



Complete Agenda

Democratic Service
Swyddfa'r Cyngor
CAERNARFON
Gwynedd
LL55 1SH

Meeting

PENSIONS COMMITTEE

Date and Time

2.30 pm, MONDAY, 15TH SEPTEMBER, 2025

Location

Virtual Meeting

NOTE

*** For public access to the meeting, please contact us***

Contact Point

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(DISTRIBUTED 08/09/25)

PENSIONS COMMITTEE

MEMBERSHIP (9)

Plaid Cymru (4)

Councillors

Iwan Huws
R Medwyn Hughes

Elin Hywel

Ioan Thomas

Independent (2)

Councillors

John Pughe Roberts

John Brynmor Hughes

Lib / Lab (1)

Councillor Stephen Churchman

Co-opted Members (2)

Councillor Robin Wyn Williams Isle of Anglesey County Council
Councillor Goronwy Owen Edwards Conwy County Borough Council

Ex-officio Members

Chair and Vice-Chair of the Council

A G E N D A

1. APOLOGIES

To receive any apologies for absence

2. DECLARATION OF PERSONAL INTEREST

To receive any declaration of personal interest

3. URGENT ITEMS

To note any items which are urgent business in the opinion of the Chairman so that they may be considered

4. MINUTES

5 - 8

The Chairman shall propose that the minutes of the meeting of this committee held on the 7th of July 2025 to be signed as a true record

5. WALES PENSION PARTNERSHIP UPDATE

9 - 70

To receive and note the information.

6. TREASURY MANAGEMENT 2024/25

71 - 74

To consider and receive the report as information

7. PENSIONS COMMITTEE CHAIR DRAFT REPORT FOR GWYNEDD PENSION FUND'S ANNUAL GENERAL REPORT

75 - 78

To consider the report and offer comments

8. GWYNEDD PENSION FUND RISK REGISTER

79 - 98

To consider the register

9. PENSION FUND ADMINISTRATION POLICIES

99 - 107

To approve and adopt the policies

10. EXCLUDE PRESS AND PUBLIC

The Chairman shall propose that the press and public be excluded from the meeting during the discussion on the following items due to the likely disclosure of exempt information as defined in Paragraph 14 of Schedule 12A of the Local Government act 1972 Information relating to the financial or business affairs of any particular person (including the authority holding that information).

There is an acknowledged public interest in openness in relation to the use of public resources and related financial issues. It is also acknowledged that there are occasions, in order to protect the financial interests of public authorities that matters related to commercial information need to be discussed without being publicised. Publication of such commercially sensitive information would be inappropriate having regard to the legitimate interests of third parties and could undermine confidence to engage with the Council and therefore the Councils ability make decisions on behalf of the fund. This would be contrary to the wider public interest of securing value for money and the best overall outcome. For those reasons the matter should be exempt in the public interest.

11. INITIAL RESULTS OF THE 2025 VALUATION

To consider the report

(copy for Members only)

12. ROBECO ENGAGEMENT SERVICE- ENGAGEMENT REPORT 01.01.2025 -31.03.2025

To consider the report

(Copy for Members only)

PENSIONS COMMITTEE 07-07-25

Councillors:

Stephen Churchman, Goronwy Edwards (Conwy County Borough Council), John Brynmor Hughes, R Medwyn Hughes, Iwan Huws, Ioan Thomas and Robin Williams (Isle of Anglesey County Council)

Officers:

Dewi Morgan (Head of Finance), Delyth Jones-Thomas (Investment Manager), Meirion Jones (Pensions Manager) and Lowri Haf Evans (Democracy Services Officer)

Others invited:

Ned Michael (Pension Board - observing)
Osian Roberts (Audit Wales)

1. APOLOGIES

None to note

2. DECLARATION OF PERSONAL INTEREST

None to note

3. URGENT ITEMS

None to note

4. MINUTES

The Chair accepted the minutes of the meeting held on 12 June 2025 as a true record.

5. WALES PENSION PARTNERSHIP (WPP) UPDATE

The Investment Manager highlighted that the report was now a regular one presented to the Members noting the latest information on WPP's work, as well as what was decided at the March meeting of the Governance Joint Committee (a body which made decisions on behalf of the Partnership where the Chair of each fund sat). Attention was drawn to the fact that the Partnership had re-appointed Hymans Robertson as an oversight advisor and Robeco as an engagement and voting provider.

An update was also presented on the training plan, the business plan and the risk register as well as the operator's update which highlighted all the funds that the Partnership had established. Reference was made to the detail of the operator's work over the period and to any market conditions that had been monitored by them. Attention was drawn to a performance analysis of the sub-funds, which noted that the performance of the global equity funds had been strong and the fixed income markets had lagged.

Reference was made to the 'Fit for the Future' work where Members were reminded that they had approved a requirement to create an IMCo investment company and move the

project forward. It was elaborated that the Full Council had also approved it on 3 July 2025, with an expectation that the eight Partnership Councils had approved the requirement by the end of the month. The work of establishing the company would happen over the summer to reach the target date of 31 March 2026.

Thanks were given for the report.

In response to a question about what would happen to the Gwynedd property portfolio once the IMCo investment company was established, it was noted that a tendering process had been undertaken and the property investments would be part of the new Wales Pension Partnership property funds, with the United Kingdom property fund and the impact property fund.

In response to an observation regarding a request to record the training sessions so that it would be possible to refer back to them if there was a problem with attending, it was noted that the observation would be referred to the Host Authority to ensure that links to the recordings would be available to Members.

In response to an observation about the Committee's functions and responsibilities changing as a result of establishing an IMCo investment company by March 2026, it was suggested to hold a specific session to share information about the situation by the next Committee meeting.

RESOLVED

To accept the report and note the information.

6. GWYNEDD PENSION FUND'S DRAFT ACCOUNTS FOR THE YEAR ENDING 31 MARCH 2025

Submitted, for information, a report from the Investment Manager providing details of the financial activity of the Pension Fund during the year ending 31 March 2025. It was highlighted that the accounts (draft) were subject to audit and the audit would be undertaken by Audit Wales.

It was reported that the accounts followed the CIPFA statutory format, with the guidance interpreting what was submitted in the accounts and there was no change in the guidance from the previous year.

It was expressed that it had been a busy year for the Fund and work continued with wider investment with the Wales Pension Partnership. Reference was made to a summary of the Fund account, drawing attention to a few variations as the contributions and benefits increased after employees received salary increases and as the pension increased with the CPI. It was reported that there had been an increase in the management costs as the value of assets increased and from introducing different types of investments into the portfolio, e.g. private credit. It was elaborated that there was an increase of approximately £160 million in the market value of the fund which was in accordance with the annual gradual increase.

It was explained that the fund's investment income had significantly increased and that equity investments had performed strongly, and as a result had generated a significant income. It was elaborated that as part of the strategic asset allocation, more had been invested into the infrastructure and fixed income funds.

Attention was drawn to the statutory notes which provided further details behind the figures, the activities of the Fund, and Wales Pension Partnership, as the Partnership was now a prominent part of the Fund's work.

The Head of Finance Department elaborated that, as the Section 151 Officer, he had signed the draft accounts, accepting that they were a correct and fair reflection of the situation.

The members thanked the officer for the report.

Observations arising from the ensuing discussion:

- The report and the accounts were detailed and easy to understand
- The format was good
- The growth was encouraging

RESOLVED:

To accept and note the Gwynedd Pension Fund's Statement of Accounts (subject to audit) for 2024/25.

7. THE GWYNEDD PENSION FUND AUDIT PLAN FOR 2025

Osian Roberts (Audit Wales) was welcomed to the meeting.

A detailed Audit Plan for 2025 was presented, introducing the audit team, the fees and timeline for the work which would be completed during the year, in accordance with the statutory responsibility that they had as external auditors. It was highlighted that the work of auditing the financial statements would be completed during September, with the intention of submitting a report on the statements during November 2025. Reference was made to the risks, noting that the risk of management override was a compulsory risk included in every plan in Wales as part of the Audit Wales procedure.

The members expressed their thanks for the report and to Osian Roberts for attending the meeting.

RESOLVED

To accept and note the information.

8. EXCLUSION OF PRESS AND PUBLIC

RESOLVED to exclude the press and public from the meeting during the discussion on the following items due to the likely disclosure of exempt information as defined in paragraph 14, Schedule 12A of the Local Government Act 1972 - Information about the financial or business transactions of any specific person (including the authority that retains that information).

There is an acknowledged public benefit in being open about the use of public resources and related financial issues. However, it was also acknowledged that there were occasions, in order to protect public financial interests, where commercial information must be discussed without being publicised. The reports related specifically to a proposed procurement process. Publicising such commercially sensitive information could be detrimental to the interests of the Council and its partners by undermining competition. This would be contrary to the wider public interest of securing the best overall outcome. For these reasons, the matter was closed in the public interest.

9. ROBECO ENGAGEMENT SERVICE – ENGAGEMENT REPORT 01.10.24 – 31.12.24

A quarterly report was submitted summarising the work that Robeco (WPP Voting and Engagement Provider) undertook on behalf of the Pension Fund, including the engagement work.

The members thanked the officer for the report.

Observations arising from the ensuing discussion:

- Information was needed about the timetable for developing an escalation policy. The timetable would be useful to answer questions that arose often
- There was a need to ensure that the policy was effective - a clear definition was required of when intervention would be timely
- The report was positive and had been presented well
- A suggestion to consider using emojis as a way of drawing attention towards the highlights within the report

RESOLVED

To accept and note the information.

The meeting commenced at 14:00 and ended at 14:35

MEETING	PENSIONS COMMITTEE
DATE	15 SEPTEMBER 2025
TITLE	WALES PENSION PARTNERSHIP UPDATE
PURPOSE	To receive and note a quarterly update from Wales Pension Partnership
RECOMMENDATION	RECEIVE AND NOTE THE INFORMATION
AUTHOR	DELYTH JONES-THOMAS, INVESTMENT MANAGER

1. INTRODUCTION

This is a regular report which provides the members of the Pensions Committee with an update on the work undertaken by the Wales Pension Partnership (WPP) on behalf of the eight LGPS funds in Wales.

The WPP is now well established, with Waystone as its operator to provide FCA regulated services and Russell Investments who provide investment management solutions to the WPP on all listed assets. Northern Trust are the appointed global custodian and depositary. Hymans Robertson are the governance and oversight advisor and Robeco provide voting and engagement services to the WPP in accordance with its stewardship responsibilities and commitments.

2. JGC QUARTERLY UPDATE

The WPP's decision making body, the Joint Governance Committee (JGC), last met formally on 16th July 2025. The host authority has provided a summary of the items discussed at that meeting which is attached as Appendix 1 to this report. The 2024/25 Business Plan was also presented and this can be seen in Appendix 2.

A presentation was received by Audit Wales on the Annual Return and there were no issues raised. In relation to Project Snowdon it was confirmed that the work was ongoing with the next deadline being the FCA submission deadline in September 2025. A review was undertaken of some of the risks within the Governance and Regulation section of the Risk Register, risks G8 to G15. Hymans presented the changes which were approved by the JGC. Finally, the following policies were reviewed and updated: responsible investing, climate and stewardship.

3. OPERATOR UPDATE

A copy of the latest quarterly update from the operator is attached under Appendix 3.

The update provides a snapshot of the full range of WPP investment sub-funds as at 31st March 2025.

Gwynedd Pension Fund currently has exposure to seven of the ten sub-funds and as of 31st March 2025, the sub fund values and percentage were as follows:

- **Global Opportunities - £460.6m (14%)**
- **Global Growth- £418.9m (12%)**
- **Emerging Markets - £63.0m (23%)**
- **Multi Asset Credit - £241.9m (29%)**
- **Absolute Return Bond- £403.2m (76%)**
- **Global Credit Fund - £233.4m (23%)**
- **Sustainable Equity Fund- £317.7m (21%)**

4. PERFORMANCE REPORTS AS AT 31st MARCH 2025

The performance reports can be seen in Appendix 4.

Global equities and fixed income markets declined in sterling terms in the first quarter. Confusion over tariff implementation, geopolitical uncertainty and signs of weaker US consumer sentiment amplified market nervousness, sending investors in search of safe-haven assets. Global equities were weighed down by the US, with technology names underperforming.

UK gilt yields rose as markets adjusted to the prospect of fewer rate cuts than previously priced in, climbing further on concerns over US policies and the Federal Reserve's hawkish stance. Domestically, investor worries over the government's ability to boost growth and restore public finances. As the Bank of England lowered rates by 25 basis points (bps) to 4.5%, it also halved its 2025 growth forecast to 0.75% and warned of rising inflation, which touched 3.0% in January before slowing to 2.8% in February. Over the period the yield on benchmark 10 year gilts rose 11 bps to 4.68%. UK equities outperformed the global index and were second only to Europe as investors sought alternatives to richly valued US stocks. Energy and telecommunications were the best performing sectors. Sterling – like most currencies – strengthened against the US dollar but depreciated against the euro and Japanese yen.

5. PRIVATE MARKETS UPDATE

Most of the major private market investment programmes have now launched – Infrastructure, Private Credit and Private Equity. Real Estate managers have been appointed, and they are currently establishing the Real Estate investment programmes, due to be launched Autumn 2025.

6. PRIVATE EQUITY

Schroders Capital were appointed as WPP's Private Equity Allocation in September 2022. Schroders Capital provided an update on the progress on the Private Equity investment programme included in Appendix 5.

7. RECOMMENDATION

To receive and note the information.

Wales Pension Partnership (WPP) - JGC Update

JGC meeting date: Wednesday 16 July 2025

Location: Virtual meeting

Chair: Cllr Peter Lewis, Powys

Vice Chair: Cllr Elin Hywel, Gwynedd

Agenda item	Detail
Chair / Vice Chair	Cllr Peter Lewis and Cllr Elin Hywel were appointed as Chair and Vice Chair for 2025/26
Annual Return 2024/25	Jason Blewitt of Audit Wales presented the 2024/25 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. Rachel Barrack of Hymans provided an update in relation to Responsible Investment.</p> <p>In relation to Project Snowdon, Anthony mentioned that the FCA submission deadline is September 2025 and thanked all officers for their work on this project. He also added that the Real Estate Investment Programme is due to launch mid-September 2025.</p> <p>Anthony presented the 2024/25 Business Plan update as at 31 March 2025 (attached).</p>
Risk Register Q2 2025 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 2025, a review was undertaken of some of the risks within the Governance and Regulation section of the Risk Register, risks G8 to G15.</p>

	Hymans presented the changes which were approved by the JGC. The Risk Register has been uploaded on the WPP website.
<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 and Hymans presented the updated policies.</p> <p>Hymans also presented the 2024/25 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 2025 (attached). This provides an update on WPP's sub funds and corporate and engagement activity.
Performance Reports as at 31 March 2025	Russell Investments presented a Q1 2025 performance summary paper (attached) summarising the performance of each individual ACS sub fund for the quarter ending 31 March 2025.
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 (attached).
Exempt Items – the following items were discussed during the non-public part of the meeting.	
Securities Lending Performance Review 2024/25	Stock Lending commenced in March 2020 and Northern Trust presented the Securities Lending Performance Review for the fiscal year 2024/25.
Robeco Engagement Report – Q1 2025	In March 2025, Robeco were re-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 2025. The engagement theme chosen for Q1 2025 was Good Governance.
Responsible Investment and Climate Risk reports	<p>Each quarter, Hymans Robertson produce quarterly Responsible Investment & Climate Risk Reports for the WPP's sub funds.</p> <p>For Quarter 1 2025 (quarter ending 31 March 2025), the Global Growth, Global Opportunities and Sustainable Active Equity reports were produced.</p> <p>Hymans presented the reports to the JGC members.</p>

Webcast link for the 16 July 2025 JGC meeting below:

[Agenda for Wales Pension Partnership Joint Governance Committee on Wednesday, 16th July, 2025, 10.00 am](#)

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

Next meeting:

- Wednesday 17 September 2025 – Hybrid meeting, hosted by Torfaen



Wales Pension Partnership
Business Plan
2024-2025
Q4 Review
(April 2024 to March 2025)

Governance

Work to be completed	Completed	Comments
• Oversight Advisor procurement process	Yes	
• Voting & Engagement Service provider procurement process	Yes	
• Annual review of WPP's policies and plans	Ongoing	
• Quarterly reviews of the Risk Register	Ongoing	
• 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
• Launch the real estate investment programmes	In progress	
• Launch additional Private Market vintages	Ongoing	
• Consideration of WPP's Levelling up / impact requirements	Ongoing	
• Consultation with CAs on need for further sub-funds, review and develop, as required	Ongoing	
• Consideration of Local Investment opportunities	Ongoing	

Operator Services

Work to be completed	Completed	Comments
<ul style="list-style-type: none"> Complete Operator contract procurement process and implement new operator contract 	Yes	
<ul style="list-style-type: none"> Operator and Sub-Fund governance Oversight 	Ongoing	

Investments and Reporting

Work to be completed	Completed	Comments
<ul style="list-style-type: none"> Develop & Implement Private Markets reporting 	In progress	Private Markets reporting options being considered
<ul style="list-style-type: none"> Climate-related / Task Force on Climate-related Financial Disclosures (TCFD) reporting 	Yes	Taken to the March 2025 JGC
<ul style="list-style-type: none"> Stewardship Code reporting 	Yes	2023/24 report submitted 31 October 2024
<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 Sub-Fund responsible investment and climate risk performance reporting, scrutiny and challenge 	Ongoing	
<ul style="list-style-type: none"> Annual performance review of WPP Sub-Funds 	Yes	To be taken to the September 2025 JGC
<ul style="list-style-type: none"> Review of Russell Investment's service delivery in delivering WPP's objectives across Sub-Funds 	Yes	Report to be shared with OWG and JGC members

<ul style="list-style-type: none"> On-going engagement with Constituent Authorities regarding ESG / RI standards and their climate ambitions 	Ongoing	
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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 2024 JGC and published on website
<ul style="list-style-type: none"> Formulation of the WPP's annual training plan 	Yes	2025/26 training plan taken to the March 2025 JGC for approval
<ul style="list-style-type: none"> Formulation of the WPP's Annual Update 	Yes	2023/24 Annual Update published in August 2024
<ul style="list-style-type: none"> Formulation of the WPP's Annual Report 	Yes	2023/24 Annual Report published in December 2024

Resources, budget and fees

Work to be completed	Completed	Comments
<ul style="list-style-type: none"> Annual review of resources and capacity 	Yes	Reviewed when formulating the 2025/26 budget
<ul style="list-style-type: none"> Formulation of Annual WPP Budget 	Yes	Formulated and included in the 2025-28 Business Plan
<ul style="list-style-type: none"> Review and Monitoring of Operator / external provider fees 	Ongoing	

Training Plan

Training topics to be completed during 2024–2025 as per approved 2024-2025 Training Plan and progress to date:

	Completed	Comments
• WPP Pooled Investments	Yes	18 June 2024
• Overview of cyber security and consideration for WPP	Yes	18 June 2024
• Policies – Responsible Investment Policy	Yes	18 October 2024
• Policies – Climate Policy	Yes	18 October 2024
• Policies – Stewardship Policy	Yes	18 October 2024
• RI – Net Zero journey planning	Yes	28 November 2024
• RI – Climate Metrics	Yes	28 November 2024
• Progress of other LGPS pools & Collaboration Opportunities	Yes	24 March 2025
• Any new regulatory / guidance developments	Yes	24 March 2025

Budget

2024-2025 Budget Monitoring Report:

	Budget 2024 – 2025 £000	Outturn 2024 – 2025 £000	Variances 2024 – 2025 £000
Host Authority *	231	186	45
External Advisors *	1,411	1,270	141
Project Snowdon *	0	470	(470)
TOTAL to be recharged	1,642	1,926	(284)
Operator Services **	40,734	40,127	607
Allocator Services **	7,006	7,094	(88)
TOTAL to be deducted from the NAV	47,740	47,221	519

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

Investments

Equity Sub-Funds

Global Growth Fund

Managed by: Russell Investments

Global Opportunities Fund

Managed by: Russell Investments

UK Opportunities Fund

Managed by: Russell Investments

Emerging Markets Fund

Managed by: Russell Investments

Sustainable Active Equity Fund

Managed by: Russell Investments

Fixed Income Sub-Funds

Absolute Return Bond Fund

Managed by: Russell Investments

Global Government Bond Fund

Managed by: Russell Investments

Multi-Asset Credit Fund

Managed by: Russell Investments

Global Credit Fund

Managed by: Russell Investments

UK Credit Fund

Managed by: Waystone Management (UK) Ltd

Private Markets

Infrastructure – closed ended

Managed by: GCM Grosvenor

Infrastructure – open ended

Managed by: CBRE, IFM and Octopus

Private Credit

Managed by: Russell Investments

Private Equity

Managed by: Schroders Capital



Wales Pension Partnership

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



Wales Pension Partnership

Joint Governance Committee – Q1 2025 Review

16th July 2025

Presented by James Zealander



Agenda

- 03 Corporate Update
- 04 Compliance Update
- 05 Relationship Overview
- 06 Sub-Fund Values
- 07 Sub-Fund AUM & Ownership Percentage
- 08 Fund Snapshot – Equities
- 09 Fund Snapshot – Fixed Income
- 10 Initiatives
- 11 Market Updates
- 12 Oversight – Third Party Monitoring
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Corporate Update

Fit for the Future consultation

The Local Government Pension Scheme (LGPS) approved Wales Pension Partnership (WPP) in their response to the 'Fit for the future' consultation. WPP received government approval for its plans on 9 April. Government stated: "We have reviewed the WPP proposal and are supportive of you proceeding as set out in line with the March 2026 deadline".

