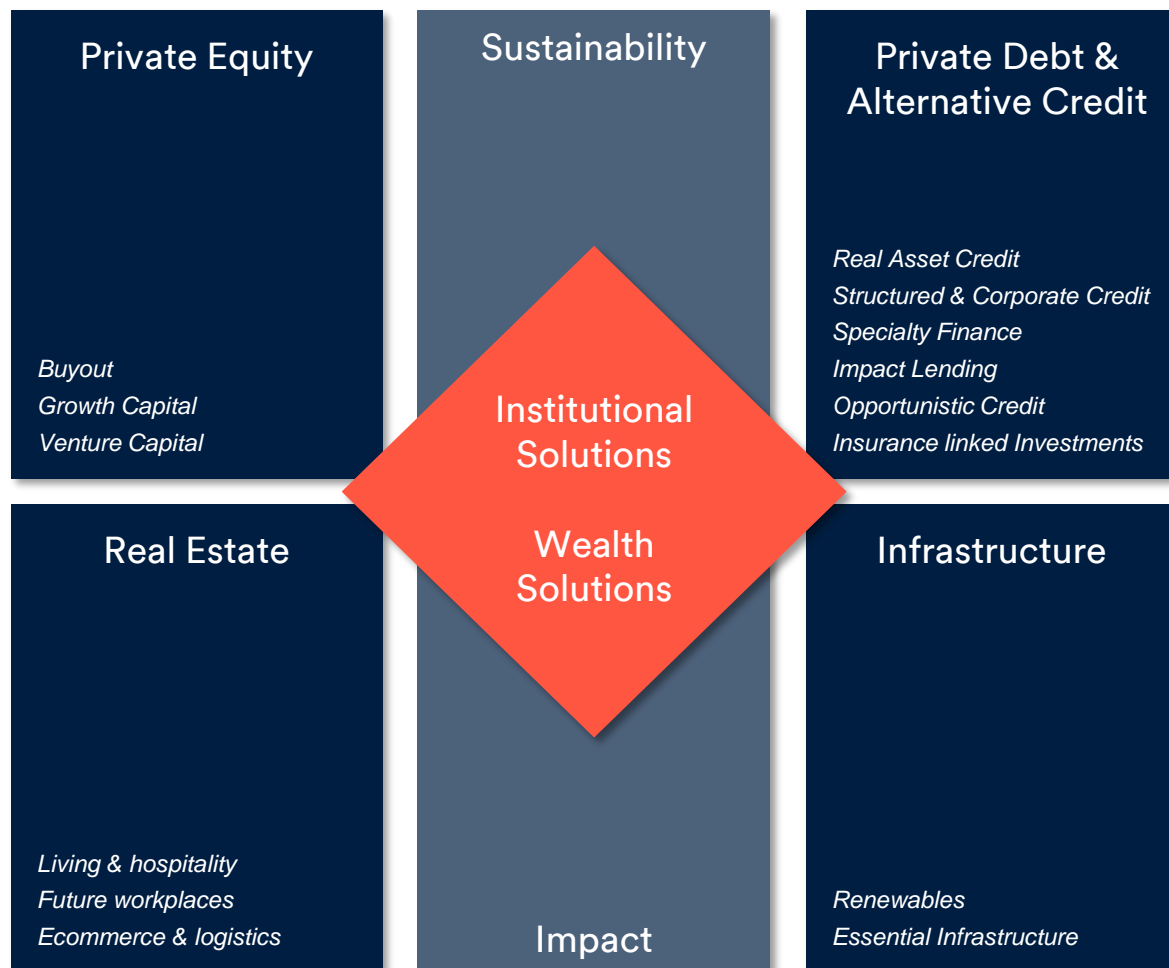




***WALES PENSION PARTNERSHIP
JOINT GOVERNANCE
COMMITTEE***

Private Equity Allocator Mandate

Schroders capital



\$94bn

assets under management¹

400+

investment professionals

\$20bn

investment volume per year

25

locations on six continents

725+

professionals dedicated to private assets

Source: Schroders Capital, 2024.

Not all Schroders Capital products have sustainability & impact characteristics or considerations, although sustainability & impact capabilities are available across private equity, private debt & credit alternatives, real estate, and infrastructure.

¹AUM as of Q4 2023 including dry powder.

