

Wales Pension Partnership (WPP) - JGC Update

JGC meeting date: Wednesday 17 July 2024

Location: Virtual meeting

Chair: Cllr Elwyn Williams, Dyfed

Vice Chair: Cllr Medwyn Hughes, Gwynedd

Agenda item	Detail
Chair / Vice Chair	Cllr Elwyn Williams and Cllr Medwyn Hughes were appointed as Chair and Vice Chair for 2024/25
Annual Return 2023/24	Anthony Parnell of the Host Authority and Jason Blewitt of Audit Wales presented the 2023/24 Annual Return and Audit letter. The audit is now complete and there were no issues raised.
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>Following a request, Anthony confirmed that a pooling progress table will be included in next quarter's update, showing the total % of assets pooled to date and the individual fund splits.</p> <p>Anthony also presented the 2023/24 Business Plan update as at 31 March 2024 (Appendix 2).</p>
Risk Register Q2 2024 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 quarterly reviews of the document.</p> <p>During Q2 2024, a review was undertaken of some of the risks within the Governance and Regulation section of the Risk Register, risks G8 to G15.</p>

	<p>Hymans presented the changes which were approved by the JGC. The Risk Register has been uploaded on the WPP website.</p>
<p>Policy Reviews:</p> <ul style="list-style-type: none"> • Responsible Investment Policy • Climate Policy • Stewardship Policy 	<p>The WPP have approved several policies / plans which are to be reviewed on a regular basis. This quarter, the OWG have undertaken an annual review of the Responsible Investment (RI), Climate and Stewardship Policies.</p> <p>Following this year’s review of the RI policy, there have been changes in four main areas: Climate Change (section 4), Nature (section 5, new), Stewardship (section 9) and Securities Lending (section 11).</p> <p>The Climate Policy sets out WPP’s approach to addressing the requirements of the Constituent Authorities with regard to climate-related risks and opportunities, as well as the monitoring of these. The policy has been amended to reflect the understanding that consideration of climate opportunities (including climate solutions) is also relevant, not just consideration of climate risk.</p> <p>The Stewardship policy now includes an engagement section (section 3) and the escalation section of this policy (section 4) has been expanded, with the inclusion of a set of escalation principles that will govern how the WPP will address unsuccessful engagements.</p> <p>All policies have also been updated to reflect the launch of the private-market vehicles, to align wording across all three policies and to expand on definitions.</p> <p>Hymans presented the 2023/24 WPP annual progress update in relation to Responsible Investment and Climate Risk and the proposed areas for future focus.</p> <p>The updated policies have been approved and have been updated on the WPP website. The progress update has also been uploaded to the website.</p> <p>There were no new policies this quarter.</p>

Operator Update	Waystone presented their quarterly update report as at 31 March 2024 (Appendix 3). This provides an update on WPP's sub funds and corporate and engagement activity.
Performance Reports as at 31 March 2024	Russell Investments presented a Q1 2024 performance summary paper (Appendix 4) summarising the performance of each individual ACS sub fund for the quarter ending 31 March 2024.
Private Markets update - Private Equity	Schroders Capital were appointed WPP's Private Equity Allocator in September 2022. Schroders Capital provided a progress update on the Private Equity Investment programme (Appendix 5).
Exempt Items – the following items were discussed during the non-public part of the meeting.	
Securities Lending Performance Review 2023/24	Stock Lending commenced in March 2020 and Northern Trust presented the Securities Lending Performance Review for the fiscal year 2023/24.
Robeco Engagement Report – Q1 2024	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 1 2024. The engagement theme chosen for Q1 2024 was Just Transition in Emerging Markets.
Responsible Investment and Climate Risk reports	Each quarter, Hymans Robertson produce quarterly Responsible Investment & Climate Risk Reports for the WPP's sub funds. For Quarter 1 2024 (quarter ending 31 March 2024), the Global Growth, Global Opportunities and Sustainable Active Equity reports were produced. Hymans presented the reports to the JGC members.
Sub fund reviews	Hymans Robertson undertake an annual performance review of a selection of WPP Sub Funds.

	<p>During 2023/24, reviews were undertaken of the WPP's Emerging Market, Multi Asset Credit, Absolute Return Bond and Sterling Credit Funds.</p> <p>Hymans presented the reports to the JGC members.</p>
<p>Real Estate Allocator procurement recommendation report</p>	<p>A competitive procedure with negotiation procurement process has been undertaken to appoint Investment Managers for the Real Estate asset classes. The evaluation process is now complete, and a recommendation report was presented to the JGC on the preferred bidders.</p> <p>The recommended bidders were approved by the JGC. Letters will now be sent to all bidders with the appointments being announced in August 2024.</p>

Webcast link for the 17 July 2024 JGC meeting below:

[Agenda for Wales Pension Partnership Joint Governance Committee on Wednesday, 17th July, 2024, 10.00 am](#)

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

Next meeting:

- Wednesday 18 September 2024 – Hybrid meeting, hosted by Clwyd