We continue to work with the WPP to create a standalone investment company along with the necessary FCA authorisation for relevant permissions.

It is noted that Waystone's other LGPS client, ACCESS had their plan rejected and will continue to work with ACCESS to find an alternative solution.

We pleased to announce Andrew Smith has joined Waystone as Chief Technology and Information Security Officer (CTISO). Andrew will form part of our executive leadership based in the UK.

Andrew will lead our technology and information security strategy globally, playing a pivotal role in driving innovation and supporting our continued growth.

Andrew brings over 30 years of extensive technology experience, with more than two decades in leadership roles within financial services. His expertise in fintech, financial product development, and large-scale organisational transformation will be invaluable as we continue to grow and innovate.

Most recently, Andrew served as Chief Digital Officer at Nucleus Financial Group, where he also previously held the role of Chief Technology Officer. During his tenure, he led the Group's digital transformation, developed cutting-edge fintech and financial products, and defined long-term technology strategies.

A proven leader, Andrew has successfully driven change initiatives, managed global platforms, and operated investment management and equity trading systems. He has a strong track record of scaling operations from start-ups to enterprises, integrating financial software systems, and delivering mission-critical business solutions.

Waystone has been recognised at the HFM European Services Awards 2025 where we were successful in winning 'Best administrator – boutique and emerging managers', 'Best service provider – ESG' and just missed out on 'Best administrator – client service' but was Highly Commended on.

Waystone Administration Solutions has also been recognised by The Drawdown Awards 2025 in the following category, 'Fund Administration: \$50-500bn (total global private equity AUA)'. The awards ceremony take place on 12th June.

Compliance Updates

The table below details recent regulatory compliance developments that are relevant to WMUK. Featured items are gathered from a variety of sources including consultation papers, press releases and speeches.

A full regulatory update is issued to The Host Authority on monthly basis but can also be obtained by signing up to the Waystone Website. [UK/EU updates Archives - Waystone Compliance](#)

Title	Timing	WMUK Impact	WPP Impact	Status
FCA review of firms' treatment of vulnerable customers	Immediate	High	To Note	
FCA Publishes Multi-firm Review on Private Market Valuation Practices	Immediate	Medium	To Note	
FCA launches 5-year strategy to support growth and improve lives	Immediate	To Note	To Note	
FS25/2: Immediate areas for action and further plans for reviewing FCA requirements following introduction of the Consumer Duty	Immediate	To Note	To Note	

On 14 February 2025, the Financial Conduct Authority (FCA) published a document titled "Authorised Fund Applications – Our Expectations," detailing the requirements for firms seeking authorisation for collective investment schemes.

General Expectations:

- Self-Contained Applications: All necessary information must be included within the application, without referencing other documents.
- Fully Developed Strategies: Product and distribution strategies must be fully developed at the time of application.
- Capacity to Act: All parties involved should have the capacity to fulfil their proposed roles.
- Consistency: Information across all application documents must be consistent.
- Complete Documentation: A complete set of required documents must be submitted with the application.

Specific Application Areas:

- Fund Names: Must accurately reflect the fund's strategy and not be misleading.
- Investment Objectives: Should clearly state the fund's aims and how they will be achieved.
- Volatility Targets: If used, must be clearly explained and justified.
- Investment Strategies: Detailed explanation of how the fund will meet its objectives.
- Benchmarks: Proper use and disclosure of any benchmarks.
- ESG Strategies: Clear explanation of any environmental, social, or governance focus.
- Dealing Arrangements: Accurate description of subscription and redemption processes.

Special Considerations:

- Long Term Asset Funds (LTAFs): Require additional details, including valuation processes and management expertise.
- The FCA emphasises that incomplete applications may not be subject to normal time limits and could be refused. This guidance aims to streamline the application process and ensure that all necessary information is provided upfront, allowing for more efficient review and authorisation of funds.

Relationship Overview

Relationship Overview

Client	Wales Pension Partnership	AUM (as at 31 March 2025)	£13,144,233,653	Product Suite	ACS – UK
Contract Start Date	December 2017	Contract Expiry	December 2029 (with further 2-year extension provision)	Tenure of Relationship	7 years, 3 months

Fund Range

Wales Pension Partnership Sub-Fund Range

Equities

WS WPP Global Growth Fund
WS WPP Global Opportunities Equities Fund
WS Wales PP UK Opportunities Fund
WS Wales PP Emerging Markets Equity Fund
WS Wales PP Sustainable Active Equity Fund

Fixed Income

WS Wales PP Multi Asset Credit Fund
WS Wales PP Global Credit Fund
WS Wales PP Global Government Bond Fund
WS Wales PP Absolute Return Bond Fund
WS Wales PP Sterling Credit Fund

WPP Sub Fund Values

AUM & Quarterly

Fund	AUM (£)*
Equities	
WS WPP Global Growth Fund	£3,541,081,959
WS WPP Global Opportunities Equities Fund	£3,402,306,986
WS Wales PP UK Opportunities Fund	£765,494,510
WS Wales PP Emerging Markets Equity Fund	£272,996,065
WS Wales PP Sustainable Active Equity Fund	£1,524,321,708
Fixed Income	
WS Wales PP Multi Asset Credit Fund	£848,801,549
WS Wales PP Global Credit Fund	£1,026,469,014
WS Wales PP Global Government Bond Fund	£503,405,966
WS Wales PP Absolute Return Bond Fund	£532,806,310
WS Wales PP Sterling Credit Fund	£726,549,586
Total	£13,144,233,653

* As at 31 March 2025

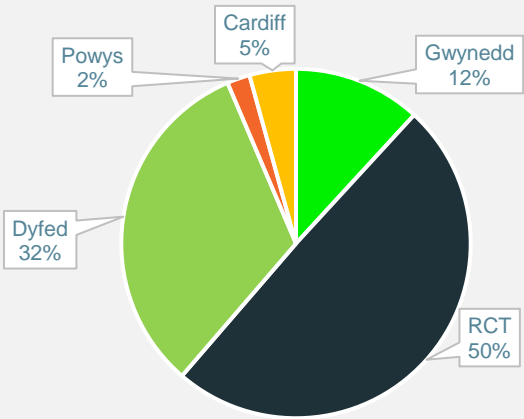
WPP Sub Fund Values & Percentage Ownership*

Fund name	Gwynedd	Powys	Clwyd	Swansea	Cardiff	Torfaen	RCT	Dyfed	Sub Fund Total
Equities									
WS WPP Global Growth Fund	£418,889,316 (12%)	£74,950,753 (2%)			£151,936,389 (4%)		£1,752,532,949 (50%)	£1,142,772,552 (32%)	£3,541,081,959 (100%)
WS WPP Global Opportunities Equities Fund	£460,604,014 (14%)			£1,181,516,220 (35%)	£567,284,914 (16%)	£685,233,031 (20%)	£507,668,807 (15%)		£ 3,402,306,986 (100%)
WS Wales PP UK Opportunities Fund					£158,178,394 (21%)	£607,316,116 (79%)			£765,494,510 (100%)
WS Wales PP Emerging Markets Equity Fund	£63,020,142 (23%)	£16,067,787 (6%)			£121,192,585 (44%)	£72,715,551 (27%)			£272,996,065 (100%)
WS Wales PP Sustainable Active Equity Fund	£317,663,995 (21%)	£74,029,248 (5%)	£364,403,494 (24%)	£159,201,546 (11%)	£142,360,840 (9%)	£170,851,465 (11%)	£113,896,342 (7%)	£181,914,778 (12%)	£1,524,321,708 (100%)
Fixed Income									
WS Wales PP Multi Asset Credit Fund	£241,850,969 (29%)	£35,364,960 (4%)	£334,244,087 (39%)	£71,218,915 (8%)	£166,122,618 (20%)				£848,801,549 (100%)
WS Wales PP Global Credit Fund	£233,430,540 (23%)	£28,279,694 (3%)			£161,462,026 (15%)	£266,284,241 (26%)		£337,012,513 (33%)	£1,026,469,014 (100%)
WS Wales PP Global Government Bond Fund					£241,346,135 (48%)	£262,059,831 (52%)			£503,405,966 (100%)
WS Wales PP Absolute Return Bond Fund	£403,241,482 (76%)	£75,512,582 (14%)		£54,052,246 (10%)					£532,806,310 (100%)
WS Wales PP Sterling Credit Fund							£726,549,586 (100%)		£726,549,586 (100%)
Constituent Authority Total	£2,138,700,458	£304,205,024	£698,647,581	£1,465,988,927	£1,709,883,901	£2,064,460,235	£3,100,647,684	£1,661,699,843	£13,144,233,653

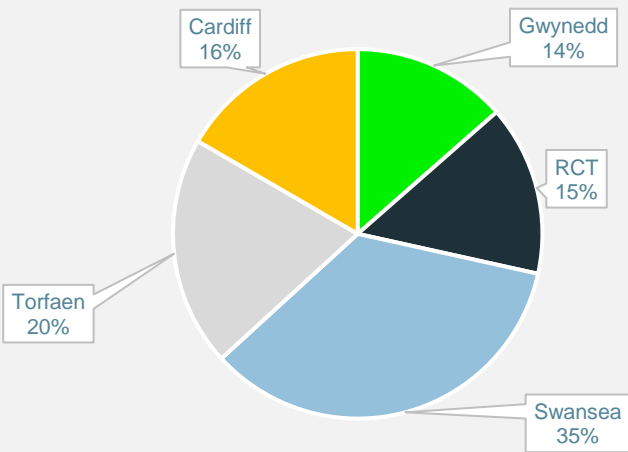
* at 31 March 2025

Fund Snapshot* – Equities

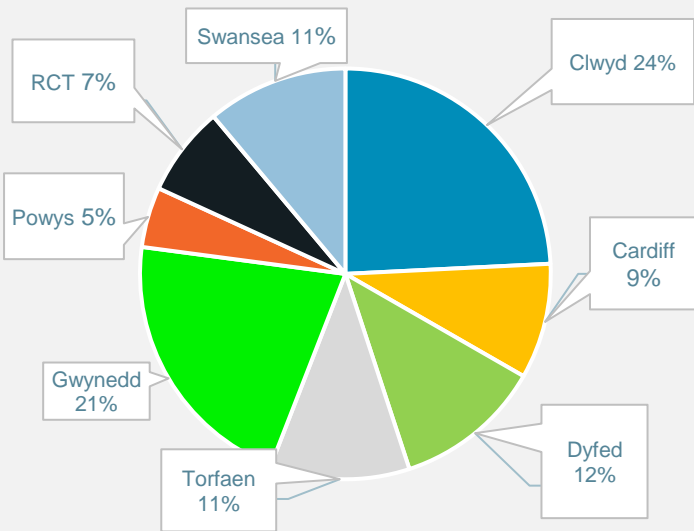
Global Growth



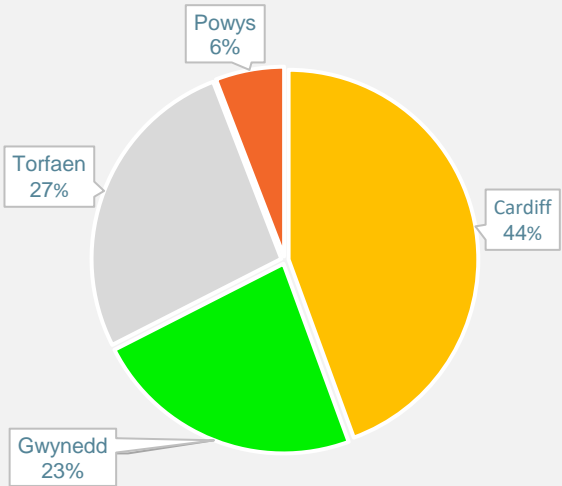
Global Opportunities



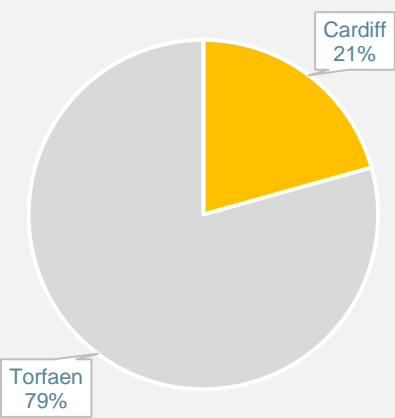
Sustainable Active Equity



Emerging Markets

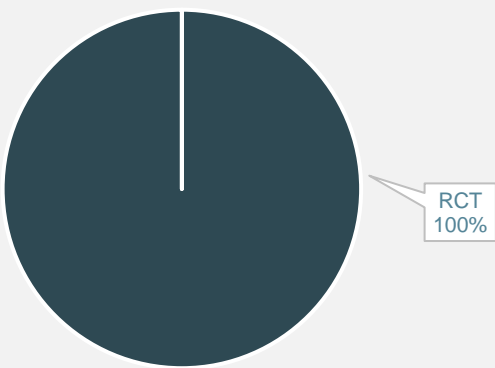


UK Opportunities

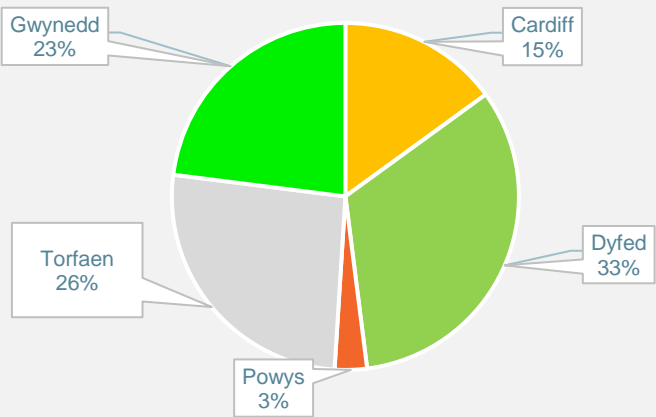


Fund Snapshot* - Fixed Income

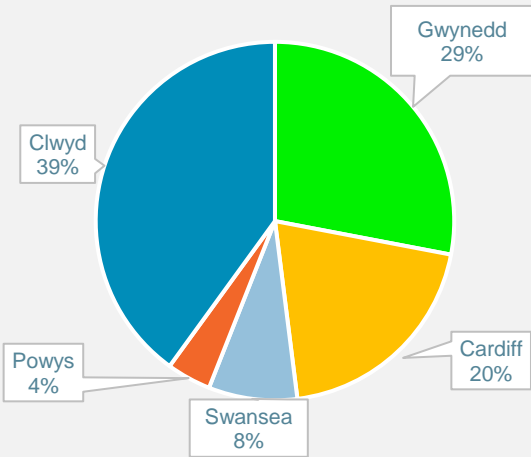
Sterling Credit



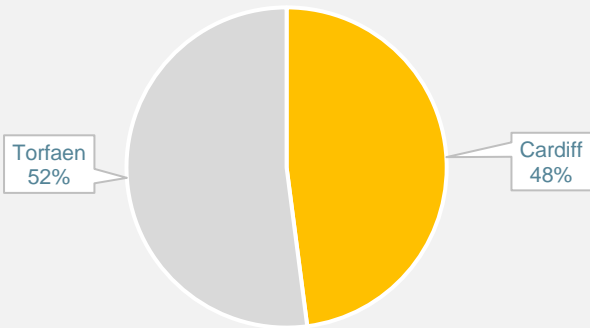
Global Credit



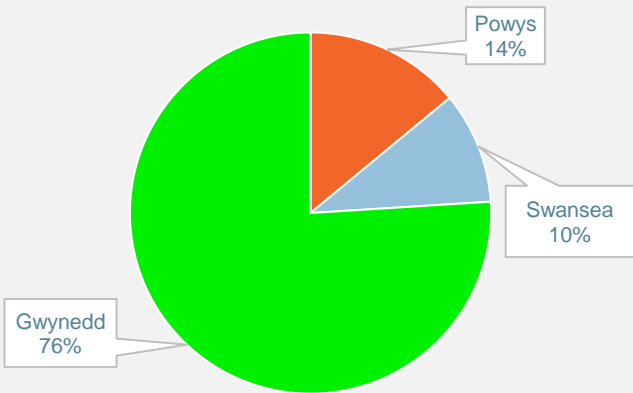
Multi Asset Credit



Global Gov. Bond



Absolute Return Bond



* As at 31 March 2025

Initiatives

Key Achievements & Updates

Fund Launches/Wind ups & Changes				
	Overview	Status	Details	Owner
Sub Fund Manager Update	WS Wales PP Global Credit Fund - Change of Sub Manager, removing Western, replacing with Coolabah	Ongoing	<ul style="list-style-type: none"> Western's weight reduced to about 1% of the sub-fund and proceeds moved to the other managers in the sub-fund, Fidelity, MetLife and Robeco, as well as lesser allocations to the sub-fund's liquidity reserve. This event is the culmination of RI's continuous manager review process in which they were already working towards replacement options for Western. The recent events with SEC have sped up this process. Change delayed due to Depositary requiring additional due diligence on RI's selection of Coolabah. Expected approval, February 2025. Live date due April / May 2025, due to Coolabah awaiting on JP Morgan derivatives clearer needing to resolve a legal question which we expect to be resolved through April. Issues resolved with JP Morgan with investment to occur 29 May. 	RI/WMUK
Sub Fund Manager Update	Addition of Investment Manager for the WS Wales PP Emerging Markets Equity Fund	Ongoing	<ul style="list-style-type: none"> Proposed Manager change, in relation to the WS Wales PP Emerging Markets Equity Fund. This would be an addition to the current line up as opposed to a swap to add Sands Capital at a 6% strategic target weight. A high conviction in this strategy, RI believe it will diversify the growth exposure in the fund. This would also modestly reduce the weight to the incumbent managers, and RI believe it will improve the risk/return profile of the fund. WPP have approved the change and WMUK have taken this through Governance for approval. Expected live date to be end of May 2025. Date of 21 May has been provided as live date. 	RI/WMUK

Market Updates

	Activity	Status	Commentary
Russia / Ukraine	Impact to ACS sub-funds holding Russian companies	Ongoing	WMUK continue to monitor the situation and will advise Constituent Authorities of any developments. WMUK's Fair Value Pricing Committee regularly discuss this, and assets are still priced accordingly. There are no Russian holdings in any of the WPP funds.
	Activity	Status	Commentary
Middle East	Impact to ACS sub-funds holding Israeli companies	Ongoing	<p>Currently 4 securities held in direct Israeli companies across two sub funds; Global Opportunities Fund - 3 companies with 0.10% exposure across the total AUM. Global Government Bond Fund – 1 company with holding being a de minimis position.</p> <p>Total value of approx. £13.7m.</p> <p>Situation currently being monitored as part of the BAU oversight process.</p> <ul style="list-style-type: none">Figures from end of March 2025.

