Complete Agenda

Democratic Service
Swyddfa'r Cyngor
CAERNARFON
Gwynedd
LL55 1SH

Mae'r ddogfen hon hefyd ar gael yn Gymraeg.

This document is also available in Welsh.

Meeting

PENSIONS COMMITTEE

Date and Time

10.30 am, MONDAY, 23RD NOVEMBER, 2026

Location

Virtual Meeting

NOTE

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

Contact Point

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(DISTRIBUTED 17/11/26)

PENSIONS COMMITTEE

MEMBERSHIP (9)

Plaid Cymru (4)

Councillors

Elin Hywel
Gwynfor Owen
Geraint Wyn Parry
Ioan Thomas

Independent (2)

Councillors

John Pughe Roberts
John Brynmor Hughes

Gwynedd First (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 - 12

The Chairman shall propose that the minutes of the meeting of this committee held on 14th September 2026 to be signed as a true record

5. WALES PENSION PARTNERSHIP UPDATE 13 - 53

To consider and note the report

6. GWYNEDD PENSION FUND'S FINAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2026 AND RELEVANT AUDIT REPORT 54 - 128

- To consider and approve Gwynedd Pension Fund's post-audit Statement of Accounts for 2025/26
- To note the 'ISA 260' report from Audit Wales, and receive the auditor's comments, and
- To authorise the Chair and s.151 to (electronically) certify the Letter of Representation after the Pensions Committee has approved the above.

7. TREASURY MANAGEMENT 2026-27 MID YEAR REVIEW 129 - 136

To consider and receive the report for information.

8. WPP IM CO INVESTMENT CONFERENCE 137 - 143

To consider and note the information

9. LOCAL AUTHORITY PENSION FUND FORUM 144 - 146

To consider and note the information

10. GWYNEDD PENSION FUND DRAFT CONFLICTS OF INTEREST POLICY 147 - 158

To review and approve the policy

11. GOVERNANCE STRATEGY FOR GWYNEDD PENSION FUND 159 - 187

1. To note that the Pension Board has reviewed and scrutinised the Governance Strategy.
2. To note the comments received from the Pension Board and the amendments made to the Strategy as a result.
3. To note that further minor amendments may be required to the section relating to the LGPS Senior Officer following appointment to the role.
4. To approve the Governance Strategy for Gwynedd Pension Fund.

12. EXCLUSION OF 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 to 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

13. ROBECO ENGAGEMENT SERVICE- ENGAGEMENT REPORT 01.04.2026 - 30.06.2026

To note the contents of the report

(copy for Members only)

14. PENSION FUND INVESTMENT PERFORMANCE UP TO 30TH SEPTEMBER 2026

To accept the information and note the contents of the report

(copy for Members only)

PENSIONS COMMITTEE 14-09-2026

Attendance:

Councillors: Chair: Councillor Elin Hywel
Vice-chair: Councillor John Pughe Roberts

Stephen Churchman, Goronwy Edwards (Conwy County Borough Council), John Brynmor Hughes, Gwynfor Owen, Geraint Parry, 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)

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 6 July 2026 as a true record.

5. WALES PENSION PARTNERSHIP (WPP) UPDATE

The Investment Manager highlighted that the report was now regularly submitted to the Members noting the latest information on the work of the Wales Pension Partnership, as well as the decisions of the July meeting of the Governance Joint Committee (GJC - the decision-making body on behalf of the Partnership made up of the Chairs of each fund).

It was reported that the annual form for the Partnership's accounts had been discussed, as well as confirmation that WPP IM Co had received the 'minded to approve' note (although 'minded to approve' was significantly dated by now), responsible investment, the register and the risk policy.

As usual, they reviewed the Business Plan for 2025/26, the Weystone operator update and the Russell Investments performance report - it was considered that the quarter in question had been relatively stable. It was noted that WPP IM Co had given an update on the progress since the establishment, particularly on matters relating to governance, the workforce and actions. It was highlighted that approximately 15 staff members were now employed by the gradually growing company, and that they had now located their new offices in Cardiff - the company was now being administrated under the Cardiff address, not Carmarthen.

Since the July meeting, the Investment Manager reported on further updates, noting that WPP IM Co had now received an official registration with the Financial Conduct Authority (FCA). It was noted, since 1 September, that the company had taken a more prominent role in managing Gwynedd's assets, e.g. the company now paid the transfer of any funds to investment managers on behalf of the Gwynedd Pension Fund, and monitored movements within the Fund's pots. It was elaborated that the management did not happen overnight, and that work would be undertaken during the transitional period to build a relationship with the investment company, and to formulate how information would be shared between the company and the Fund over the coming months.

For information, it was noted that an informal session between the committee and the investment company had been arranged for 21 October 2026, with an expectation for the investment company to also present an item at the Gwynedd Pension Fund's Annual Meeting and the Pensions Committee meeting in November, as well as an investment conference organised in October, was a new and exciting period with opportunities to work together.

The members expressed their thanks for the report. It was noted that the conference would be beneficial - a way to get information about the roles and the arrangements for scrutinising the work of the investment company.

RESOLVED

To accept and note the update for information

6. TREASURY MANAGEMENT

A report was submitted by the Investment Manager, reporting on the Council's Treasury Management activity for 2025/26. Members were reminded that, as a Committee (March 2025), they had permitted the surplus funds of the Pension Fund to be pooled and co-invested with the Council's overall cash-flow for the 2025/26 financial year, in accordance with the Council's Treasury Management guidelines.

It was reported that it had been a very busy and prosperous year for the Council's Treasury Management activity as the activity had remained within the constraints set. It was confirmed that there were no defaults by institutions in which the Council had invested money.

It was reported that £1.7m in interest had been received on investments, which was higher than the £1.6m included in the budget. It was noted that the interest income was shared on a daily balance basis, with the Gwynedd Pension Fund having received £2.1 million in income for the year in question (which highlighted that the Gwynedd Pension Fund balances had been a significant part of the Cyngor Gwynedd balances during the year in question).

Reference was made to the context of investment activities, noting that the Council had continued to invest with Banks and Building Societies, Financial Market Funds, Pooled Funds, Local Authorities and Debt Management Office - the funds were consistent with the type of investments made for a number of years now.

In the context of a compliance and indicators report, it was reported that all activities had complied well with the CIPFA code of practice and the Council's Treasury Management Strategy, although there was one occasion where historical boundaries had been used; attention was drawn to the matter immediately and it was confirmed that there was firm control over the funds.

The members expressed their thanks for the report.

In response to a question regarding the end of year balance, it was noted that the interest income was shared on a daily balance basis.

RESOLVED

To accept and note the update for information

7. GWYNEDD PENSION FUND DRAFT ANNUAL REPORT 2025/26

The Investment Manager highlighted that the draft report provided details on the Pension Fund's activities during the year ending 31 March 2026. It was reported that the report had been completed in accordance with the statutory guidelines of the Scheme Advisory Board and responded to the requirement to identify and submit the information through three categories - must, should and may. It was ensured that everything known as 'must' and 'should' had been included, unless the information was unavailable. As a result, it was explained that the annual report was now substantial and included a combination of annual reports from the Pensions Committee, the Pension Board, Wales Pension Partnership, information from the Administrative Unit and the Investment Unit.

It was noted that the annual report was being reviewed by Audit Wales as part of the audit of the accounts and the final version would be presented to the Gwynedd Pension Fund's Annual Meeting in November 2026.

Gratitude was expressed for the report and to the staff involved with preparing the work. It was reiterated that the report was very detailed and the content was good.

In response to a question regarding the performance of the 'Communications published to the members of the scheme with completing a virement' and the need to complete it within 10 working days (the percentage completed within the Fund's target was 3.30% and 65.8% within the legal target), it was noted that this was likely a target from CIPFA and not an internal target from the Fund's Administrative Unit. Although a combination of new, inexperienced staff in the Unit and elements out of the Unit's control contributed to the low performance, there was an intention to improve the performance in the future.

RESOLVED

To accept the draft report

8. THE GOOD ECONOMY REPORT

A report was submitted by the Investment Manager highlighting that the Gwynedd Pension Fund, alongside seven other funds in Wales, had commissioned a report by The Good Economy to demonstrate the work achieved by the pension funds for local investments in Wales.

It was explained that the report summarised the number of local investments that Wales Pension Partnership had made and the potential impact. On a national level, it was reported that £139m had been invested in Wales, and this was within 97 assets, clean energy, small and medium sized enterprises (SME), housing and property. Reference was made to the map showing the locations of the investments in Wales, and unfortunately, due to the nature of demography and industries in Wales, a large number of them were in the South. In the context of the partnership's investments in the Gwynedd Pension Fund's

geographical area, attention was drawn to investments in Aberconwy, Ynys Môn, Bangor and surgeries in Gwynedd.

It was highlighted, in terms of Gwynedd's financial portfolio, that most of the Gwynedd Pension Fund's funding had been invested into Capital Dynamics clean energy, with some of the infrastructure funds investing in minor assets across the country.

It was reported that this was an important first step to summarise the investment situation in Wales, and it will offer a good comparison to build on in the future. It was reiterated that, with WPP IM Co stability, the hope is that the company will have expertise and a platform to invest in Wales, and that the situation will strengthen annually. Should an opportunity be identified locally with the potential to invest in it, then the information can be shared with WPP IM Co to follow up on the possibility - reference was made to discussions that had already been held with the North Wales Corporate Joint Committee.

The members thanked the officer for the report.

Observations arising from the ensuing discussion:

- The report was very interesting
- An important first step to highlight local investments in the Gwynedd Fund area
- Concerning how few investments there were in Gwynedd
- There was a need for more information regarding the locations of the investments, particularly the surgeries
- There was an opportunity to identify potential investments locally - ensuring a strong voice for the Gwynedd Pension Fund
- A suggestion to visit the investment locations to get a better understanding of them

In response to a question regarding Artificial Intelligence (AI) and whether it was intended to invest in the field, it was noted that there were no plans underway to invest locally, but companies who invested in equity took advantage of AI developments.

In response to a question about receiving a definition of 'clean energy' and whether this included nuclear energy, it was noted that the term referred to four categories of energy, namely solar, on-shore wind turbines, Bioenergy and Energy Storage and it did not include nuclear energy. In response, a request was made for WPP to present a definition of clean energy and what was the basis of their categorisation considering concerns about the end of the wind turbines' life. The need was also reiterated to carefully consider whether this was investing in clean energy or the cleanest energy.

In response to concerns about the Bute Energy company and the fact that it was not a company that had received high praise, and that the company did not have a formal, clear role, and the need to scrutinise in more detail before investing more with the company, it was noted that the decision to invest in a direct clean energy project in Wales had been made by the Pensions Committee during the 2022/23 term, and despite accepting that a change in the Committee's membership and new information had been received about the company since approving the investment, the Committee had voted on the proposal and approved the investment.

RESOLVED

To accept the report and note the information

Note:

- Request more information about investments that are local to the Gwynedd Pension Fund area (specifically details of health facility locations)
- Request the definition for 'clean energy'

9. PENSIONS ADMINISTRATION

A comprehensive report was presented by the Pensions Manager providing a general overview of the administration of the Local Government Pension Scheme over the past year along with the activities that are undertaken by the Gwynedd Pension Fund to respond to current developments, maintain service standards and information about the work carried out over the period, and updates on various projects:

- Regulatory Update - Fit for the Future - emphasis on accountability, professional standards and effective decision-making. Each LGPS Fund will be required to appoint a designated Senior LGPS Officer to manage and administer the Pension Fund effectively, and appoint an Independent Person to be included on the Pensions Committee to provide an external challenge, support robust decision-making and strengthen governance oversight – appointments to be in place by 31 December 2026.
- Undertake a Governance Review to assess the effectiveness of existing governance structures – this work to be completed by 31 December 2026.
- LGPS Access and Fairness Reforms - in response to changes introduced in April 2026 to improve equality, accessibility and fairness across the LGPS. The work highlighted the challenge of reconciling and identifying cases where the reforms applied.
- Impact on administration – a request for the Fund to review procedures, assess historical cases, update Members' administration and communication processes, and prepare for new reporting requirements.
- Staffing update - welcome the appointment of an Apprentice and Trainee Pensions Officer.
- 'My Pension Online', noting the continued success of the portal with the membership consistently growing with 8,200 Members already registered on the new portal and further work being done to promote the site. It was reported that the Gwynedd Pension Fund was exploring opportunities to further expand the portal's functionality, including the introduction of digital forms.
- Additional Voluntary Contributions - due to challenges arising from the Fund's existing arrangements with Clerical Medical, Hymans Robertson was commissioned to review the market to find a better provider. Legal & General, who had good experience and benefits, was appointed to provide voluntary contribution arrangements for the Fund's members from 1 September 2026.
- New Payroll System - current plans for testing the new system to begin during the autumn 2026, with the new system expected to provide better data and accuracy in information.
- McCloud Remedy – progress remained positive and work was on track to complete the remaining project work (as per the agreed timetable).

Attention was drawn to the Service Satisfaction Survey which was sent to Members at the end of key processes, such as retirements and the payment of reimbursements, to gather views on the quality of the service received. It was reported that 89 members had taken part in the survey with the result being very encouraging (95% of users strongly agreed or agreed that the quality was of a high standard and 97% strongly agreed or agreed that the service provided by staff met a high standard).

Thanks were given for the report and for the detailed summary of the work that was being completed.

In response to a question regarding LGPS Access and Fairness Reforms and despite acknowledging the principle of the need to ensure fairness, what would be the cost of the work and what was the potential number of eligible Members; it was noted, from the initial work of identifying Members, that only a small number of Members would benefit. In response to a supplementary question regarding those members who would have been eligible, but had now passed away, it was noted that the funding would be paid to that

Member's estate - to set about finding people, the possibility of having to use a tracing service was noted. It was reiterated that the actuary would consider the cost as a factor in the next valuation.

