the provision of training to all section staff and employing bodies via site visits. <i>Implemented</i> • Continue to act as an "Early Adopter" in conjunction with the system provider to ensure system meets regulatory requirements <i>Implemented</i> 	Pensions Manager		Substantial 4	Improbable 1	Low 4

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	Impact	Probability					Impact	Probability	Controlled Risk Rating
				<ul style="list-style-type: none"> • Technical Officer ensures legislative accuracy of calculations <i>Implemented</i> 	Pensions Manager				
DPFST0002 - Failure to respond to major change to the LGPS following Public Sector Pension Review	Substantial 4	Possible 3	High 12	<ul style="list-style-type: none"> • Participation in all high level Government discussions and consultations <i>Implemented</i> • Ensure best practice is implemented and DPF is seen as a centre of excellence for pension administration <i>Implemented</i> • Continue to be recognised nationally by peers as one of the leaders in pension administration and facilitate site visits <i>Implemented</i> 	Pensions Manager and Treasury & Pensions Investments Manager Pensions Manager Pensions Manager		Substantial 4	Improbable 1	Low 4

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	Impact	Probability					Impact	Probability	
				<ul style="list-style-type: none"> • Society of Welsh Treasurers review the suitability of existing and any new pension fund arrangements <i>Implemented</i> • CIPFA Pensions Network membership <i>Implemented</i> • Technical Officer ensures legislative accuracy of calculations <i>Implemented</i> 	<p>Pensions Manager and Treasury & Pensions Investments Manager</p> <p>Pensions Manager and Treasury & Pensions Investments Manager</p> <p>Pensions Manager</p>				
DPFST0003 - No appropriate procedures for Employer bodies transferring out of the pension fund or Employer bodies closing to new membership	Significant 3	Possible 3	Medium 9	<ul style="list-style-type: none"> • Inter valuation monitoring and rate reassessment if appropriate <i>Implemented</i> 	Pensions Manager		Significant 3	Unlikely 2	Medium 6

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	Impact	Probability					Impact	Probability	
				<ul style="list-style-type: none"> • Identification of any issue and resolution via regular site visits by Communication & Training Officer <i>Implemented</i> • Requirement for employing authorities to issue termination forms for each active member <i>Implemented</i> • Validation of membership numbers <i>Implemented</i> • Employer covenant checks <i>Implemented</i> 	Pensions Manager Pensions Manager Pensions Manager Pensions Manager				
DPFST0004 - Significant rises in employer contributions due to increases in liabilities or fall in assets Scheme liabilities increase disproportionately as a result of increased longevity or falling bond yields. Poor economic conditions,	Substantial 4	Likely 4	Significant 16	<ul style="list-style-type: none"> • Use qualified actuary who uses assumptions and recommends appropriate recovery period and strategy <i>Implemented</i> 	Treasury & Pensions Investments Manager		Significant 3	Possible 3	Medium 9

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	Impact	Probability					Impact	Probability	
incorrect investment strategy, poor selection of investment managers. Poor / negative returns leading to potential increase in employer's costs.				<ul style="list-style-type: none"> Quarterly monitoring of investment managers by Pension Committee <i>Implemented</i> Diversified Strategic Asset Allocation <i>Implemented</i> 	Treasury & Pensions Investments Manager Treasury & Pensions Investments Manager				
DPFST0005 - Failure of Investment Strategy to deliver investment objectives Inaccurate triennial valuation assumptions used. Incorrect recovery period used. Funding level decreases; employer contribution rates become unacceptable, causing potential increase in employer's costs.	Significant 3	Likely 4	High 12	<ul style="list-style-type: none"> Qualified Actuary makes assumptions and recommends appropriate recovery period and strategy. <i>Implemented</i> Independent Investment adviser employed to assist the committee in making informed decisions. <i>Implemented</i> 	Treasury & Pensions Investments Manager Treasury & Pensions Investments Manager		Significant 3	Possible 3	Medium 9
DPFST0006 - Concentration risk - single asset class having disproportionate impact on investment objectives Risk of the performance of a single asset class having a disproportionate	Substantial 4	Possible 3	High 12	<ul style="list-style-type: none"> Establish & review diversified strategic asset allocation <i>Implemented</i> 	Treasury & Pensions Investments Manager		Substantial 4	Unlikely 2	Medium 8

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	Impact	Probability					Impact	Probability	
<p>impact on the ability to meeting investment objectives. Inappropriate investment strategy following the triennial valuation, including lack of diversification.</p> <p>Funding level decreases; employer contribution rates become unacceptable, causing potential increase in employers' costs.</p>				<ul style="list-style-type: none"> Proactive in decision making <i>Implemented</i> 	Treasury & Pensions Investments Manager				
<p>DPFST0007 - Counterparty risk - risk of other party in a transaction failing to meet its obligation to the fund This arises from deposits held with banks and other financial institutions, as well as credit exposures to the fund's members and employers.</p> <p>Loss of capital; decrease in asset values; cost of legal proceedings; adverse publicity.</p>	Substantial 4	Possible 3	High 12	<ul style="list-style-type: none"> Set appropriate parameters with fund managers and custodian to limit exposure to default risk <i>Implemented</i> 	Treasury & Pensions Investments Manager		Substantial 4	Unlikely 2	Medium 8
<p>DPFST0008 - Interest rate risk Arises from risk of exposure to significant interest rate movements on investments.</p> <p>Bond yields and cash decrease in value.</p>	Substantial 4	Possible 3	High 12	<ul style="list-style-type: none"> Establish & review diversified strategic asset allocation <i>Implemented</i> 	Treasury & Pensions Investments Manager		Substantial 4	Unlikely 2	Medium 8

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	Impact	Probability	Current Risk Rating				Impact	Probability	Controlled Risk Rating
<p>DPFST0009 - Discount rate risk Use of inappropriate discount rate to estimate future liabilities.</p> <p>Funding level decreases; employer contribution rates become unacceptable, causing potential increase in employers' costs.</p>	Substantial 4	Possible 3	High 12	<ul style="list-style-type: none"> Engage qualified actuary to make assumptions <i>Implemented</i> Engage independent adviser to assist the committee in making informed decisions <i>Implemented</i> 	Treasury & Pensions Investments Manager Treasury & Pensions Investments Manager		Substantial 4	Unlikely 2	Medium 8
<p>DPFST0010 - Price risk The equity investments held exposes the fund to risk in relation to the market price of its investments.</p> <p>Funding level decreases; employer contribution rates become unacceptable, causing a potential increase in employers' costs.</p>	Substantial 4	Possible 3	High 12	<ul style="list-style-type: none"> Establish & review a diversified strategic asset allocation. <i>Implemented</i> Anticipate long term returns on a prudent basis. <i>Implemented</i> 	Treasury & Pensions Investments Manager Treasury & Pensions Investments Manager		Substantial 4	Unlikely 2	Medium 8
<p>DPFST0011 - Foreign exchange risk The fund holds financial assets and liabilities denominated in foreign currencies. It is therefore exposed to an element of risk in relation to currency fluctuation.</p> <p>Funding level decreases; employer</p>	Substantial 4	Possible 3	High 12	<ul style="list-style-type: none"> Establish & review diversified (within regions) strategic asset allocation <i>Implemented</i> 	Treasury & Pensions Investments Manager		Substantial 4	Unlikely 2	Medium 8

