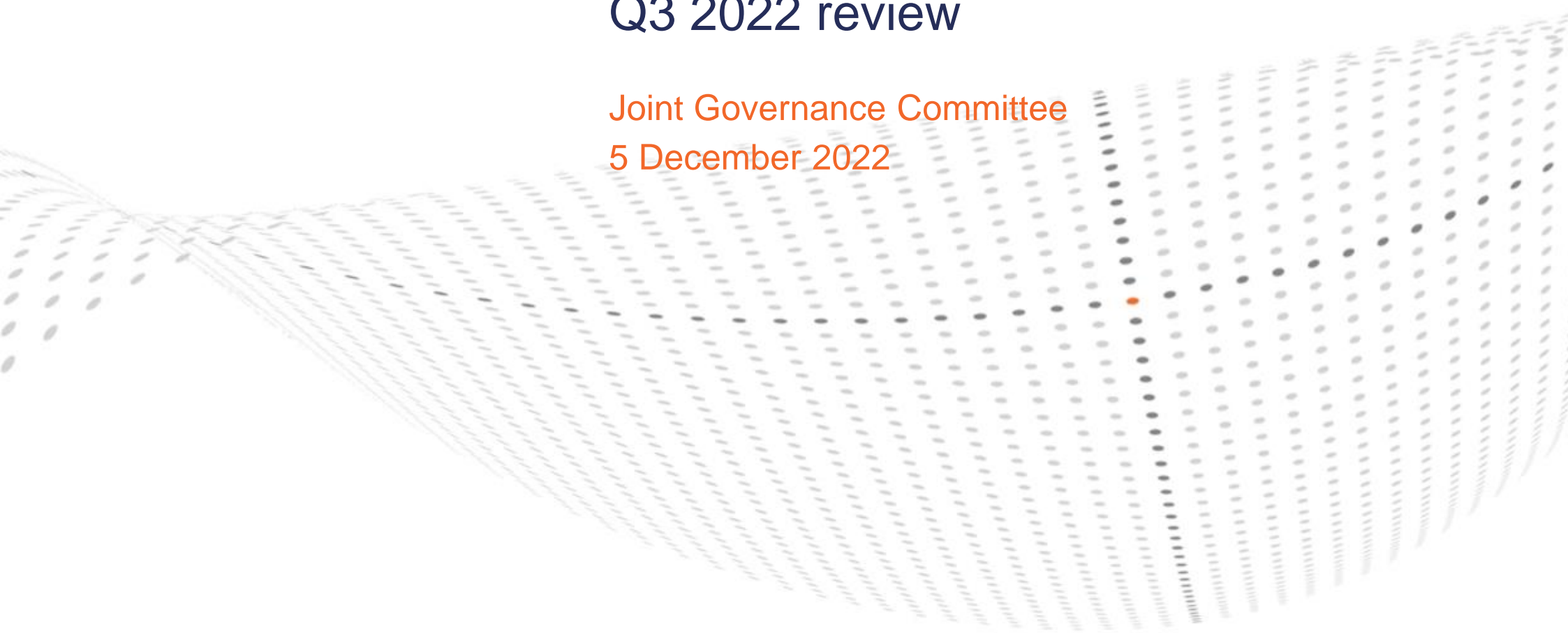


Wales Pension Partnership

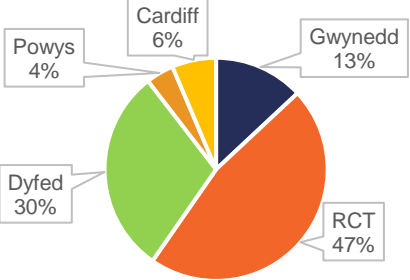
Q3 2022 review

Joint Governance Committee
5 December 2022

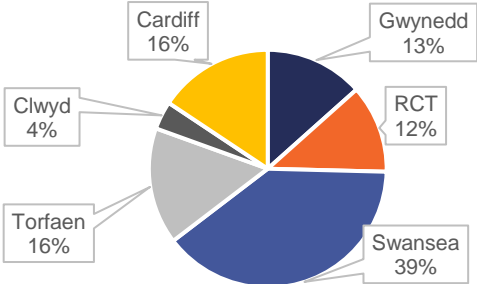


September 2022 Fund Snapshot - Equities

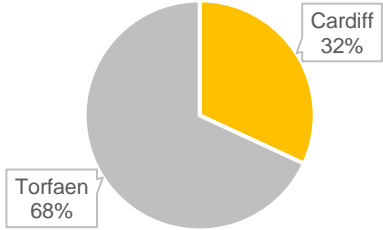
Global Growth



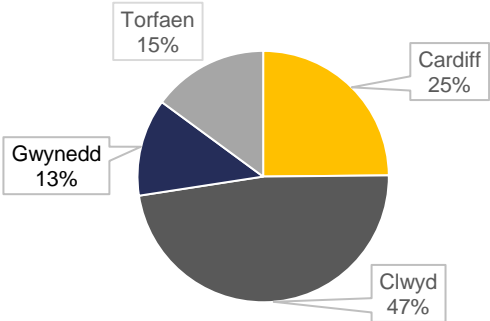
Global Opportunities



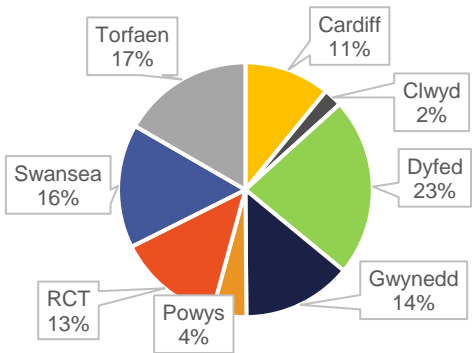
UK Opportunities



Emerging Markets



Passive*

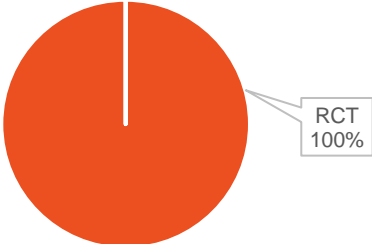


- Key:
- Dyfed
 - Powys
 - Gwynedd
 - RCT
 - Torfaen
 - Clwyd
 - Swansea
 - Cardiff