RESOLVED

To accept the report and note the information

10. THE PENSION FUND'S ADMINISTRATION POLICIES

The Pensions Manager submitted a report that introduced two key administrative policies to be approved. It was noted that the policies were essential for the effective management and administration of the Pension Fund and were also a significant step towards improving good governance. It was noted that the Pension Board had reviewed the policies and that they were happy with the content.

The policies were discussed individually, providing the background and context of the policies for the Members.

- Provision of Retirement Estimates
- Benchmarking and Fairness

The members expressed their thanks for the report. The work made to formulate the policies by offering flexibility in some cases to the Fund's Members was welcomed.

RESOLVED

- **To accept the report**
- **To approve and adopt a Policy for the Provision of Retirement Benefit Estimates**

11. ADMINISTRATION DISCRETIONS POLICY

The Pensions Manager presented an Administrative Discretions Policy for the Committee to approve. It was noted that the proposed policy needed to demonstrate compliance with the requirements of the Local Government Pension Scheme Regulations, ensuring that the arrangements supported effective, consistent and transparent administration. It was explained that the Fund's Administration Discretions Policies had not been comprehensively reviewed or updated for several years, with the previous policy having been approved in 2009. It was reported that a number of LGPS changes and guidance had introduced additional discretions since 2009, therefore the administrative authorities were required to update their policies. Following the Committee's approval, the intention was to bring the policy into force immediately and to have arrangements in place to review the document annually to ensure that the policy remained up to date, reflected any legislative or operational changes and met regulatory requirements.

Reference was made to seven proposed changes to the discretions, giving Members some background to the changes and how they were being formalised. It was reiterated that the Pension Board had reviewed the policy and they were happy with the content.

The members thanked the officer for the report.

In response to a question regarding 'Medical Requirements for Additional Plans' and whether a list or information was available regarding what sickness was considered 'serious' (considering the discretion to refuse a request when there were health concerns), it was noted that discussions regarding the 'seriousness of sickness' were being conducted with

the Council's Health Advisory Services, but the observation that a list could be provided was accepted.

RESOLVED

- **To accept the report**
- **To note that the Pension Board reviewed the policy in July 2026**
- **To approve and adopt the Administrative Discretions Policy as a Gwynedd Pension Fund policy for administrative discretions under the Pension Scheme Regulations**
- **To authorise Officers to publish and implement the policy and to carry out annual reviews to ensure that it continues to comply with legislative and operational requirements**

12. LOCAL AUTHORITY PENSION FUND FORUM (LAPFF)

A verbal update was given by Councillor Stephen Churchman, a Member of the Local Authority Pension Fund Forum (LAPFF). Members were reminded that the Forum was doing good work in promoting the highest standard of corporate governance to protect the long-term value of Local Authority Pension Funds.

The latest Forum meeting was held on 8 July 2026 and the Councillor referred to the main subjects / matters discussed, namely Policy Matters, Quarterly Engagement Report (April - June 2026) and Administrative Matters.

In the context of policy matters, he noted that reports had been submitted on 'Artificial Intelligence and Asset Ownership' and the implications of AI use for companies who invest in them, the impacts on the workforce, the potential social and environmental risks, and governance expectations. Attention was drawn to the fact that there was a need for firm governance over the use of AI, including supervision from the Executive Board. It was reiterated that the Forum had made a request for a follow-up report that would identify and prioritise sectors and companies for LAPFF to engage with regarding Artificial Intelligence.

Another matter discussed at the Forum was Forever Chemicals and Water Stewardship, with LAPFF prioritising engagement with chemical companies that generated these chemicals, reflecting the significant environmental, health and financial risks associated with these substances.

The Councillor stated that he would share his written feedback with the Members and Officers.

He was thanked for the update.

RESOLVED

To accept and note the information

13. 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 interest in being open about the use of public resources and related financial issues. However, it is also acknowledged that there are occasions, in order to protect public financial interests, where commercial information must be discussed without being publicised. The reports relate specifically to a proposed procurement process. Publishing 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 is closed in the public interest.

14. ROBECO ENGAGEMENT SERVICE – ENGAGEMENT REPORT 01.01.2026 - 31.03.2026

Submitted - a quarterly report summarising the work Robeco (WPP Voting and Engagement Provider) was carrying out on behalf of the Pension Fund on responsible investment issues. Reference was made to the areas that had received Robeco's attention during the quarter in question, that included information on the number of activities and engagements completed with some large companies of international importance. It was also noted that the engagement theme of the quarter in question was Sovereign Engagement, which provided an effective way for investors to engage with those who form the policies in many different countries and governments.

The information was discussed.

The members expressed their thanks for the report, welcoming the detail of the information.

RESOLVED

To accept and note the quarterly report

15. PENSION FUND INVESTMENT PERFORMANCE UP TO 30 JUNE 2026

A report was submitted by the Investment Manager, reporting on the performance of the Fund up to 30 June 2026. The performance of the Investment Managers was discussed in detail and the work that was underway. It was noted that the Investment Management Company, WPP IM Co, had been established and the responsibility of the company would be to implement the strategic asset allocation through determining the tactical asset allocation, choosing an investment manager, choosing stock, investment stewardship and managing cash.

The members thanked the officer for the report.

The information was discussed.

In response to an observation regarding the consideration of using, e.g. MOIC (Multiple on Invested Capital) which measures the total investment value compared with its initial cost, it was agreed that this was possible. It was highlighted that the Committee had historically been conducting Investment Panels to review the managers' investment performance in detail, but as the WPP IM Co investment company stabilised, the intention was that more comprehensive reports would be submitted on the performance directly to the Committee regularly.

It was reiterated that any situation of underperformance would receive fair and appropriate attention and in the next quarter, it would be possible to apply for Internal Rate of Return (IRR) information to know more about the performance.

RESOLVED

To accept the report and note the information

The meeting commenced at 14:00 and ended at 15:30.

MEETING	**PENSIONS COMMITTEE**
DATE	**23 NOVEMBER 2026**
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**

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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's decision making body, the Joint Governance Committee (JGC), last met formally on 22 September 2026.

2. JGC QUARTERLY UPDATE

The host authority has provided a summary of the items discussed at that meeting which is attached as Appendix 1 to this report. The items discussed included the following:

- 2026/27 Business Plan (Appendix 2)
- Responsible Investment update
- Risk Register review
- Review of the Complaints and Whistleblowing policy

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 30 June 2026.

Gwynedd Pension Fund currently has exposure to seven of the ten sub-funds and as of 30 June 2026, the sub fund values and percentage were as follows:

- **Global Opportunities - £454.6m (11%)**
- **Global Growth- £44.0m (10%)**
- **Emerging Markets - £104.0m (23%)**
- **Multi Asset Credit - £267.0m (27%)**
- **Absolute Return Bond- £564.3m (68%)**
- **Global Credit Fund - £353.9m (26%)**
- **Sustainable Equity Fund- £411.9m (21%)**

4. PERFORMANCE REPORTS AS AT 30 JUNE 2026

The performance reports can be seen in Appendix 4.

The MSCI World Net Index climbed 13.8% (USD), its best quarterly performance in six years. All markets made gains though there was wide variation in performance. Asia ex Japan was the best-performing region propelled by artificial intelligence (AI)-related stocks, particularly chipmakers. At the other end of the spectrum the UK and Canada underperformed. Meanwhile, emerging markets were strong. Continuing enthusiasm for AI names, growing optimism over US-Iran peace talks and solid corporate earnings results contributed to the positive market sentiment, which helped to push the global index to new highs. Oil peaked at over $110 per barrel in early April but fell sharply in June following reports of a US-Iran interim deal. Markets recalibrated interest rate expectations amid growing fears of inflation, while central banks adopted a wait and see approach. The European Central Bank (ECB) was the first major central bank to increase rates in response to the energy shock. The Bank of Japan (BoJ) also raised rates, to a 31-year high, in June.

In the UK, gilt yields rose on strengthening expectations that the Bank of England (BoE) would be forced to raise interest rates to combat the inflationary impact of soaring energy prices. Speculation over the prime minister's future added to the cautious mood as markets were wary of a change in leadership due to concerns that it may lead to higher fiscal spending. 10-year gilt yields rose above 5.0% early in May, reaching the highest since the summer 2008. Longer dated gilt yields hit levels last seen in 1998. 10-year yields later pulled back amid plummeting oil prices and growing optimism over an imminent US-Iran peace deal. Weaker than expected inflation, soft PMI data and subdued retail sales also contributed to a fall in yields with market expectations for rate hikes scaled back. The BoE left rates unchanged at its April and June policy meetings against the backdrop of sluggish economic growth and a cooling labour market. Market reaction to the prime minister's resignation in June was muted as investor focus turned to the fiscal policy plans of his likely successor, Andy Burnham. Over the quarter the yield on 10-year gilts fell by 16 bps to 4.76%.

5. WPP IM Co Update

Rob Lamb provided a progress update (Appendix 5) summarising what the company has achieved in relation to Governance, People and Operations.

6. RECOMMENDATION

To receive and note the information.

Wales Pension Partnership (WPP) - JGC Update

JGC meeting date: Tuesday 22 September 2026

Location: Hybrid meeting, hosted by Carmarthen

Chair: Cllr Elin Hywel, Gwynedd

Vice Chair: Cllr Jayne Smith, RCT

Agenda item	Detail
Host Authority update	Chris Moore of the Host Authority provided an update in relation to the work that has been completed since the last JGC meeting and presented the 2026/27 Business Plan update as at 30 June 2026 (attached). John Wright of Hymans Robertson provided an update in relation to Responsible Investment. WPP's first all-Wales Impact Report (covering the period to end-March 2025) has been prepared by The Good Economy (TGE) and can be found on the WPP website. This will be an annual report and the TGE are in the process of completing the report for year ending March 2026.
Risk Register Review	The OWG is responsible for maintaining the Risk Register and reporting back any changes or developments to the JGC on a quarterly basis. The register has been reviewed, no changes have been made. The up to date Risk Register is on the WPP website.
Policy Reviews – Complaints Policy and Whistleblowing Policy	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 Complaints and Whistleblowing policies. The Complaints Policy provides guidance to the Constituent Authorities on the procedure to follow in relation to WPP operational and service quality matter complaints. During this policy review, a new point has been added (point no 6) in relation to complaints relating to WPP IM Co and a review period has been

	inserted (point no 7) to be consistent with other WPP policies. The Whistleblowing Policy provides guidance to WPP Personnel and Providers on how to raise concerns should they suspect malpractice by anyone acting for or on behalf of WPP. This policy has been reviewed, and there is one minor amendment which is a change of name from Gwynedd Council to Cyngor Gwynedd in the introduction section. The updated policies have been approved and have been updated on the WPP website.
Operator Update	Waystone presented their quarterly update report as at 30 June 2026 (attached). This provides an update on WPP's sub funds and corporate and engagement activity.
Performance Reports as at 30 June 2026	Russell Investments presented a Q2 2026 performance summary paper (attached) summarising the performance of each individual ACS sub fund for the quarter ending 30 June 2026.
WPP IM Co update	WPP IM Co is the investment management company for the Wales Pension Partnership and was established in August 2025, with Rob Lamb appointed as the CEO in September 2025. Rob Lamb provided a progress update (attached) summarising what the company has achieved to date in relation to Governance, People and Operations.
Exempt Items – the following items were discussed during the non-public part of the meeting.	
Robeco Engagement Report – Q2 2026	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 2 2026. The engagement theme chosen for Q2 2026 was Adaptation and Resilience.

Responsible Investment and Climate Risk reports	Each quarter, Hymans Robertson produce quarterly Responsible Investment & Climate Risk Reports for the WPP's sub funds. For Quarter 2 2026 (quarter ending 30 June 2026), the ARB and MAC reports were produced. Hymans presented the reports to the JGC members.
Sub Fund reviews	Hymans Robertson undertakes an annual performance review of a selection of WPP Sub Funds. During 2025/26, an independent review of WPP's Global Government Bond and Global Credit Funds was undertaken. Hymans presented the report to the JGC members.

Webcast link for the 22 September 2026 JGC meeting below:

Agenda for Wales Pension Partnership Joint Governance Committee on Tuesday, 22nd September, 2026, 10.00 am

WPP's website address - Wales Pension Fund | Home (walespensionpartnership.org)

Next meeting:

- Wednesday 16 December 2026 – Virtual meeting



Wales Pension Partnership

Business Plan

2026-2027

Q1 Review

(April to June 2026)

Work Plan

Governance

Work to be completed	Completed	Comments
• Review of WPP's policies and plans	In progress	
• Six monthly reviews of Risk Register	Ongoing	
• Commence review of governance documents		
• Annual performance review of WPP Sub-Funds	Yes	
• Respond to any pooling related consultations and carry out any necessary changes as a result of consultation outcomes	Ongoing	

IM Co support and oversight

Work to be completed	Completed	Comments
• IM Co set up support	In progress	
• IM Co oversight, assurance, risk management (KPIs) and benchmarking versus comparators		

Responsible Investment

Work to be completed	Completed	Comments
• Stewardship Code reporting	In progress	Report to be submitted by 31 October 2026
• Climate-related / TCFD reporting	In progress	
• Ongoing development, implementation and reporting of all stewardship activities	Ongoing	
• Ongoing communication and reporting of RI activity to all stakeholders	Ongoing	
• On-going Sub-Fund responsible investment and climate risk reporting	Ongoing	
• Collective Consideration of WPP's UK, local / impact opportunities	Ongoing	

Communication, Training and Budget

Work to be completed	Completed	Comments
• Formulation of the WPP's Annual Responsible Investment Progress Report	Yes	Presented at the July 2026 JGC and published on website
• Formulation of the WPP's Annual Update	Yes	2025/26 Annual Update published in July 2026
• Formulation of the WPP's Annual Report	In progress	2025/26 Annual Report to be published Autumn 2026
• Deliver training on any new regulatory requirements		
• Formulation of Annual WPP Budget / Business Plan		To be formulated in Q1 (January to March) 2027
• Complete year end Annual Return	Yes	Presented at the July 2026 JGC and published on website

Budget

2026-2027 Budget Monitoring Report:

	Budget 2026 – 2027 £000	Forecast 2026 – 2027 £000	Variances 2026 – 2027 £000
Host Authority	173	173	0
External Advisors	834	834	0
TOTAL to be recharged *	**1,007**	**1,007**	**0**

** Costs are funded equally by all eight of the WPP's Constituent Authorities and recharged on an annual basis.*

IM Co has its own budget, this budget is for the WPP client side only.