Oversight – Third Party Monitoring

2025 Plan

Third Party Provider	Reporting Period	Sub Fund	Location	Status
Northern Trust				
Transfer Agency	2025	All	Onsite, London – September 2025	N/A
Fund Administration	2025	All	Onsite, London – May 2025	Fieldwork to be completed 7th May 2025
Price Analysis	2025	All	Onsite, Limerick – May 2025	At planning stage
Other 'Party' Questionnaire	2025	All	Questionnaire – February 2025	Questionnaire completed by NT and being reviewed by WMUK
IT Security Questionnaire	2025	All	Questionnaire – March 2025	Questionnaire template being reviewed by Waystone Group IT to ensure it reflects current best practice and security protocols
Annual Due Diligence	2025	All	Questionnaire – June 2025	N/A
Russell Investments				
Annual Due Diligence	2025	All	Onsite, London - 3 February 2025	Completed – Follow up session to be conducted in late spring 2025

WMUK Engagement

Key Q1 and future WPP Engagement

Waystone attendance at OWG/JGC meetings in period:

- OWG 12 February 2025
- JGC 12 March 2025

Waystone attendance at OWG/JGC meetings in next quarter:

- OWG 20 May 2025
- WPP JGC 16 July 2025

Waystone attendance at Strategic Relationship Review:

- 18 July 2025

Waystone - Pension Committee attendance in period:

- Rhonda Pension Meeting 26 March 2025

Waystone - Pension Committee attendance in next quarter :

- None planned at present

WPP Pension Board Chairs Engagement meeting

- 30 April 2025

Other meetings in period

- Host Authority update – occurs bi-weekly
- LGC Investment Seminar, Carden Park - March 2025

Other meetings in next quarter

- Host Authority update – occurs bi-weekly
- Invest in Wales Conference, Cardiff – April 2025
- DG Publishing Pooling Symposium, Belfry - May 2025
- LGC Pooling Symposium, Stratford upon Avon - July 2025

Meeting Schedule

Executive Review	<div>Frequency<ul style="list-style-type: none">Semi-annualNext: 18 July 2025</div>	<div>Objective<ul style="list-style-type: none">Ensure strategic alignmentMutual review of business and strategic goals, priorities and objectives</div>
<div>Attendees</div> <div>WPP<ul style="list-style-type: none">Chris Moore, Anthony Parnell & Two Section 151 / Deputy Section 151 officers</div>		<div>Waystone Management (UK) Limited<ul style="list-style-type: none">Karl Midl, Country Head, UK and CEO, Waystone Management UKRachel Wheeler, Global Product Head – Regulated Fund Solutions</div>
Joint Governance Committee Meetings	<div>Frequency<ul style="list-style-type: none">QuarterlyNext: 16 July 2025</div>	<div>Objective<ul style="list-style-type: none">Key metricsPertinent mattersStrategic deliverables</div>
<div>Attendees</div> <div>WPP<ul style="list-style-type: none">Joint Governance Committee (JGC)</div>		<div>Waystone Management (UK) Limited<ul style="list-style-type: none">Karl Midl, Country Head, UK and CEO, Waystone Management UKRichard Thornton, Head of Relationship Management, Asset OwnersJames Zealander, Senior Relationship ManagerRussell Investments</div>
Officers Working Group Meetings	<div>Frequency<ul style="list-style-type: none">QuarterlyNext: 20 May 2025</div>	<div>Objective<ul style="list-style-type: none">Identify and deliver on opportunities to improve and expand the relationshipProvide update on open projects or issuesMonthly KPI Review (Data supplied quarterly)</div>
<div>Attendees</div> <div>WPP<ul style="list-style-type: none">Officers Working Group (OWG)</div>		<div>Waystone Management (UK) Limited<ul style="list-style-type: none">James Zealander, Senior Relationship ManagerRichard Thornton, Head of Relationship Management, Asset OwnersHeidi Robinson, Relationship ManagerAd-hoc Waystone attendance from functional departments (as required):<ul style="list-style-type: none">CIO Investment Management SupervisionHead of ProductHead of ComplianceHead of OversightRussell Investment</div>

Meeting Schedule continued

Host Authority Update	Frequency <ul style="list-style-type: none">Semi-weekly	Objective <ul style="list-style-type: none">Regular Host Authority – WMUK to discuss deliverables and business updates
Attendees		
WPP <ul style="list-style-type: none">Anthony ParnellTracey Williams		Waystone Management (UK) Limited <ul style="list-style-type: none">Richard Thornton, Head of Relationship Management, Asset OwnersJames Zealander, Senior Relationship ManagerHeidi Robinson, Relationship ManagerClient Service Manager (as required)
Chairpersons of the Pension Board Committees	Frequency <ul style="list-style-type: none">Annual	Objective <ul style="list-style-type: none">General update on the ACS and planned initiatives
Attendees		
WPP <ul style="list-style-type: none">Individual Pension Fund Committee meetings		Waystone Management (UK) Limited <ul style="list-style-type: none">Richard Thornton, Head of Relationship Management, Asset OwnersJames Zealander, Senior Relationship ManagerHeidi Robinson, Relationship ManagerRussell Investments
Pension Board Engagement	Frequency <ul style="list-style-type: none">Semi-Annual30 April 2025	Objective <ul style="list-style-type: none">General update on the ACS and planned initiatives
Attendees		
WPP <ul style="list-style-type: none">Chairpersons of the Constituent AuthoritiesHost Authority		Waystone Management (UK) Limited <ul style="list-style-type: none">Waystone Relationship TeamRussell Investment
Manager Engagement Days	Frequency <ul style="list-style-type: none">Annual15 / 16 October 2025	Objective <ul style="list-style-type: none">Open day for presentations on strategy and performance (with IM)
Attendees		
WPP <ul style="list-style-type: none">Open to all involved parties with WPP		Waystone Management (UK) Limited <ul style="list-style-type: none">Waystone Client Team including Exec TeamNorthern TrustRussell Investments and other Investment ManagersOther consultants as required (e.g. bFinance/Hymans)

Thank you

Relationship Team

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Executive Contact

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Role: Country Head, UK and CEO
Number: +44 (0)7951 266225
Email: karl.midl@waystone.com

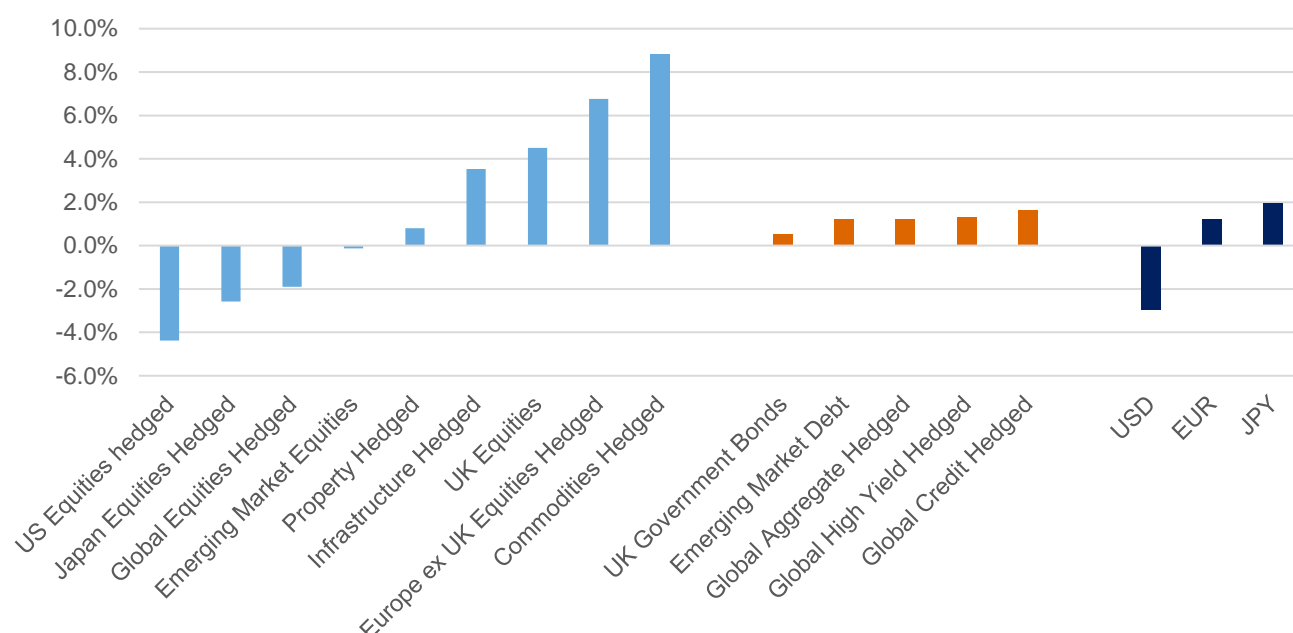
JGC - WPP Performance Summary Q1 2025

Global Market Commentary

Global equities and fixed income markets declined in sterling terms in the first quarter. Confusion over tariff implementation, geopolitical uncertainty and signs of weaker US consumer sentiment amplified market nervousness, sending investors in search of safe-haven assets. Global equities were weighed down by the US, with technology names underperforming. Gold broke through the \$3,000 per troy ounce threshold, hitting fresh highs amid a flight to safety.

UK gilt yields rose as markets adjusted to the prospect of fewer rate cuts than previously priced in, climbing further on concerns over US policies and the Federal Reserve's hawkish stance. Domestically, investor worries over the government's ability to boost growth and restore public finances. As the Bank of England lowered rates by 25 basis points (bps) to 4.5%, it also halved its 2025 growth forecast to 0.75% and warned of rising inflation, which touched 3.0% in January before slowing to 2.8% in February. Over the period the yield on benchmark 10-year gilts rose 11 bps to 4.68%. UK equities outperformed the global index and were second only to Europe as investors sought alternatives to richly valued US stocks. Energy and telecommunications were the best-performing sectors. Sterling – like most currencies – strengthened against the US dollar but depreciated against the euro and Japanese yen.

Asset class performance – Quarter to Date (March 2025)



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:

	Q1 2025	1 Year	3 Year	5 Year	Since Inception
Gross	-3.8	1.2	5.4	12.5	9.4
Net	-3.9	0.9	5.0	12.1	9.0
MSCI AC World Index Net*	-4.3	3.1	7.0	13.9	10.7
Excess returns (gross)	0.5	-1.9	-1.6	-1.4	-1.3
Excess returns (Net)	0.4	-2.2	-2.0	-1.8	-1.7

Inception Date: 31st January 2019

Source: Northern Trust as of 31 March 2025

Benchmark: MSCI AC World Net Total Return Index GBP

***Figures include a performance holiday in November 2024 around the transition of the Fund.**

Objective: The sub-fund aims to achieve a long-term capital appreciation, net of fees.

Inception date is based starting NAV for the sub-fund. This inception date (and therefore performance) may differ from the investment manager, who typically takes over following a transition period.

Overall Fund Commentary

The Fund registered negative absolute returns and finished ahead of the benchmark on a relative basis. The Fund's growth tilt was unhelpful, while its value exposure was beneficial in a positive period for the factor. In terms of sectors, stock selection within consumer discretionary was rewarded, especially the underweight to Tesla and overweight to AutoZone. Selection within health care (overweight CVS Health) was also effective. An underweight to and selection within technology (underweight Nvidia, Apple) further boosted excess returns. However, selection within industrials detracted from further excess returns.

Global Opportunities Equity Fund:

	Q1 2025	1 Year	3 Year	5 Year	Since Inception
Gross	-2.0	6.2	8.7	15.3	12.1
Net	-2.0	6.0	8.4	15.0	11.8
MSCI AC World Index Net	-4.3	4.9	7.6	14.3	11.0
Excess returns (gross)	2.3	1.3	1.1	1.0	1.1
Excess returns (Net)	2.3	1.1	0.8	0.7	0.8

Inception Date: COB 31st January 2019

Source: Northern Trust as of 31 March 2025

Benchmark: MSCI AC World Net Total Return Index GBP

Objective: The sub-fund aims to achieve long-term capital appreciation, net of fees.

Inception date is based starting NAV for the sub-fund. This inception date (and therefore performance) may differ from the investment manager, who typically takes over following a transition period.

Overall Fund Commentary

The Fund registered negative absolute returns and finished ahead of the benchmark on a relative basis. In the market environment, the Fund's growth exposure and tilt to small caps were unrewarded, while its value exposure was beneficial. In sectors, underweight exposure to and stock selection within information technology contributed positively including underweights to Broadcom, Nvidia and Apple. This was despite the negative impact from an overweight to TSMC. Stock selection within financials (overweight Commerzbank, BNP Paribas) and consumer discretionary (underweight Tesla) was effective. Allocations and stock selection within health care were also beneficial (overweight Roche). Elsewhere, an overweight to and stock selection within materials was helpful, notably an overweight to AngloGold, which benefitted from soaring gold prices. However, underweight exposure to utilities and stock selection within industrials (overweight Delta Airlines, United Airlines) was unhelpful, weighing on gains.

Sustainable Active Equity Fund:

	Q1 2025	1 Year	3 Year	Since Inception
Gross	-4.7	0.5		8.7
Net	-4.8	0.2		8.3
MSCI AC World Index Net	-4.3	4.9		13.4
Excess returns (gross)	-0.4	-4.4		-4.7
Excess returns (Net)	-0.5	-4.7		-5.1

Inception Date: COB 23rd June 2023

Source: Northern Trust as of 31 March 2025

Benchmark: MSCI AC World Net Total Return Index GBP

Objective: The sub-fund aims to achieve a total return (the combination of income and capital growth) of the equivalent of the MSCI AC World Net Total Return Index GBP plus 1.5% per annum, net of fees, over a rolling five year period.

Inception date is based starting NAV for the sub-fund. This inception date (and therefore performance) may differ from the investment manager, who typically takes over following a transition period.

Overall Fund Commentary

The Fund registered negative absolute returns and finished behind the benchmark on a relative basis. The Fund's tilt towards growth and small cap stocks was unhelpful. In sectors, an underweight to and selection within industrials (overweight Recruit Holdings, underweight Siemens) was unrewarded. Security selection within consumer staples (overweight Diageo) was also unhelpful. Other key detractors included overweights to health care firm Novo Nordisk and technology firm TSMC. However, an underweight to and selection within technology (underweight Nvidia, Apple) was additive overall, and limited further underperformance. Selection within consumer discretionary (underweight Tesla) was also rewarded.

EM Market Commentary

The MSCI Emerging Market (EM) Index made a positive start to 2025 with a 2.9% return. The index outperformed developed market equities - particularly the US market – aided by strong performance from China and Brazil and a weaker US dollar. Policy uncertainty from the new US administration and the risk of a trade war created uncertainty, although the absence of an immediate imposition of tariffs provided some relief.

Smaller markets such as Colombia (+33.3%), Poland (+31.3%) and the Czech Republic (+28.7%) led the way this quarter. China registered a 15.0% increase for the period despite investor uncertainty regarding future US-China trade tariffs. Brazil (+14.0%), South Africa (+13.8%), South Korea (+4.9%) and Mexico (+8.6%) also all performed well. Contrastingly, India lagged this quarter with a 3.0% decline. Investors noted Trump's threat of tariffs, with his focus on India's own tariff implementation. Taiwan underperformed as well, sinking 12.6% as tariff concerns weighed on technology stocks. Thailand was the weakest overall performer in the first quarter, finishing down 13.7%.

EM Equity Fund:

	Q1 2025	1 Year	3 Year	Since Inception
Gross	-0.1	5.3	2.2	-0.5
Net	-0.3	5.2	1.8	-0.9
MSCI Emerging Market Index + 1.5%	0.2	7.4	3.7	1.1

Inception Date: COB 20th October 2021

Source: Northern Trust as of 31 March 2025

Benchmark: MSCI Emerging Markets Index Net

Objective: To achieve capital appreciation, the equivalent of the MSCI Emerging Market Index Net plus 1.5% per annum, over any five year period, after all costs and charges have been taken.

Inception date is based starting NAV for the sub-fund. This inception date (and therefore performance) may differ from the investment manager, who typically takes over following a transition period.

Overall Fund Commentary

The Fund registered negative absolute returns and finished behind the benchmark on a relative basis. Stock selection within South Africa's materials sector (notably overweight AngloGold) and underweight to Taiwan (TSMC in particular) has been the key drivers of positive performance. Overweight to Brazil and stock selection within the materials sector (Fresnillo in UK, UPL in India) more broadly has been beneficial. Elsewhere, stock selection in smaller markets (Greece, Saudi Arabia, Thailand) has been helpful, while a modest overweight to and selection within Turkey detracted. Stock selection within China (underweight to large-cap tech platforms – Alibaba, Xiaomi, PDD) and within India (financials services - CDS and industrials names – Kaynes, ABB India) has been the key detractors, although underweight to India limited some of the underperformance. The fund's pro-cyclical positioning and exposure to value also contributed over the quarter.

UK Market Commentary

UK equities outperformed the global index and was second only to Europe as investors sought alternatives to richly valued US stocks. Energy and telecommunications were the best-performing sectors. The FTSE 100 broke through the 8,500-mark mid-January, boosted by mining stocks amid takeover speculation between Rio Tinto and Glencore. The index hit more new highs, breaching the 8,800 mark to hit another new record in early March. Better-than-expected economic data, signs that the UK may avoid US tariffs and strong earnings results boosted investor sentiment. The economy expanded 0.1% QoQ in the final quarter of 2024 versus expectations of a 0.1% contraction. Shares fell in March, mirroring other markets as worries over US trade policy increased. The economy shrank 0.1% in January after expanding 0.4% in December. This was below economists' expectations of 0.1% GDP growth. Industrial and manufacturing production also missed expectations adding to fears over a lack of growth in the economy and concerns over the impact of the Chancellor's policies. Later, equities were buoyed by encouraging news on inflation, which fell more than expected in February, to 2.8% YoY from 3.0%. Core inflation was 3.5% down from 3.7% the previous month. Meanwhile, the latest PMI data showed an expansion in service sector activity in March, at 52.5, up from 51.0. In contrast, the manufacturing PMI dropped to 44.9 from 46.9.