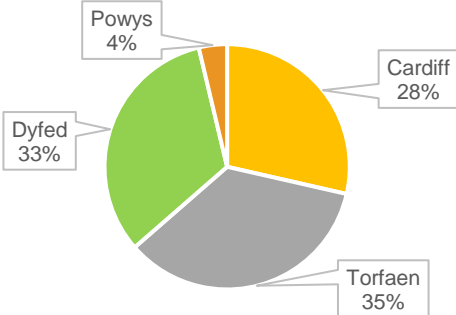
* Assets with BlackRock

September 2022 Fund Snapshot - Fixed Income

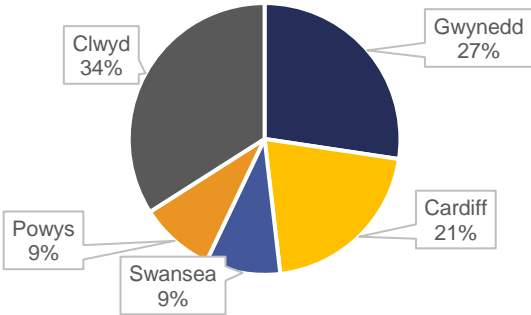
Sterling Credit



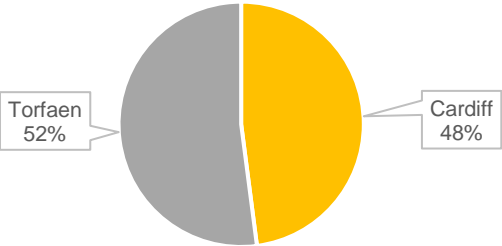
Global Credit



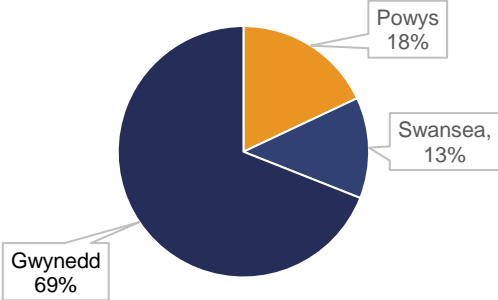
Multi Asset Credit



Global Gov. Bond



Absolute Return Bnd



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

September 2022 LF Wales PP Fund AUM

Fund	AUM	Inception date
Global Growth	£3,000,487,187.59	6 th Feb 2019
Global Opportunities	£3,122,688,711.96	14 th Feb 2019
UK Opportunities	£647,541,621.15	10 th Oct 2019
Emerging Markets	£425,176,820.03	20 th Oct 2021
Sterling Credit	£477,130,542.98	19 th Aug 2020
Global Credit	£659,822,383.54	21 st Aug 2020
Multi Asset Credit	£602,517,347.75	12 th Aug 2020
Global Government Bond	£461,325,109.56	20 th Aug 2020
Absolute Return Bond	£520,717,180.53	30 th Sept 2020
Total Active Investments	£9,917,406,905.09	
Total Passive Investments	£4,945,012,009.12	
Total Pooled Assets	£14,862,418,914.21 as at 30 September 2022	

Fund Launches & Updates

Progress Report

A decorative background graphic consisting of numerous parallel, slightly curved lines of small dots. The dots are arranged in a way that creates a sense of depth and movement, with the lines appearing to recede into the distance. The dots are primarily light gray, with a few dark gray dots scattered throughout, and one prominent orange dot located near the center of the graphic.

Fund Activity in the Period

Key Achievements & Updates

Fund Launches Progress				
	Overview	Status	Progress in period	Launch / completion dates
New Investment Manager	<ul style="list-style-type: none"> Addition of Intermede to the Global Opportunities fund 	In progress	<ul style="list-style-type: none"> New Investment Manager 'Intermede' live on the 1 November 2022 	Complete
Sustainable Equity fund	<ul style="list-style-type: none"> Establishment of a sustainable equities fund 	In progress	<ul style="list-style-type: none"> Russell Investments presented paper to OWG 1st Feb Number of meetings with Russell and internal investment teams ongoing. LFS Governance forms being completed with Russell assistance All 8 authorities will look to invest into the new fund Timetable provided with potential launch early March 2023, but will look to reduce times where possible Transition Manager evaluation paper to be shared with WPP with preferred TM documented 	Q1-23 (full timetable to be provided)



LFS Corporate Update & Engagement



LFS Corporate Update & Engagement

LFS updates