Wales Pension Partnership

https://www.walespensionpartnership.org/

Wales Pension Partnership

Joint Governance Committee – Q2 2026 Review

22 September 2026

Presented by James Zealander

Agenda

03 Corporate Update

04 Compliance Update

06 Relationship Overview

07 Sub-Fund Values

08 Sub-Fund AUM & Ownership Percentage

09 Fund Snapshot – Equities

10 Fund Snapshot – Fixed Income

11 Initiatives

11 Market Updates

12 Oversight – Third Party Monitoring

13 Meeting / Engagement Schedule

Corporate Update

As we continue to work towards our vision to be the leading asset-servicing solutions provider for financial institutions, helping clients structure, operate and grow through our expertise, innovation and digitisation, we are pleased to share the following strategic leadership appointments, which are fundamental to strengthening our product capabilities and delivering on our priorities.

James Allis will assume the role of Head of RFS Product Management in addition to his existing role as Country Head - Ireland.

Rachel Wheeler has been appointed Head of Strategic Solutions and will lead a newly created Strategic Solutions function globally. Working closely with Business Development and Country Heads, the new function will identify, shape and deliver high-impact opportunities for Waystone with a particular focus on structuring solutions for strategic clients and deepening client relationships, primarily focusing on transition business from in-house ManCos and ACDs.

Nick Wheeler will step into the role of Chief Operations Officer for RFS to drive operational transformation and our change agenda. He will oversee the firm's operational framework for the UK ACD, Irish and Luxembourg ManCos and our Global Capability Centres in Mumbai and Cashel for RFS operations.

Nigel Pasea will take on the role of Head of Global Compliance Solutions in addition to his role as Country Head - Middle East.

Richard Larnder has joined Waystone as our new Chief Financial Officer in July.

Richard is a highly experienced finance leader with a strong track record across complex, international financial services organisations. He brings deep expertise in financial strategy, governance, capital management and M&A, with a particular focus on building scalable finance functions that support sustainable growth.

Compliance Update

The 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.

Key Regulatory Changes & Updates (Q2 2026)

The Local Government Pension Scheme (LGPS) rolled out major changes that took effect over the second quarter of 2026. This includes a 3.8% pension increase and CARE revaluation, updated contribution bands to reflect that increase, and landmark "Access and Fairness" regulations expanding scheme eligibility and survivor benefits.

Key LGPS Q2 2026 updates include:

- Pensions Increase & Revaluation: Effective April 6, 2026, active pension accounts, deferred pensions, and pensions in payment increased by 3.8% in line with the Consumer Prices Index (CPI).
- Updated Contribution Bands: Following the 3.8% increase, revised salary bands —which determine the 5.5% to 12.5% contribution rates—came into effect from April 1, 2026.
- Fairer Survivor Benefits: As of April 1, 2026, survivor pensions are equalized, removing gender-based differences and backdating some calculations for eligible partners.
- New Leave Rules: Unpaid [authorised] absences lasting under 15 days automatically count as pensionable. For longer breaks, "Qualifying Additional Pension Arrangements" (QAPAs) are introduced to buy back lost pension.
- Access for Elected Members: In England, access to the LGPS was extended to mayors and councillors, with scheme provisions taking effect on May 11, 2026.
- "Fit for the Future" Reforms: The government issued formal responses and regulations outlining minimum pooling and governance standards across funds to improve long-term investment outcomes.

The landmark Pension Schemes Act recently became law, requiring schemes to prove Value for Money (VFM), enabling the consolidation of small dormant pension pots, and pushing for larger "megafunds". Alongside this, major regulatory shifts target Defined Benefit (DB) surplus flexibilities, stringent dashboard deadlines, and stronger SIPP consumer protection.

Defined Benefit (DB) & Pension Schemes Act Updates

- Surplus Rules: The government has issued draft regulations enabling sponsoring employers to flexibly access surplus funding in DB schemes, with full legislation expected to come into force on April 6, 2027. This allows surplus sharing while protecting member interests and maintaining strong funding levels.
- Value for Money (VFM): The new VFM framework requires scheme managers and trustees to offer clear retirement income options and consistently prove their fund performs well for savers.

Defined Contribution (DC) & Master Trusts

- Consolidation Push: Master trusts and DC schemes face massive consolidation pressure to achieve scale. The Pensions Regulator (TPR) has clearly signalled that smaller schemes must either meet higher legislative standards or consolidate into larger funds that can offer better governance and value.
- Artificial Intelligence Guidance: TPR has clarified expectations for the responsible and secure use of AI within workplace pension systems to protect member data.

Pensions Dashboards & Data Readiness

- Implementation Delays: The Pensions Dashboards Programme (PDP) extended the mandatory implementation deadline to March 1, 2027 . However, schemes are urged to act immediately to get their data ready, and parties should aim to support daily automated reporting by late 2026.

Consumer Protection & Advice

- SIPP Due Diligence: The Financial Conduct Authority (FCA) is consulting on new rules (CP26/20) for Self-Invested Personal Pensions (SIPPs) to strengthen fraud due diligence and improve protection for assets utilizing unauthorized trustees.
- Scam Crackdowns: TPR is urging trustees and savers to remain highly vigilant against impersonation fraud, a growing issue targeting retirement funds.

Inheritance Tax & State Pensions

- Unused Pots: The Finance Act 2026 brings most unused pension pots and certain death benefits into the scope for inheritance tax, taking effect for deaths on or after April 6, 2027.
- State Pension Age: The government is currently undergoing its third State Pension age review, considering the latest life expectancy and demographic data.

Relationship Overview

Client: Wales Pension Partnership

Contract Start Date: December 2017

Contract Renewal: December 2024

Contract Expiry: December 2029 (with further 2-year extension provision)

Tenure of Relationship: 8.5 years

AUM (as at 30 June 2026): £16,302,170,374

Product Suite: ACS – UK

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*

Fund	**AUM (£)***
Equities	
WS WPP Global Growth Fund	£4,272,307,438
WS WPP Global Opportunities Equities Fund	£3,957,090,215
WS Wales PP UK Opportunities Fund	£962,809,075
WS Wales PP Emerging Markets Equity Fund	£450,482,210
WS Wales PP Sustainable Active Equity Fund	£1,961,410,581
Fixed Income	
WS Wales PP Multi Asset Credit Fund	£998,744,473
WS Wales PP Global Credit Fund	£1,368,112,884
WS Wales PP Global Government Bond Fund	£520,362,255
WS Wales PP Absolute Return Bond Fund	£821,486,839
WS Wales PP Sterling Credit Fund	£989,364,403
Total	**£16,302,170,374**

* As at 30 June 2026

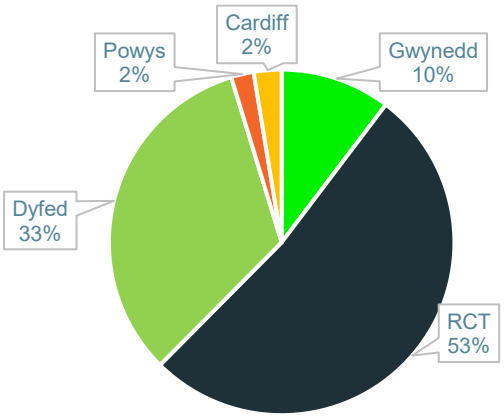
WPP Sub Fund Values & Percentage Ownership*

Fund name	Gwynedd	Powys	Clwyd	Swansea	Cardiff	Torfaen	RCT	Dyfed	Sub Fund Total
Equities									
WS WPP Global Growth Fund	£443,967,894 (10%)	£91,292,086 (2%)			£85,968,372 (2%)		£2,237,196,665 (53%)	£1,413,882,421 (33%)	£4,272,307,438 (100%)
WS WPP Global Opportunities Fund	£454,553,846 (11%)			£1,200,558,433 (30%)	£746,259,744 (19%)	£901,419,739 (23%)	£654,298,453 (17%)		£3,957,090,215 (100%)
WS WPP UK Opportunities Fund					£198,950,603 (21%)	£763,858,472 (79%)			£962,809,075 (100%)
WS WPP Emerging Markets Equity Fund	£103,992,172 (23%)	£26,514,126 (6%)			£199,984,945 (44%)	£119,990,967 (27%)			£450,482,210 (100%)
WS WPP Sustainable Active Equity Fund	£411,924,076 (21%)	£89,902,156 (5%)	£463,404,817 (24%)	£206,441,243 (11%)	£184,603,422 (9%)	£221,548,030 (11%)	£147,692,682 (7%)	£235,894,156 (12%)	£1,961,410,581 (100%)
Fixed Income									
WS WPP Multi Asset Credit Fund	£266,971,039 (27%)	£39,703,634 (4%)	£430,076,571 (43%)	£78,616,131 (8%)	£183,377,098 (18%)				£998,744,473 (100%)
WS WPP Global Credit Fund	£353,905,984 (26%)	£18,245,317 (1%)		£158,257,996 (12%)	£154,858,127 (11%)	£282,401,686 (21%)		£400,443,774 (29%)	£1,368,112,884 (100%)
WS WPP Global Government Bond Fund					£249,475,430 (48%)	£270,886,825 (52%)			£520,362,255 (100%)
WS WPP Absolute Return Bond Fund	£564,271,444 (68%)	£19,649,316 (3%)		£237,566,079 (29%)					£821,486,839 (100%)
WS WPP Sterling Credit Fund			£160,333,214 (16%)				£829,031,189 (84%)		£989,364,403 (100%)
Constituent Authority Total	£2,599,586,455	£285,306,635	£1,053,814,602	£1,881,439,882	£2,003,477,741	£2,560,105,719	£3,868,218,989	£2,050,220,351	**£16,302,170,374**