Schroders Capital Private Equity

Our differentiation



GLOBAL

private equity with integrated solution capabilities

- Direct/co-investments, secondaries and primaries
- Closed-end funds, semi-liquid funds and mandate solutions
- ESG integration across all investments



FOCUS

on highest return private equity segments

- Focus on transformational growth in fundamentally strong companies
- >50% of annual investments into direct/co-investments and GP-leds
- 76%¹ primary commitments into access-restricted managers



TEAM

with stable leadership and a local-for-local approach globally

- >15 years tenure of key decision-makers²
- 60+ investment and risk management professionals on 3 continents
- 'One team' and grow from within culture

Past performance is no guarantee of future results.

Source: Schroders Capital, 2024.

¹Includes all primary commitments done by Schroders Capital between January 2020 to December 2023. ²Member of the Investment Committee.

\$18bn+

assets under management

243

direct/co-investments

\$2.5bn

investment volume per year

60+

investment professionals

Building a long-term trusted partnership with WPP

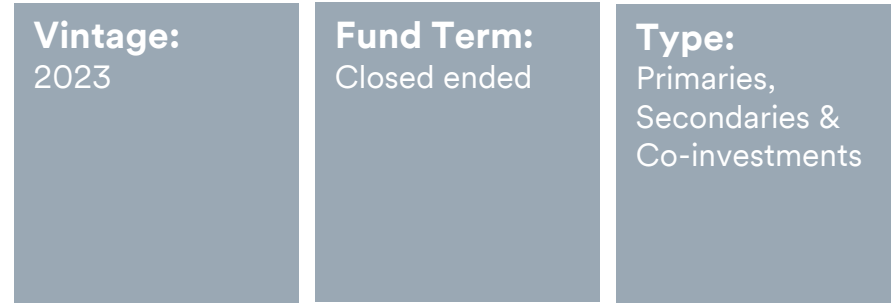
Participating Funds

- Clwyd Pension Fund
- Gwynedd Pension Fund
- Powys Pension Fund
- City and County of Swansea Pension Fund
- Cardiff & Vale of Glamorgan Pension Fund

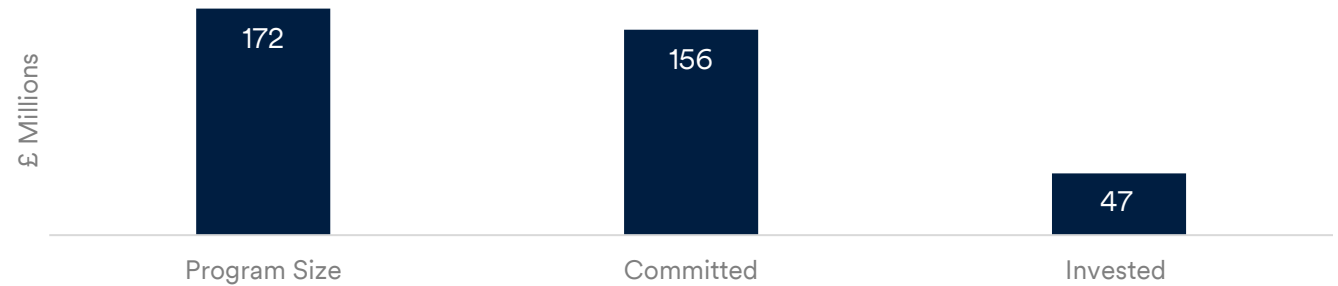
WPP I Overview

Closed-ended program focused on diversified investments across primaries, secondaries and co-investments in North America, Europe and Asia

Program Overview



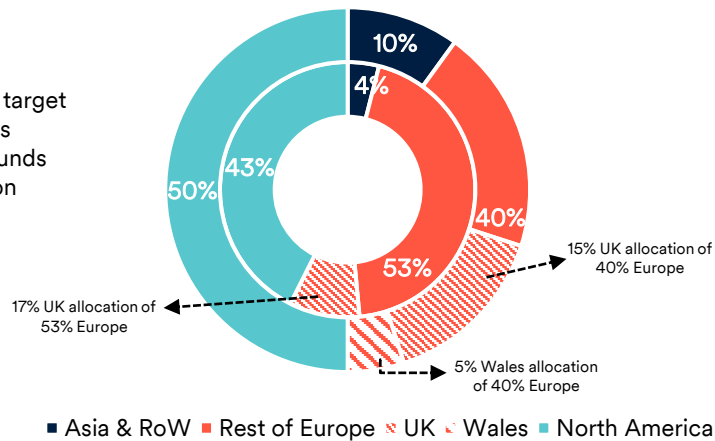
Program Summary



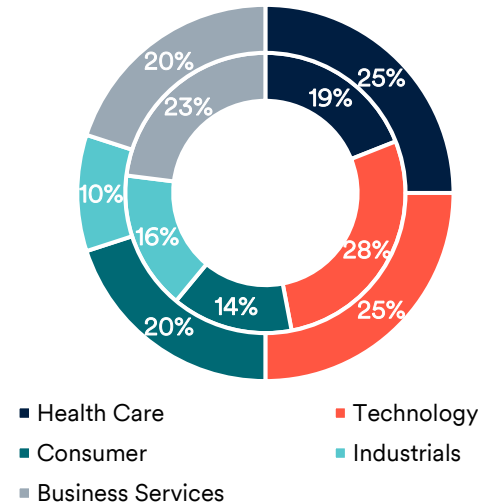
Inner ring – represents the current exposure for the fund¹