Risk Register

Organisation/Department/Function/Project: **Dyfed Pension Fund Strategic**

Manager **Pensions Manager and Treasury & Pensions Investments Manager**

Date: **7 November, 2023**

Risk (Threat to achievement of business objective)	Assessment of Uncontrolled Risk (Assume NO Controls in place)		Current Risk Rating	Controls	Assigned To	Target Date Priority	Assessment of Controlled Risk (Assume CONTROLLED in place)		Controlled Risk Rating
	Impact	Probability					Impact	Probability	
contribution rates become unacceptable, causing a potential increase in employers' costs.									
DPFST0012 - Global financial markets impacted by economic climate, national/global austerity measures and geopolitical events	Catastrophic 5	Possible 3	High 15	<ul style="list-style-type: none"> Ongoing review by Pension Committee, Officers and Independent Adviser of the global economy and potential global instability. <i>Implemented</i> 	Treasury & Pensions Investments Manager		Substantial 4	Possible 3	High 12

PWYLLGOR CRONFA BENSIWN DYFED

15 TACHWEDD 2023

CYNLLUN HYFFORDDI 2023-2024

Yr Argymhellion / Penderfyniadau Allweddol Sydd Eu Hangen:

Bod y Pwyllgor yn nodi Cynllun Hyfforddi 2023-2024.

Y Rhesymau:

Rhoi Cynllun Hyfforddi 2023-2024 i Bwyllgor Cronfa Bensiwn Dyfed.

Angen i'r Cabinet wneud penderfyniad Amherthnasol

Angen i'r Cyngor wneud penderfyniad Amherthnasol

YR AELOD O'R CABINET SY'N GYFRIFOL AM Y PORTFFOLIO:- Amherthnasol

Y Gyfarwyddiaeth:

Gwasanaethau Corfforaethol

Enw'r Gyfarwyddwr:

Chris Moore

Awdur yr Adroddiad:

Chris Moore

Swyddi:

Cyfarwyddwr Gwasanaethau
Corfforaethol,
Cyngor Sir Gâr

Rhifau ffôn:

01267 224120

Cyfeiriadau E-bost:

CMoore@sirgar.gov.uk

EXECUTIVE SUMMARY

DYFED PENSION FUND COMMITTEE 15TH NOVEMBER 2023

TRAINING PLAN 2023-2024

The report includes the schedule of Committee meetings and training events for members and officers of the Dyfed Pension Fund.

DETAILED REPORT ATTACHED?

YES

IMPLICATIONS

I confirm that other than those implications which have been agreed with the appropriate Directors / Heads of Service and are referred to in detail below, there are no other implications associated with this report:

Signed: **C Moore**

Director of Corporate Services

Policy, Crime & Disorder and Equalities	Legal	Finance	ICT	Risk Management Issues	Staffing Implications	Physical Assets
NONE	NONE	NONE	NONE	NONE	NONE	NONE

CONSULTATIONS

I confirm that the appropriate consultations have taken in place and the outcomes are as detailed below

Signed: **C Moore**

Director of Corporate Services

1. Scrutiny Committee request for pre-determination

N/A

2. Local Member(s) N/A

3. Community / Town Council N/A

4. Relevant Partners N/A

5. Staff Side Representatives and other Organisations N/A

CABINET MEMBER PORTFOLIO HOLDER(S) AWARE/CONSULTED

N/A

**Section 100D Local Government Act, 1972 – Access to Information
List of Background Papers used in the preparation of this report:**

THERE ARE NONE

Mae'r dudalen hon yn wag yn fwriadol

DYFED PENSION FUND

Committee Members and Officers Training 2023-2024

Committee Members

Councillor Elwyn Williams (EW) – Chair
Councillor Dai Thomas (DT) – Committee Member
Councillor Rob James (RJ) – Committee Member
Councillor Neil Lewis (NL) – Substitute Committee Member

Officers

Chris Moore (CM) – Director of Corporate Services
Randal Hemingway (RH) – Head of Financial Services
Anthony Parnell (AP) – Treasury & Pension Investments Manager
Kevin Gerard (KG) – Pensions Manager
Martin Morgan (MM) – Deputy Pensions Manager
Martin Owens (MO) – Pension Investment Officer

<u>Date</u>	<u>Subject</u>	<u>Provider</u>	<u>Venue</u>	<u>Attendees</u>
19 April 2023	Business Meeting	LAPFF	Hybrid/ London	AP & DT
25 – 26 April 2023	Pooling Symposium	LAPF	The Belfry	AP
2 & 3 May 2023	Schroders Briefing		London	CM, RH, AP, EW, DT & RJ
8 June 2023	WPP Training Session (Private Markets)		Online	AP
26 June 2023	Committee Meeting		Hybrid	CM, AP, MO, EW, DT & RJ
26 – 28 June 2023	LA Conference	PLSA	Glouc.	CM, KG, AP & EW
4 – 6 July 2023	Strategic Investment Forum	LAPF	The Grove Hotel, Herts	AP
12 July 2023	Business Meeting	LAPFF	Hybrid/ London	AP & DT
7 & 8 September 2023	Investment Summit	LGC	Leeds	AP, MO, RJ & NL
21 September 2023	WPP Training Session (Responsible Investment)		Online	AP, MO & EW

21 September 2023	Schroders Briefing		Hybrid	CM, RH, AP, MO & EW
22 September 2023	Partners Group Briefing		Hybrid	CM, RH, AP, MO, EW, DT & RJ
28 September 2023	Committee Meeting		Hybrid	CM, RH, AP, KG, MO, EW, DT & RJ
4 October 2023	AGM & Business Meeting	LAPFF	Hybrid/ London	AP & DT
19 & 26 October 2023	Fundamentals Training	LGPC	Online	NL
14 November 2023	ACM		Llanelli	All members & officers
15 November 2023	Committee Meeting		Hybrid	CM, RH, AP, KG, MO, EW, DT, RJ & NL
16 & 23 November 2023	Fundamentals Training	LGPC	Online	NL
21 -22 November 2023	Pension Managers Conference	SWPE	Torquay	KG & MM
6 – 8 December 2023	Annual Conference	LAPFF	Bournemouth	RH & RJ
11 & 19 December 2023	Fundamentals Training	LGPC	Online	NL
13 December 2023	WPP Training Session (Reporting)		Online	AP, MO, EW, DT, RJ & NL
18 – 19 January 2024	LGPS Governance Conference	LGA	Online	DT
January 2024 (tbc)	Business Meeting	LAPFF	London	AP & RJ
February 2024 (tbc)	Pension Fund Accounts	CIPFA	Online	MO
27 March 2024	Committee Meeting		Hybrid	CM, RH, AP, KG, MO, EW, DT, RJ & NL
March 2024 (tbc)	Investment Seminar	LGC	Carden Park	AP & tbc

Note: The Committee reserves the right to occasionally vary the attendees at the training sessions. Courses/conferences may arise at short notice and when this occurs the Director of Corporate Services has the authority to approve attendance with Cabinet /Leader being notified retrospectively.