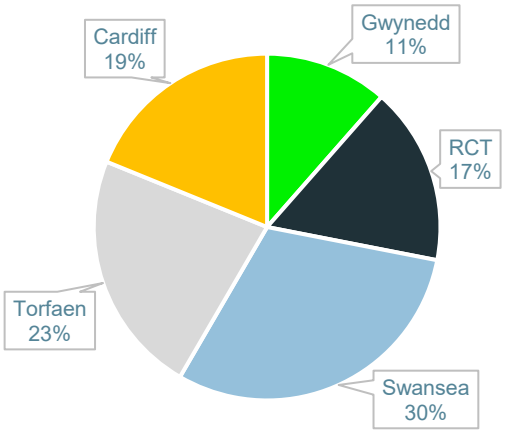
*As at 30 June 2026

Fund Snapshot* - Equities

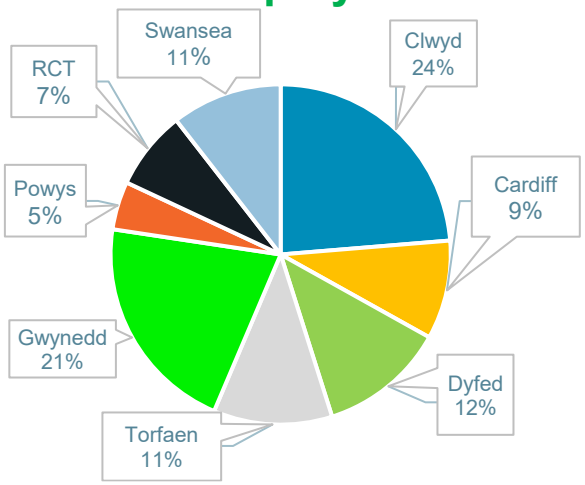
Global Growth



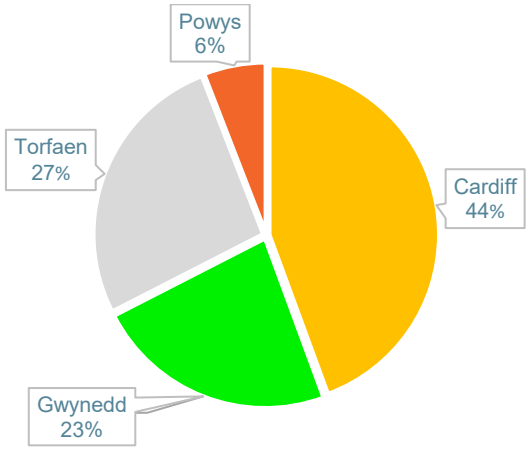
Global Opportunities



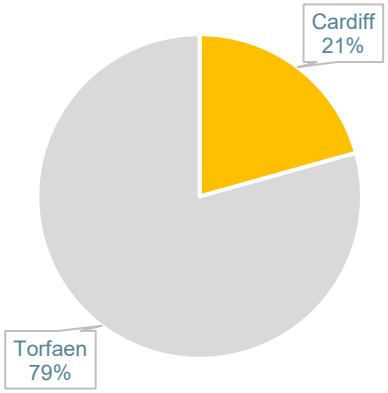
Sustainable Active Equity



Emerging Markets

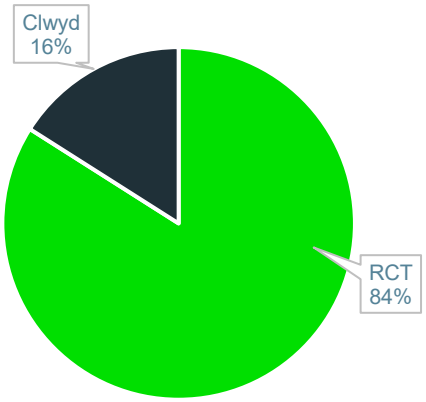


UK Opportunities

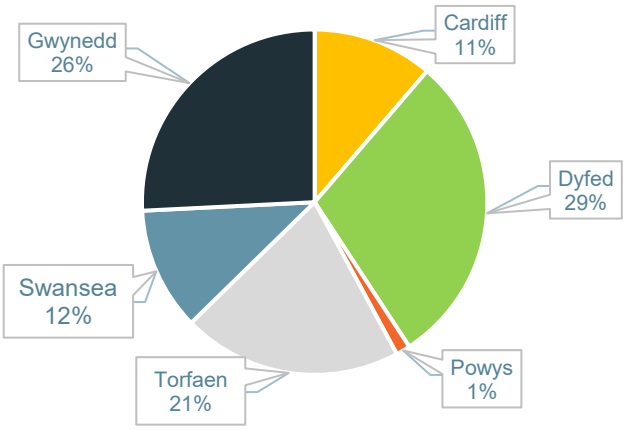


Fund Snapshot* - Fixed Income

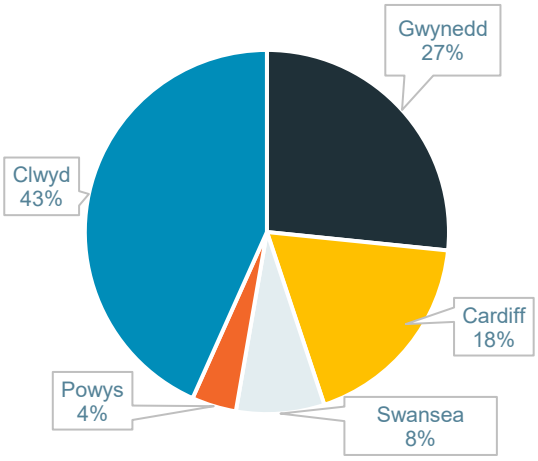
Sterling Credit



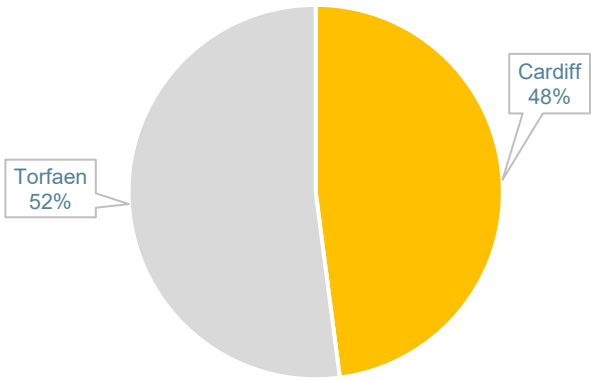
Global Credit



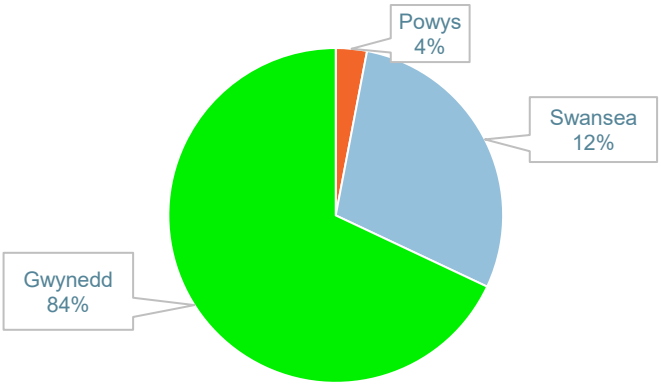
Multi Asset Credit



Global Gov. Bond



Absolute Return Bond



Initiatives

Key Achievements & Updates

Exclusion Policy to be added to Prospectus and IMD with Russell Investments

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	Currently 4 securities held in direct Israeli companies across two sub funds; Global Opportunities Fund - 3 companies with 0.30% exposure across the total AUM. Global Growth Fund – 1 company with 0.02% exposure across the total Sub fund AUM. BANK HAPOALIM BANK LEUMI ELBIT SYSTEMS LTD SHUFERSAL LTD One Bond held in the Global Government Bond Fund – Holding being a de minims position Total value of approx. £12.58m. Situation currently being monitored as part of the BAU oversight process. • Figures from end of 30 June 2026.

Oversight – Third Party Monitoring

2026 Plan

Third Party Provider	Reporting Period	Sub Fund	Location	Status
Northern Trust				
Transfer Agency inc. Client Money Review	2026	All	Onsite, London – May 2026	Planning – ToR with Northern Trust. Fieldwork to be completed 7th July 2026 in London
Fund Administration & Financial Reporting	2026	All	Onsite, London – November 2026	Fieldwork to be completed 10th & 11 November in London
Price Analysis	2026	All	Onsite, Limerick – 2026	Not started
Other 'Party' Questionnaire	2026	All	Questionnaire – March 2026	Questionnaire Issued
IT Security Questionnaire	2026	All	Questionnaire – September 2026	Not started
Annual Due Diligence	2026	All	Questionnaire – Date to be agreed	Not started
Russell Investments				
Annual Due Diligence	2026	All	Portal – March 2026	Questionnaire completed and returned to WMUK. No concerns raised following responses. Meeting with Investment team to be scheduled for Q3/Q4 - 2026.

Meeting / Engagement Schedule

	Frequency	Objectives
Executive Review	Semi-annual	– Ensure strategic alignment – Mutual review of business and strategic goals, priorities and objectives
Joint Governance Committee Meetings	Quarterly	– Key metrics – Pertinent matters – Strategic deliverables
Officers Working Group Meetings	Quarterly	– Identify and deliver on opportunities to improve and expand the relationship – Provide update on open projects or issues – Monthly KPI Review (Data supplied quarterly)
Host Authority Update	Fortnightly	– Regular Host Authority – WMUK to discuss deliverables and business updates
Pension Committee Meetings	Annual	– General update on the ACS and planned initiatives
Pension Board Chairs Engagement	Semi- annual	– General update on the ACS and planned initiatives
Manager Engagement Days	Annual	– Open day for presentations on strategy and performance (with IM)

Attendance this quarter:

- OWG 9 June 2026
- JGC 15 July 2026
- Host Authority bi-weekly

Attendance next quarter:

- OWG 21 July 2026 - Virtual
- JGC 22 Sept 2026 - County Hall, Carmarthen

Thank you

Relationship Team

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Role: Country Head, UK and CEO
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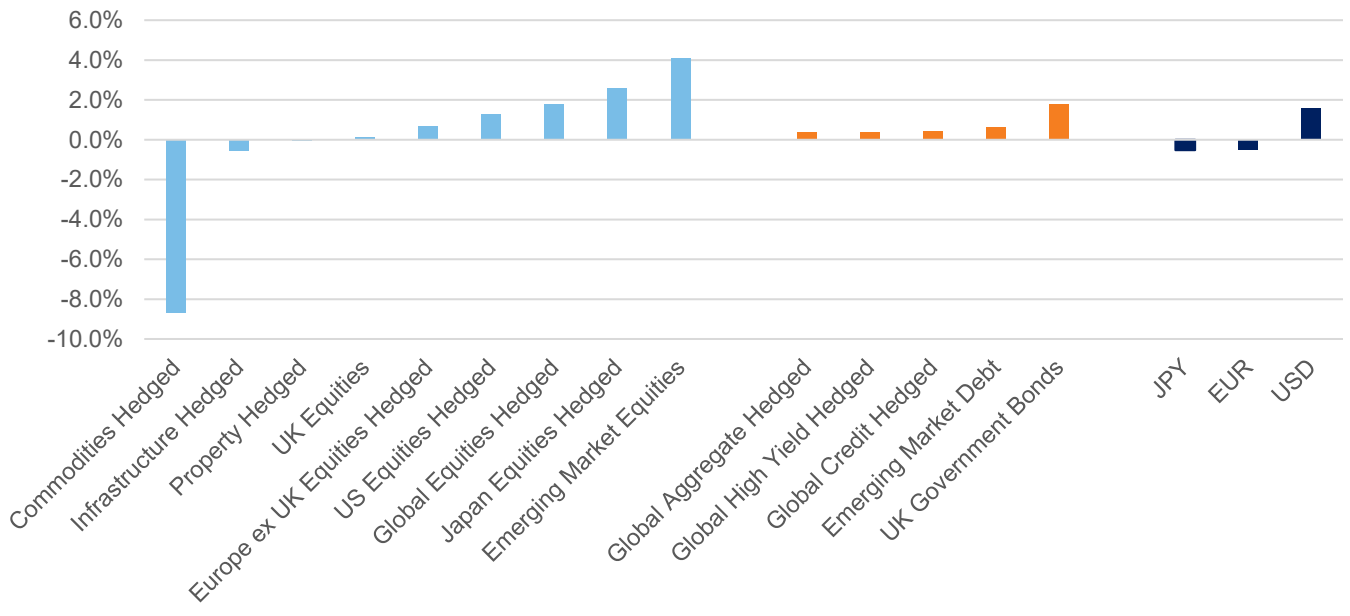
JGC - WPP Performance Summary Q2 2026

Global Market Commentary

The MSCI World Net Index climbed 13.8% (USD), its best quarterly performance in six years. All markets made gains though there was wide variation in performance. Asia ex Japan was the best-performing region propelled by artificial intelligence (AI)-related stocks, particularly chipmakers. At the other end of the spectrum the UK and Canada underperformed. Meanwhile, emerging markets were strong. Continuing enthusiasm for AI names, growing optimism over US-Iran peace talks and solid corporate earnings results contributed to the positive market sentiment, which helped to push the global index to new highs. Oil peaked at over $110 per barrel in early April but fell sharply in June following reports of a US-Iran interim deal. Markets recalibrated interest rate expectations amid growing fears of inflation, while central banks adopted a wait and see approach. The European Central Bank (ECB) was the first major central bank to increase rates in response to the energy shock. The Bank of Japan (BoJ) also raised rates, to a 31-year high, in June.

In the UK, gilt yields rose on strengthening expectations that the Bank of England (BoE) would be forced to raise interest rates to combat the inflationary impact of soaring energy prices. Speculation over the prime minister's future added to the cautious mood as markets were wary of a change in leadership due to concerns that it may lead to higher fiscal spending. 10-year gilt yields rose above 5.0% early in May, reaching the highest since the summer 2008. Longer dated gilt yields hit levels last seen in 1998. 10-year yields later pulled back amid plummeting oil prices and growing optimism over an imminent US-Iran peace deal. Weaker than expected inflation, soft PMI data and subdued retail sales also contributed to a fall in yields with market expectations for rate hikes scaled back. The BoE left rates unchanged at its April and June policy meetings against the backdrop of sluggish economic growth and a cooling labour market. Market reaction to the prime minister's resignation in June was muted as investor focus turned to the fiscal policy plans of his likely successor, Andy Burnham. Over the quarter the yield on 10-year gilts fell by 16 bps to 4.76%.

Asset class performance – Quarter to Date (June 2026)



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)

This document is prepared for officers of the WPP based on performance from Northern Trust. Inception dates are based on the starting NAV for the sub-fund. Inception dates (and therefore performance) may differ from the investment manager, who typically takes over following a transition period.