UK Opportunities Equity Fund:

	Q1 2025	1 Year	3 Year	5 Years	Since Inception
Gross	1.0	7.0	7.3	12.2	5.4
Net	1.0	6.7	7.0	11.8	5.0
FTSE All Share	4.5	10.5	7.2	12.0	6.1
Excess returns (gross)	-3.5	-3.5	0.1	0.2	-0.7
Excess returns (Net)	-3.5	-3.8	-0.2	-0.2	-1.1

Inception Date: COB 23rd September 2019

Source: Northern Trust as of 31 March 2025

Benchmark: FTSE All Share Index

Objective: The Sub-fund aims to achieve long-term capital appreciation, net of fees.

Inception date is based starting NAV for the sub-fund. This inception date (and therefore performance) may differ from the investment manager, who typically takes over following a transition period.

Overall Fund Commentary

The Fund registered positive absolute returns and finished behind the benchmark on a relative basis. The Fund's tilt towards value stocks was favourable, but the tilt towards small cap stocks was unhelpful. In terms of sectors, stock selection within industrials detracted, especially the underweight allocation to BAE Systems. An overweight to and selection within communication services was also ineffective and included overweight exposures to 4imprint Group and WPP. However, an underweight to materials (underweight Glencore) was additive and limited further underperformance.

Fixed Income Market Commentary

The Bloomberg Global Aggregate Bond Index (USDH) increased by 1.2% over the quarter. Government bond performance was mixed as 10-year yields fell in the US but rose in Europe, the UK and Japan. The US dollar weakened against most currencies, notably the Swedish krona and Norwegian krone. Central bank action diverged over the period. The Federal Reserve (Fed) kept rates unchanged while the Bank of Canada and the European Central Bank (ECB) both lowered interest rates by 25 basis points (bps) twice. The Bank of England cut rates by 25 bps in February but left them unchanged in March. The Swiss National Bank also lowered rates by 25 bps. Earlier, the Bank of Japan (BoJ) raised its policy rate by 25 bps to 0.5%, its highest in 17 years.

Credit spreads broadly widened over the period with high yield and emerging markets recording the biggest spreads as the risk-off narrative took hold amid heightened uncertainty over US policy and risks to global economic growth. US high yields spreads widened the most, by 60 bps to 347, possibly reflecting the general retreat in US risk assets. Global high yield widened by 48 bps to 377 while European high yield widening was markedly less (+25 bps to 334). In the investment grade market Europe was the best performer, helped by a notable improvement in the economic outlook, where spreads narrowed by 4 bps to 85. Investment grade spreads widened elsewhere. As in high yield, the US saw the biggest widening (+12 bps to 89). The UK also recorded double-digit spread widening (+10 bps to 90). The movement in global investment grade spreads was more modest (+7 bps to 89). Local currency emerging market debt (EMD), as measured by the JP Morgan GBI-EM Global Diversified Index, increased by 4.3%, benefitting from a broad-based weakening of the US dollar. As a result, the index outperformed hard currency EMD, which was up 2.3%, as measured by the JPM EMBI Global Index.

Global Government Bond Fund:

	Q1 2025	1 Year	3 Year	Since Inception
Gross	2.2	3.2	0.0	-1.1
Net	2.2	3.0	-0.3	-1.3
FTSE World Gvt Bond Index (GBP Hedged)	1.0	3.4	-0.5	-1.9
Excess returns (gross)	1.2	-0.2	0.5	0.8
Excess returns (Net)	1.2	-0.4	0.2	0.6

Inception Date: COB 30th July 2020

Source: Northern Trust as of 31 March 2025

Benchmark: FTSE World Government Bond Index (GBP Hedged)

Objective: The Sub-fund aims to achieve total return (the combination of income and growth), in excess of the FTSE World Government Bond Index (GBP Hedged), over any five year period, after all costs and charges have been taken.

Inception date is based starting NAV for the sub-fund. This inception date (and therefore performance) may differ from the investment manager, who typically takes over following a transition period.

Overall Fund Commentary

The Global Government Bond Fund outperformed the benchmark this quarter. The Fund's overweight to rates in Mexico was a key positive contributor this quarter – a contrast to the final period of 2024. An underweight to rates in Japan and Europe suited the market environment. This included an underweight to 5- and 10-year issues in Japan and an underweight to longer-dated issues within Europe. An underweight to US Treasuries weighed on further outperformance.

In terms of managers, RBC outperformed due to an underweight in Japan and an overweight to rates in Mexico, Canada and Colombia. Colchester also outperformed, driven as well by an overweight in Mexico and underweights in European and Japanese bonds.

Global Credit Fund:

	Q1 2025	1 Year	3 Year	Since Inception
Gross	1.6	4.9	0.3	-0.8
Net	1.5	4.7	0.1	-1.0
Bloomberg Barclays Global Agg Credit Index (GBP Hedged)	1.7	4.8	0.9	-0.8
Excess returns (gross)	-0.1	0.1	-0.6	0.0
Excess returns (Net)	-0.2	-0.1	-0.8	-0.2

Inception Date: COB 27th July 2020

Source: Northern Trust as of 31 March 2025

Benchmark: Bloomberg Barclays Global Aggregate Credit Index (GBP Hedged)

Objective: The Sub-fund aims to achieve a total return (the combination of income and growth), in excess of the Bloomberg Barclays Global Aggregate Credit Index (GBP Hedged), over any five-year period, after all costs and charges have been taken.

Inception date is based starting NAV for the sub-fund. This inception date (and therefore performance) may differ from the investment manager, who typically takes over following a transition period.

Overall Fund Commentary

The Fund underperformed the benchmark return over the first quarter. Within the market environment, although the Fund's positioning in European investment grade credit was helpful, this was offset by overweight exposure to European high yield (industrials), which detracted. The trend was the same in US credit with positive contributions from underweight exposure to investment grade (financials, industrials) while overweight exposure to high yield industrials was unhelpful. In hard currency emerging market debt, underweights to investment grade in Latin America and the Middle East contributed. However, Fund performance was negatively impacted by rates positioning, specifically in US Treasuries, German bunds and UK gilts. Overweight exposure to 10-year German bunds and allocations to 1-year T-bills were particularly unhelpful.

In this environment, Robeco remained close to benchmark in terms of credit market risk exposure but was able to outperform the global credit index through security selection alpha. Metlife's performance matched that of the US credit index, whereas Fidelity underperformed the European Credit index, driven by an overweight to German duration ahead of the fiscal expansion announcement.

Multi Asset Credit Fund:

	Q1 2025	1 Year	3 Year	Since Inception
Gross	1.6	7.4	3.8	3.5
Net	1.5	7.1	3.4	3.2
3 Month GBP SONIA + 4%	2.1	9.3	8.3	6.8

Inception Date: COB 27th July 2020

Source: Northern Trust as of 31 March 2025

Objective: To achieve a total return (the combination of income and capital growth), the equivalent of the 3 Month GBP SONIA + 4%, over any five year period, after all costs and charges have been taken. We have not shown excess return as this is a target.

Inception date is based starting NAV for the sub-fund. This inception date (and therefore performance) may differ from the investment manager, who typically takes over following a transition period.

Overall Fund Commentary

The fund returned 1.64% in Q1 versus a cash +4% target of 2.14%. Within the market environment, credit and rates positioning were positive while currency allocations were ineffective. In rates, exposure to US Treasuries and German bunds was rewarded while an underweight to one-year UK gilts detracted, as in the previous quarter. In credit, the main positive contributor to performance was exposure to one-year bank loans although the impact from longer duration loans was unhelpful. In European credit, exposure to high yield industrials detracted although this was partly offset by allocations to high yield financials in the region. Exposure to European investment grade was also helpful. In UK credit, exposure to high yield was negative although allocations to high yield financials mitigated the impact. Allocations to hard currency emerging market debt detracted mainly due to exposure to the Middle East. In securitised credit, the benefits from exposure to non-agency commercial mortgage-backed securities was offset by allocations to agency credit risk transfers, which was negative. Collateralised loan obligations also weighed.

Loan specialist ICG was the best-performing manager, benefitting from performance in shorter date maturities. Man GLG also recorded positive absolute returns. In contrast, RBC UK (BlueBay), Barings and Voya recorded negative absolute returns.

Absolute Return Bond Strategy Fund:

	Q1 2025	1 Year	3 Year	Since Inception
Gross	1.4	7.7	5.7	4.4
Net	1.3	7.7	5.5	4.2
3 Month GBP SONIA + 2%	1.7	7.2	6.3	4.9

Inception Date: COB 30th September 2020

Source: Northern Trust as of 31 March 2025

Objective: To achieve a total return (the combination of income and capital growth), the equivalent of the 3 month GBP SONIA plus 2%, over any five year period, after all costs and charges have been taken. we have not shown excess return as this is a target.

Inception date is based starting NAV for the sub-fund. This inception date (and therefore performance) may differ from the investment manager, who typically takes over following a transition period.

Overall Fund Commentary

The Fund registered positive absolute returns and finished behind the benchmark on a relative basis. All three underlying managers recorded positive absolute returns. Insight was the best-performing manager in terms of relative returns and finished ahead of its benchmark. The manager's yield curve and duration strategies were rewarded. In contrast, country selection detracted from further outperformance. Aegon finished behind its benchmark. European asset-backed security (ABS) markets performed strongly as spreads continued to tighten across all European ABS sectors, triggering conditions in which primary issuance continued to be plentiful. However, quarter-end market turmoil caused spreads to widen out. Wellington also underperformed its benchmark.

Sterling Credit Fund:

	Q1 2025	1 Year	3 Year	Since Inception
Gross	1.1	2.7	0.2	-0.9
Net	1.0	2.6	0.0	-1.0
ICE Bank of America Merrill Lynch Euro-Sterling Index plus 0.65%	0.9	3.1	-0.2	-1.3

Inception Date: COB 27th July 2020

Source: Northern Trust as of 31 March 2025

Benchmark: ICE Bank of America Merrill Lynch Euro-Sterling Index Plus 0.65%.

Objective: The sub-fund aims to achieve a total return (the combination of income and capital growth), the equivalent of the ICE Bank of America Merrill Lynch Euro Sterling Index plus 0.65% each year, over any three year period after all costs and charges have been taken.

Inception date is based starting NAV for the sub-fund. This inception date (and therefore performance) may differ from the investment manager, who typically takes over following a transition period.

Overall Fund Commentary

Sterling Credit outperformed the benchmark over the quarter. The Fund retains a relatively cautious stance in credit, given tight credit spreads and a challenging economic backdrop, alongside increased geopolitical uncertainty. While fundamentals remain intact, Sterling prefers to be selective in specific parts of the market where they have more conviction. All-in yields remain attractive in Sterling corporate bond markets, thus offering some cushion against underlying rates and credit volatility.

The lack of a spread cushion in credit leads us to maintain a defensive stance overall. Sterling is mindful of the asymmetrically negative outcomes in credit if growth slows down. Nonetheless, fundamentals remain strong – defaults are limited, and there are no signs of severe credit stress. Moreover, technicals remain supportive, and demand for credit is robust.

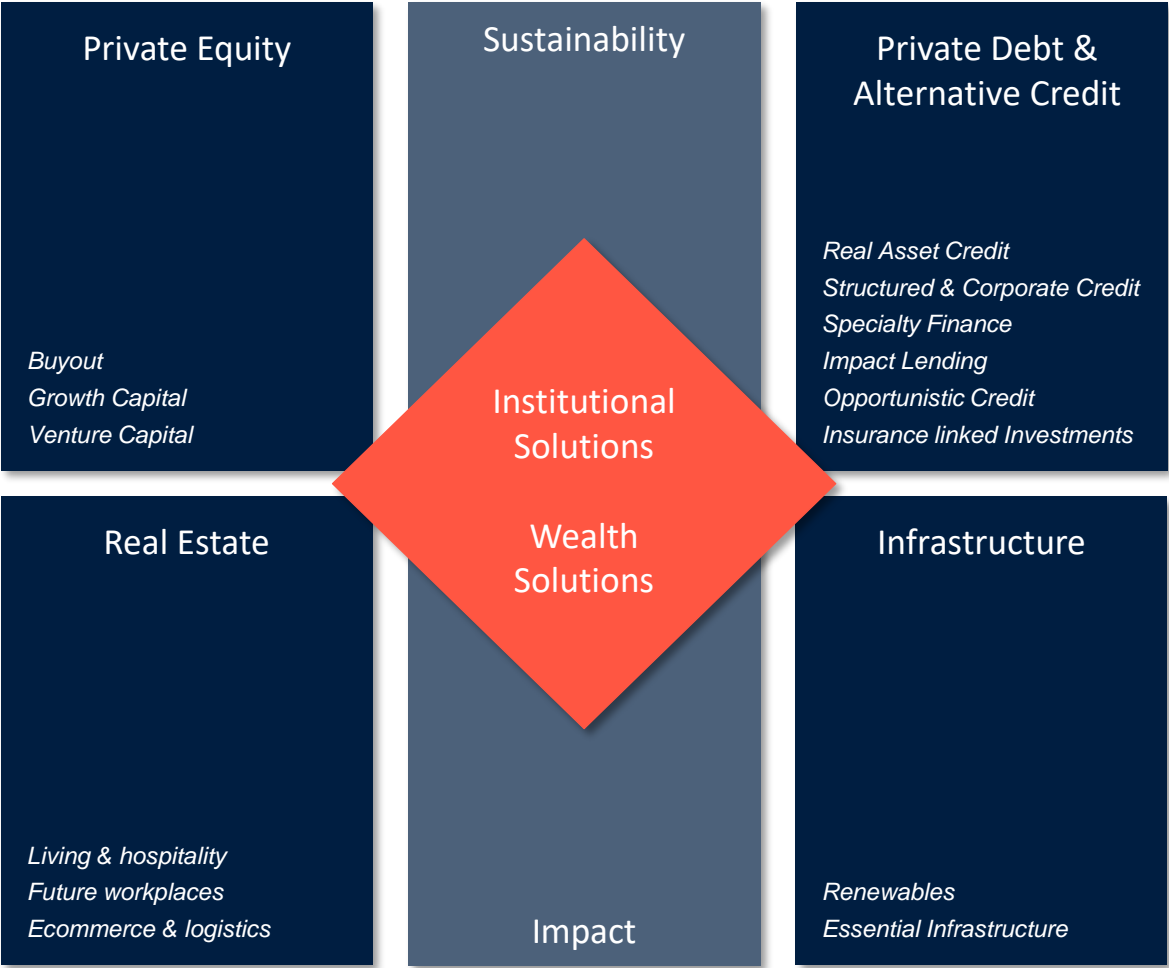
The challenging economic outlook in the UK drove a poor performance from a number of consumer-facing sectors such as housebuilders, retailers and travel and leisure. As a result, the consumer discretionary sector was one of the largest drags on market performance over the period, with technology and basic materials other notable detractors. Banks in particular had a strong quarter amid some robust earnings updates. Banks are also relatively insulated from trade tariff concerns.



WALES PENSION PARTNERSHIP
JOINT GOVERNANCE COMMITTEE
Private Equity Allocator Mandate

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



\$99bn

assets under management¹

400+

investment professionals

\$20bn

investment volume per year

25

locations on six continents

725+

professionals dedicated to private assets

¹AUM as of Q4 2024 including dry powder.

Schroders Capital Private Equity

Our differentiation



private equity with integrated solution capabilities

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



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



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

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

17%

IRR across all investments¹

4%

p.a. outperformance over MSCI ACWI²

\$2.5bn

investment volume per year

270

direct/co-investments

3.0x

MOIC on 82 realized direct/co-investments³

Performance shown net of underlying fund fees, expenses and performance fees and gross of Schroders Capital's fund fees, expenses and performance fees, in € and as of Q4 2024. ¹Including all Schroders Capital Private Equity investments from 2010–2023. ²Based on IRR 2010–2023 compared to MSCI ACWI Long Nickels PME. ³Realized multiple is based on 82 realizations and partial realizations as of Q4 2024.

Building a long-term trusted partnership with WPP

Participating Funds

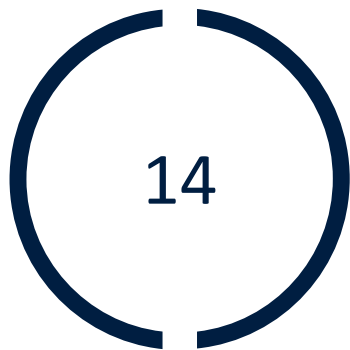
- Clwyd Pension Fund
- Gwynedd Pension Fund
- Powys Pension Fund
- City and County of Swansea Pension Fund
- Cardiff & Vale of Glamorgan Pension Fund



WPP VINTAGE I

WPP Vintage I is fully allocated with no J Curve

Schroders Capital WPP Global Private Equity I L.P.



Completed
investments



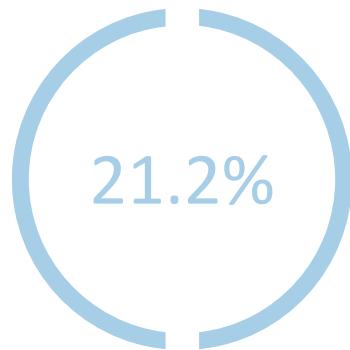
WPP
Commitment



Committed to
underlying
investments



Net TVPI¹



Net IRR²

Past performance is not a guide to future performance and may not be repeated.

Source: Schroders Capital, 2025.

The number of investments completed and committed amounts as of Q1 2025. Performance is as of Q4 2024 and is net of underlying fees, expenses and carried interest and is net of Schroders Capital fees and expenses.

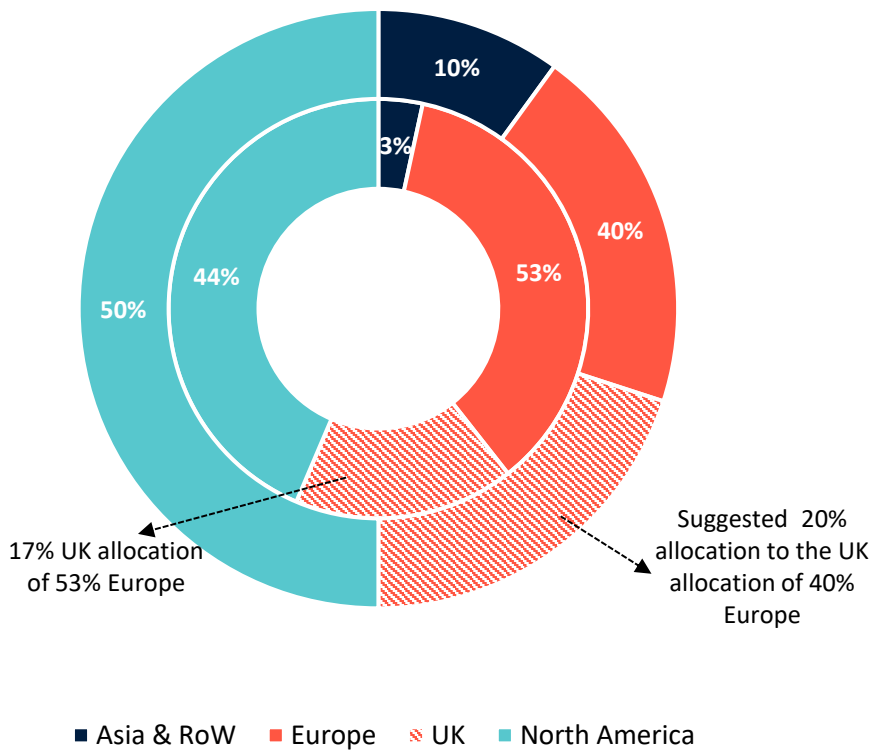
¹TVPI = total value to paid in capital, measures the total value of an investment (realised and unrealised value) to the amount of capital contributed. Net TVPI is net of all expenses and fees.

²IRR = The discount rate that equates the net present value of an investment's cash inflows with its cash outflows. Net IRR is net of all fees and expenses.