PWYLLGOR CRONFA BENSIWN DYFED

15 TACHWEDD 2023

**DIWEDDARIAD CYD-BWYLLGOR LLYWODRAETHU
PARTNERIAETH PENSIWN CYMRU**
Yr Argymhellion / Penderfyniadau Allweddol Sydd Eu Hangen:

Y Pwyllgor i gael diweddariad o gyfarfod Cyd-bwyllgor Llywodraethu Partneriaeth Pensiwn Cymru a gynhaliwyd ar 20 Medi 2023

Y Rhesymau:

Rhoi'r canlynol i'r Pwyllgor:

- Diweddariad Cyd-bwyllgor Llywodraethu – 20 Medi 2023
- Adolygiad Cynllun Busnes Partneriaeth Pensiwn Cymru Ebrill - Mehefin 2023
- Diweddariad gan y Gweithredwr
- Crynodeb o Berfformiad Partneriaeth Pensiwn Cymru Ebrill - Mehefin 2023

Angen i'r Cabinet wneud penderfyniad Amherthnasol

Angen i'r Cyngor wneud penderfyniad Amherthnasol

YR AELOD O'R CABINET SY'N GYFRIFOL AM Y PORTFFOLIO:- Amherthnasol

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Chris Moore

Awdur yr Adroddiad:

Chris Moore

Swyddi:

Cyfarwyddwr Gwasanaethau
Corfforaethol,
Cyngor Sir Gâr

Rhifau ffôn:

01267 224120

Cyfeiriadau E-bost:

CMoore@sirgar.gov.uk

EXECUTIVE SUMMARY

DYFED PENSION FUND COMMITTEE 15TH NOVEMBER 2023

WALES PENSION PARTNERSHIP (WPP) JOINT GOVERNANCE COMMITTEE (JGC) UPDATE

The JGC report provides the Committee with details of the 20 September 2023 JGC Meeting, including the agenda items and the discussions for each item.

The WPP Business Plan Q1 Review (April – June 2023) provides an update on the following:

- Governance
- Ongoing Sub-Fund Development
- Operator Services
- Investments and Reporting
- Communication and Training
- Resources, Budget and Fees
- Training Plan

The Operator report provides an update on the following:

- June 2023 LF WPP Fund Assets Under Management
- June 2023 Fund Snapshot – Equities and Fixed Income
- Fund Launches & Changes
- Initiatives
- Markets
- LFS Corporate Update & Engagement

A report is also included which summarises and provides commentary on WPP's investment performance for Q2 2023 (April – June 2023).

DETAILED REPORT ATTACHED?

YES

IMPLICATIONS

I confirm that other than those implications which have been agreed with the appropriate Directors / Heads of Service and are referred to in detail below, there are no other implications associated with this report:

Signed: **C Moore**

Director of Corporate Services

Policy, Crime & Disorder and Equalities	Legal	Finance	ICT	Risk Management Issues	Staffing Implications	Physical Assets
NONE	NONE	NONE	NONE	NONE	NONE	NONE

CONSULTATIONS

I confirm that the appropriate consultations have taken in place and the outcomes are as detailed below

Signed: **C Moore**

Director of Corporate Services

1. Scrutiny Committee request for pre-determination

N/A

2. Local Member(s) N/A

3. Community / Town Council N/A

4. Relevant Partners N/A

5. Staff Side Representatives and other Organisations N/A

CABINET MEMBER PORTFOLIO HOLDER(S) AWARE/CONSULTED

N/A

**Section 100D Local Government Act, 1972 – Access to Information
List of Background Papers used in the preparation of this report:**

THERE ARE NONE

Mae'r dudalen hon yn wag yn fwriadol

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 & 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 WPPs 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>Exempt Items – 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 & 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 & 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

Mae'r dudalen hon yn wag yn fwriadol



Wales Pension Partnership Business Plan 2023-2024 Q1 Review

Governance

Work to be completed	Completed	Comments
<ul style="list-style-type: none"> Development of a WPP Breaches and Errors Policy 	In progress	To be approved at the September 2023 JGC
<ul style="list-style-type: none"> Legal Services provider contract (initial 3 year review) 		October – December 2023
<ul style="list-style-type: none"> Ongoing review of the Inter Authority Agreement 	Ongoing	
<ul style="list-style-type: none"> Annual review of WPP's policies and plans 	Ongoing	
<ul style="list-style-type: none"> Quarterly reviews of the Risk Register 	Ongoing	
<ul style="list-style-type: none"> Respond to any pooling related consultations and carry out any necessary changes as a result of consultation outcomes 	Ongoing	

Ongoing Sub-Fund development

Work to be completed	Completed	Comments
<ul style="list-style-type: none"> Launch of Private Debt & Infrastructure Sub-Funds 	Yes	Infrastructure and Private Debt investment programmes launched
<ul style="list-style-type: none"> Launch of Private Equity Sub-Fund 	In progress	Private Equity investment programme to be launched later in the year
<ul style="list-style-type: none"> Launch Sustainable Equities Sub-Fund 	Yes	Launched 20 June 2023
<ul style="list-style-type: none"> Formulate the WPP's Property requirements and optimal means of implementation & launch the property Sub-funds 	In progress	Work is progressing, currently at mandate specification stage
<ul style="list-style-type: none"> Consideration of WPP's Levelling up / impact requirements 	Ongoing	

<ul style="list-style-type: none"> Launch of other Private Market sub-funds (TBC) 		Discussions to be held with individual CA's
<ul style="list-style-type: none"> Consultation with CAs on need for further sub-funds, review and develop a mechanism to pool any suitable non-pooled assets 	Ongoing	
<ul style="list-style-type: none"> Consideration of Local Investment opportunities 	Ongoing	

Operator Services

Work to be completed	Completed	Comments
<ul style="list-style-type: none"> Operator contract / procurement process 	In progress	Procurement work has commenced, ITT to be issued October 2023
<ul style="list-style-type: none"> Operator oversight 	Ongoing	

Investments and Reporting

Work to be completed	Completed	Comments
<ul style="list-style-type: none"> Review Sub-Fund mandates to ensure compatibility with WPP's Responsible Investment and Climate Risk Beliefs 	Ongoing	
<ul style="list-style-type: none"> Task Force on Climate-related Financial Disclosures (TCFD) reporting 		Awaiting TCFD consultation response
<ul style="list-style-type: none"> Stewardship Code reporting 	In progress	2022/23 report to be submitted by 31 October 2023
<ul style="list-style-type: none"> Consider additional reporting that demonstrates WPP's commitment to Responsible Investment 	Ongoing	
<ul style="list-style-type: none"> On-going Investment Manager performance reporting, scrutiny and challenge 	Ongoing	