WPP Sub-fund Summary (Gross):

WPP Gross Performance	Q2 2026			1 Year			3 Year			Since Inception			Inception Date
	Sub Fund	Bench-mark	Excess	Sub Fund	Bench-mark	Excess	Sub Fund	Bench-mark	Excess	Sub Fund	Bench-mark	Excess	
Global Growth Equity Fund	14.0	14.2	**-0.2**	24.1	27.7	**-3.6**	14.6	17.3	**-2.7**	11.7	13.2	**-1.5**	31/01/2019
Global Opportunities Equity Fund	12.6	14.2	**-1.6**	27.4	27.7	**-0.3**	17.9	18.0	**-0.1**	14.2	13.5	**0.7**	31/01/2019
Sustainable Active Equity Fund	14.6	14.2	**0.4**	25.7	27.7	**-2.0**	14.2	18.0	**-3.8**	14.6	18.6	**-4.0**	23/06/2023
Emerging Markets Equity Fund	25.8	23.3	**2.5**	54.0	48.8	**5.2**	23.3	21.6	**1.7**	11.0	9.8	**1.2**	20/10/2021
UK Opportunities Equity Fund	7.2	4.7	**2.5**	17.4	21.9	**-4.5**	14.3	15.3	**-1.0**	8.1	8.8	**-0.7**	23/09/2019
Global Government Bond Fund	0.8	1.1	**-0.3**	2.0	2.3	**-0.3**	3.4	3.2	**0.2**	-0.3	-0.9	**0.6**	30/07/2020
Global Credit Fund	1.8	1.8	**0.0**	4.4	4.3	**0.1**	5.6	5.4	**0.2**	0.4	0.4	**0.0**	27/07/2020
Multi Asset Credit Fund	3.0	1.9	**1.1**	8.2	8.1	**0.1**	8.8	8.9	**-0.1**	4.6	7.1	**-2.5**	27/07/2020
Absolute Return Bond Strategy Fund	1.9	1.5	**0.4**	5.2	6.1	**-0.9**	6.8	6.8	**0.0**	4.6	5.1	**-0.5**	30/09/2020
Sterling Credit Fund	2.6	2.6	**0.0**	4.0	4.2	**-0.2**	6.9	6.4	**0.5**	0.4	-0.4	**0.8**	27/07/2020

WPP Sub-fund Summary (Net):

WPP Net Performance	Q2 2026			1 Year			3 Year			Since Inception			Inception Date
	Sub Fund	Bench-mark	Excess	Sub Fund	Bench-mark	Excess	Sub Fund	Bench-mark	Excess	Sub Fund	Bench-mark	Excess	
Global Growth Equity Fund	14.0	14.2	**-0.2**	23.7	27.7	**-4.0**	14.3	17.3	**-3.0**	11.3	13.2	**-1.9**	31/01/2019
Global Opportunities Equity Fund	12.5	14.2	**-1.7**	27.0	27.7	**-0.7**	17.6	18.0	**-0.4**	13.8	13.5	**0.3**	31/01/2019
Sustainable Active Equity Fund	14.5	14.2	**0.3**	25.3	27.7	**-2.4**	13.7	18.0	**-4.3**	14.2	18.6	**-4.4**	23/06/2023
Emerging Markets Equity Fund	25.7	23.3	**2.4**	53.3	48.8	**4.5**	22.8	21.6	**1.2**	10.6	9.8	**0.8**	20/10/2021
UK Opportunities Equity Fund	7.1	4.7	**2.4**	17.0	21.9	**-4.9**	13.9	15.3	**-1.4**	7.7	8.8	**-1.1**	23/09/2019
Global Government Bond Fund	0.8	1.1	**-0.3**	1.7	2.3	**-0.6**	3.1	3.2	**-0.1**	-0.5	-0.9	**0.4**	30/07/2020
Global Credit Fund	1.7	1.8	**-0.1**	4.2	4.3	**-0.1**	5.4	5.4	**0.0**	0.2	0.4	**-0.2**	27/07/2020
Multi Asset Credit Fund	2.9	1.9	**1.0**	7.9	8.1	**-0.2**	8.4	8.9	**-0.5**	4.2	7.1	**-2.9**	27/07/2020
Absolute Return Bond Strategy Fund	1.8	1.5	**0.3**	4.8	6.1	**-1.3**	6.6	6.8	**-0.2**	4.3	5.1	**-0.8**	30/09/2020
Sterling Credit Fund	2.5	2.6	**-0.1**	3.9	4.2	**-0.3**	6.8	6.4	**0.4**	0.3	-0.4	**0.7**	27/07/2020

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

Global Growth Equity Fund:

The sub-fund has an expected outperformance of **2.0%** in excess of the sub-fund benchmark gross of fees, over the longer term.

	Q2 2026	1 Year	3 Year	5 Year	Since Inception
Gross	14.0	24.1	14.6	8.2	11.7
Net	14.0	23.7	14.3	7.9	11.3
MSCI AC World Index Net*	14.2	27.7	17.3	11.5	13.2
Excess returns (gross)	-0.2	-3.6	-2.7	-3.3	-1.5
Excess returns (Net)	-0.2	-4.0	-3.0	-3.6	-1.9

Inception Date: 18th November 2024
Source: Northern Trust as of 30 June 2026
Benchmark: MSCI AC World Net Total Return Index GBP
***Figures include a performance holiday in November 2024 around the transition of the Fund.**
Please note that Russell Investments took over the Global Growth Equity Fund mandate on 18 November 2024.
Inception date is based starting NAV for the sub-fund. This inception date (and therefore performance) may differ from the investment manager(s), who typically takes over following a transition period.

Overall Fund Commentary

The Fund registered positive absolute returns over the second quarter but finished behind the benchmark on a relative basis.

Within the market environment the Fund's value exposure and tilt away from momentum were headwinds. At the sector level, underweight exposure to and stock selection within information technology was a key detractor of relative returns, including underweights to Micron Technology, Advanced Micro Devices and Intel. However, overweights to TSMC and ASML Holding were rewarded. Stock selection within financials was ineffective (overweight CME Group, Moody's, Mastercard). An overweight to and stock selection within materials was also unhelpful. On the positive side, an underweight to and stock selection within energy were effective (underweight Exxon Mobil). In health care and consumer discretionary although overweights to the sectors detracted stock selection was rewarded (Humana, Intercontinental Hotels Group, respectively). An underweight to and stock selection within communication services was also beneficial (overweight Alphabet).

Global Opportunities Equity Fund:

The sub-fund has an expected outperformance of **2.0%** in excess of the sub-fund benchmark gross of fees, over the longer term.

	Q2 2026	1 Year	3 Year	5 Year	Since Inception
Gross	12.6	27.4	17.9	12.1	14.2
Net	12.5	27.0	17.6	11.8	13.8
MSCI AC World Index Net	14.2	27.7	18.0	11.9	13.5
Excess returns (gross)	-1.6	-0.3	-0.1	0.2	0.7
Excess returns (Net)	-1.7	-0.7	-0.4	-0.1	0.3

Inception Date: COB 31st January 2019
Source: Northern Trust as of 30 June 2026
Benchmark: MSCI AC World Net Total Return Index GBP

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

Overall Fund Commentary

The Fund registered positive absolute returns over the second quarter but finished behind the benchmark on a relative basis.

In the market environment, the Fund's tilt to value was a headwind. In sectors, underweight exposure to and stock selection within information technology was a key detractor. This included underweights to Advanced Micro Devices, Micron Technology and Intel. However, overweights to Samsing Electronics and Seagate Technology Holdings mitigated some of the negative impact. Overweight exposure to and stock selection within materials was ineffective (overweight AngloGold Ashanti). In communication services, an overweight to the sector and stock selection were unhelpful (overweight Meta, Vodafone). Elsewhere, ineffective stock selection within health care was seen in an overweight to HCA Healthcare. On the positive side, stock selection within industrials was helpful (off-benchmark positions in Nisshinbo Holdings, Toto). Allocations and selection in consumer staples were additive (underweight Walmart). Underweight exposure to the utilities sector was also helpful.

Sustainable Active Equity Fund:

The sub-fund has an expected outperformance of **2.0%** in excess of the sub-fund benchmark gross of fees, over the longer term.

	Q2 2026	1 Year	3 Year	Since Inception
Gross	14.6	25.7	14.2	14.6
Net	14.5	25.3	13.7	14.2
MSCI AC World Index Net	14.2	27.7	18.0	18.6
Excess returns (gross)	0.4	-2.0	-3.8	-4.0
Excess returns (Net)	0.3	-2.4	-4.3	-4.4

Inception Date: COB 23rd June 2023
Source: Northern Trust as of 30 June 2026
Benchmark: MSCI AC World Net Total Return Index GBP

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

Overall Fund Commentary

The Fund outperformed the benchmark in the second quarter.

The Fund's tilt away from growth stocks was rewarded within this environment. On a regional basis, positioning and selection were positive within Germany (underweight) and South Korea (overweight) and an overweight to Taiwan, with exposure to TSMC. At the sector level, an underweight to energy and stock selection within materials contributed further to relative performance. Selection within the financials sector was also rewarded. However, an overweight to and selection within health care partially offset the negative performance.

EM Market Commentary

Emerging markets (EM) outperformed the global index and all other markets except Asia (and Asia Pacific ex Japan). South Korea was the best-performer by some distance, propelled by chip manufacturers which benefitted from soaring demand for high-bandwidth memory chips. The rally in chip stocks pushed the market cap of Samsung Electronics and SK Hynix to more than $1 trillion. Taiwan's stock market also reached record highs, driven by its dominance of the semiconductor industry. Elsewhere, Hungary's market outperformed. Investors welcomed the parliamentary election result in which long-time prime minister Viktor Orbán was ousted by the Tiszra party, which hopes for a closer relationship with the European Union.

Indonesia, Brazil and China were at the bottom of the table. Indonesia's market was impacted by fiscal concerns, large foreign capital outflows and a weakening currency. MSCI and S&P warned of a downgrade to frontier market status while Fitch cut the credit outlook for four of the country's major banks from 'stable' to 'negative'. Brazil's market also suffered from doubts over the fiscal outlook and its more commodity-oriented market was impacted by falling energy prices. Furthermore, above-forecast GDP growth strengthened expectations of a more hawkish stance by the central bank, which weighed on equities. China also largely missed out on investor zeal for AI related names and was impacted by trading policy uncertainty and geopolitical tensions, notably with Europe. The economy remains sluggish and a lack of meaningful stimulus measures from the government meant there was no catalyst to spark investor interest.

EM Equity Fund:

The sub-fund has an expected outperformance of **2.0%** in excess of the sub-fund benchmark gross of fees, over the longer term.

	Q2 2026	1 Year	3 Year	Since Inception
Gross	25.8	54.0	23.3	11.0
Net	25.7	53.3	22.8	10.6
MSCI Emerging Market Index	23.3	48.8	21.6	9.8
Excess returns (gross)	2.5	5.2	1.7	1.2
Excess returns (Net)	2.4	4.5	1.2	0.8

Inception Date: COB 20th October 2021
Source: Northern Trust as of 30 June 2026
Benchmark: MSCI Emerging Markets Index Net

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

Overall Fund Commentary

The Fund outperformed the benchmark return over the second quarter.

The Fund's tilt exposure to growth and quality stocks was favourable during the period, although a tilt towards small-cap stocks was unrewarded as large cap value names led the market higher. At the country level, positive stock selection within the strong-performing South Korea, Taiwan meanwhile selection within week-performing China/HK market was rewarded. This included overweight exposure to technology names Samsung Electro-Mechanics and SK Hynix within South Korea. Underweight positioning within Saudi Arabia and India contributed further to relative performance. However, an overweight to Brazil and underweight to Taiwan restricted further outperformance. Effective stock selection within information technology and consumer discretionary was a further contributor, supported by overweights to Samsung Electro-Mechanics and SK Hynix in IT. At the manager level, Bin Yuan was the standout performer, benefitting from growth tilt and effective positioning stock selection (information technology). Oaktree was the weakest-performing manager this quarter, as their investment style continued to be out-of-favour.

UK Market Commentary

UK equities underperformed the global index and all other markets, hindered by a lack of major technology companies. Consumer discretionary (International Consolidated Airlines Group) and financials (Standard Chartered, Barclays) were the best-performing sectors while energy struggled (BP, Shell). Political uncertainty weighed on sentiment as speculation grew over the prime minister's future following dismal local election results for the governing Labour Party. Prime Minister Keir Starmer eventually resigned in late June, prompting widespread expectations that popular left-winger Andy Burnham would become the next prime minister after returning to Westminster as an MP. Meanwhile, the economy expanded by 0.6% QoQ in the first quarter, strengthening from 0.1% growth in the previous quarter, led by a rise in service sector activity. However, GDP growth dropped by 0.1% MoM in April after a 0.3% uptick in March reflecting the impact of the Middle East conflict. Although headline inflation fell to 2.8% YoY in April from 3.3%, it was mainly due to the introduction of an energy price cap. Inflation was unchanged in May, below the 3.0% consensus forecast, while core inflation rose less than expected to 2.6% from 2.5%. Elsewhere, like-for-like retail sales climbed 3.7% YoY in May, beating expectations of a 0.6% uptick, however, the outcome was largely driven by seasonal demand.

UK Opportunities Equity Fund:

The sub-fund has an expected outperformance of **2.0%** in excess of the sub-fund benchmark gross of fees, over the longer term.

	Q2 2026	1 Year	3 Year	5 Years	Since Inception
Gross	7.2	17.4	14.3	8.8	8.1
Net	7.1	17.0	13.9	8.4	7.7
FTSE All Share	4.7	21.9	15.3	10.9	8.8
Excess returns (gross)	2.5	-4.5	-1.0	-2.1	-0.7
Excess returns (Net)	2.4	-4.9	-1.4	-2.5	-1.1

Inception Date: COB 23rd September 2019
Source: Northern Trust as of 30 June 2026
Benchmark: FTSE All Share Index

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

***Preliminary return figures as Russell Investments reconcile discrepancies with NT**

Overall Fund Commentary

The Fund outperformed the benchmark in the second quarter of 2026.

The Fund's tilt towards small-capitalisation stocks contributed to relative performance in a period where large capitalisation names led the market higher. Sector positioning and stock selection contributed to relative performance. This included positioning and selection within information technology (overweight), health care (underweight), energy (overweight) and materials (underweight). At the stock level, underweights to Shell, AstraZeneca and BAE Systems were key contributors. However, an underweight to financials and stock selection within utilities limited further outperformance. This was driven by an overweight to Centrica and Pennon Group at the stock level. Aside from Jupiter, all underlying managers outperformed this quarter, with Baillie Gifford the strongest performer.

Fixed Income Market Commentary

In the US, 10-year Treasury yields fluctuated in response to developments in the US-Iran conflict, reaching an 18-month high mid-May on inflation concerns. Headline CPI inflation rose to 3.8% YoY in April, up from 3.3%, and climbed further to 4.2% in May, driven by higher energy costs. Meanwhile, solid economic data fuelled growing expectations of higher interest rates. Job creation was well above forecasts in April and May led by expansion in leisure and hospitality (likely boosted by the imminent football World Cup), local government and health care. Manufacturing and services PMIs for May and (preliminary) June beat estimates and retail sales strengthened. The Federal Reserve (Fed) kept rates unchanged at its April and June meetings. The latter was the first policy meeting of the new Fed chair, Kevin Warsh, after which his tone was noticeably hawkish as he stressed his commitment to fighting inflation; policymakers signalled at least one rate rise by year-end. Over the quarter the yield on 10-year Treasuries rose by 15 basis points (bps) to 4.47%.