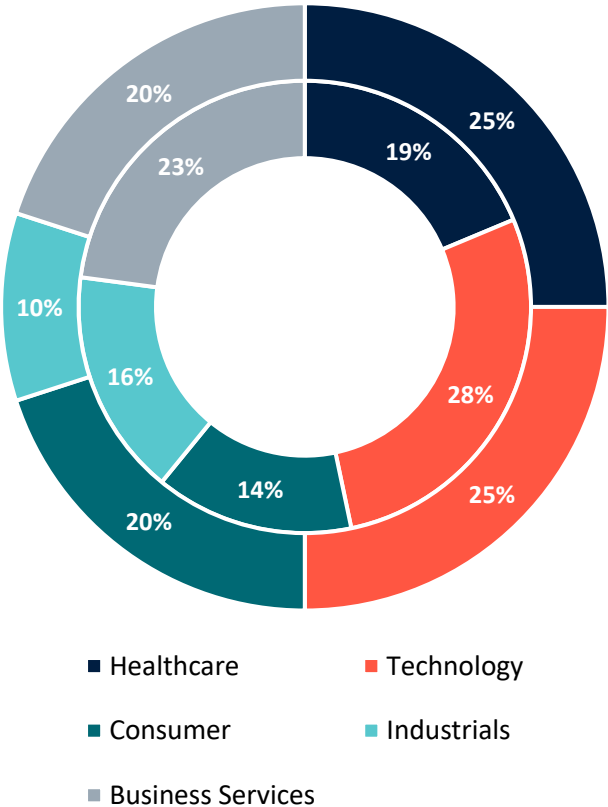
WPP Vintage I

Outer Ring = WPP 2023 targets¹ and Inner Ring = actual for Vintage I²

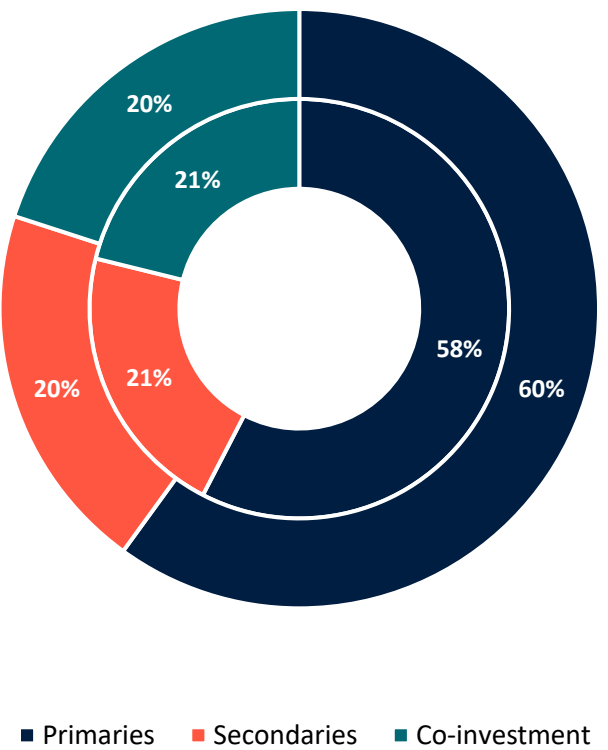
Geographic mix



Sector mix



Investment type



Source: Schroders Capital, 2025.

¹Target exposure is based on the fund's target allocation on commitments and WPP vintage year 2023 tranche. ²Exposure is based on the respective investment fund's target allocation and on commitments. Sectors and geographies comprised by underlying fund's targets. Data shown as of Q4 2024.

Investment allocations are indicative. Schroders Capital may modify its geographic, strategy, stage allocation as it deems appropriate to achieve the fund's objectives. VY = Vintage year.

WPP Vintage I: Summary

- WPP I is now fully allocated: closing 14 investments and committing £171m, within 18 months of launch
- The portfolio has reached a valuation of 1.2x net TVPI in the first year, demonstrating robust valuation fundamentals early in WPP I's investment journey
- The portfolio is well diversified across strategies, regions, investment types and sectors
- Initial foundation provides a robust starting point for the portfolios ongoing development

Past performance is not a guide to future performance and may not be repeated.
Source: Schroders Capital, 2025.
Net TVPI shown is net of Schroders Capital management fees and expenses and net of underlying fund fees, expenses and carried interest.
Logos shown are property of the respective entities.

greenbelt
CAPITAL PARTNERS



BOWMARK
CAPITAL

VITRUVIAN
PARTNERS



KNOX-LANE

NORD ANGLIA



TENZING

TRINITY HUNT
PARTNERS

KPS
CAPITAL PARTNERS, LP

Sprints

EMERAM

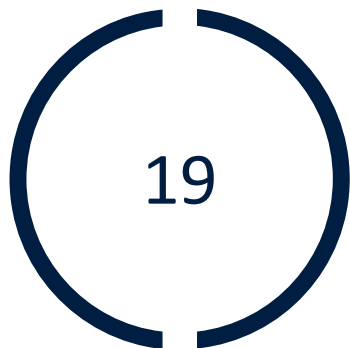


WPP VINTAGE II

WPP Vintage II – nearly fully committed

Schroders Capital WPP Global Private Equity II L.P. – total commitment £170.5m

Schroders Capital WPP Global Private Equity II L.P.



Completed
investments



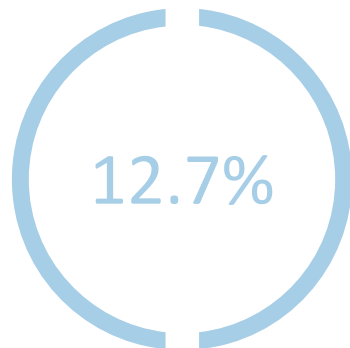
WPP
Commitment



Committed to
underlying
investments



Net TVPI¹



Net IRR²

Past performance is not a guide to future performance and may not be repeated.

Source: Schroders Capital, 2025.

The number of investments completed and committed amounts as of April 2025. Performance is as of Q4 2024 and is net of underlying fees, expenses and carried interest and is net of Schroders Capital fees and expenses.

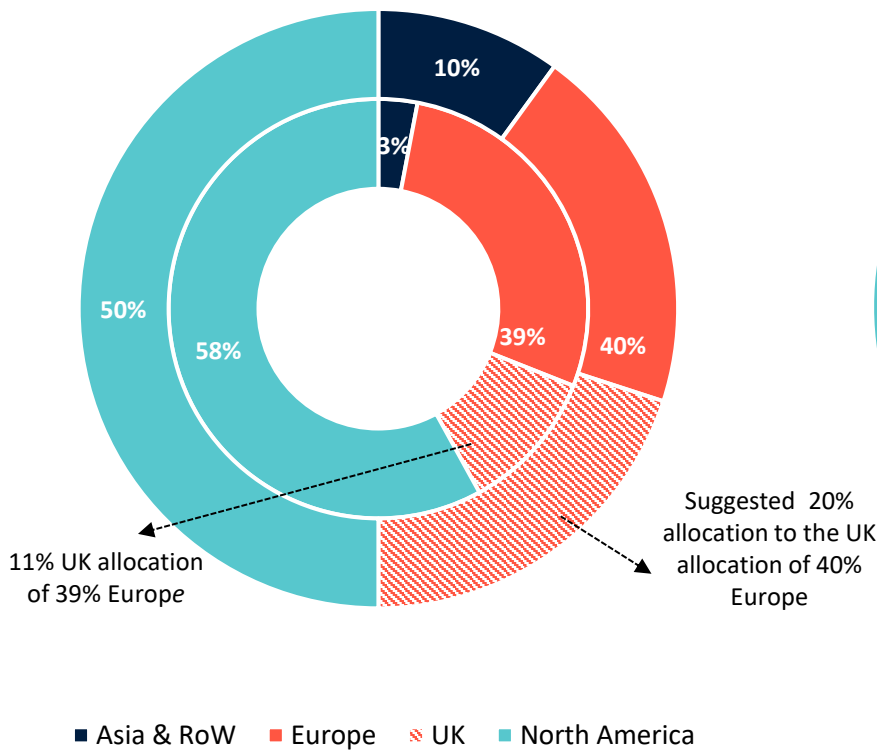
¹TVPI = total value to paid in capital, measures the total value of an investment (realised and unrealised value) to the amount of capital contributed. Net TVPI is net of all expenses and fees.

²IRR = The discount rate that equates the net present value of an investment's cash inflows with its cash outflows. Net IRR is net of all fees and expenses.

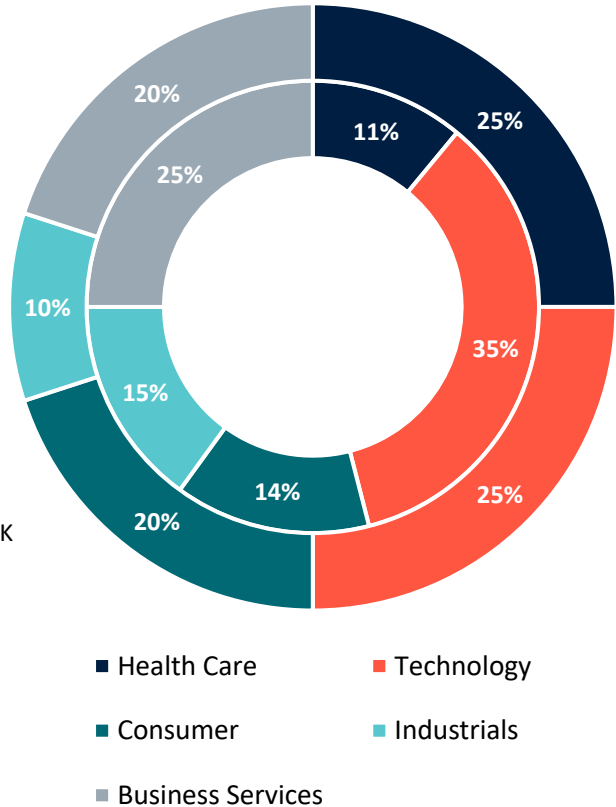
WPP Vintage II

Outer Ring = WPP 2024 targets¹ and Inner Ring = actual for Vintage II²

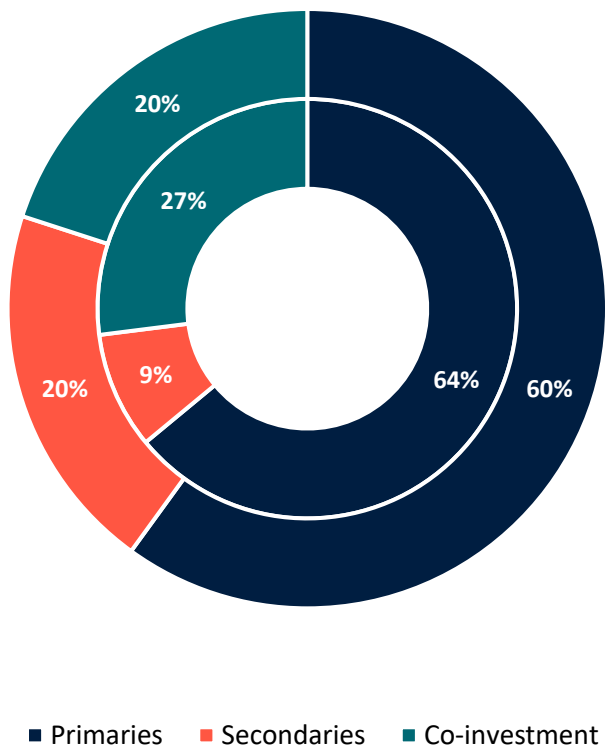
Geographic mix



Sector mix



Investment type



Page 50

Source: Schroders Capital, 2025.
¹Target exposure is based on the fund's target allocation on commitments and WPP vintage year 2024 tranche. ²Exposure is based on the respective investment fund's commitments. Sectors and geographies comprised by underlying fund's targets or actual commitments. Data shown as of Q4 2024.
Investment allocations are indicative. Schroders Capital may modify its geographic, strategy, stage allocation as it deems appropriate to achieve the fund's objectives. VY = Vintage year.

WPP Vintage II: Summary

- WPP II has had a robust start in its first year, with IC approved and closed now totaling £160m into 19 investments
- As of Q4 2024, WPP II has reached a valuation of 1.1x net TVPI in the first 9 months
- We have secured access to top tier Venture names, but it has been challenging
- For the remaining £10m uncommitted, we anticipate deploying into the following:
 - Welsh deal (where we have a high conviction life sciences company that is IC approved)
 - Highly access restricted US VC fund that is IC approved
 - US or EU multi or single asset GP led secondary opportunity

Past performance is not a guide to future performance and may not be repeated.
Source: Schroders Capital, 2025.
Net TVPI shown is net of Schroders Capital management fees and expenses and net of underlying fund fees, expenses and carried interest.
Logos shown are property of the respective entities.





WPP VINTAGE III

Proforma Vintage III allocations

Planned portfolio for Schroders Capital WPP Global Private Equity III L.P.

Fund	Emphasis	Type	Strategy	Geography	SFDR	Commitment	
						£m	%
Interlock II	Focus on people-driven outsourced service providers	Primaries	Small/mid	US	-	9.2	5.0%
DFW VIII	Emphasis on compliance driven business models	Primaries	Small/mid	US	-	9.2	5.0%
Novacap VII	Technology specialist with owner/operator experience	Primaries	Large	US	-	9.2	5.0%
Bain NA XIV	Focus on large buyouts across North America	Primaries	Large	US	Article 8	9.2	5.0%
<i>[Placeholder US late primary]</i>	<i>Placeholder for suitable US late primary</i>	<i>Primaries</i>	<i>Small/mid</i>	<i>US</i>	<i>tbd</i>	9.2	5.0%
Emeram III	Focused on the German speaking market	Primaries	Small/mid	Europe	Article 6	9.2	5.0%
Endless Fund VI	Underperforming UK businesses requiring financial/operational restructuring	Primaries	Small/mid	Europe	Article 8	9.2	5.0%
Hg Genesis XI	Focus on mid-market software and services business	Primaries	Small/mid	Europe	Article 8	9.2	5.0%
<i>[Placeholder Europe]</i>	<i>Placeholder for suitable Europe late primary</i>	<i>Primaries</i>	<i>Small/mid</i>	<i>Europe</i>	<i>tbd</i>	9.2	5.0%
<i>[Placeholder India/ China]</i>	<i>Placeholder for suitable Indian/Chinese primary</i>	Primaries	Venture	Asia	<i>tbd</i>	9.2	5.0%
<i>[Placeholder for secondary]</i>	<i>Placeholder for suitable GP led</i>	Secondaries	Diversified	US	<i>tbd</i>	5.0	2.7%
Welsh Direct/co-investment	Placeholder for Welsh deal	Co-investments	Diversified	Europe/UK	-	5.0	2.7%
SC Global Innovation	Premier leading venture firms	Integrated	Venture	Global	-	9.3	5.0%
SC Global Direct	Global diversified co-investment fund	Co-investments	Small/mid	Global	Article 8	13.0	7.0%
SC Europe Direct	European diversified co-investment fund	Co-investments	Small/mid	Europe	Article 8	10.0	5.4%
SC UK Innovation LTAF	Focus on UK technology and life sciences	Integrated	Venture	UK	-	18.5	10.0%
SC Secondaries	Global GP-led focused secondaries fund	Secondaries	Small/mid	Global	Article 8	32.0	17.3%
Total						185.0	100.0%

 Schroders Capital Fund

Page 4 of 4

past performance is not a guide to future performance and may not be repeated.

Source: Schroders Capital, 2025.

Commitment as of Q4 2024. Diversification cannot guarantee positive performance results or protect against the loss of principal. There can be no assurance that Schroders Capital will achieve the targeted investment allocations. There can be no guarantee that any objective or intended outcome will be achieved.

WPP III: Summary

- We have identified several potential opportunities for the WPP III portfolio consisting of broad diversification across strategy, sector and geography
- As per prior vintages we wish to deploy into a range of high conviction GP's
- The implementation of WPP III through Schrodgers Capital funds would include:
 - UK venture to be implemented via LIFTS to access a diversified UK venture portfolio and support Mansion House initiatives
 - Global venture to be implemented via Schrodgers Capital Global Innovation XII to ensure access to premier venture names and build a diversified global venture portfolio
 - Co-investments to be implemented via Schrodgers Capital Global Direct IV and Schrodgers Capital Europe Direct IV to build diversified co-investment portfolio
 - Secondaries to be implemented via Schrodgers Capital Continuation Opportunities III to build a diversified secondaries portfolio



DFW CAPITAL PARTNERS



EMERAM

NOVACAP 





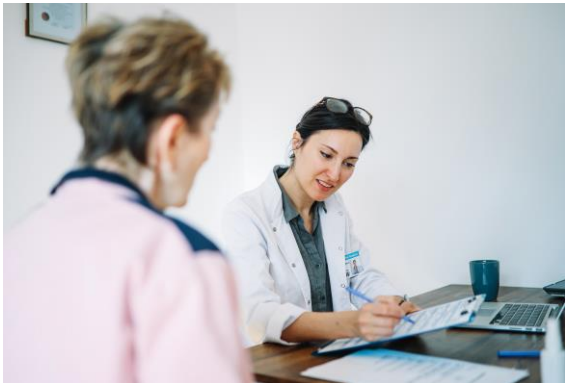
A FIRST WELSH DEAL?

A first Welsh deal ?

This opportunity case studies reflect our disciplined approach to sourcing, assessing and acting on investments in Wales

Welsh biotech company ready to initiate Phase 2 clinical trials

Size	Series A \$140m raise (oversubscribed)
Summary	Opportunity to invest in neuropsychiatry company with a validated clinical stage pipeline with best-in-class potential
Why we like it	<ul style="list-style-type: none">Meets our biotech investment criteria: Clinical stage (Phase 2 ready), Small molecule, best-in-class potential, multi-blockbuster sales potential, UK (Wales) based
Market	<ul style="list-style-type: none">MDD is a prevalent and debilitating disease32m diagnosed in US and EULow remission rates (30% with first line)
Allocation	<ul style="list-style-type: none">Total Schroders Capital allocation to be disclosed when permitted



Investment has been IC approved and now moved into legal negotiations with a view to execute imminently

Important Information (1/2)



This document contains certain summary information regarding the offering of limited partnership interests (the 'Interests') of the Schroders Capital fund(s) mentioned herein (the 'Fund') which is sponsored and advised by Schroders Capital Management (Switzerland) AG ('Schroders Capital'). The information set forth herein is qualified, in its entirety, by the Confidential Private Placement Memorandum of the Fund (the 'Memorandum') and the constituent documents of the Fund. The information contained herein has been prepared on a confidential basis solely for the benefit of select, qualified individuals and entities for informational and discussion purposes only in connection with the private placement of limited partnership interests of the Fund and does not constitute an offer to sell or a solicitation of an offer to purchase an interest in the Fund. Any such offer or solicitation shall be made only pursuant to the Memorandum, which describes, among other things, certain risks related to an investment in the Fund and which qualifies in its entirety the information set forth herein. The Memorandum, including any supplement (which may include more recent information than the information provided herein) should be read carefully prior to any investment in the Fund. All information contained in herein is proprietary and confidential. Any reproduction or distribution of this document, in whole or in part or the disclosure of its contents, without Schroders Capital prior written consent, is prohibited. This document must be returned to Schroders Capital upon request. The statistical data and other factual statements contained herein have been obtained from publicly available documents or other sources considered by Schroders Capital to be reliable, but no representations are made as to their accuracy and completeness.