<ul style="list-style-type: none"> Annual review of WPP's Cost Transparency Requirements 		To be reviewed in Q1 (January to March) 2024
<ul style="list-style-type: none"> Annual performance review of WPP Sub Funds (Equity and Fixed Income) 		To be reviewed in Q1 (January to March) 2024
<ul style="list-style-type: none"> On-going engagement with Constituent Authorities regarding minimum ESG / RI standards and their climate ambitions 	Ongoing	

Communication and Training

Work to be completed	Completed	Comments
<ul style="list-style-type: none"> Formulation of the WPP's Annual Responsible Investment Progress Report 	Yes	Report presented at the July 2023 JGC and published on website
<ul style="list-style-type: none"> Formulation of the WPP's annual training plan 		To be formulated in Q1 (January to March) 2024
<ul style="list-style-type: none"> Formulation of the WPP's Annual Update 	Yes	2022/23 Annual Update published in August 2023
<ul style="list-style-type: none"> Formulation of the WPP's Annual Report 	In progress	2022/23 Annual Report to be published Autumn 2023

Resources, budget and fees

Work to be completed	Completed	Comments
<ul style="list-style-type: none"> Annual review of resources and capacity 		To be reviewed in Q1 (January to March) 2024
<ul style="list-style-type: none"> Formulation of Annual WPP Budget 		To be formulated in Q1 (January to March) 2024
<ul style="list-style-type: none"> Review and Monitoring of Operator / external provider fees 	Ongoing	

Training Plan

Training topics to be completed during 2023–2024 as per approved 2023-2024 Training Plan and progress to date:

	Completed	Comments
• Private Market Asset Classes – Private Equity / Property	Yes	8 June 2023
• Levelling up / development opportunities	Yes	8 June 2023
• TCFD reporting		
• Performance reporting		
• Voting & Engagement		Scheduled for 21 September 2023
• RI within the WPP sub funds		Scheduled for 21 September 2023
• Progress of other LGPS pools & Collaboration Opportunities		
• Pooling Guidance		

Budget

2023-2024 Budget Monitoring Report:

	Budget 2023 – 2024 £000	Forecast 2023 – 2024 £000	Variances 2023 – 2024 £000
Host Authority *	200	195	5
External Advisors *	1,448	1,448	0
TOTAL to be recharged	1,648	1,643	5
Operator Services **	37,257	37,257	0
TOTAL to be deducted from the NAV	37,257	37,257	0

**Host Authority and External Advisor costs are to be funded equally by all eight of the WPP's Constituent Authorities and these will be recharged on an annual basis.*

***Operator Services costs are based on each Constituent Authority's percentage share of WPP assets (held with the Operator) and are deducted directly from the Net Asset Value (NAV) of the Constituent Authority's assets (held with the Operator).*

Investments

Equity Sub-Funds

Global Growth Fund

Managed by: Link Fund Solutions

Portfolio Value: £2bn*

Global Opportunities Fund

Managed by: Russell Investments

Portfolio Value: £2bn*

UK Opportunities Fund

Managed by: Russell Investments

Portfolio Value: £0.6bn*

Emerging Markets Fund

Managed by: Russell Investments

Portfolio Value: £0.6bn*

Sustainable Active Equity Fund

Managed by: Russell Investments

Portfolio Value: £1.2bn*

Fixed Income Sub-Funds

Absolute Return Bond Fund

Managed by: Russell Investments

Portfolio Value: £0.4bn*

Global Government Bond Fund

Managed by: Russell Investments

Portfolio Value: £0.5bn*

Multi-Asset Credit Fund

Managed by: Russell Investments

Portfolio Value: £0.6bn*

Global Credit Fund

Managed by: Russell Investments

Portfolio Value: £0.8bn*

UK Credit Fund

Managed by: Link Fund Solutions

Portfolio Value: £0.5bn*

Private Markets

Infrastructure – closed ended

Managed by: GCM Grosvenor

Infrastructure – open ended

Managed by: CBRE, IFM and Octopus

Private Credit

Managed by: Russell Investments

* Portfolio Values as at launch date



Wales Pension Partnership

<https://www.walespensionpartnership.org/>

Wales Pension Partnership
Joint Governance Committee
Q2 2023 review – 20 September 2023



Market Updates

Proposed Acquisition

As discussed since the last Joint Governance Committee on 19 July 2023;

Below is the update in relation to the progress of the sale of the Fund Solutions business (FS Business) and ongoing negotiations with the UK Financial Conduct Authority (FCA) to settle the FCA investigation against Link Fund Solutions Limited (LFSL).

Link Group announced on 3rd August 2023 (Sydney time) that counterparties to contracts representing the requisite threshold majority of revenue in respect of LFSL's ACD business and Link Fund Manager Solutions (Ireland) Limited's business have agreed to those contracts being transferred to the Waystone Group on completion of the FS Sale.

Satisfaction of the revenue and third-party consent conditions for the FS Sale remain subject to receiving certain regulatory approvals in the UK and Ireland.

Link Group has received clearance from the Competition and Consumer Protection Commission of Ireland in respect of the FS Sale. Link Group expects that the FS Sale will complete in October 2023, subject to remaining conditions being satisfied.

On 28 July 2023 LFSL informed the investors in the WEIF (WEIF Investors), that subject to the outcome of discussions with Link Group and the FCA, and the English High Court's availability, LFSL expects to issue a Practice Statement Letter in September 2023. The Practice Statement Letter will notify WEIF Investors of the formal launch of the Scheme and provide further details about the key terms of the Scheme and the first court hearing in relation to the Scheme.

The Settlement contemplated by the Scheme is conditional on the completion of the FS Sale. If the Scheme becomes effective, it will provide for monies, including a contribution of up to £60 million from Link Group to LFSL, to be made available to make payments to the WEIF Investors. In return for those payments to the WEIF Investors, LFSL, Link Group, and their respective affiliates and officers will receive releases from liability relating to LFSL's role as ACD of the WEIF.

Link Group continues to be confident that, even if the Scheme was not approved and the Settlement was terminated, liabilities relating to the WEIF remain within LFSL and Link Group has no obligation to contribute to any of those WEIF related liabilities

The Sale is targeted to complete by October 2023 and is not contingent on the Scheme or the Settlement becoming unconditional.