Outer ring – represents the target exposure and is based on the funds target allocation

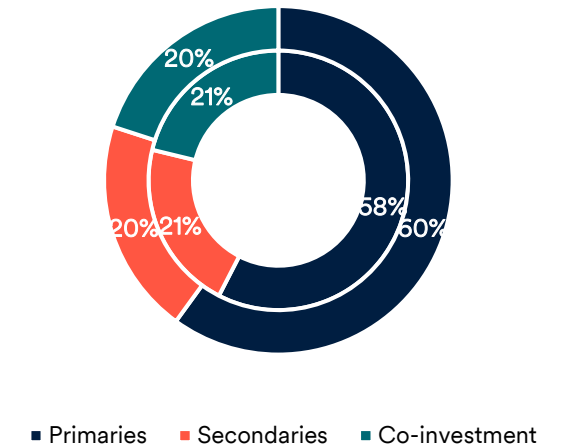
Allocation by Geography²



Allocation by Sector



Allocation by Strategy



Source: Schroders Capital, 2024.
Fx as of 23.05.2024

The inner circle represents the current fund exposure, whereas the outer circle represents the funds target exposure. ¹Exposure is based on the respective investment fund's target allocation on commitments.

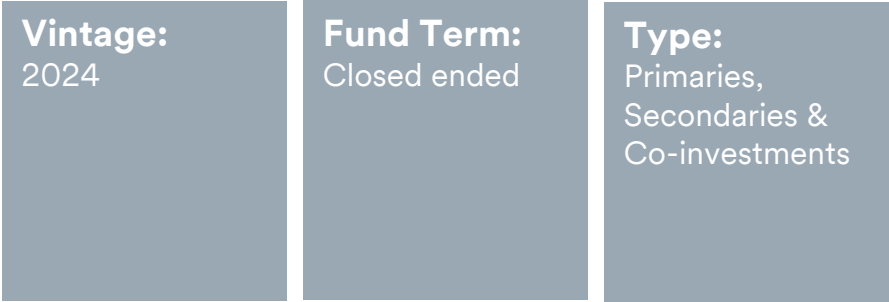
Data shown as of Q1 2024. Investment allocations are indicative. Schroders Capital may modify its geographic, strategy, stage allocation as it deems appropriate to achieve the fund's objectives.

²Wales allocation indicative over the total life of the WPP mandate, individual years may vary.

WPP II Overview

Closed-ended program focused on diversified investments across primaries, secondaries and co-investments in North America, Europe and Asia

Program Overview

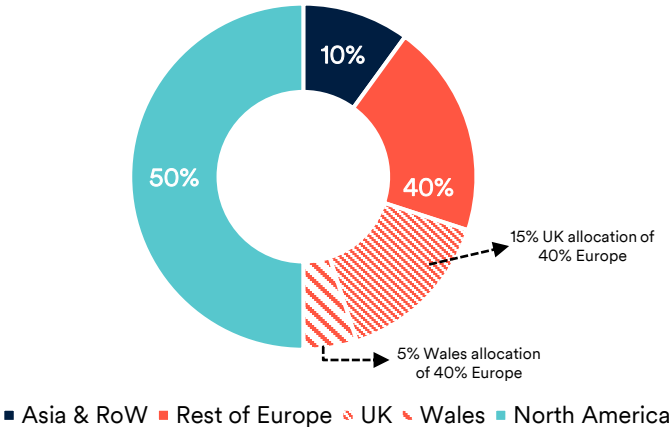


Program Summary³

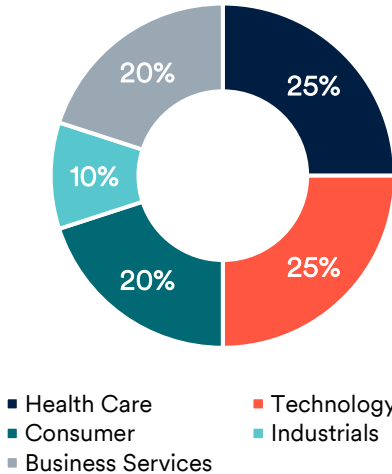


Rings represent fund target exposure¹ and is based on the funds target allocation