Certain statements express Schroders Capital view as of the date stated, which may be subject to change. Additional and/or other information may be available at a later stage. Schroders Capital may elect to update the information at some point in the future, but specifically disclaims any obligation to do so, even if Schroders Capital estimates or expectations change. The material is not intended to provide, and should not be relied on for, accounting, legal or tax advice, or investment recommendations. Information herein is believed to be reliable but Schroders Capital (nor any of its affiliates) does not warrant its completeness or accuracy. No responsibility can be accepted for errors of fact or opinion. Recipients of this document should be aware that past performance of an Schroders Capital funds is not necessarily indicative of the future performance that can be expected by investors for the Fund. Accordingly, there can be no assurance that the Fund will achieve comparable results or that the Fund will be able to implement its investment strategy or achieve its investment objective. Although Schroders Capital and the general partner of the Fund intend to invest with certain fund managers mentioned in this document, there can be no assurance that Schroders Capital or the general partner will receive allocations from these fund managers in their existing or future investment fund or, if such allocation are received, that the performance of these fund managers will meet or exceed Schroders Capital expectation.

Illiquid investments such as private equity carry special market, operational and capital loss risks and should only be considered by sophisticated investors who understand the nature of these, and other, principal risks. All investments, domestic and foreign, involve risks including the risk of possible loss of principal. The market value of equities may decline as a result of a number of factors, including adverse economic and market conditions, prospects of stocks in the portfolio, changing interest rates, and real or perceived adverse competitive industry conditions. These risks tend to be greater with Initial Public Offerings (IPOs), investing overseas involves special risks including among others, risks related to political or economic instability, foreign currency (such as exchange, valuation and fluctuation) risk, market entry or exit restrictions, illiquidity and taxation. These risks exist to a greater extent in emerging markets than in developed markets. Investments in small capitalization companies generally carry greater risk than is customarily associated with larger capitalization companies, which may include, for example, less public information, more limited financial resources and product lines, greater volatility, higher risk of failure than larger companies and less liquidity. No investment strategy or risk management technique can guarantee future returns or eliminate risk in any market environment.

Forward-Looking Statements

Certain statements contained herein, including without limitation, the words 'believes', 'anticipates', 'intends', 'expects', 'may', 'plans', 'projects', 'will', 'would' and words of similar import, constitute 'Forward-Looking Statements'. Such Forward-Looking Statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of the Fund to be materially different from any future results, performance or achievements expressed or implied by such Forward-Looking Statements. Any analysis of potential investments is necessarily based on past performance which is not necessarily indicative of future results. Schroders Capital and the Fund cannot guarantee that they will actually achieve the plans, intentions or expectations expressed or implied in such Forward-Looking Statements. Investors should not rely on Forward-Looking Statements as representing the views of Schroders Capital or the Fund as of any date subsequent to the date set forth on the cover page hereof. While we may elect to update forward-looking statements at some point in the future, we specifically disclaim any obligation to do so, even if our estimates or expectations change.

Limits of Forecasts, Cash Flow and Valuation Estimates

Certain information contained herein shows the valuation and expected future valuations as well as estimated, forecasted future results of the Fund. The estimated figures for draw downs, distributions and valuations are not a prediction or projection, but they represent a good faith estimate of the potential valuation timing and amounts.

These estimates are based on, among other things, (i) the terms of the underlying Fund agreements, including provisions relating to Fund expenses, carried interest and management fees, (ii) where available, projections and other estimates provided by underlying funds in connection with Schroders Capital investment due diligence relating to expected and or target return data (such as return multiples and IRRs), (iii) Schroders Capital analysis of portfolio companies of underlying funds, (iv) Schroders Capital interaction with the managers of underlying funds, (v) historical results of fund managers with whom Schroders Capital has previously invested and (vi) publicly available comparables and statistical data as well as other sources considered by Schroders Capital to be reliable and in good faith. Schroders Capital cannot guarantee, represent or warrant the accuracy, completeness and correctness of this information and accepts no liability with respect to such information. Each recipient acknowledges that Schroders Capital access to financial or other business information about underlying fund portfolio companies is limited by various factors, including the completeness of reporting by underlying fund managers and applicable confidentiality restrictions, which are a material mitigating factor with respect to the accuracy of such information. The information expresses Schroders Capital view as of the date stated, which is subject to change. Additional and/or other information may be available at a later stage. Schroders Capital may elect to update the information set forth herein at some point in the future, but specifically disclaims any obligation to do so, even if Schroders Capital estimates or expectations change. The document contains significant uncertainty about the future developments, which is inherent in the current market conditions.

UNPRI Disclosure

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Important Information (2/2)



Performance Disclosures

Net IRR – The net annualized internal rates of return shown are calculated based on an effective compounded rate of return aggregating Limited Partner daily cash flows and quarterly capital values, presented net of all management and performance fees and other fund expenses. Fund IRRs are calculated from the first capital call in that fund through the date shown.

Gross IRR – Represents the annualized internal rates of return calculated using daily cash flows from the funds managed by Schroders Capital to and from the various partnerships in which the Schroders Capital funds invested during the period specified, after the fees, expenses, and carried interest of the underlying partnership investments, but before the fees, expenses, and carried interest charged the Schroders Capital funds.

Net Total Value/Paid-In (Net TVPI) – Represents distributions plus capital value, divided by paid-in capital. Net TVPI is net of all fees and expenses.

Gross Total Value/Paid-In (Gross TVPI) – Represents distributions plus capital value, divided by paid-in capital. Gross TVPI is net of partnership fees and expenses, but before Schroders Capital fees and expenses.

As an illustration of the impact on performance of these fees compounding over time, see the chart below. The value of a \$5,000,000 account would be reduced by the following amounts due to the compound effect of the management fees. This has been calculated assuming an assumed constant return of 10% per annum and a hypothetical management fee of 0.75% per annum. Actual fees may differ from the assumed rate presented above. Please consult the Firm's Advisory Brochure (ADV Part 2) for a description of the fees.

	Gross value	Net value	Compound effect
1 Year	\$5,500,000	\$5,460,625	\$39,375
3 Year	\$6,655,000	\$6,513,090	141,910
5 Years	\$8,052,550	\$7,768,403	\$284,147
10 Years	\$12,968,712	\$12,069,617	\$899,095

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MEETING:	PENSIONS COMMITTEE
DATE:	15 SEPTEMBER 2025
TITLE:	TREASURY MANAGEMENT 2024/25
PURPOSE:	CIPFA's Code of Practice requires that a report on the results of the Council's actual treasury management is produced.
RECOMMENDATION:	RECEIVE THE REPORT FOR INFORMATION
AUTHOR:	DELYTH JONES-THOMAS, INVESTMENT MANAGER

Executive Summary

During the 2024/25 financial year the Council's treasury management activity remained within the limits originally set and total interest received on deposits was £2.5m which was below the budgeted level of £2.7m. There were no defaults by institutions in which the Council had deposited money.

1. Introduction

The Council's Treasury Management Strategy for 2024/25 was approved at Full Council on 7th March 2024.

It was decided at the Pensions Committee, 19th March 2024 to allow pension fund surplus funds to be combined and co-invested with the Council's overall cash flow for the 2024/25 financial year.

The Council has borrowed and invested substantial sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of risk are therefore central to the Council's Treasury Management Strategy.

This report compares the actual performance against the strategy for the financial year 2024/25 and fulfils the Council's legal obligation under the Local Government Act 2003 to have regard for both the CIPFA Code and the Welsh Government's Investment Guidance.

2. Treasury Investment Activity

The CIPFA Treasury Management Code now defines treasury management investments as those investments which arise from the Council's cash flows or treasury risk management activity that ultimately represents balances that need to be invested until the cash is required for use in the course of business.

The Council has held significant invested funds, representing income received in advance of expenditure plus balances and reserves held. During the year, the Council's investment balances have ranged between £106.8 million and £235.8 million.

Treasury Investment Position

	31.3.24 Balance £m	2024/25 Movement £m	31.3.25 Balance £m	31.3.25 Rate %	31.3.25 WAM* days
Banks & building societies (unsecured)	5.9	0.1	6.0	4.5	29.3
Local Authorities	81.0	(56.0)	25.0	5.8	48.8
Money Market Funds	43.0	22.0	65.0	4.5	1.0
Debt Management Office	0.0	45.0	45.0	4.5	3.2
Pooled Funds	11.6	0.3	11.9	6.0	365+
Total investments	141.5	11.4	152.9		

*Weighted average maturity

Both the CIPFA Code and government guidance require the Council to invest its funds prudently, and to have regard to the security and liquidity of its investments before seeking the optimum rate of return or yield. The Council's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income.

Bank rate reduced from 5.25% to 5.00% in August 2024, again to 4.75% in November 2024 and again to 4.5% in February 2025 with short term interest rates largely being around these levels. The rates on DMADF deposits ranged between 4.45% and 5.20% and money market rates between 4.45% and 5.29%.

£11.9m of the Council's investments are held in externally managed strategic pooled equity, bond and property funds where short-term liquidity is a lesser consideration, and the objectives instead are regular revenue income and long- term price stability. These funds generated an income return of 5.95% which is used to support services in year, and an unrealised capital gain of £0.3m in this financial year. Because these funds have no defined maturity date, but are available for withdrawal after a notice period, their performance and continued stability in meeting the Council's medium to long term investment objectives are regularly reviewed. Strategic fund investments are made in the knowledge that capital values will move both up and down on months, quarters and even years but with the confidence that over a three-to five year period total returns will exceed cash interest.

Investment Benchmarking

	Credit Score	Credit Rating	Bail-in Exposure	WAM* (days)	Income Rate of Return
31.03.2024	5.30	A+	38%	36	5.59%
31.03.2025	4.67	A+	50%	22	4.82%
Similar LAs	3.92	AA-	30%	105	4.53%
All LAs	4.77	A+	64%	8	4.65%

*Weighted average maturity

3. Compliance Report

The section 151 officer reports that all treasury management activities undertaken during the year complied fully with the CIPFA Code of Practice and the Council's approved Treasury Management Strategy. Compliance with specific investment limits is demonstrated in the following tables:

Debt Limits

	2024/25 Maximum	31.3.25 Actual	2024/25 Operational Boundary	2024/25 Authorised Limit	Complied
Borrowing	£100.9m	£94.1m	£190m	£200m	✓

Since the operational boundary is a management tool for in-year monitoring it is not significant if the operational boundary is breached on occasions due to variations in cash flow, and this is not counted as a compliance failure.

Investment Limits

	2024/25 Maximum	31.3.25 Actual	2024/25 Limit	Complied
The UK Government	£71.7m	£45m	Unlimited	✓
Local authorities & other government entities	£5m	£5m	£10m	✓
Secured investments	£0m	£0m	£10m	✓
Banks (unsecured)	£5m	£5m	£5m	✓
Building societies (unsecured)	£0m	£0m	£5m	✓
Registered providers (unsecured)	£0m	£0m	£5m	✓
Money Market Funds	£10m	£10m	£10m	✓
Strategic pooled funds	£5m	£5m	£10m	✓
Real estate investment trusts	£0m	£0m	£10m	✓
Other investments	£0m	£0m	£5m	✓

4. Treasury Management Indicators

The Council measures and manages its exposures to treasury management risks using the following indicators:

Security: The Council has adopted a voluntary measure of its exposure to credit risk by monitoring the time-weighted average credit score of its investment portfolio. This is calculated by applying a score to each investment and taking the arithmetic average, weighted by the length of each investment. Unrated investments are assigned a score based on their perceived risk.

	31.3.25 Actual	2024/25 Target	Complied
Portfolio average credit score	4.67	A score of 6 or lower	✓

Liquidity: The Council has adopted a voluntary measure of its exposure to liquidity risk by monitoring the amount of cash available to meet unexpected payments within a rolling three month period, without additional borrowing.

	31.3.25 Actual	2024/25 Target	Complied
Total cash available within 3 months	£141.0m	£10m	✓

Interest Rate Exposures: This indicator is set to control the Council's exposure to interest rate risk. The upper limits on the one-year revenue impact of a 1% rise or fall in interest rates was:

	31.3.25 Actual	2024/25 Limit	Complied
Upper limit on one year revenue impact of a 1% rise in interest rates	£1,301,900	£2,290,000	✓
Upper limit on one year revenue impact of a 1% fall in interest rates	£1,301,900	£2,290,000	✓

Principal Sums Invested for Periods Longer than 364 days: The purpose of this indicator is to control the Council's exposure to the risk of incurring losses by seeking early repayment of its investments. The limits on the long-term principal sum invested to final maturities beyond the period end were:

	2024/25	2025/26	2026/27
Actual principal invested beyond year end	£13m	£0	£0
Limit on principal invested beyond year end	£40m	£20m	£20m
Complied	✓	✓	✓

5. Recommendation

To receive the report.

Meeting:	Pensions Committee
Date:	15/09/2025
Title:	PENSIONS COMMITTEE CHAIR DRAFT REPORT FOR GWYNEDD PENSION FUND'S ANNUAL GENERAL REPORT
Purpose:	Assist the Chair to complete the annual report

1. Introduction

In the 2024/25 Annual Report of the Pension Fund, the Chair of the Pension Committee is required to submit an annual report as part of the Fund's overall Annual Report and for presentation at the Fund's Annual Meeting.

This draft report (see **Appendix A**) has been prepared in outline as a starting point.

2. Timetable

The final report is required to be submitted by: **30/09/2025**.

The fund's annual meeting will take place during the Autumn (24/11/2025 at 1.00 pm) and all Committee members are welcome to attend.

3. Content of draft report

The draft report for the Pension Committee, prepared for inclusion in the Annual Report, has been developed using the format and content structure that the Pension Board has consistently used over a number of years. This approach ensures continuity and alignment across governance reporting. The draft report includes key sections such as the Background and Constitution of the Committee, its core functions, current membership, a summary of work undertaken during the reporting period, the proposed workplan for 2025/26, and details of the training activities completed by committee members.

4. Conclusion

Committee members are asked to consider the content of the draft report in order to discuss its content and propose amendments at the meeting.

As noted above, the Chairman is required to submit the final report to Delyth Jones-Thomas, Investment Manager by **30/09/2025**.

Appendix A

Gwynedd Pension Fund Pensions Committee Report for 2024/25

1. Background and Constitution of the Committee

The Gwynedd Pension Fund is part of the national Local Government Pension Scheme (LGPS), providing retirement and related benefits for employees of Gwynedd Council and a range of other employers within North West Wales.

The governance of the Fund is overseen by the **Pensions Committee**, which operates under powers delegated by Gwynedd Council as the administering authority. The Committee is constituted in accordance with the Local Government Act 1972 and complies with LGPS governance regulations and guidance issued by The Pensions Regulator (TPR) and the Scheme Advisory Board (SAB).

The Committee plays a vital role in safeguarding the interests of the Fund's members and employers by ensuring sound financial management, strong governance, and compliance with all legislative responsibilities.

2. Functions of the Pensions Committee

The key responsibilities of the Pensions Committee include:

- **Strategy and Oversight**
 - Approving and regularly reviewing the Fund's Investment Strategy Statement (ISS) and Funding Strategy Statement (FSS).
 - Ensuring the long-term sustainability and financial health of the Fund.
- **Governance and Risk Management**
 - Overseeing Fund governance in line with regulatory requirements and best practice.
 - Maintaining oversight of the Fund's risk register and internal Controls.
- **Investment Management**
 - Monitoring investment performance and engaging with the Fund's investment managers.
 - Making strategic decisions regarding asset allocation and the use of pooled investment vehicles via the Wales Pension Partnership (WPP).
- **Administration and Compliance**
 - Overseeing the administration of benefits and member services.
 - Ensuring compliance with TPR guidance and LGPS regulations.

The Committee works alongside the **Local Pension Board**, which has an oversight and scrutiny role, ensuring that the Fund is managed effectively and in line with legislation.

3. Work of the Committee in 2024/25

During 2024/25, the Pensions Committee met five times. Its work was shaped by both routine governance matters and evolving regulatory requirements. Key areas of focus included:

- **Investment Oversight**
 - Reviewed quarterly investment performance reports and received presentations from key fund managers.

- Approved adjustments to asset allocations in line with market conditions and investment beliefs.
- Continued transition of assets to the Wales Pension Partnership's pooled funds, including ESG-aligned equity and fixed income portfolios.
- **Funding and Valuation**
 - Engaged in preparatory work for the 2025 actuarial valuation, including interim funding level monitoring and employer covenant assessments.
 - Approved updates to the Funding Strategy Statement reflecting changes in employer participation.
- **Governance and Risk Management**
 - Reviewed the Fund's Risk Register regularly, including specific attention to McCloud remedy implementation, cyber risk, and employer insolvency risk.
 - Ensured continued compliance with governance best practice and TPR expectations.
- **Responsible Investment**
 - Received updates on climate risk exposure, carbon intensity metrics, and TCFD alignment.
 - Approved ongoing collaboration with WPP to integrate ESG considerations into all asset classes.
- **McCloud and Regulatory Compliance**
 - Oversaw the Fund's compliance preparations for McCloud remedy implementation, including data processing and member communication.
 - Monitored progress toward the Fund's Pensions Dashboard Programme readiness.

4. Membership of the Committee (2024/25)

The Pensions Committee is composed of 7 elected members from Cyngor Gwynedd together with one co-opted member each (with a vote) from the Isle of Anglesey County Council and Conwy County Borough Council. Membership during the 2024/25 year was as follows:

Member Name	Representing	Role
Cllr Medwyn Hughes	Cyngor Gwynedd	Chair
Cllr Elin Hywel	Cyngor Gwynedd	Vice Chair
Cllr Stephen Churchman	Cyngor Gwynedd	Member
Cllr Iwan Huws	Cyngor Gwynedd	Member
Cllr Ioan Thomas	Cyngor Gwynedd	Member
Cllr John Pughe Roberts	Cyngor Gwynedd	Member
Cllr John Brynmor Hughes	Cyngor Gwynedd	Member
Cllr Robin Williams	Anglesey CC	Co-opted Member
Cllr Goronwy Edwards	Conwy CBC	Co-opted Member

5. Attendance

	17/06/2024	16/09/2024	25/11/2024	27/01/2025	17/03/2025
Cllr Medwyn Hughes	✓	✓	✓	✓	
Cllr Elin Hywel	✓	✓	✓	✓	✓
Cllr Stephen Churchman	✓	✓	✓	✓	✓
Cllr Iwan Huws	✓		✓	✓	✓
Cllr Ioan Thomas	✓	✓	✓	✓	✓
Cllr John Pughe Roberts	✓	✓		✓	
Cllr John Brynmor Hughes	✓	✓	✓	✓	✓
Cllr Robin Williams	✓	✓	✓	✓	
Cllr Goronwy Edwards	✓		✓	✓	✓

6. Work Plan and Priorities for 2025/26

The Committee has adopted a forward-looking work plan for 2025/26, focusing on:

- Completion of the **2025 Triennial Actuarial Valuation**
- Further transition and monitoring of pooled investments with WPP
- Oversight of the **McCloud remedy implementation**
- Continued development of **climate risk reporting** and compliance with TCFD
- Preparation for compliance with the **Pensions Dashboard**
- Ongoing review of the **Fund's governance framework** and policies

Regular reporting from the Fund's actuaries, investment consultants and officers will support effective oversight throughout the year.

7. Training and Development

In line with CIPFA's Knowledge and Skills Framework, the Committee maintained a structured training programme to ensure members possess the knowledge and understanding required to discharge their duties effectively.

Key training activities in 2024/25 included:

- ESG and Responsible Investment Training
- Actuarial funding principles and employer covenant assessment
- The McCloud judgment and legislative reform updates
- Investment performance and risk management workshops
- Induction sessions for new members and refresher sessions for existing members

All members are expected to undertake a minimum level of annual training and to maintain a personal development log. The training plan is reviewed annually and tailored to individual and collective needs.