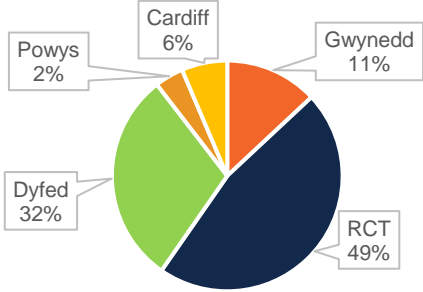
June 2023 LF Wales PP Fund Summary AUM

Fund	AUM	Inception date
Global Growth	£3,152,544,871	6 th Feb 2019
Global Opportunities	£2,872,375,381	14 th Feb 2019
UK Opportunities	£760,439,759	10 th Oct 2019
Emerging Markets	£356,535,814	20 th Oct 2021
Sterling Credit	£505,218,736	19 th Aug 2020
Global Credit	£822,842,390	21 st Aug 2020
Multi Asset Credit	£677,453,841	12 th Aug 2020
Global Government Bond	£474,633,884	20 th Aug 2020
Absolute Return Bond	£562,410,324	30 th Sept 2020
Sustainable Active Equity Fund	£1,282,280,221	20 th June 2023
Total Active Investments	£11,466,735,225	
Total Passive Investments	£4,738,457,626	
Total Pooled Assets	£16,205,192,851 as at 30 June 2023	

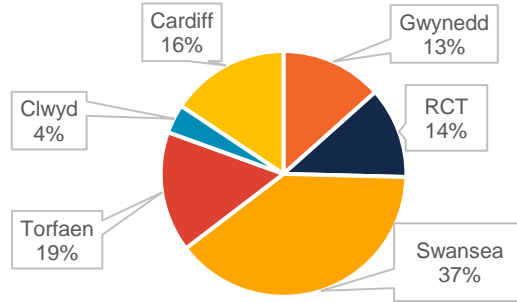
June 2023 Fund Snapshot - Equities

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

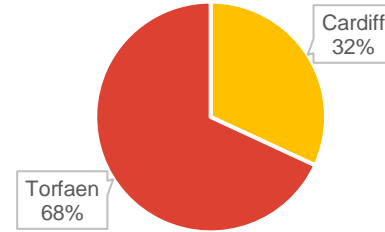
Global Growth



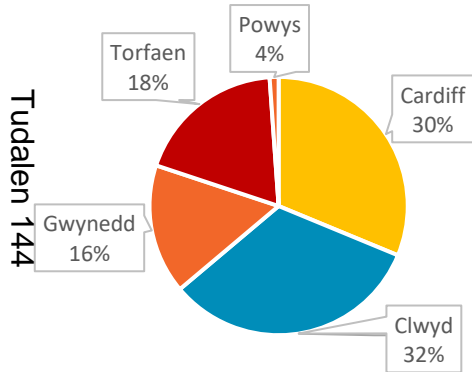
Global Opportunities



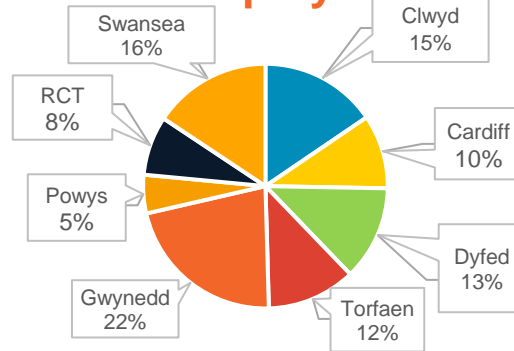
UK Opportunities



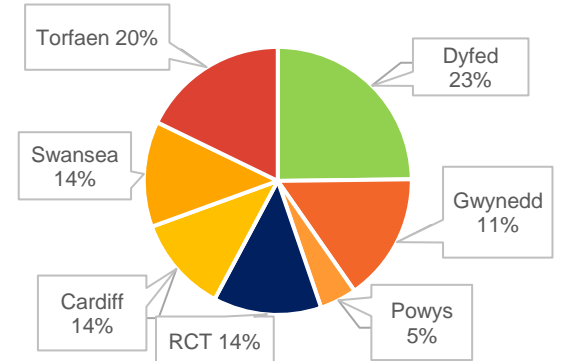
Emerging Markets



Sustainable Active Equity



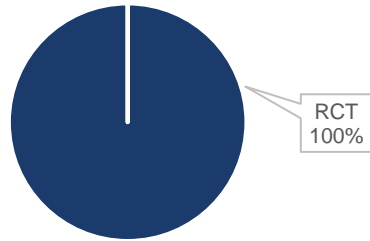
Passive*



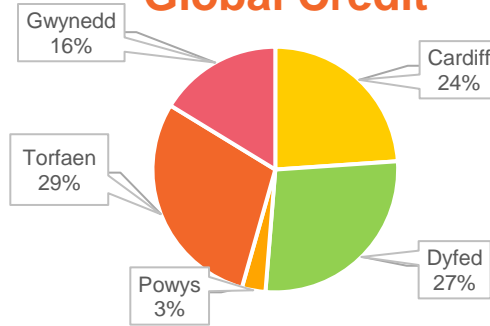
* Assets with BlackRock 4

June 2023 Fund Snapshot - Fixed Income

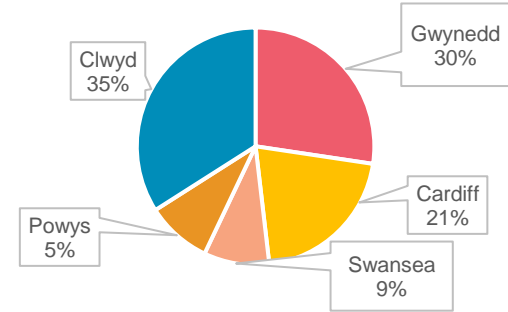
Sterling Credit



Global Credit



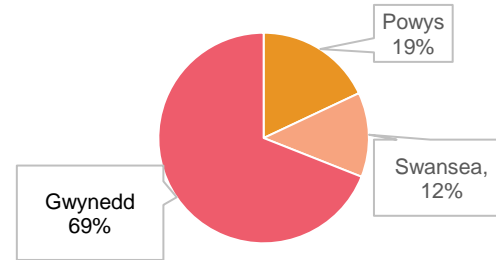
Multi Asset Credit



Global Gov. Bond






Absolute Return Bond







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

Sub-Funds Update

Fund Launches & Changes			
	Activity	Status	Commentary
Completed Fund Launches & Changes	Establishment of a Sustainable Equities Fund		Fund Launched 20 June 2023, with handover to Russell Investments from Transition Manager due on 14 July 2023
Ongoing Fund Launches & Changes	Addition of Robeco to the Global Credit fund, removal of T Rowe Price		New Investment Manager 'Robeco' to be implemented Q3 2023.
	Addition of New Investment Manager to the Global Growth Fund, as an addition to current Managers		Proposed addition new manager to be discussed with Host and Hymans before sharing with Constituent Authorities with rationale behind the change

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Status key

-  Completed or already in place
-  On target;
-  Delay Expected;
-  Not Applicable

Initiatives


Business as Usual + Key Changes			
	Activity	Status	Commentary
Management Information	Move to Quarterly Reporting cycle with changes to information captured	✓	Quarterly Reporting cycle now implemented
Class action reporting	Rolled out class action reporting to the Host on quarterly basis	✓	We have continued to provide the Class Action reporting to the Host Authority

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Status key:

- Completed or already in place
- On target;
- Delay Expected;
- Not Applicable

Market Updates

Activity	Status	Commentary
Russia / Ukraine	Impact to ACS sub-funds holding Russian companies 	LFSL continue to monitor the situation and will advise Constituent Authorities of any developments. Our Fair Value Pricing Committee regularly discuss and assets are still priced accordingly.