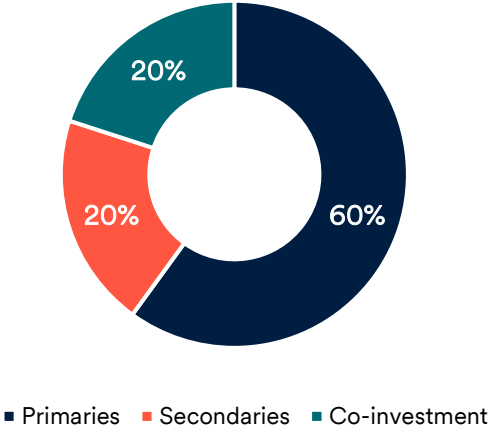
Allocation by Geography²



Allocation by Sector



Allocation by Strategy



Source: Schroders Capital, 2024.
Fx as of 23.05.2024

The outer circle represents the funds target exposure. ¹Exposure is based on the respective investment fund's target allocation on commitments.

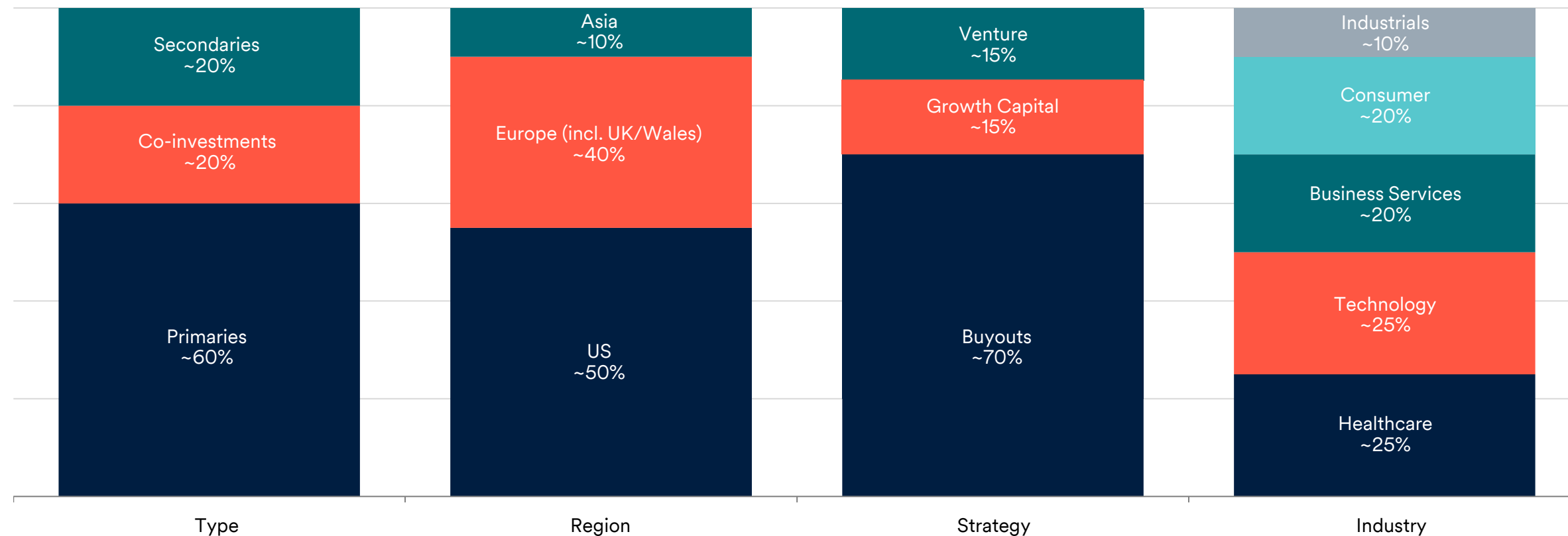
Data shown as of Q4 2023. Investment allocations are indicative. Schroders Capital may modify its geographic, strategy, stage allocation as it deems appropriate to achieve the fund's objectives.

²Wales allocation indicative over the total life of the WPP mandate, individual years may vary. ³Invested amount for WPP II is not meaningful given recent closing, the IC approved figures are amounts that are approved by SCPE investment committee including VC Primary funds, for some of which there is no assurance at time of writing that WPP II will get allocated.

Allocation proposal: broad-based diversified investment strategy

Illustration of the target fully allocated WPP portfolio

Long term target allocation mandate



Source: Schroders Capital, 2024.