7. Conclusion

The Pensions Committee is satisfied that it has fulfilled its governance responsibilities during 2024/25. The Committee has provided robust oversight of the Fund's investments, funding position, and administration services while responding effectively to the challenges and changes within the LGPS environment.

The Committee remains committed to acting in the best interests of all stakeholders and ensuring that the Gwynedd Pension Fund continues to deliver long-term security and value for its members and employers.

Cllr Medwyn Hughes
Pensions Committee Chair 2024/25

Meeting:	Pensions Committee
Date:	15/09/2025
Title:	Risk Register
Purpose:	To present the updated version of the Pension Fund's Risk Register to the Pensions Committee
Author:	Dewi Aeron Morgan, Head of Finance Delyth Jones-Thomas, Investment Manager Meirion Jones, Pensions Manager

1. Background

The Pension Fund maintains a Risk Register to identify, assess, and manage risks that may affect the administration, performance, and obligations of the Fund. It is a key management tool and an integral part of the Fund's risk governance framework.

2. Updates for 2025

The 2025 version has been amended to include:

- Requirements of the new Pensions Regulator (TPR) General Code (Risk 1.4)
- Introduction of the Pension Dashboard and its implications (Risk 6.12)
- Project Snowdon - Changes resulting from the Fit for Purpose consultation (Risks 9.1 – 9.3)

A copy of the current Risk Register is attached at **Appendix A**.

It is a working document and will be reviewed regularly and updated for any significant risks that develop.

Following review by the Pension Board at its meeting in July 2025, two key updates have been made to the Risk Register:

- A new risk has been added in relation to the implementation of a new payroll system scheduled for 2026. (Risk 6.13)
- The risk rating for cyber attacks has been increased in light of recent incidents affecting major organisations, including Marks & Spencer and the Co-op. (Risk 6.7)

3. Looking Ahead

It is likely that further revisions to the Risk Register will be required following the latest valuation and the implementation of regulatory changes arising from the Fit for Purpose reforms.

4. The Committee's Role

The members of the Committee are asked to scrutinise the risk register and bring any comments or suggestions to the meeting.

GWYNEDD PENSION FUND

RISK REGISTER: July 2025

Risk Assessment Matrix					
Likelihood	5	10	15	20	25
	4	8	12	16	20
	3	6	9	12	15
	2	4	6	8	10
	1	2	3	4	5
	Impact				

Assessment of Impact				
		Financial	Reputation	Stakeholder/Customer
1	Negligible	< £35k	Minimal and transient loss of public trust.	Minimal impact on stakeholders or customers.
2	Minor	£35k - £300k	Slight loss of trust with no lasting impact. Little adverse publicity.	Minor impact on stakeholders or customers and customer dissatisfaction. Limited service disruption.
3	Moderate	£300k - £3m	Moderate loss of trust that receives significant adverse publicity locally with no lasting impact.	No lasting impact. Moderate disruption to stakeholders, moderate impact on customers and customer dissatisfaction. Moderate service disruption.
4	Major	£3m - £30m	Significant loss of trust and receives local media attention with potential for lasting impact.	Significant service disruption and opposition from stakeholders and/or customers. Threat of legal action.
5	Catastrophic	> £30m	Significant loss of trust and receives national media attention with potential for persisting impact.	Major service disruption and significant opposition from stakeholders and/or customers. Legal action. Long term public memory.

Assessment of Likelihood			
		Probability Descriptors	Numerical Probability
1	Rare	This will probably never happen/recur.	Under 1%
2	Unlikely	Do not expect it to happen/recur, but it is possible it may do so.	1% - under 5%
3	Possible	Might happen or recur occasionally.	5% - under 20%
4	Likely	Will probably happen/recur, but it is not a persistent issue or circumstances	20% - under 50%
5	Almost Certain	Will undoubtedly happen/recur, possibly frequently. A project more likely to fail than succeed.	Over 50%

Risk no	Description of Risk and Potential Impact	Inherent Risk			Mitigating Controls	Current Risk			Risk Owner	Additional Plan	Timetable
		Impact	Likelihood	Combined Score		Impact	Likelihood	Combined Score			
1. Governance											
1.1	<p>The Administering Authority does not have appropriate governance arrangements including the requirement for a Pension Board resulting in:</p> <ul style="list-style-type: none">Non-compliance with legislation or best practiceInability to determine policy, make effective decisions and deliver services.Risk to reputation	4	3	12	<p>Gwynedd Pension Fund (GPF) has a Governance Policy Statement and a Governance Compliance Statement as required by the LGPS Regulations 2008.</p> <p>Both statements are reviewed and updated when required. Scheme employers are consulted when changes are proposed to ensure the policy is still appropriate.</p> <p>The Statement is available on the Gwynedd Pensions website: www.gwyneddpensionfund.wales</p> <p>GPF has a Pensions Committee to discharge the Council’s duties as Administering Authority/ trustee of the Pension Fund.</p> <p>Gwynedd Pension Board has been established as required by the Public</p>	3	1	3	<p>Head of Finance</p> <p>Investment Manager</p> <p>Pensions Manager</p>		

					<p>Service Pension Act 2013 and perform their role effectively.</p> <p>Support and training are being provided to ensure that the members of the board have the knowledge and skills to undertake their role.</p> <p>Suitable management arrangements mean that there is no significantly high turnover in the membership of the Committee or the Board.</p>						
1.2	Failure to act with integrity and be accountable to a stakeholder due to conflicts of interest etc.	2	2	4	<p>Committee and Board members are aware of the legal responsibilities.</p> <p>All members of the Committee and Board declare any conflicts and potential conflicts at the beginning of each meeting.</p>	1	2	2	<p>Pension Committee</p> <p>Pensions Board</p> <p>Head of Finance</p>		
1.3	<p>The Pensions Committee and the Pension Board are unable to fulfil their responsibilities effectively resulting in:</p> <ul style="list-style-type: none"> • Non-compliance with legislation or best practice • Inability to determine policy, make decisions and / or deliver service. • Reputation risk. 	4	3	12	<p>The Committee has adopted the CIPFA Code of Practice on Knowledge and Skills.</p> <p>A training and induction programme is available for new Committee and Board members.</p> <p>New Board and Committee members complete the LGPS Fundamental Course.</p> <p>The Fund has a Knowledge and Skills policy, and an annual training plan is adopted with relevant training offered to Committee members and Board members on an ongoing basis.</p> <p>The Fund subscribes to relevant bodies (eg LAPFF) and sends representatives to relevant conferences.</p>	3	2	6	<p>Investment Manager</p> <p>Pensions Manager</p>		

					Committee and Board members are made aware of and adhere to the Governance Compliance Statement and are encouraged to identify training requirements.						
1.4	Failure to maintain effective governance arrangements and demonstrate compliance with The Pensions Regulator's General Code, leading to potential regulatory breaches, reputational damage, or sub-optimal decision-making.	3	4	12	<p>Adoption of a structured governance framework aligned to The Pensions Regulator's General Code, incorporating core modules such as governing body leadership, risk management, record-keeping, and member communications.</p> <p>Regular training and updates provided to Committee and Board members to ensure awareness of legal responsibilities and good practice.</p> <p>Annual governance review and self-assessment against the requirements of the General Code.</p> <p>Maintenance of robust policies and procedures, including conflicts of interest management and internal controls.</p> <p>Formal reporting mechanisms to ensure timely escalation of governance concerns.</p>	3	2	6	<p>Investment Manager</p> <p>Pensions Manager</p>	<p>Completion of gap analysis against the General Code.</p> <p>Development and delivery of a governance improvement plan.</p> <p>Regular updates to Committee on progress and compliance status.</p>	2025
2. Funding and Investments											
2.1	<p>The Committee Members and Investment Officers make inappropriate decisions as a result of insufficient knowledge of financial markets and inadequate investment and actuarial advice received resulting in:</p> <ul style="list-style-type: none"> Poor Fund performance Financial loss 	5	3	15	<p>GPF Investment Strategy is set in accordance with LGPS investment regulations.</p> <p>The Investment Strategy takes the Fund's liabilities into account.</p> <p>The Investment Strategy is approved and reviewed by the Pensions Committee.</p>	3	1	3	<p>Head of Finance</p> <p>Investment Manager</p>		

	<ul style="list-style-type: none"> Increased employer contributions 				<p>GPF uses an external investment advisor who provides specialist guidance to the Investment Panel and Pensions Committee regarding the Investment Strategy</p> <p>Members and Officers are encouraged to challenge advice and guidance received.</p> <p>Members and Officers receive relevant training on a timely basis.</p>						
2.2	<p>The Pension Fund has insufficient assets to meet its long term liabilities.</p> <p>The Pension Fund's investment strategy fails to produce the required returns.</p>	5	3	15	<p>Triennial actuarial valuations provide periodic indications of the growth in assets against liabilities. Employer contribution rates are set in response to this.</p> <p>The 2022 valuation showed that there is a funding provision of 120% in the Gwynedd Fund. However, the Fund continues to use prudent assumptions for the valuation.</p> <p>GPF investments are diversified across a range of different types of assets to minimise the impact of losses in individual markets and individual fund managers.</p> <p>As a result of the 2022 Valuation, the Committee has re-allocated assets to lower risk asset types.</p> <p>Fund-specific benchmarks and targets are set.</p> <p>Fund assets are kept under regular review as part of the Fund's performance management process.</p> <p>Fund managers are thoroughly vetted prior to appointment and performance is reviewed regularly against the benchmark and</p>	4	1	4	Investment Manager		

					<p>performance objectives by the Investment Panel.</p> <p>The Fund/ WPP replaces underperforming investment managers.</p>						
2.3	<p>Collapse of a fund manager or negligence, fraud or wilful default committed by a fund manager resulting in financial loss.</p>	4	3	12	<p>Due diligence is performed whenever a new manager or fund is appointed, and the situation is constantly reviewed through quarterly monitoring by WPP the Investment Panel and investment consultants.</p> <p>Legal requirements for fund managers are set out in their management agreements, and they are expected to fully comply with the Financial Conduct Authority (FCA), the Pensions Regulator (TPR) and other regulatory requirements.</p> <p>The Fund uses a global custodian service to ensure that investment assets are separated from custody of assets.</p>	2	3	6	Investment Manager		
2.4	<p>Market risk - Market crash leading to failure to reduce the deficit resulting in:</p> <ul style="list-style-type: none"> Financial loss Increased employer contribution costs. 	5	4	15	<p>The Fund is diversified across a range of asset classes to mitigate the impact of poor performance in an individual market segment.</p> <p>Investment performance and monitoring arrangements exist which provide the investment officers with the flexibility to rebalance the portfolio in a timely manner.</p> <p>The long term nature of the liabilities significantly reduces the impact.</p>	4	2	8	Investment Manager		

2.5	Liquidity risk - insufficient funds to meet liabilities as they fall due.	4	3	12	<p>Management prepares periodic cash flow forecasts to understand and manage the timing of the Fund's cash flows.</p> <p>The 2023 Cash Flow Modelling report has identified that the Fund will have a positive cash flow until at least 2029.</p>	3	1	3	Investment Manager		
2.6	Interest rate risk- Arises from the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.	4	3	12	The Fund's interest rate risk is routinely monitored in accordance with the Fund's risk management strategy, including monitoring the exposure to interest rates and assessment of actual interest rates against the relevant benchmarks.	4	2	8	Investment Manager		
2.7	Currency risk- the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.	4	3	12	Establish & review strategic asset allocation (within global regions).	4	2	8	Investment Manager		
2.8	The Fund fails to adequately account for climate change, climate risk and environmental, social and governance (ESG) factors.	5	3	15	<p>The Fund has an active Responsible Investment policy and a net zero target of 2050 has been set.</p> <p>Polisi Buddsoddi Cyfrifol 2022 (gwyneddpensionfund.wales)</p> <p>As part of the Wales Pension Partnership a number of active steps take place including: responsible investment executive group, engagement and voting provider, PPC a signatory to the UK Stewardship Code.</p> <p>The Investment Panel will also constantly engage and challenge managers on how they consider the risk of climate change and ESG factors.</p> <p>The Fund aims to invest in impact</p>	4	2	8	Investment Manager	The Pension's Fund Net Zero target and Responsible Investment policy will be reviewed and updated following the 2025 valuation results.	2025/26

					investments that make a difference locally and in the wider world.						
2.9	Pay and price inflation are significantly more than anticipated leading to an increase in liabilities which is higher than the previous actuarial valuation estimate.	3	3	9	<p>The focus of the actuarial valuation process is on real returns on assets, net of price and pay increases.</p> <p>The breadth of the Fund's investments helps to mitigate this risk.</p>	2	3	6	Investment Manager		
2.10	Increase in number of early retirements due to public service cuts and/or ill health leading to pension liabilities increasing.	3	4	12	<p>The Fund has coped with the impact of several years of austerity and arrangements are in place to deal with the cost-of-living cuts.</p> <p>Employers pay an additional capital cost for early retirements following each individual decision.</p> <p>The Employers' ill-health retirements are monitored, and small employers are required to take the ill- health retirement insurance provided by the Fund.</p>	2	3	6	Investment Manager		
2.11	<p>The average life expectancy of pensioners is greater than assumed in actuarial assumptions.</p> <p>An increase in liabilities which exceeds the previous valuation estimate.</p>	3	3	9	<p>Life expectancy assumptions are reviewed in all valuations. Life expectancy has been leveled out in the 2022 Valuation data.</p> <p>The Fund uses bespoke assumptions based on the life expectancy across Gwynedd Pension Fund's area.</p> <p>Mortality assumptions include some allowance for future increases in life expectancy.</p>	3	2	6	Investment Manager		
2.12	Scheme employers' contributions to the Fund are not received or are processed or recorded completely and accurately.	4	3	12	Formal timescales for receipt of contributions.	2	2	4	Investment Manager		

	This could result in a negative cash flow situation, delays in producing IAS19/ FRS102 reports and closing the accounts.				The team communicates regularly with scheme employers to ensure that contributions are made in a timely manner and are recorded correctly. Details of any unpaid or late contributions are recorded and appropriate action is taken to recover payments.						
2.13	An employer ceases to exist with insufficient funding available to settle any outstanding debts, or refuses to pay the cessation value. Departing employer does not fully meet its liabilities which leads to increased costs across the remaining scheme employers.	3	3	9	The risk is mitigated by: Vetting prospective employers before admission and ensuring that they fully understand their obligations. Applications for admission to the Fund are considered carefully and a bond or guarantee is put into place if required. Outstanding liabilities will be assessed and recovered from any successor bodies or spread amongst remaining employers. The actuarial valuation attempts to balance recovery period with risk of withdrawal. If necessary, appropriate legal action will be taken.	2	3	6	Head of Finance Pensions Manager		
2.14	Pooling arrangements can lead to: <ul style="list-style-type: none"> increase in costs, particularly over the next year, driven by the proposed reforms detailed in the 'Fit for the Future' consultation lower performance conflict within the pool 	4	3	12	The Fund's officers meet regularly with the Partnership to discuss issues and investment options. The Fund has representation on all sub-groups and working groups of the Partnership. The Chairman of the Gwynedd Pension Committee is a member of the Partnership's Joint Governance Committee.	4	2	8	Investment Manager Head of Finance Pensions Committee Chair		

	<ul style="list-style-type: none"> lack of alignment to the Gwynedd Fund's investment strategy 				<p>The Partnership has robust and transparent governance policies and procedures.</p> <p>The progress of the Partnership and the performance of the funds that the Gwynedd Fund has invested in are regularly reported to the Investment Panel and Pension Board.</p>						
2.15	<p>The Pension Fund's Final Accounts and Annual Report are not produced in accordance with statutory requirements, accounting standards or audit timetable.</p> <ul style="list-style-type: none"> Risk to the reputation of the Pension Fund 	4	3	12	<p>The Fund's officers are Chartered Accountants and attend regular CIPFA training courses.</p> <p>A timetable is set to ensure that key dates are met when preparing the accounts.</p> <p>Clear and consistent communication with Audit Wales so that the final audited accounts can be published before the statutory date of 1st December.</p> <p>The Fund has robust systems (efinancials, iConnect, Altair) which accurately record the Fund's transactions.</p> <p>The Fund has access to statements from our Investment Managers to confirm transactions and the value of the Fund's assets.</p>	4	1	4	Investment Manager		
2.16	Failing to evolve and look for new opportunities.	4	3	12	<p>Officers are kept up to date by attending WPP meetings and LGPS conferences.</p> <p>The consultants update the Investment Panel and officers about any opportunities.</p>	4	1	4	Investment Manager		
3. Custodian Role											
3.1	<p>Failure of custodian leading to losses which results in:</p> <ul style="list-style-type: none"> Failure to reduce the deficit Financial loss 	5	3	15	<p>A highly reliable Custodian with high accreditation was appointed.</p> <p>Fund assets are protected in the event of insolvency of the custodian.</p>	2	2	4	Investment Manager		

					The Custodian must follow FCA and TPR financial regulations.						
4. Communication											
4.1	<p>Insufficient communication and engagement with the Pension Fund Stakeholders.</p> <p>Inability to determine policy, make effective decisions and/or deliver service.</p> <p>Reputation risk.</p>	3	3	9	<p>A Communications Policy is in place.</p> <p>The Gwynedd Pension Fund website is kept up to date.</p> <p>Fund Performance is reported to the Investment & Pension Fund Committee on a regular basis.</p> <p>Meetings are held periodically with the Fund's employers.</p> <p>Annual Benefit Statements and newsletters are sent annually to active and deferred Fund members.</p> <p>The contact list for employers is updated regularly.</p> <p>An AGM is held for employers and Trade Unions.</p> <p>The annual report and accounts are published on the Gwynedd Pensions website.</p> <p>A Member Self Service website is available to members to calculate their own benefits.</p>	3	2	6	Pensions Manager	The Gwynedd Pension Fund website needs to be reviewed.	2025
5. Data Protection											
5.1	<p>The Pension Fund systems and data may not be secure and appropriately maintained.</p> <ul style="list-style-type: none"> Loss of sensitive data Reputation risk 	3	2	6	<p>It is a mandatory requirement for all employees to undertake Data Protection training and to adhere to Gwynedd's data protection policy.</p>	3	1	3	Pensions Manager		

	Financial loss arising from legal action.				Members' contribution and salary data are sent through the secure i-Connect portal directly to members' records. Egress (A secure email system) email system is used where possible to send emails to employers not listed on the Secure Email Organisation list. A secure document retention system is also operated by our actuary and consultants.						
6. Pension Administration											
6.1	Pension benefits are not paid: <ul style="list-style-type: none"> Risk of financial loss arising from compensation claims Damage to reputation 	4	2	8	The payroll system is set up to pay pensioners monthly. Disaster recovery plan in place with Heywood which will restore data within 7 days in the event of system failure.	4	1	4	Pensions Manager		
6.2	Failure of scheme membership data and pension benefit calculation processes leading to fraud, corruption or error. <ul style="list-style-type: none"> Unauthorised payments under the Finance Act 2004 Risk of financial loss and damage to reputation. 	3	2	6	Information and instructions are only accepted from authorised sources. Employers are required to review and confirm membership records annually. Benefit calculations are checked by senior colleagues. All transactions comply with Gwynedd Council's financial regulations and are subject to independent authorisation. Members approaching 75 are separately identified monthly.	3	1	3	Pensions Manager		
6.3	Non-compliance with legislation and failure to correctly implement new legislation and regulations, resulting in:	3	3	9	LGA/External training. Project work approach to implementation of legislative changes.	2	2	4	Pensions Manager		