Credit spreads tightened, broadly in double-digits over the second quarter. High yield was the best performer as appetite for risk improved on signs of progress in US-Iran peace talks and resilience in the US economy. Global high yield and European high yield spreads both narrowed by 63 bps to 280 and 269, respectively. US high yield spreads tightened by 47 bps to 270. Investment grade spread tightening was more modest but still in double-digits. Global and US investment grade credit spreads narrowed by 14 bps to 70 and 69, respectively. European investment grade spreads were 13 bps tighter at 67; UK investment grade spreads were also at 67 (10 bps narrower). Hard currency EMD, as measured by the JPM EMBI Global Index, rose by 4.0%. Local currency EMD as measured by the JP Morgan GBI-EM Global Diversified Index increased a similar amount, up 3.9% over the quarter, benefitting from strong carry and improving risk sentiment as geopolitical tensions focused on the Middle East began to ease and oil prices fell back sharply.

Global Government Bond Fund:

The sub-fund has an expected outperformance of **0.70%** in excess of the sub-fund benchmark gross of fees, over the longer term.

	Q2 2026	1 Year	3 Year	5 Year	Since Inception
Gross	0.8	2.0	3.4	-0.2	-0.3
Net	0.8	1.7	3.1	-0.4	-0.5
FTSE World Gvt Bond Index (GBP Hedged)	1.1	2.3	3.2	-0.6	-0.9
Excess returns (gross)	-0.3	-0.3	0.2	0.4	0.6
Excess returns (Net)	-0.3	-0.6	-0.1	0.2	0.4

Inception Date: COB 30th July 2020
Source: Northern Trust as of 30 June 2026
Benchmark: FTSE World Government Bond Index (GBP Hedged)

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

Overall Fund Commentary

The Fund recorded a positive absolute return but lagged the FTSE World Government Bond Index GBP Hedged benchmark.

Within the market environment, the underweight exposure towards core eurozone bonds and overweight to short-dated US Treasuries detracted from relative returns. A small underweight to rates in China was also unrewarded. However, overweight exposure to emerging markets including Mexico, Poland and Colombia contributed positively. Overweights to rates in traditional developed markets Australia and New Zealand and an underweight to rates in Japan also helped limit further underperformance.

Global Credit Fund:

The sub-fund has an expected outperformance of **0.75%** in excess of the sub-fund benchmark gross of fees, over the longer term.

	Q2 2026	1 Year	3 Year	5 Year	Since Inception
Gross	1.8	4.4	5.6	0.1	0.4
Net	1.7	4.2	5.4	-0.1	0.2
Bloomberg Barclays Global Agg Credit Index (GBP Hedged)	1.8	4.3	5.4	0.3	0.4
Excess returns (gross)	0.0	0.1	0.2	-0.2	0.0
Excess returns (Net)	-0.1	-0.1	0.0	-0.4	-0.2

Inception Date: COB 27th July 2020
Source: Northern Trust as of 30 June 2026
Benchmark: Bloomberg Barclays Global Aggregate Credit Index (GBP Hedged)

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

Overall Fund Commentary

The Fund ended flat with the benchmark return over the second quarter.

Within the market environment although the Fund benefitted from allocations in corporate credit, this was partially offset by negative impacts elsewhere, including FX and hard currency emerging market debt. The main positive contributor in corporate credit was overweight exposure to US high yield, particularly financials. However, allocations to US investment grade detracted, largely due to an underweight to industrials. In European credit, allocations to high yield financials and investment grade industrials were unhelpful while an overweight to investment grade financials was beneficial. Elsewhere, an overweight to Australian investment grade financials and underweights to Canadian investment grade (financials, industrials) detracted. In hard currency emerging market debt, the biggest negative impact was seen in underweight exposure to investment grade in the Middle East. Furthermore, underweight exposure to Spanish sovereign debt was also ineffective.

Multi Asset Credit Fund:

The sub-funds aims 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.

	Q2 2026	1 Year	3 Year	5 Year	Since Inception
Gross	3.0	8.2	8.8	3.6	4.6
Net	2.9	7.9	8.4	3.2	4.2
3 Month GBP SONIA + 4%	1.9	8.1	8.9	7.7	7.1
Excess returns (gross)	1.1	0.1	-0.1	-4.1	-2.5
Excess returns (Net)	1.0	-0.2	-0.5	-4.5	-2.9
Strategic asset allocation benchmark	2.6	6.5	7.9	4.1	-

Inception Date: COB 27th July 2020
Source: Northern Trust as of 30 June 2026

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

The Strategic Asset Allocation is the portfolio's long-term target mix of fixed income investments, designed to help achieve the strategy's goals. It is built using both historical market data and forward-looking assumptions to find the desired weights.

***EMD local currency exposure is not hedged in this SAA return.**

Overall Fund Commentary

The Fund recorded a positive return in the second quarter.

Within this environment, both rates and credit positioning were rewarded while currency impacts detracted. In rates, allocations to US Treasuries and German bunds were beneficial. In corporate credit, a notable positive contribution was seen in exposure to US high yield, particularly financials and industrials. Positioning in European high yield credit was also rewarded. In hard currency emerging market debt exposure to Latin America was particularly effective; further contributions were seen in allocations to Europe and the Middle East. Elsewhere, bank loan exposure was effective, particularly one-year issues. In securitised credit exposure to collateralised loan obligations was beneficial. Allocations to credit risk transfers were also helpful. Negative impacts in currencies were seen in allocations to the US dollar and UK sterling.

The process of adding Aegon as a manager in the Fund was completed in the period. Its strategy aims to benefit from actively allocating to the best value opportunities across the non-investment grade European securitized market, investing in collateralized loan obligations and a broad range of asset backed security sectors. The higher comparable yield and quality of the strategy relative to other non-investment grade options makes it a compelling addition. In tandem with this addition, US securitized manager Voya was removed from the Fund line-up. We believe the European market exposure and higher potential returns are a better fit for the portfolio over time.

In addition, Russell Investments introduced a small allocation to Invesco through their US CLO AAA ETF. This invests in high quality securitized credits and will act as an enhanced cash sleeve, boosting the yield of the portfolio without any deterioration in the credit rating profile.

Absolute Return Bond Strategy Fund:

The sub-fund aims 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.

	Q2 2026	1 Year	3 Year	5 Year	Since Inception
Gross	1.9	5.2	6.8	4.9	4.6
Net	1.8	4.8	6.6	4.6	4.3
3 Month GBP SONIA + 2%	1.5	6.1	6.8	5.6	5.1
Excess returns (gross)	0.4	-0.9	0.0	-0.7	-0.5
Excess returns (Net)	0.3	-1.3	-0.2	-1.0	-0.8

Inception Date: COB 30th September 2020
Source: Northern Trust as of 30 June 2026

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

Overall Fund Commentary

The Fund recorded a positive return during the second quarter.

Within this environment, all four underlying managers recorded a positive return. Multi-sector generalist DNCA benefitted from a defensive positioning and preference for inflation-linked bonds. The Fund's exposure to convertibles was positive as they performed in-line with high yield credit. Meanwhile, interest rate strategies contributed positively. Exposure to European asset-backed securities remained rewarded but recorded lower returns than other areas of fixed income.

Sterling Credit Fund:

The sub-fund has an expected outperformance of **0.65%** in excess of the sub-fund benchmark net of fees, over the longer term.

	Q2 2026	1 Year	3 Year	5 Year	Since Inception
Gross	2.6	4.0	6.9	0.3	0.4
Net	2.5	3.9	6.8	0.2	0.3
ICE Bank of America Merrill Lynch Euro-Sterling Index	2.6	4.2	6.4	-0.5	-0.4
Excess returns (gross)	0.0	-0.2	0.5	0.8	0.8
Excess returns (Net)	-0.1	-0.3	0.4	0.7	0.7

Inception Date: COB 27th July 2020
Source: Northern Trust as of 30 June 2026
Benchmark: ICE Bank of America Merrill Lynch Euro-Sterling Index.

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

Overall Fund Commentary

The portfolio performed broadly in line with the benchmark over the quarter.

Credit positioning was the primary contributor to relative performance, while duration positioning detracted. At the sector level, overweight allocations to Banks & Brokers and Insurance issuers added value. At the issuer level, the overweight exposures to New York Life Insurance, Morgan Stanley and Northwestern Mutual were among the strongest contributors. Conversely, the underweight allocation to Utilities detracted from performance. From a single-name perspective, the absence of exposure to Eversholt Rail Group and Verizon Communications weighed on relative returns. The structural underweight to quasi and supranational issuers also held back performance. From a duration perspective, unfavourable positioning across the sterling yield curve detracted from performance. The overweight allocation to Japanese duration also weighed on returns as the Bank of Japan continued its policy normalisation, driving Japanese government bond yields higher. These headwinds were partially offset by positive contributions from the quantitative model.

WPP IM Co: Progress Update

September 2026

Prepared by Rob Lamb, Chief Executive Officer.

Following a highly significant three-month period for the organisation, this paper summarises key developments since June 1 2026, organised under the same three areas used in the prior JGC update: governance, people, and operations.

Governance

The governance structure separates three distinct roles: an independent IM Co Board responsible for the regulated entity, a Shareholder Board exercising reserved matters on behalf of the eight owners, and the Joint Governance Committee continuing as the collective client oversight body, working in close collaboration with the individual Pension Fund Committees.

The FCA requires the Company to demonstrate that it can operate independently of its shareholders, which has been built into the framework and agreed with all parties. With formal FCA authorisation confirmed as of September 1, this structure is now operational: -

- Transitionary Board directors have resigned, and new directors have been appointed, with all appropriate Companies House filings complete
- Regulatory capital has been called and confirmed
- Shareholder and Client services agreements have been signed and executed

The Shareholder Agreement requires a five-year business plan and annual budget approved by shareholder supermajority (75%) before April 2027. The remuneration policy is a separate reserved matter on the same threshold.

To expedite progression of the above, WPP IM Co. has developed a Governance roadmap, which was approved by the Board and shared with the JGC in July. Underpinned by distinct workstreams encompassing key operational activities, the roadmap outlines the decision-making touchpoints which will progress plan development towards securing Shareholder approval with engagement and consultation throughout.

Taking 'local investment' as an example of a key operational activity (which will feature as a distinct chapter within the finalised 5-yr plan), we are undertaking detailed stakeholder ecosystem engagement – comprising Local Government, economic development partners, Welsh Government and other intermediaries. This work will continue throughout Q3 and Q4 2026.

People

16 permanent members of staff and two contractors are now in post, with two more having accepted offers to join the company. We are pleased to have been able to continue recruitment based on a desire to blend institutional memory and relationships that are essential to continuity of service, while

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drawing on fresh perspectives from regulated investment management, risk, finance, communications, and operations backgrounds.

The blend is deliberate: we need people who understand the system we are inheriting and who have an instinctive feel for member interests. We also need people who bring the disciplines of the regulated environment we are entering. We remain committed to keeping our operation lean and focused, drawing on the availability of best-in-class talent and demonstrable commitment on the part of potential new recruits to serve WPP IM Co's distinct Welsh purpose.

As of September 1, we are delighted to confirm that the following appointees are now in post:

- Head of Investment Operations
- Director of Operations
- Director of People

Initial company meetings and team days have allowed us to connect as people, to align on our shared purpose and culture that define the company. During August we used this forum to begin discussing strategy development. While this continues (and will include consideration of the company's external presentation), we are now addressing our desire to build cross-functional competence and deep understanding of the wider LGPS landscape. The formal conferring of our mandate requires us to be cognisant of our individual and collective day-to-day compliance, technical and fiduciary responsibilities.

The leadership team has been recruited in full and on schedule, and in compliance with regulatory requirements under the FCA's Senior Manager Regime. The executive team includes the Chief Executive Officer and Chief Investment Officer as executive directors, supported by a Director of Finance, a Director of Risk, a Chief of Staff and recently, the Director of Operations and Director of People.

An independent Chair and Non-Executive Directors, including two Shareholder Non-Executive Directors proposed for consideration by the shareholders themselves, have been recruited. The Transitionary Board was formally dissolved on 28 July 2026, and with that, superseded by the WPP IM Co. Board. Induction and training for all new Board members continues. The Board convened for the first time following FCA authorisation on September 2, 2026, to discuss Company strategy.

Operations

The regulatory guidance underpinning the Pensions Scheme Act 2026 was enacted on June 30, 2026, and marked the official legislative enactment of the Government's 'Fit for the Future' pension reform package. One might construe this as the 'end of the beginning'.

As noted above, FCA confirmation of a minded to (in favour) of WPP IM Co. authorisation in July 2026 triggered execution of key agreements and implementation of a series of critical administrative processes to progress the business to full day one operational status as of September 1, 2026. The final step was the execution of the implementation service agreement, signed on August 27, 2026.

To this effect, inaugural Remuneration Committee and Audit Risk & Compliance Committee (ARCC) meetings took place on August 20 and September 1, 2026, respectively, which represented the first formal convening of either Board or its sub-committees in a post authorisation, 'live' operating environment.

We were delighted to move into our permanent home at One Central Square, Cardiff in early July. During a visit to the new office on July 9th, pensions Minister Torsten Bell expressed his gratitude for the pace at which WPP IM Co. has progressed and pledged his support to enable the company to progress to full authorisation as quickly as possible. We had further positive exchanges regarding the implementation of our governance roadmap and our intent to progress development of our local investment agenda through Q3 2026.

More broadly from an operational perspective, having continuity in this Ministerial post, with the additional benefit of the post holder being a Welsh MP, is welcome. We look forward to continued dialogue with Ministry of Housing, Communities and Local Government (MHCLG) over coming months.

The Director of Operations will now lead the remaining operational transition activity. This covers the novation of contracts with our middle office provider, custodians and investment managers, the establishment of service level agreements, and the systems and controls required to operate as a regulated firm from the point of authorisation.