APPENDIX

Teach in on Private Equity

Understanding the investment strategy

Investment strategy by company lifecycle stage

Increasing power exercised by the investor

Venture capital

- Investing into a startup to back entrepreneurs developing their business idea
- The investor usually only takes a minority position within the company

facebook

Google

Growth

- Investing into a company to back its growth, mainly in terms of internationalisation, product innovation and M&A activities
- The investor usually only takes a minority position within the company

JUST EAT

Spotify

Buyout

- Acquiring a stake in a company with the intention to influence the business
- Usually big changes are made by the investor, e.g. change in management, business digitalization, M&A activities

VISMA

Mintec

Turnaround

- Acquiring a stake in a distressed company with the intention to restructure the business
- Usually big changes are made by the investor to bring the company back on a healthy track

HOVIS
- BAKERY -

americangolf

An investor owning a **minority position** in a company means that his/her equity stake size is smaller in comparison to other investors/founders/management team. Being in a **minority position** implies a limited decision power on the company's management as well. Private Equity **minority positions** are usually held in companies at venture and growth stage, where the goal is to provide founders/management with the capital to develop their business.

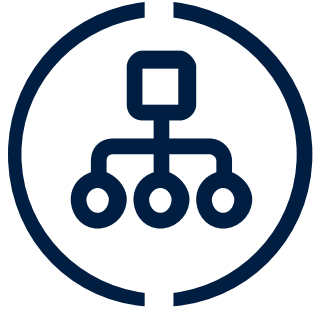
An investor owning a **majority position** in a company means that his/her equity stake size is the largest in comparison to other investors/founders/management team. Being in a **majority position** implies a strong decision power on the company management. Private Equity **majority positions** are usually held in companies at buyout and turnaround stage, where the investor buys a company with the intention to influence the business by making changes in management, leverage and other, to exploit at best the company's potential.

Source: Schroders Capital, 2024.

Logos are the property of their respective entities.

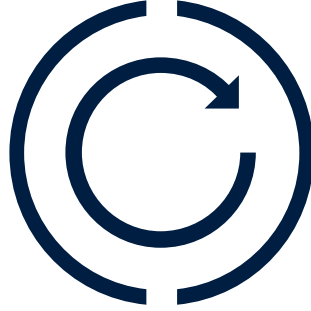
Private Equity investment types

Three main types of private equity investing



Primaries

- Limited partnership funds
- Full blind pool
- Portfolio builds up over 3–5 years
- J-Curve¹
- Management and performance fee



Secondaries

- Buying a pre-existing investor stake
- Immediate exposure to existing portfolio
- Faster build up
- Normally no J-Curve
- Often reduced fees



Co-investments

- Investing directly into a company alongside the fund manager
- Faster build up
- Limited J-Curve
- Often without fees

Source: Schroders Capital, 2024.

¹The J-Curve represents the tendency of private equity funds to post negative returns in the initial years and then post increasing returns in later years when the investments mature.

Risk considerations

Capital loss risk	The value of investments and the income from them may go down as well as up and investors may not get back the amounts originally invested
Market risk	Market risk is the risk of investment losses due to negative effects of the capital markets on the overall performance of the fund
Credit risk	The fund will have an investor commitment/draw-down funding model which exposes the investment vehicle to the credit risk of its investors. If an investor fails to comply with a drawdown notice, the investment vehicle may be unable to pay its obligations when due
Liquidity risk	Given the illiquid nature of private equity investments, investing in private equity are subject to asset liquidity risk. This liquidity risk is a result of the likelihood that a loss from current net asset value would be realised if an asset in the fund needed to be sold quickly in the secondary market to meet the obligations of the fund
Currency risk	Investments in companies or instruments which are denominated in currencies other than the fund's respective currency expose the fund to the risk of losses in case foreign currencies depreciate
Counterparty risk	The target investments may utilise derivative instruments for currency hedging purposes, which expose the fund to the risk of a counterparty defaulting
Operational risk	Operational risks are risks of loss resulting from inadequate or failed internal processes, people and systems, or from external events conducted by Schroders Capital and the managers the fund will invest alongside

Important Information



This information is not an offer, solicitation or recommendation to buy or sell any financial instrument or to adopt any investment strategy. Any reference to regions/countries/sectors/stocks/securities is for illustrative purposes. Past performance is not a guide to future performance and may not be repeated.

The value of investments and the income from them may go down as well as up and investors may not get back the amounts originally invested. Exchange rate changes may cause the value of any overseas investments to rise or fall.

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