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- Status key
-  Completed or already in place
 -  On target;
 -  Delay Expected;
 -  Not Applicable

LFS Corporate Update & Engagement

Key Q1 and future WPP Engagement

Link attendance at OWG/JGC meetings in period:

- OWG 23 May 2023

Link attendance at OWG/JGC meetings in next quarter:

- WPP JGC 19 July 2023
- OWG 24 October 2023
- WPP JGC 20 September 2023

Link - Pension Committee attendance in period:

- Clwyd – Pension committee 23 June 2023

Link - Pension Committee attendance in next quarter:

- Powys Pensions and Investment Committee meeting – 6 October 2023

Other meetings in period

- Host Authority update – occurs bi-weekly
- WPP briefing / training session – (First session)

Other meetings in next quarter

- Host Authority update – occurs bi-weekly
- Strategic Relationship Review – 20 September 2023
- Pension Board Chairs Engagement Meeting - 3 October 2023

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LFS Engagement Protocol – Business as Usual

Strategic Relationship Review	Frequency	Objective
	<ul style="list-style-type: none"> ▪ Bi-annual 	<ul style="list-style-type: none"> ▪ Ensure strategic alignment between Host Authority and Link

WPP Attendees <ul style="list-style-type: none"> ▪ Chris Moore ▪ Anthony Parnell ▪ Two Section 151 / Deputy Section 151 officers 	Link Attendees <ul style="list-style-type: none"> ▪ Karl Midl, Managing Director ▪ Richard Thornton, Head of Relationship Management, Asset Owners
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JGC Engagement	Frequency	Objective
	<ul style="list-style-type: none"> ▪ Quarterly 	<ul style="list-style-type: none"> ▪ Engage with JGC on pertinent matters and strategic deliverables

WPP Attendees <ul style="list-style-type: none"> ▪ Joint Governance Committee (JGC) 	Link Attendees <ul style="list-style-type: none"> ▪ Karl Midl, Managing Director / Adam Tookey, Head of Product – as required ▪ Richard Thornton, Head of Relationship Management, Asset Owners ▪ James Zealander, Senior Relationship Manager ▪ Russell Investments
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OWG Engagement	Frequency	Objective
	<ul style="list-style-type: none"> ▪ Quarterly 	<ul style="list-style-type: none"> ▪ Identify and deliver on opportunities to improve and expand the relationship ▪ Provide update on open projects or issues ▪ Monthly KPI Review (Data supplied monthly)

WPP Attendees <ul style="list-style-type: none"> ▪ Officers Working Group (OWG) 	Link Attendees <ul style="list-style-type: none"> ▪ James Zealander, Senior Relationship Manager ▪ Richard Thornton, Head of Relationship Management, Asset Owners ▪ Heidi Robinson, Relationship Managers (as required) ▪ Ad-hoc Link attendance from functional departments: Tax, Compliance, Product, etc. ▪ Russell Investments
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Note: Meetings may be conducted remotely and/or amalgamated where required.

Link Engagement Protocol continued...

Host Authority Update	Frequency	Objective
<p>WPP Attendees</p> <ul style="list-style-type: none"> ▪ Anthony Parnell ▪ Tracey Williams 	<ul style="list-style-type: none"> ▪ Bi-Weekly 	<ul style="list-style-type: none"> ▪ Regular Host Authority – LFS to discuss deliverables and business updates ▪ Richard Thornton, Head of Relationship Management, Asset Owners ▪ James Zealander, Senior Relationship Manager ▪ Heidi Robinson, Relationship Managers (as required) ▪ Clair Baguley, Client Service Manager (as required)
Pension Fund Committees	Frequency	Objective
<ul style="list-style-type: none"> ▪ Individual Pension Fund Committee meetings 	<ul style="list-style-type: none"> ▪ Annual 	<ul style="list-style-type: none"> ▪ General update on the ACS and planned initiatives ▪ Richard Thornton, Head of Relationship Management, Asset Owners ▪ James Zealander, Senior Relationship Manager ▪ Heidi Robinson, Relationship Managers (as required) ▪ Russell Investments
Manager Engagement Days		Objective
<ul style="list-style-type: none"> ▪ Open to all involved parties 	<ul style="list-style-type: none"> ▪ Annual 	<ul style="list-style-type: none"> ▪ Open day for presentations on strategy and performance (with IM) ▪ Link Client Team ▪ Northern Trust ▪ Russell Investments and other Investment Managers ▪ Other consultants as required (e.g. bFinance)
Pension Board Engagement	Frequency	Objective
<p>WPP Attendees</p> <ul style="list-style-type: none"> ▪ Chairpersons of the Constituent Authorities ▪ Host Authority 	<ul style="list-style-type: none"> ▪ Bi-Annual 	<ul style="list-style-type: none"> ▪ General update on the ACS and planned initiatives ▪ Link Client Team ▪ Russell Investments

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Relationship Managers

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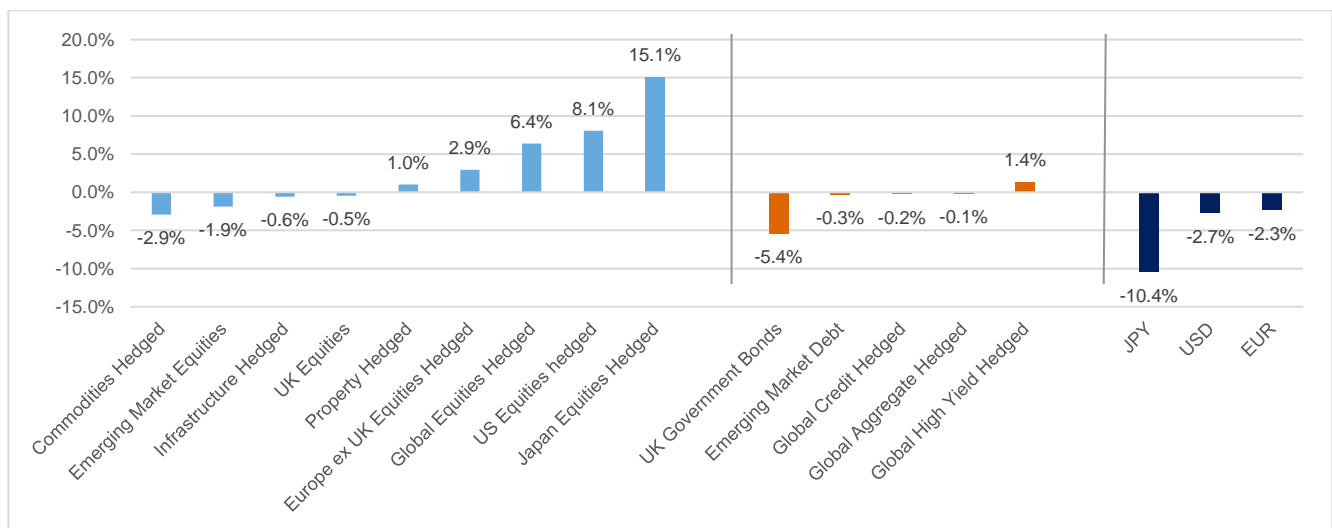
This document is issued by Link Fund Solutions Limited. The information provided is for guidance and information purposes only and should not be regarded as a substitute for taking legal advice. Link Fund Solutions Limited, 6th Floor, 65 Gresham Street, London EC2V 7NQ. Authorised and Regulated by the Financial Conduct Authority