IT support services are being outsourced to a third-party Managed Service Provider (MSP), and we were pleased to complete and expedite these contracts over the summer, with onboarding concluding in August 2026. We now move towards overseeing the performance of this critical provider in line with Company policy and regulatory standards.

Next steps

After a very short pause to reflect on the achievement of all those who have contributed to delivering our fledgling organisation safely to this critical milestone, we have turned our attention very quickly to the day-to-day business of discharging our investment implementation mandate. In parallel, we will progress several workstreams – enshrined within our governance roadmap - with the intent to secure Board approval for our 5-yr. business plan in Spring 2027.

Finally, as we move into Autumn after a long, hot Summer, we know that the real work of mandate implementation, client and member accountability, and Governance discipline awaits us. I am confident that with the team we are putting in place, we are well positioned to start repaying the faith which has been placed in this organisation. We are delighted to be formally authorised to commence regulated activities. We accept the challenge with humility, and with quiet confidence that we can succeed.

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Rob Lamb
CEO, Wales Pension Partnership Investment Management Company

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MEETING	**PENSIONS COMMITTEE**
DATE	**23 NOVEMBER 2026**
TITLE	**GWYNEDD PENSION FUND'S FINAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2026 AND RELEVANT AUDIT REPORT**
PURPOSE	**To Submit Gwynedd Pension Fund's –** • **Statement of Accounts post- audit,** • **Audit Wales' ISA260 report, and** • **the Letter of Representation**
RECOMMENDATION	**To consider the auditor's report, approve the Statement of Accounts and authorise the Chair and Head of Finance to certify the letter**
RELEVANT OFFICERS	**Dewi Morgan, Head of Finance** **Delyth Jones-Thomas, Investment Manager**

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1. STATUTORY ACCOUNTS FOR 2025/26

Gwynedd Pension Fund's statutory 2025/26 Statement of Accounts (post audit) are attached here, providing details of the Fund's financial activities during the year which ended on 31 March 2026.

2. AUDIT BY AUDIT WALES ON BEHALF OF THE AUDITOR GENERAL

These accounts have been audited by Audit Wales, and the 'ISA 260' report in respect of Gwynedd Pension Fund is presented here on behalf of the Auditor General for Wales, detailing the audit's findings.

3. PENSION FUND ANNUAL GENERAL MEETING

Gwynedd Pension Fund's Statement of Accounts will also be presented for information to Committee members, Board members, and scheme employers at the Pension Fund's Annual General Meeting at 1pm on 23 November 2026.

4. RECOMMENDATION

The Pensions Committee is asked -

- to consider and approve Gwynedd Pension Fund's post-audit Statement of Accounts for 2025/26
- to note the 'ISA 260' report from Audit Wales, and receive the auditor's comments, and
- to authorise the Chair and s.151 to (electronically) certify the Letter of Representation after the Pensions Committee has approved the above.

Gwynedd Pension Fund

STATEMENT OF ACCOUNTS 2025/26

NARRATIVE REPORT

Introduction

Gwynedd Pension Fund's accounts and notes for the year 2025/26 are presented here on pages 5 to 44.

The accounts consist of the Gwynedd Pension Fund Account and Net Assets Statement.

These accounts are supported by this Narrative Report, the Accounting Policies and various notes to the accounts.

The Pension Fund accounts, and accompanying notes, summarise the financial transactions and net assets related to the provision of pensions and other benefits payable to former employees of all the Fund's employers, including Anglesey, Conwy and Gwynedd Councils, Eryri National Park Authority, Police and Crime Commissioner for North Wales, Cartrefi Conwy, Adra, various town and community councils, and other scheduled and admitted bodies.

The Statement of Accounts and further information is available on Gwynedd Pension Fund's website www.gwyneddpensionfund.wales.

The Fund has two important statements which set out the strategies for ensuring pensions are funded now and in the future as follows:

- Funding Strategy Statement – the statement sets out the fund-specific strategy which will identify how employer pensions liabilities are best met going forward. It is reviewed every three years after the triennial actuarial valuation and includes individual employer rates for the following period.
- Investment Strategy Statement - the statement sets out the types of investments and broad limits on each type of investment.

Both these statements are available on the Fund's website under the investments section.

An Actuarial Valuation is required every three years to establish the level of assets available to pay pensions now and in the future. The most recent valuation was at 31 March 2025 and any changes to employers' contributions will be made from 1 April 2026 onwards for three years.

Further information relating to the accounts is available from:

Delyth Jones-Thomas
Investment Manager
01286 679128
delythwynjonesthomas@gwynedd.llyw.cymru

Finance Department
Cyngor Gwynedd
Council Offices
Caernarfon
Gwynedd
LL55 1SH

It is part of the Fund's policy to provide full information relating to the Fund's affairs. In addition, interested members of the public have a statutory right to inspect the accounts before the audit is completed. The availability of the accounts for inspection will be notified on the Pension Fund website at the appropriate time.

Accessibility Statement

We are aware that, due to the nature and format of the disclosures required to be included in this document, each of the tables is not fully compatible with accessibility standards. If you have any questions about this statement of accounts or would like any of the tables or disclosures to be provided in a more accessible format, please contact investmentunit@gwynedd.llyw.cymru

STATEMENT OF RESPONSIBILITIES FOR THE STATEMENT OF ACCOUNTS

THE PENSION FUND'S RESPONSIBILITIES

Cyngor Gwynedd as administrating authority (effectively the trustee) for Gwynedd Pension Fund is required to make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In Cyngor Gwynedd, that "Section 151 Officer" is the Head of Finance. It is also the administrating authority's responsibility to manage its affairs to secure economic, efficient and effective use of its resources, to safeguard its assets, and to approve the Statement of Accounts.

23 November 2026

Councillor Elin Hywel

Chair, Pensions Committee

THE HEAD OF FINANCE'S RESPONSIBILITIES

The Head of Finance is responsible for the preparation of the Pension Fund Statement of Accounts in accordance with proper practices as set out in the CIPFA/LASAAC *Code of Practice on Local Authority Accounting in the United Kingdom* ("the Code").

In preparing the statement of accounts, the Head of Finance has selected suitable accounting policies and then applied them consistently; has made judgements and estimates that were reasonable and prudent; and complied with the Code.

The Head of Finance has also kept proper accounting records which were up to date, and has taken reasonable steps for the prevention and detection of fraud and other irregularities.

RESPONSIBLE FINANCIAL OFFICER'S CERTIFICATE

I certify that the Statement of Accounts has been prepared in accordance with the arrangements set out above, and presents a true and fair view of the financial position of Gwynedd Pension Fund at 31 March 2026 and the Pension Fund's income and expenditure for the year then ended.



16 November 2026

Dewi Morgan CIPFA

Head of Finance, Cyngor Gwynedd

GWYNEDD PENSION FUND ACCOUNTS

THE FUND ACCOUNT

31 March 2025 £'000		Notes	31 March 2026 £'000
	Dealings with members, employers and others directly involved in the Fund		
101,760	Contributions	7	101,495
3	Other income	8	5
9,156	Transfers in from other pension funds	9	9,378
110,919			**110,878**
(94,520)	Benefits	10	(95,546)
(7,870)	Payments to and on account of leavers	11	(8,147)
(102,390)			**(103,693)**
8,529	**Net additions/ (withdrawals) from dealings with members**		**7,185**
(18,282)	Management expenses	12	**(13,672)**
(9,753)	**Net additions/ (withdrawals) including fund management expenses**		**(6,487)**
	Returns on investments		
65,847	Investment income	13	84,845
105,626	Profit and losses on disposal of investments and changes in the market value of investments	14	283,936
171,473	**Net returns on investments**		**368,781**
161,720	**Net Increase/ (Decrease) in the net assets available for benefits during the year**		**362,294**
3,069,995	**Opening net assets of the scheme**		**3,231,715**
3,231,715	**Closing net assets of the scheme**		**3,594,009**

The notes on pages 7 to 44 form part of these Financial Statements

NET ASSETS STATEMENT

31 March 2025 £'000		Notes	31 March 2026 £'000
0	Long term investments	14	159
3,192,243	Investment assets	14	3,533,304
1,546	Cash deposits	14	7,208
(642)	Investment liabilities	14	0
3,193,147	**Total net investments**		**3,540,671**
42,580	Current assets	20	61,725
(4,012)	Current liabilities	21	(8,387)
3,231,715	**Net assets of the fund available to fund benefits at the end of the reporting period**		**3,594,009**

The Financial Statements do not take into account the Fund's liability to pay pensions and other benefits to all the present contributors to the Fund after the financial year-end, but rather summarises the transactions and net assets of the Fund. The liabilities of the Fund are taken into account in the periodic actuarial valuations of the Fund (most recently as at 31 March 2025) and are reflected in the levels of employers' contributions determined at the valuation, so that the Fund will be able to meet future liabilities. The actuarial present value of promised retirement benefits is shown in Note 19.

NOTES TO THE GWYNEDD PENSION FUND ACCOUNTS

NOTE 1 – DESCRIPTION OF FUND

The Gwynedd Pension Fund ("the Fund") is part of the Local Government Pension Scheme (LGPS) and is administered by Cyngor Gwynedd.

a) General

The Fund is governed by the Public Service Pensions Act 2013. The Fund is administered in accordance with the following secondary legislation:

- the Local Government Pension Scheme Regulations 2013 (as amended);
- the Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014 (as amended);
- the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016.

It is a contributory defined benefit pension scheme administered by Cyngor Gwynedd to provide pensions and other benefits for pensionable employees of Cyngor Gwynedd, two other local authorities and other scheduled, resolution and admission bodies within the former Gwynedd County Council area. Teachers, police officers and firefighters are not included as they are in other national pension schemes. The Fund is overseen by the Pensions Committee, which is a committee of Cyngor Gwynedd.

b) Membership

Membership of the LGPS is voluntary and employees are free to choose whether to join the scheme, remain in the scheme or make their own personal arrangements outside the scheme. Organisations participating in the Gwynedd Pension Fund include:

- Scheduled bodies, which are local authorities and similar bodies whose staff are automatically entitled to be members of the Fund.
- Resolution bodies, which are city, town and community councils. They have the power to decide if their employees can join the LGPS and pass a resolution accordingly.
- Admission bodies, which are other organisations that participate in the Fund under an admission agreement between the Fund and the relevant organisations. Admission bodies include voluntary, charitable and similar bodies or private contractors undertaking a local authority function following outsourcing to the private sector.

NOTE 1 – DESCRIPTION OF FUND (continued)

The following bodies are active employers within the Pension Fund:

Scheduled Bodies	
Cyngor Gwynedd	Eryri National Park Authority
Conwy County Borough Council	Bryn Eilian School
Isle of Anglesey County Council	Emrys ap Iwan School
Police and Crime Commissioner for North Wales	Pen y Bryn School
Llandrillo – Menai Group	Eirias High School
GwE (until 31/05/2025)	North and Mid Wales Trunk Road Agency
North Wales Corporate Joint Committee	
Resolution Bodies	
Llanllyfni Community Council	Ffestiniog Town Council
Bangor City Council	Llandudno Town Council
Abergele Town Council	Llangefni Town Council
Colwyn Bay Town Council	Menai Bridge Town Council
Beaumaris Town Council	Towyn and Kinmel Bay Town Council
Holyhead Town Council	Tywyn Town Council
Caernarfon Town Council	Conwy Town Council
Llanfairfechan Town Council	Llanrwst Town Council
Llanfair Mathafarn Eithaf Town Council	
Admission Bodies	
Adult Learning Wales	North Wales Society for the Blind
Adferiad Recovery	Community and Voluntary Support Conwy
Holyhead Joint Burial Committee	Careers Wales North West
Cwmni'r Fran Wen	Mantell Gwynedd
Menter Môn	Medrwn Môn
Menter Iaith Gwynedd	
Community Admission Bodies	
Cartrefi Conwy	Adra
Byw'n Iach	
Transferee Admission Bodies	
ABM Catering (until 31/07/2025)	A E & A T Lewis
Chartwells	

NOTE 1 – DESCRIPTION OF FUND (continued)

Membership details are set out below:

	31 March 2025	31 March 2026
Number of employers	47	45
Number of employees in scheme		
County Council	15,198	15,351
Other employers	4,214	4,156
Total	**19,412**	**19,507**
Number of pensioners		
County Council	10,746	11,263
Other employers	2,530	2,687
Total	**13,276**	**13,950**
Deferred pensioners		
County Council	12,435	12,735
Other employers	2,411	2,456
Total	**14,846**	**15,191**
Unclaimed benefits		
County Council	4,055	4,152
Other employers	628	628
Total	**4,683**	**4,780**
Undecided Leavers		
County Council	1,604	1,360
Other employers	188	185
Total	**1,792**	**1,545**
Total number of members in pension scheme	**54,009**	**54,973**

c) Funding

Benefits are funded by contributions and investment earnings. Contributions are made by active members of the Fund in accordance with the Local Government Pension Scheme Regulations 2013 and ranged from 2.75% to 12.5% of pensionable pay for the financial year ending 31 March 2026. Employer contributions are set based on triennial actuarial funding valuations. The valuation relating to this year was at 31 March 2022. The employer contribution rates range from 0.0% to 31.8% of pensionable pay.

NOTE 1 – DESCRIPTION OF FUND (continued)

d) Benefits

Prior to 1 April 2014 pension benefits under the LGPS were based on final pensionable pay and length of pensionable service, summarised below:

	Service pre-1 April 2008	**Service post-31 March 2008**
Pension	Each year worked is worth 1/80 x final pensionable salary.	Each year worked is worth 1/60 x final pensionable salary.
Lump sum	Automatic lump sum of 3 x salary. In addition, part of the annual pension can be exchanged for a one-off tax-free cash payment. A lump sum of £12 is paid for each £1 of pension given up.	No automatic lump sum. Part of the annual pension can be exchanged for a one-off tax-free cash payment. A lump sum of £12 is paid for each £1 of pension given up.