- Since the last Joint Governance Committee on 8 July 2022 a number of discussions were held regarding the proposed acquisition of Link Group by Dye & Durham Corporation. Despite obtaining all regulatory approvals the deal did not proceed.
- The FCA has issued a draft warning notice to LFSL in respect of the Woodford matter. This states that the FCA has assessed the appropriate penalty as £50m (prior to taking into account any available discount) in addition to a restitution payment of up to £306,096,527. The draft warning notice is not a final decision but signals the start of the FCA's settlement decision process. LFSL are exploring all options, including engaging in settlement discussions with the FCA, and challenging any warning notice that may be issued. Engagement with the FCA continues.
- Link Group announced in October the intention to commence a process to explore divestment options for the Link Fund Solutions business, which includes Link Fund Solutions Limited (LFSL), and that Macquarie Capital and UBS Securities Australia Ltd have been appointed as advisers.

LFS Corporate Update & Engagement

Key Q3 and future WPP Engagement

Link attendance at OWG/JGC meetings in period:

- OWG 12 July 2022
- JGC 8 July 2022

Link attendance at OWG/JGC meetings in next quarter:

- OWG 14 October 2022
- JGC 5 December 2022

Link - Pension Committee attendance in period:

- None

Link - Pension Committee attendance in next quarter :

- None

Other meetings in period

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

Other meetings in next quarter

- Host Authority update – occurs bi-weekly
- Working group - occurs bi-weekly
- WPP Training Session 2022/23 (Second training session)
- MI meeting scheduled for October
- Pension Board Chairs Engagement meeting 26 October 2022

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
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
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"> ▪ James Zealander, Senior Relationship Manager ▪ Richard Thornton, Head of Relationship Management, Asset Owners ▪ Alistair Coyle/Heidi Robinson, Relationship Managers (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 ▪ James Zealander, Senior Relationship Manager ▪ Alistair Coyle/Heidi Robinson, Relationship Managers (as required) ▪ Clair Baguley, 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"> ▪ James Zealander, Senior Relationship Manager ▪ Alistair Coyle/Heidi Robinson, Relationship Managers (as required) ▪ Richard Thornton, Head of Relationship Management, Asset Owners ▪ Russell Investments