JGC - WPP Performance Summary Q2 2023

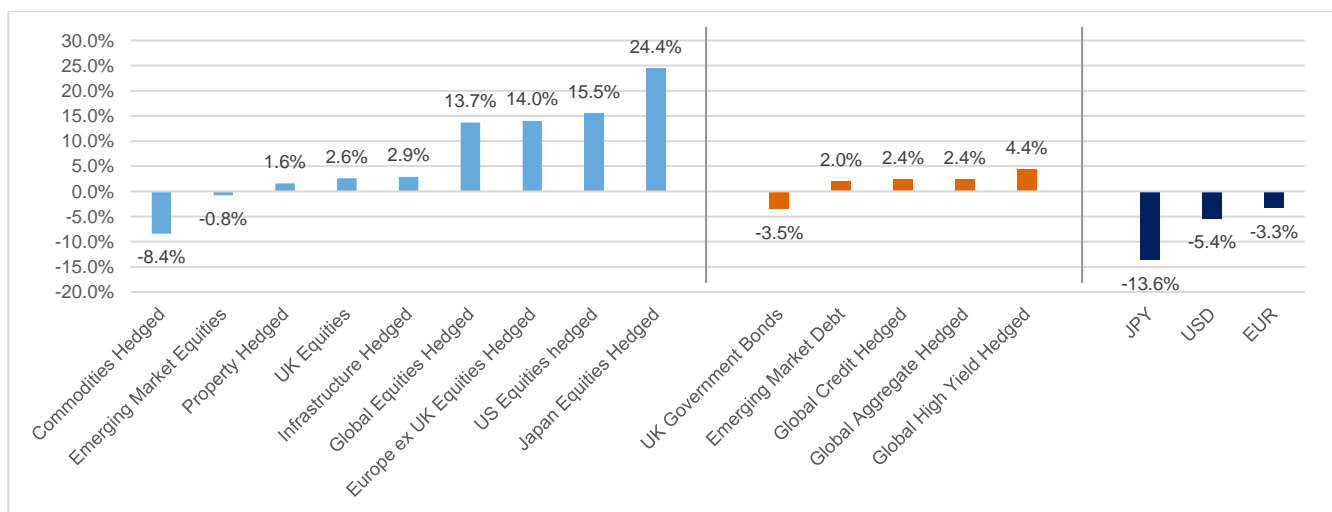
Global Market Commentary

The MSCI World Net Index climbed 6.8% in the second quarter. Positive economic data and a resolution to the US debt ceiling talks helped propel equities higher in June following more muted performance in April and May. There was divergence across markets, with the US outpacing the global index and developed peers. Slow progress on controlling inflation and expectations of future rate hikes weighed on the UK and European markets. The US dollar gained versus the Japanese yen and most commodity-sensitive currencies but weakened against sterling and the euro. Oil prices fell as concerns about the global demand outlook persisted, in particular a sluggish post-Covid recovery in China. The Federal Reserve (Fed), European Central Bank (ECB) and the Bank of England (BoE) all raised rates over the quarter, by varying amounts.

Asset class performance – Quarter to Date (June) 2023



Asset class performance – Year to Date (June) 2023



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)

Global Growth Equity Fund:

	Three Months	1 Year	Since Inception
Gross	1.79	10.39	9.77
Net	1.69	9.99	9.35
MSCI AC World Index Net	3.26	11.31	10.53
Excess returns (gross)	-1.47	-0.92	-0.76

Inception Date: 31st January 2019

Source: Northern Trust as of 30 June 2023

Overall Fund Commentary

The Fund returned 1.8% in GBP over the quarter but underperformed versus the benchmark return. Value was the notable factor underperformer recording a negative return for the quarter.

Pzena's value bias underperformed the broad market but outperformed the value index. Typical value sectors including Energy, Staples, and Materials all underperformed the market. Despite the setbacks in March caused by the collapse of Silicon Valley Bank, stock selection in Financials was the largest positive of any sector. Despite a growth led market Baillie Gifford performance was in-line with the market. Stock selection balanced the IT underweight. Market gains were led by a 10% return for the Information Technology sector which is the largest sector underweight in the Global Growth Fund at -10.3%. The strength of demand for Nvidia's graphics and AI processors surprised the market, prompting a 50% rally in the stock and sparking a broad rally in the sector. The largest overweight sector is healthcare which lost ground over the quarter compounded by disappointing stock action from Novocure, Bio Rad Labs, and Illumina. The prospect of a takeover fuelled a first quarter rally in Veritas' holding of Catalent however that return was largely given up in the second quarter. Healthcare contributed around two thirds of the underperformance in the quarter. Stock selection within the Consumer Discretionary sector made up the balance of the underperformance.

Global Opportunities Equity Fund:

	Three Months	1 Year	Since Inception
Gross	3.02	11.92	11.69
Net	2.94	11.61	11.36
MSCI AC World Index Net	3.26	11.31	10.53
Excess returns (gross)	-0.25	0.61	1.16

Inception Date: COB 31st January 2019

Source: Source: Northern Trust as of 30 June 2023

Overall Fund Commentary

The Fund registered positive absolute returns over the second quarter but slightly underperformed against the benchmark on a relative basis.

As in the first quarter, growth and large caps were the best-performing styles, significantly outperforming the index. However, the performance of growth was driven by the US as the factor lagged in Europe ex UK and Japan. Minimum volatility was the worst performing factor. Information technology was the best-performing sector, boosted by strong earnings results from big US tech companies and excitement over the potential in AI. Consumer discretionary also made significant gains. In contrast, utilities, energy, and materials were the weakest-performing sectors.

EM Market Commentary

The MSCI Emerging Markets (EM) Index (USD) gained 0.9%. Improved investor sentiment drove positive June performance and helped the market recover from negative April and May returns. However, EM lagged developed markets overall due to a selloff within China, as growing concerns about the strength of the economy weighed on returns. Oil prices fell as the uncertain outlook for global demand persisted.

EM Opportunities Equity Fund:

	Three Months	1 Year	Since Inception
Gross	-2.28	-0.45	-7.74
Net	-2.40	-0.94	-8.19
MSCI Emerging Market Index	-1.50	-1.34	-6.80
Excess returns (gross)	-0.78	0.89	-0.94

Performance Target is MSCI Emerging Market Index + 1.5%

Inception Date: COB 20th October 2021

Source: Source: Northern Trust as of 30 June 2023

Overall Fund Commentary

The Fund underperformed the negative benchmark return. The Fund's factor positioning suited the market environment, including over-weights to value and momentum. However, selection within China was negative this quarter, particularly within the country's consumer discretionary and materials sectors. Negative country allocation included underweights to India, Taiwan and Saudi Arabia. However, an overweight to Brazil was rewarded. Selection within Brazil (oil giant Petrobras) and South Korea (semiconductor stock SK Hynix) contributed positively.

Artisan was the best-performing manager this quarter despite an unfavourable environment for its growth tilt. Axiom's growth-oriented strategy underperformed in a period where the growth factor lagged behind. Barrow Hanley extended its strong inception-to-date outperformance and Quant manager Numeric added to its longer-term outperformance. Oaktree finished in-line with the benchmark, however China specialist Bin Yuan underperformed its benchmark in a negative quarter for China.

UK Market Commentary

UK equities struggled in the second quarter as fears over the health of the economy persisted. Inflation remained significantly higher than elsewhere despite continual monetary tightening by the Bank of England (BoE), which raised rates twice in the quarter, by 25 bps in May then by an unexpected 50 bps in June, the latter representing the 13th consecutive rate increase. BoE governor, Andrew Bailey, acknowledged the bank faces a wage price spiral as rapid rises in energy and food prices had progressed into generalised wage and price setting by companies. At the European Central Bank Forum in June he said that interest rates are likely to remain higher for longer than financial markets are. Headline inflation was unchanged at 8.7% in May, while core inflation rose to 7.1% from 6.8% in April. Meanwhile, retail sales rose 0.3% MoM in May, exceeding forecasts of a 0.2% decline.

UK Opportunities Equity Fund:

	Three Months	1 Year	Since Inception
Gross	0.13	13.40	3.39
Net	0.04	13.00	2.99
FTSE All Share	-0.46	7.89	3.86
Excess returns (gross)	0.59	5.51	-0.48

Inception Date: COB 23rd September 2019

Source: Northern Trust as of 30 June 2023

Overall Fund Commentary

The Fund registered positive absolute returns over the second quarter and overperformed against the negative benchmark. UK equities struggled in the second quarter as fears over the health of the economy persisted. In contrast, small cap and value lagged. In sectors, technology was the best-performing sector, benefitting from the optimism around artificial intelligence (AI) and significantly outperforming all other sectors. Financials and industrials also did well. In contrast, telecommunication and materials lagged the most.

Baillie Gifford (long-term growth) was the best-performing strategy over the quarter. Its growth focus was rewarded during the period. Ninety One (contrarian value) underperformed against the benchmark in the second quarter. The manager's tilt towards value was unfavourable during the period.

Fixed Income Market Commentary

The Bloomberg Global Aggregate Bond Index (USDH) edged up 0.1% over the quarter. Government bond returns ended flat or lower, as policymakers indicated that additional interest rate rises would be required to bring inflation under control. Eurozone sovereigns fared better than equivalents elsewhere, particularly in Japan and China. Corporate bonds ended broadly higher, with high yield credit mostly outperforming investment grade bonds except in emerging markets. The Federal Reserve (Fed), European Central Bank (ECB) and the Bank of England (BoE) all raised rates over the quarter, by varying amounts.

Global Government Bond Fund:

	Three Months	1 Year	Since Inception
Gross	-1.37	-1.58	-3.84
Net	-1.42	-1.82	-4.08
FTSE World Gvt Bond Index (GBP Hedged)	-4.19	-6.14	-6.19
Excess returns (gross)	2.82	4.56	2.35

Inception Date: COB 30th July 2020

Source: Source: Northern Trust as of 30 June 2023

Overall Fund Commentary

The Fund registered negative absolute returns but outperformed the negative benchmark return this quarter. The Fund's underweight exposure to short-dated US T-bills was detrimental. Exposure to short-dated UK gilts at a time where yields climbed higher was a further detractor. Underperformance was mitigated by an overweight to Mexican rates and, similar to the previous quarter, an overweight to Colombian rates.

Global Credit Fund:

	Three Months	1 Year	Since Inception
Gross	-0.66	-0.44	-4.70
Net	-0.70	-0.61	-4.87
Bloomberg Barclays Global Agg Credit Index (GBP Hedged)	-0.21	-0.13	-4.53
Excess returns (gross)	-0.46	-0.31	-0.17

Inception Date: COB 27th July 2020

Source: Source: Northern Trust as of 30 June 2023

Overall Fund Commentary

The Fund underperformed the benchmark return this quarter.

Within this environment, an overweight to European high yield (financials) and investment grade credit contributed positively. Overweight exposure to US high yield credit to financials and industrials was also rewarded. However, an underweight to US investment grade industrials detracted. In hard currency emerging market debt, underweights to investment grade credit in Asia, Europe, Latin America and the Middle East were also detrimental to returns.

Multi Asset Credit Fund:

	Three Months	1 Year	Since Inception
Gross	2.30	5.96	0.42
Net	2.22	5.58	0.08
3 Month GBP SONIA + 4%	2.10	7.29	5.26

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

Inception Date: COB 27th July 2020

Source: Source: Northern Trust as of 30 June 2023

Overall Fund Commentary

The Fund recorded a positive return in a quarter when financial markets rallied.

High yield (HY) was stronger than investment grade corporate debt. Global HY spreads narrowed significantly over the quarter with US HY outperforming European HY. Global investment grade spreads narrowed. US investment grade was stronger than European investment grade credit. Hard currency emerging market debt spreads narrowed in the market environment. Loan specialist ICG was the best performing manager.

Absolute Return Bond Strategy Fund:

	Three Months	1 Year	Since Inception
Gross	0.67	3.65	2.17
Net	0.59	3.36	1.86
3 Month GBP SONIA + 2%	1.61	5.23	3.31

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: Source: Northern Trust as of 30 June 2023

Overall Fund Commentary

The Fund recorded a positive return this quarter.

High yield (HY) was stronger than investment grade corporate debt. Global HY spreads narrowed significantly, by 56 bps to 491 over the quarter. US HY (-65 bps to 390) outperformed European HY (-38 bps to 443). Global investment grade spreads narrowed by 14 bps to 124. US investment grade (-15 bps to 114) was stronger than European investment grade credit (-7 bps to 139). Local currency emerging market debt (EMD) outperformed hard currency EMD.

Sterling Credit Fund:

	Three Months	1 Year	Since Inception
Gross	-3.06	-4.91	-5.81
Net	-3.09	-5.03	-5.94
ICE Bank of America Merrill Lynch Euro-Sterling Index plus 0.65%	-3.19	-6.40	-6.21
Excess returns (Gross)	0.13	1.49	0.41

Inception Date: COB 27th July 2020

Source: Northern Trust as of 30 June 2023

Overall Fund Commentary

The Fund posted negative returns but outperformed the index over the quarter. The fund's favourable sterling duration position added value. Gilts yields rose amid rising inflation which resulted in repricing of terminal rates from 5% to 6 and greater resolve by BoE to combat inflation. Additionally, an underweight position in Canadian dollar duration enhanced gains. However, an overweight position in the Euro duration detracted from performance.

At a sector level, the underweight position in Utility and Consumer Cyclical detracted from performance while an overweight position in Insurance and Banks & Brokers supported performance. An underweight position in European Investment Bank and Innogy Finance detracted from performance. Meanwhile, an overweight stance in insurance names such as Zurich Insurance and Pension Insurance buoyed returns. Moreover, an underweight position in Thames water supported performance as bonds plunged on fears that that company will not be able to repay due to a liquidity crisis.

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