	<ul style="list-style-type: none"> Incorrect payments being made. Risk of financial loss and damage to reputation 				<p>In house training for all staff.</p> <p>Additional resources in place to implement the McCloud remedy.</p>						
6.4	<p>Pension benefits continue to be paid to deceased pensioners.</p> <ul style="list-style-type: none"> Risk of financial loss and damage to reputation. 	2	4	8	<p>All pensioners are contacted annually.</p> <p>Pensioners are incorporated into National Fraud Initiative.</p> <p>Further targeted checks are conducted with credit reference agencies as appropriate.</p> <p>Monthly mortality screening is undertaken, and any positive matches are ceased immediately.</p> <p>Tell Us Once service is in operation.</p> <p>Annual proof of life exercise is undertaken for pensioners living abroad.</p>	2	3	6	Pensions Manager		
6.5	<p>System failure</p> <ul style="list-style-type: none"> Loss of sensitive data. Reputation risk. <p>Financial loss arising from legal action.</p>	5	2	10	<p>The system is backed-up daily.</p> <p>A full disaster recovery plan is in place and tested annually (In line with Gwynedd Council's policy).</p>	5	1	5	Pensions Manager		
6.6	<p>Member Self Service failure</p> <ul style="list-style-type: none"> Reputation risk. 	4	2	8	<p>Hosted by software provider Heywood.</p>	4	1	4	Pensions Manager		
6.7	<p>Cyber Attack</p> <ul style="list-style-type: none"> Loss of sensitive data. Systems damaged or destroyed. Reputation risk. 	5	4	20	<p>Firewall in operation.</p> <p>Software regularly updated with latest security features.</p> <p>The system is backed up daily.</p> <p>Password access is required.</p>	5	2	10	Pensions Manager		

	Financial loss arising from legal action.										
6.8	<p>Employing authorities not fulfilling their responsibilities e.g. not supplying us with correct employee data or not supplying it in a timely manner</p> <ul style="list-style-type: none"> Incorrect benefit calculations <p>Delays while we request missing information</p>	3	2	6	<p>The Administration Strategy sets out responsibilities and timetables that the employers must follow.</p> <p>The iConnect system in place to collect the data monthly.</p> <p>The employers are contacted for information if the Pensions department suspects that information is missing or contains errors.</p> <p>Advice and information is provided to the employers.</p> <p>Annual checks of data to highlight any gaps.</p> <p>Meetings for the employers are held from time to time.</p> <p>Guidance available on the website.</p>	3	1	3	Pensions Manager		
6.9	<p>Failure to comply with disclosure regulations e.g. the requirement to issue information within a certain timescale after a request/event</p> <ul style="list-style-type: none"> Complaints / Fines 	3	2	6	<p>Robust workflow management system in place.</p>	3	1	3	Pensions Manager		
6.10	<p>Failure to issue Annual Benefit statements to active and deferred members by 31st August:</p> <ul style="list-style-type: none"> Reputational risk and complaints Fines 	2	4	8	<p>Project management approach</p> <ul style="list-style-type: none"> Regular contact with employers to get data. <p>Statements are presented online at the self-service web site.</p> <p>Monthly interfacing to reduce workload at year end with all employers (iConnect)</p>	2	1	2	Pensions Manager		

6.11	Not enough resources to deal with new pressures and changes such as McCloud, Dashboards etc.	4	3	12	<p>The Fund's resources are reviewed annually as necessary by the Committee.</p> <p>A recruitment package offering flexibility.</p>	4	2	8	Pensions Manager		
6.12	<p>Failure to meet statutory requirements of the Pensions Dashboard Programme, resulting in non-compliance with legislation, reputational damage, or service disruption.</p> <ul style="list-style-type: none"> Reputational damage if member data is unavailable, inaccurate or delayed. Financial penalties or regulatory scrutiny from the Pensions Regulator. Increased member contact volumes due to data inconsistencies. Strain on internal resource due to complex technical integration requirements. 	3	3	12	<p>Regular engagement with software provider to monitor development of dashboard connection tools.</p> <p>Internal project plan developed with milestones aligned to expected staging deadline.</p> <p>Ongoing data quality reviews and improvements ahead of onboarding.</p> <p>Staff training and resource planning to manage expected increases in member enquiries post-dashboard launch.</p>	3	2	6	Pensions Manager		
6.13	The introduction of a new payroll system in 2026 to process payments for staff and pensioners presents potential risks relating to data migration, system integration, payment accuracy, and continuity of service. Any failure or delay in implementation could result in	4	3	12	<ul style="list-style-type: none"> Project governance structure established with clear roles and responsibilities Detailed implementation plan with phased testing and contingency measures 	4	2	8	Pensions Manager		2026

	incorrect or missed payments, reputational damage, and increased administrative burden.				<ul style="list-style-type: none"> Engagement with software provider and IT support for integration and training Regular communication with stakeholders, including pensioners and staff Data validation protocols and parallel run testing prior to go-live 						
7. Internal Processes											
7.1	<p>Concentration of knowledge in a small number of officers and risk of departure of key staff.</p> <p>The risk of losing key staff could lead to a breakdown in internal processes and service delivery, causing financial loss and potential risk to reputation</p>	4	3	12	<p>Key officers convey specialist knowledge to colleagues on a function or subject basis through mentoring.</p> <p>Training needs have been identified in a job description and reviewed each year with team members through the appraisal process.</p> <p>Specific relevant qualifications for administrative and investment staff.</p> <p>Internal 'How to..' guidelines are developed on all internal processes.</p> <p>External consultants and independent advisor available for short term support.</p>	4	2	8	<p>Pensions Manager</p> <p>Investment Manager</p>		
8. Uncontrollable External Factors											
8.1	<p>Normal operations disrupted by uncontrollable external factors</p> <p>Service delivery threats from fire, bomb, extreme weather, electrical faults, sickness, epidemic, pandemic etc.</p> <p>Insufficient daily back up, disaster recovery, and IT cover to support</p>	5	5	25	<p>Working from home is happening with many of the staff now working hybrid.</p> <p>Disaster Recovery Plan for pension system.</p> <p>Business Continuity / Disaster.</p> <p>Recovery Plan for the Authority with IT firewalls.</p>	3	3	9	Pensions Manager	Continue to develop new methods of working	

	systems. Temporary loss of ability to provide service to stakeholders										
9. Response to 'Fit for the Future'											
9.1	Risk that the WPP IM Co fails to obtain FCA authorisation in time for April 2026 go-live. Without FCA authorisation, the WPP IM Co cannot legally operate, causing major operational disruption.	4	4	16	Early and ongoing engagement with FCA. Rigorous preparation of the FCA application and compliance documentation. Engage external regulatory advisors to ensure application completeness. Develop contingency plans for delayed authorisation scenarios.	4	3	12	Head of Finance Investment Manager		
9.2	Higher than anticipated costs related to project setup (£1.6M+), initial running costs (£5M-5.5M p.a.), and regulatory capital (£5M-10M) may strain budgets. Cost overruns could reduce funds available for investments or require additional contributions from administering authorities.	4	3	12	Develop detailed financial forecasts and regular budget reviews. Implement strict project cost controls and approval processes. Establish clear funding arrangements and contingencies with administering authorities.	3	3	9	Head of Finance Investment Manager		
9.3	Reliance on third party providers for key services on Day 1 of WPP IM Co operations may pose risks related to service quality, continuity, and integration.	4	3	12	Conduct thorough due diligence on third party providers. Establish robust service level agreements (SLAs) and monitoring processes. Develop plans for gradual insourcing with clear timelines.	3	3	9	Head of Finance Investment Manager		

Meeting:	Pensions Committee
Date:	15/09/2025
Title:	PENSION FUND ADMINISTRATION POLICIES
Purpose:	To approve the new administration policies
Author:	Meirion Jones, Pensions Manager

1. Introduction:

Over the years, our pension fund has operated with certain administrative policies that have guided our decisions and actions. However, these policies have not been formally documented. In alignment with the Pension Regulator General Code of Practice, we are now initiating the process of documenting these policies to ensure clarity, consistency, and compliance.

2. Purpose:

The purpose of this report is to present three key administration policies for approval by the Pensions Committee. These policies are essential for the effective management and administration of the pension fund. Prior to being presented to the Committee, these policies were reviewed by the Pension Board. With the exception of minor additions, the Board expressed their satisfaction with the policies and recommended their implementation.

3. Policies Presented:

- A. Advance Payments from the Pensioner Payroll (Appendix A)** This policy sets out the circumstances in which the Fund may issue advance payments to pensioners—such as in cases of delayed processing.
- B. Death Grant Payment Distribution (Appendix B)** This policy provides a structured approach to how death grant payments are allocated to beneficiaries. It includes guidance on prioritising nominations, handling disputes, and ensuring payments are made in a timely and equitable manner.
- C. Education Break for LGPS Dependent Child Pension (appendix C)** This policy sets out the circumstances in which a break from education is allowed without affecting a dependent child's pension entitlement under the Local Government Pension Scheme (LGPS) regulations, specifically for individuals aged between 18 and 23.

4. Conclusion:

The documentation of these policies marks a significant step towards enhancing the governance and administration of our pension fund. We seek the Committee's approval to adopt these policies from 1st October 2025.



Administration Policy Statements

Title: Policy on Making Advanced Payments from the Pensioner Payroll

1. Introduction

This policy outlines the approach of the Gwynedd Pension Fund ("the Fund") regarding requests to make advanced payments of pension benefits from the monthly pensioner payroll. The policy ensures fairness, transparency, and consistency while protecting the integrity of the Fund's administrative and financial procedures.

2. Background

Under normal circumstances, LGPS pension benefits are paid in arrears on a monthly basis in accordance with the Fund's published payroll schedule. In some limited situations, members or their representatives may request that a payment is made in advance of the next scheduled pensioner payroll.

3. General Principles

Advanced payments from the pensioner payroll are **not an automatic entitlement** and will only be considered in **exceptional circumstances**, such as:

- Financial hardship following retirement or bereavement.
- Delays in processing caused by factors beyond the member's control.
- Administrative errors on the part of the Fund or Employer.
- Specific instructions issued under a court order or legal direction.

All such requests will be considered on a **case-by-case basis** and are subject to the discretion of the Fund's **Pensions Manager (or appropriate authorised officer)**.

4. Criteria for Consideration

Advanced payments may be considered only where:

- The Fund has received **all required documentation**, including:
 - The member's retirement declaration forms
 - Final pay information and leaver details from the employer
 - Confirmation of pensionable service and any additional benefits
 - The AVC fund from the AVC provider (if applicable)
- The net value of the payment is £100.00 or more.
- The pension amount has been accurately calculated and verified.

- The advanced payment will not disrupt the integrity or accuracy of the pensioner payroll or year-end reporting.

Importantly, the Fund will not consider making an advanced payment if a lump sum retirement grant (retirement gratuity) is due to be paid imminently, as it is expected that the member may be able to utilise that lump sum to manage short-term financial needs prior to receiving the first monthly pension instalment.

5. Payment Method and Timing

Where approved, advanced payments:

- Will be made via an **off-cycle payment** or **manual CHAPS payment**.
- May include the **lump sum** (retirement grant) where appropriate.
- Will be clearly recorded in the member's pension record and reflected in the next scheduled payroll reconciliation.

The Fund reserves the right to delay any advanced payment if there is insufficient information, a material error risk, or outstanding clarification from the employer.

6. Employer Delays and Responsibilities

Where a delay in receiving employer information prevents timely payment:

- The Fund will not normally make an advanced payment unless the delay is excessive and the member is demonstrably disadvantaged.
- Employers are expected to submit all required information **within 10 working days** of the member's final day of service.
- Persistent failure by an employer to meet this requirement may be escalated under the Fund's breach and compliance framework.

7. Reclaim and Adjustment

If an advanced payment is later found to be incorrect due to miscalculation or incomplete information:

- The Fund reserves the right to **adjust future pension payments** to recover any overpayment.
- The member will be notified in writing, and a repayment plan can be arranged in cases of financial hardship.

8. Appeals

If a request for an advanced payment is declined, the member may request a review by submitting a written appeal, which will be considered by a senior officer not involved in the original decision. Further escalation may be made through the **Internal Dispute Resolution Procedure (IDRP)** if necessary.

9. Review and Amendments

This policy will be reviewed annually and amended as necessary to ensure its effectiveness and compliance with relevant regulations.

10. Contact Information:

For assistance with this policy, members can contact the Fund at any time.

- **Phone:** 01286 679982
 - **Email:** pens@gwynedd.llyw.cymru
 - **Website:** www.gwyneddpensionfund.wales
-

Approved by: [Name] [Title] Gwynedd Pension Fund



Cronfa Bensiwn
GWYNEDD
Pension Fund

Administration Policy Statements

Title: Death Grant Payment Policy

1. Introduction

The purpose of this policy is to outline the principles and procedures the Gwynedd Pension Fund ("the Fund") follows when making decisions regarding the payment of a death grant following the death of a member. This policy ensures consistency, fairness, and compliance with the Local Government Pension Scheme (LGPS) Regulations.

2. Scope

This policy applies to all active, deferred, and pensioner members of the Gwynedd Pension Fund who are entitled to a death grant under the LGPS Regulations. The grant is intended to provide financial support to the member's nominated beneficiaries or estate.

3. Policy Statement

The Fund encourages members to complete a Death Grant Expression of Wish form to nominate beneficiaries who they would like to receive any death grant payments. However, the Fund retains absolute discretion over the payment of death grants, as outlined in the Local Government Pension Scheme (LGPS) Regulations. This discretionary power enables the Fund to make appropriate and timely payments to beneficiaries, taking into account the individual circumstances of each case.

4. Nominations

Members are strongly encouraged to complete and keep up to date a **Death Grant Expression of Wish Form**, which enables them to nominate one or more individuals or organisations to receive any death grant that may become payable.

While the Fund will give full consideration to any nomination made, it is not legally bound by it and retains absolute discretion in determining the most appropriate recipient(s) of the death grant.

It is essential that members review and update their nomination promptly following any change in personal circumstances. For example, the death of a nominated individual will render the entire nomination invalid.

Members can update their nomination at any time via the Fund's **My Pension Online** portal or by requesting a form directly from the Fund.

5. Payment Principles

The death grant will be paid in accordance with the following order of precedence:

- a) If the member has made a valid, up-to-date nomination, the death grant will be paid to the nominated beneficiaries in accordance with the nomination instructions.
- b) If no nomination has been made, or if any of the nominated beneficiaries are no longer living, the death grant will be paid as follows:

- **To the member's spouse or civil partner**, if applicable, particularly where a spouse pension is payable, unless there are exceptional circumstances to consider.
- **In the absence of a spouse or civil partner**, or if the spouse/civil partner is not eligible for a pension, the grant will be paid to the member's estate.

For any death grant payment worth **£5,000 or more**, **Probate** (if there is a will) or **Letters of Administration** (if there is no will) will be required if there is **no valid nomination** or **spouse** to receive the payment. This requirement ensures that the individual applying for the death grant is legally authorised to manage the deceased's estate and distribute the funds in accordance with the deceased's wishes or the laws of intestacy.

6. Payment Timeframe

The Gwynedd Pension Fund aims to process death grant payments **within 10 working days** of receiving all necessary documentation, including an official proof of death and any required forms.

Please note that in complex cases or where additional investigation is required—such as the absence of a valid nomination or uncertainty around eligible beneficiaries—processing times may be extended.

Once approved, payment will be issued via **BACS (Bankers' Automated Clearing Services)** directly to the recipient's bank account.

7. Payment to children under the age of 18

The Fund is unable to pay a death grant directly to a **child under the age of 18**. In such cases, the payment will be made to a **trustee** or **appointed guardian** who will manage the funds on behalf of the child until they reach the age of 18. The appointed guardian or trustee must provide appropriate documentation to the Fund confirming their role and legal authority to manage the child's inheritance.

8. Taxation

Under current HMRC rules, death grants paid within two years of the Fund being notified of the member's death are usually **free from inheritance tax**. If payment is delayed beyond two years, the death grant may become subject to tax.

Beneficiaries are encouraged to seek independent financial or tax advice to understand any potential implications.

The Fund will take reasonable steps to ensure payment is made within the tax-free window, but it cannot guarantee this in every case.

9. Legal Compliance

This policy is compliant with:

- The **Local Government Pension Scheme Regulations**;
- Applicable provisions of the **Finance Act 2004** relating to pension scheme lump sum death benefits;
- Relevant **HMRC guidance**;
- The Fund's internal governance procedures.

The Gwynedd Pension Fund will review and update this policy in line with any changes in legislation or regulation to ensure continued compliance.

10. Disputes and Appeals

If any potential beneficiary is dissatisfied with the Fund's decision regarding a death grant payment, they may raise a complaint under the **Internal Dispute Resolution Procedure (IDRP)**, in accordance with the LGPS requirements.

11. Review and Amendments

This policy will be reviewed annually and amended as necessary to ensure its effectiveness and compliance with relevant regulations.

12. Contact Information:

For assistance with this policy, members can contact the Fund at any time.

- **Phone:** 01286 679982
- **Email:** pens@gwynedd.llyw.cymru
- **Website:** www.gwyneddpensionfund.wales

Approved by: [Name] [Title] Gwynedd Pension Fund



Cronfa Bensiwn **GWYNEDD** Pension Fund

Administrative Policy Statements

Title: Education Break Policy for LGPS Dependent Child Pension

1. Purpose

The Gwynedd Pension Fund is committed to supporting its members' dependents who are pursuing further education or vocational training after turning 18. This policy sets out the circumstances in which a break from education is allowed without affecting a dependent child's pension entitlement under the Local Government Pension Scheme (LGPS) regulations, specifically for individuals aged between 18 and 23.

2. Provisions of the Policy

a) Qualification

This policy applies to dependents:

- Between 18 and 23 years old,
- Eligible for LGPS dependent child pension,
- Taking a temporary break from **full-time education or vocational training**, with the actual intention of returning.

b) Acceptable Break in Education

- An interval of one academic year of full-time education or training is allowed.
- In Britain, an academic year refers to the period when schools, colleges and universities provide their scheduled teaching and assessments. It usually runs from early September to late July, although specific dates may vary slightly by organization or region.
- The break must occur after the dependent reaches the age of 18, and then return to study full-time.

c) Statement of Intent

- The dependent (or guardian) must send **written notice** to the Gwynedd Pension Fund **before the break starts**.

- The notice must clearly confirm the intention to return to full-time education or training after the break.

d) Return to Education Confirmation

To resume the child's pension payments, the following must be submitted:

- **Official confirmation of registration** from the educational institution or employing body,
- **Course details**, including expected start and end dates,
- **Confirmation that it is full-time** (e.g. study hours or credit load).

e) Pension Suspension and Resumption

- Pension payments will be **temporarily** suspended during the allowed break.
- Upon receipt and verification of proof of registration, payments will be **resumed** and paid back to the start date of the new season.

f) Failure to Follow Policy

- If the child does not **return** to full-time education within the period of one academic year, the child's pension will be **closed**.
- A final review of the right will be carried out in accordance with the LGPS Regulations and this policy.

3. Review of the Policy and Changes

This policy will be reviewed annually and amended as necessary to ensure its effectiveness and compliance with relevant regulations.

4. Contact Details:

Members may contact the Fund at any time for assistance with this policy.

- **Phone:** 01286 679982
- **E-bost:** pens@gwynedd.llyw.cymru
- **Website:** www.gwyneddpensionfund.wales

Approved by: [Name] Gwynedd Pension Fund

Date: