

Wales Pension Partnership

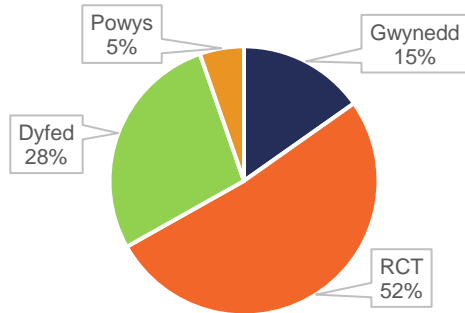
Joint Governance Committee

10th December 2020

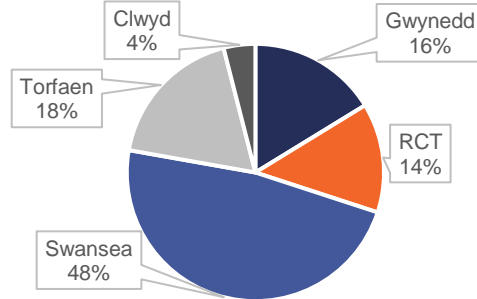


September 2020 LF Wales PP Fund Snapshot

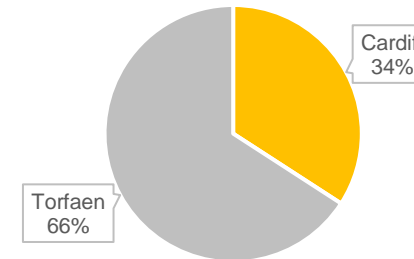
Global Growth



Global Opportunities



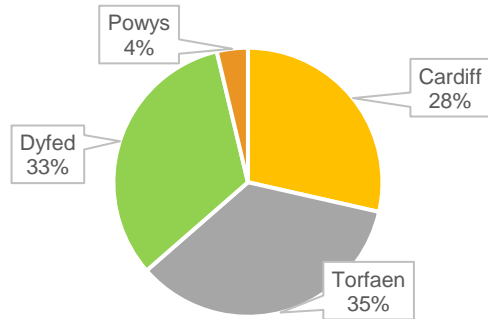
UK Opportunities



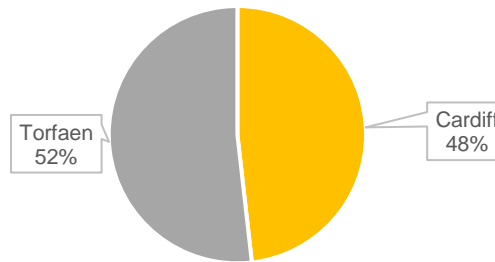
Key:

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

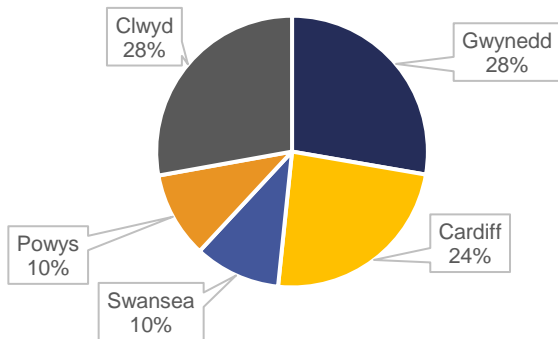
Global Credit



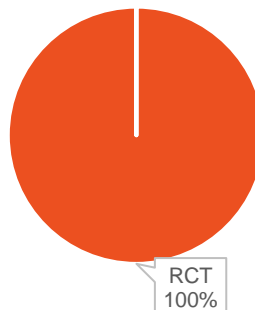
Global Gov. Bond



Multi Asset Credit



Sterling Credit



Fund	AUM	Inception date
Global Growth	£2,445,037,288	6 th Feb 2019
Global Opportunities	£2,284,960,573	14 th Feb 2019
UK Opportunities	£544,517,720	10 th Oct 2019
Global Credit	£789,846,587	21 st Aug 2020
Global Government Bond	£531,735,711	20 th Aug 2020
Multi Asset Credit	£636,770,339	12 th Aug 2020
Sterling Credit	£554,652,347	19 th Aug 2020
Total	£7,787,520,565	

Note: All data as at 30th September 2020



Fund Launch Progress Report

Tranche 3, 4 & 5 updates



Open Launch Activity

Key Achievements & Updates

Key:

- On track
- Progressing with delays
- On hold / progressing with major delays

Fund Launches Progress				
	Overview	Status	Progress in period	Launch dates
Tranche 3: Fixed Income sub-fund launch	<ul style="list-style-type: none"> ▪ Establishment of 5 Fixed Income sub-funds within the ACS ▪ FCA approval received and BlackRock appointed as transition manager 	Completed	<ul style="list-style-type: none"> ▪ All 5 funds launched successfully ▪ BlackRock have completed the post transition report and review with Host Authority / Hymans 28th September (final document issued 26th October) ▪ Byhiras review of transition pending 	27 th and 30 th July 2020 30 th September
Tranche 4: Emerging Markets sub-fund launch	<ul style="list-style-type: none"> ▪ Emerging Market fund to be created under the Enhanced Portfolio Implementation model with a carbon reducing overlay 	■	<ul style="list-style-type: none"> ▪ JGC agreed manager structure proposal March 2020 ▪ Prospectus review completed by LFS, Burgess Salmon and NT Depositary ▪ Submission to FCA due w/c 9th Nov 	May 2021

Strategic developments				
	Overview	Status	Progress in period	Planned Launch date
Tranche 5: Private Markets strategy development	<ul style="list-style-type: none"> ▪ Development of a WPP Private Market strategy including a road map for the potential creation of a standalone Private Market sub fund 	■	<ul style="list-style-type: none"> ▪ Russell Investments paper to outline launch proposal based on legacy asset and strategic plan of each participating Authority discussed within Working Group ▪ LFS provided a consultation paper on suitable structures to Host Authority / Hymans on 28th August ▪ Follow up paper on operating model and investment approach provided to Host Authority / Hymans on 28th October 	January to June 2021



LFS Corporate Update & Engagement



LFS Corporate Update & Engagement

ASX Announcement

- A non-binding indicative proposal to acquire Link Group was received from a consortium comprising Pacific Equity Partners, Carlyle Group and their affiliates (Consortium) dated 10 October 2020
- This offer was rejected as it did not represent compelling value for Link Group shareholders and a subsequent offer is under review
- These events have no impact to our service delivery and commitment to the WPP

Key Q3 and future WPP Engagement

Link attendance at OWG/JGC meetings in period:

- OWG 24th July 2020 (VC)
- JGC 11th Sep 2020 (VC)
- OWG 18th Sep 2020 (VC)

Link attendance at OWG/JGC meetings in next quarter:

- OWG 4th November 2020 (VC)
- JGC 10th Dec 2020 (VC)

Link - Pension Committee attendance in period:

- None

Link - Pension Committee attendance in next quarter :

- Clwyd – 25th November 2020 (VC)

Other meetings in period

- Host Authority update – occurs bi-weekly
- Working group - occurs bi-weekly
- Private markets update 21st July 2020

Other meetings in next quarter

- Host Authority update – occurs bi-weekly
- Working group - occurs bi-weekly

LFS Engagement Protocol

Business as Usual

Strategic Relationship Review	Frequency	Objective
	<ul style="list-style-type: none">▪ 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▪ Duncan Lowman, Head of Client Coverage
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 / Duncan Lowman, Head of Client Coverage▪ Eamonn Gough, Senior Relationship Manager▪ Russell Investments
OWG Engagement	Frequency	Objective
	<ul style="list-style-type: none">▪ Every 2 Months	<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">▪ Eamonn Gough, Senior Relationship Manager▪ Richard Thornton, Head of Relationship Management, Asset Owners▪ Adam Tookey, Head of Product (as required)▪ Ada Wabara, Relationship Manager (as required)▪ Ad-hoc Link attendance from functional departments: Tax, Compliance, Product, etc.▪ Russell Investments

Note: The OWG Engagement and Monthly KPI meetings may be conducted remotely and/or amalgamated where required.

Link Engagement Protocol continued...

Business as Usual

Host Authority Update	Frequency	Objective
	<ul style="list-style-type: none"> ▪ Bi-Weekly 	<ul style="list-style-type: none"> ▪ Regular Host Authority – LFS to discuss deliverables and business updates
WPP Attendees <ul style="list-style-type: none"> ▪ Anthony Parnell ▪ Tracey Williams 		<ul style="list-style-type: none"> ▪ Richard Thornton, Head of Relationship Management, Asset Owners ▪ Eamonn Gough, Senior Relationship Manager ▪ Ada Wabara, Relationship Manager (as required) ▪ Sheetal Shetty, Client Service Manager (as required)
WPP Working Group	Frequency	Objective
	<ul style="list-style-type: none"> ▪ Bi-Weekly 	<ul style="list-style-type: none"> ▪ Regular project call to discuss progress of deliverables
WPP Attendees <ul style="list-style-type: none"> ▪ Officers Working Group (OWG) ▪ Hymans 		<ul style="list-style-type: none"> ▪ Link Client Team ▪ Northern Trust ▪ Russell Investments ▪ Other consultants (e.g. bFinance)
Annual Shareholder Day	Frequency	Objective
	<ul style="list-style-type: none"> ▪ Annual 	<ul style="list-style-type: none"> ▪ Open day for presentations on strategy and performance (with IM)
<ul style="list-style-type: none"> ▪ Open to all involved parties 		<ul style="list-style-type: none"> ▪ Link Client Team ▪ Northern Trust ▪ Russell Investments and other Investment Managers (e.g. Global Growth Managers) ▪ Other consultants as required (e.g. bFinance)
Pension Fund Committees		Objective
	<ul style="list-style-type: none"> ▪ Annual 	<ul style="list-style-type: none"> ▪ General update on the ACS and planned initiatives
<ul style="list-style-type: none"> ▪ Individual Pension Fund Committee meetings 		<ul style="list-style-type: none"> ▪ Eamonn Gough, Senior Relationship Manager ▪ Ada Wabara, Relationship Manager ▪ Richard Thornton, Head of Relationship Management, Asset Owners ▪ Russell Investments