From 1 April 2014, the Fund became a career average scheme as summarised below:

	Service post-31 March 2014
Pension	Each year worked is worth 1/49 x career average revalued earnings (CARE)
Lump Sum	No automatic lump sum. Part of the annual pension can be exchanged for a one-off tax-free cash payment. A lump sum of £12 is paid for each £1 of pension given up.

Accrued pension is increased annually in line with the Consumer Prices Index.

There are a number of other benefits provided under the scheme including early retirement, disability pensions and death benefits. For more details, please refer to the Gwynedd Pension Fund scheme handbook available from Cyngor Gwynedd's Pensions Section.

NOTE 2 – BASIS OF PREPARATION

The Statement of Accounts summarises the Fund's transactions for the 2025/26 financial year and its position at year-end as at 31 March 2026. The accounts have been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2025/26 which is based upon International Financial Reporting Standards (IFRS), as amended for the UK public sector. The accounts have been prepared on a going concern basis.

Paragraph 3.3.1.2 of the Code requires disclosure of any accounting standards issued but not yet adopted. No such accounting standards have been identified for 2025/26.

The accounts report on the net assets available to pay pension benefits. They do not take account of obligations to pay pensions and benefits that fall due after the end of the financial year nor do they take into account the actuarial present value of promised retirement benefits. The actuarial present value of promised retirement benefits, valued on an International Accounting Standard (IAS) 19 basis, is disclosed at Note 19 of these accounts.

NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Fund Account – revenue recognition

a) Contribution Income

Normal contributions are accounted for on an accrual basis as follows:

- Employee contributions rates are set in accordance with LGPS regulations, using common percentage rates for all schemes that rise according to pensionable pay.
- Employer contributions are set at the percentage rate recommend by the fund actuary for the period to which they relate.

Employer deficit funding contributions are accounted for on the due dates on which they are payable under the schedule of contributions set by the fund's actuary or on receipt if earlier than the due date.

Employers' augmentation contributions and pensions strain contributions are accounted for in the period in which the liability arises. Any amount due in year but unpaid will be classed as a current financial asset. Amounts not due until future years are classed as long-term financial assets.

b) Transfers to and from other schemes

Transfer in and out relate to members who have joined or left the fund.

Individual transfers in/ out are accounted for when received or paid. Transfers in from members wishing to use the proceeds of their additional voluntary contributions (see below) to purchase scheme benefits are accounted for on a receipts basis and are included in Transfers In (Note 9).

Bulk (group) transfers are accounted for on an accruals basis in accordance with the terms of the transfer agreement.

Where an employer leaves the scheme, any contributions required or exit credit payable on closure is accrued in the year of departure.

c) Investment income

i) Interest income

Interest income is recognised in the Fund account as it accrues, using the effective interest rate of the financial instrument as at the date of acquisition or origination.

ii) Dividend income

Dividend income is recognised on the date the shares are quoted ex-dividend. Any amount not received by the end of the reporting period is disclosed in the net assets statement as a current financial asset.

iii) Distributions from pooled funds including property

Distributions from pooled funds are recognised at the date of issue. Any amount not received by the end of the reporting period is disclosed in the net assets statement as a current financial asset.

iv) Movement in the net market value of investments

Changes in the net market value of investments are recognised as income and comprise all realised and unrealised profits/losses during the year.

v) Accumulated funds

Income earned within the pooled investment is retained by fund managers as part of the capital assets of the fund and is reflected in a higher unit price.

NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fund account – expense items

d) Benefits payable

Pensions and lump-sum benefits payable include all amounts known to be due as at the end of the financial year. Any amounts due but unpaid are disclosed in the net assets statement as current liabilities, providing that payment has been approved.

e) Management expenses

The fund discloses its management expenses in line with CIPFA guidance Accounting for Local Government Pension Scheme Management Expenses (2016), as shown below. All items of expenditure are charged to the fund on an accrual basis as follows:

Administrative expenses

All staff costs of the pensions administration team are charged direct to the Fund. Council recharges for management, accommodation and other overhead costs are also accounted for as administrative expenses of the fund.

Oversight and governance costs

All costs associated with oversight and governance are separately identified, apportioned to this activity and charged as expenses to the fund.

Investment management expenses

Investment fees are charged directly to the fund as part of management expenses and are not included in, or netted off from, the reported return on investments. Where fees are netted off returns by investment managers, these expenses are grossed up to increase the change in value of investments.

Fees charges by external investment managers and custodians are set out in the respective mandates governing their appointments. Broadly, these are based on the market value of the investments under their management and therefore increase or reduce as the value of these investments change.

Transaction costs are associated with the acquisition or disposal of fund assets and are disclosed in the notes to the accounts.

f) Taxation

The Fund is a registered public service scheme under section 1(1) of Schedule 36 of the Finance Act 2004 and as such is exempt from UK income tax on interest received and from capital gains tax on the proceeds of investments sold. Income from overseas investments suffers withholding tax in the country of origin, unless exemption is permitted. Irrecoverable tax is accounted for as a Fund expense as it arises.

NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Net assets statement

g) Financial assets

All investment assets are included in the net assets statement on a fair value basis as at the reporting date. A financial asset is recognised in the net assets statement on the date the fund becomes party to the contractual acquisition of the asset. Any gains or losses on investment sales arising from changes in the fair value of the asset are recognised in the fund account.

The values of investments as shown in the net assets statement have been determined at fair value in accordance with the requirement of the Code and IFRS 13 (see note 15). For the purposes of disclosing levels of fair value hierarchy, the fund has adopted the classification guidelines recommended in Practical Guidance on Investment Disclosures (PRAG/ Investment Association, 2016).

The Gwynedd Pension Fund and the other seven shareholders each hold a 12.5% share in Wales Pension Partnership Investment Management Company Limited (Company Number 16645479). As such, no Fund is deemed to have a significant influence, and this long- term investment is accounted for at fair value. The Fund advanced a contribution of £158,825 during 2025/26 to fund the initial set- up costs of the company.

h) Foreign currency transactions

Dividends, interest and purchases and sales of investments in foreign currencies have been accounted for at the spot market rates at the date of transaction. End of year spot market exchange rates are used to value cash balances held in foreign currency bank accounts, market values of overseas investments and purchases and sales outstanding at the end of the reporting period.

i) Cash and cash equivalents

Cash comprises cash in hand and demand deposits and includes amounts held by the fund's external managers. All cash balances are short-term, highly liquid investments that are readily convertible to known amounts of cash and that are subject to minimal risk of changes in value.

j) Financial liabilities

A financial liability is recognised in the net asset statement on the date the fund becomes legally responsible for that liability. The fund recognises financial liabilities relating to investment trading at fair value and any gains and losses arising from changes in the fair value of the liability between contract date, the year-end date and the eventual settlement date are recognised in the fund account as part of the change in value of investments.

Other financial liabilities classed as amortised cost are carried in the net assets statement at the value of the outstanding principal at 31 March each year. Any interest due not yet paid is accounted for on an accruals basis and included in administration costs.

k) Actuarial present value of promised retirement benefits

The actuarial present value of promised retirement benefits is assessed on a triennial basis by the fund actuary in accordance with the requirements of IAS19 and relevant actuarial standards.

As permitted under the Code, the Fund has opted to disclose the actuarial present value of promised retirement benefits by way of a note to the net assets statement (Note 19).

NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

l) Additional voluntary contributions

Gwynedd Pension Fund provides an additional voluntary contributions (AVC) scheme for its members, the assets of which are invested separately from those of the Pension Fund. There are three AVC funds. They are held with Clerical Medical, Utmost Life and Standard Life. The AVC providers secure additional benefits on a money purchase basis for those members electing to pay additional voluntary contributions. Members participating in these arrangements each receive an annual statement made up to 31 March confirming the amounts held in their account and the movements in year.

AVCs are not included in the accounts in accordance with Section 4(1)(b) of the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016 but are disclosed for information only in Note 22.

m) Contingent assets and contingent liabilities

A contingent asset arises where an event has taken place giving rise to a possible asset whose existence will only be confirmed or otherwise by future events. A contingent liability arises where an event prior to the year end has created a possible financial obligation whose existence will only be confirmed or otherwise by future events. Contingent liabilities can also arise when it is not possible at the Balance Sheet to measure the value of the financial obligation reliably.

Contingent assets and liabilities are not recognised in the net asset statement but are disclosed by way of narrative in the notes.

NOTE 4 – CRITICAL JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

Unquoted private equity, private credit and infrastructure investments

The fair value of private equity, private credit and infrastructure investments are inherently based on forward-looking estimates and judgements involving many factors. Unquoted private equities, private credit and infrastructure are valued by the investment managers using guidelines set out by IFRS accounting standards. The value of unquoted securities at 31 March 2026 was £432.5 million (£413.0 million at 31 March 2025).

Pension fund liability

The pension fund liability is calculated every three years by the appointed actuary, with annual updates in the intervening years. The methodology used is in line with accepted guidelines and in accordance with IAS19. Assumptions underpinning the valuations are agreed with the actuary and are recognised in Note 18. This estimate is subject to significant variances based on changes to the underlying assumptions.

NOTE 5 – ASSUMPTIONS MADE ABOUT THE FUTURE AND OTHER MAJOR SOURCES OF ESTIMATION UNCERTAINTY

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts. Estimates and assumptions take account of historical experience, current trends and future expectations. However, actual outcomes could be different from assumptions and estimates made.

The items in the net assets statement for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

Item	Uncertainties	Effect if actual results differ from assumptions
Actuarial present value of promised retirement benefits (Note 19)	Estimation of the net liability to pay pension depends on a number of complex judgements relating to the discount rate used, salary increases, changes in retirement ages, mortality rates and return on fund assets. Hymans Robertson is engaged to provide the fund with expert advice about the assumptions to be applied.	The effects on the net pensions liability of changes in individual assumptions can be measured. However, the assumptions interact in complex ways.
Private equity, private credit and infrastructure	Private equity, private credit and infrastructure investments are valued at fair value in accordance with British Venture Capital Association guidelines (December 2018). These investments are not publicly listed and as such there is a degree of estimation involved in the valuation.	The total private equity, private credit and infrastructure investments in the financial statements are £432.5 million. There is a risk that this investment may be under or overstated in the accounts.

NOTE 6 – EVENTS AFTER THE REPORTING DATE

The Fund has come together with the other 7 Welsh LGPS Funds to form the Wales Pension Partnership Investment Management Company (WPP IM Co), which is 1/8th owned by each Fund.

WPP IM Co (Company number 16645479) received FCA authorisation on 10 August 2026 and commenced regulated activities on behalf of the Welsh LGPS funds from 1 September 2026.

Each Fund has provided regulatory capital during 2026/27 and fees will be charged depending on services taken up and assets under management.

NOTE 7 – CONTRIBUTIONS RECEIVED

By category

2024/25 £'000		2025/26 £'000
24,831	Employees' contributions	26,040
	Employers' contributions:	
76,844	• Normal contributions	80,584
85	• Other*	(5,129)
76,929	**Total employers' contributions**	**75,455**
101,760	**Total contributions receivable**	**101,495**

By type of employer

2024/25 £'000		2025/26 £'000
32,503	Cyngor Gwynedd	33,981
63,001	Other scheduled bodies	60,587
1,872	Admission bodies	2,380
3,691	Community admission bodies	3,895
150	Transferee admission bodies	147
458	Resolution bodies	505
85	Closed funds**	0
101,760		**101,495**

* Other – this relates to exit credit transactions

** Closed funds –the employer was previously an admission body but is now a closed fund.

NOTE 8 – OTHER INCOME

2024/25 £'000		2025/26 £'000
3	Income from divorce calculations	5
3		**5**

NOTE 9 – TRANSFERS IN FROM OTHER PENSION FUNDS

2024/25 £'000		2025/26 £'000
9,156	Individual transfers	9,378
9,156		**9,378**

NOTE 10 – BENEFITS PAID

By category

2024/25 £'000		2025/26 £'000
70,063	Pensions	74,126
21,597	Commutation and lump sum retirement benefits	19,330
2,860	Lump sum death benefits	2,090
94,520		**95,546**

By type of employer

2024/25 £'000		2025/26 £'000
28,742	Cyngor Gwynedd	29,492
48,151	Other scheduled bodies	48,969
2,085	Admission bodies	1,896
2,417	Community admission bodies	2,558
56	Transferee admission bodies	23
133	Resolution bodies	163
12,936	Closed funds	12,445
94,520		**95,546**

NOTE 11 – PAYMENTS TO AND ON ACCOUNT OF LEAVERS

2024/25 £'000		2025/26 £'000
209	Refunds to members leaving service	328
0	Payments for members joining state scheme	(1)
7,661	Individual transfers	7,820
7,870		**8,147**

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NOTE 12 – MANAGEMENT EXPENSES

2024/25 £'000		2025/26 £'000
15,738	Investment management expenses	10,885
1,988	Administrative costs	2,145
556	Oversight and governance costs	642
18,282		**13,672**

NOTE 12a – INVESTMENT MANAGEMENT EXPENSES

2025/26	Management Fees £'000	Transaction Costs £'000	Total £'000
Pooled Funds			
Fixed Income	626	0	**626**
Equities	949	1,136	**2,085**
Other Investments			
Pooled Property	1,162	5	**1,167**
Private Credit	1,089	0	**1,089**
Private Equity	1,865	0	**1,865**
Infrastructure	3,553	135	**3,688**
	9,244	1,276	**10,520**
Custody Fees			**365**
Total			**10,885**

2024/25	Management Fees £'000	Transaction Costs £'000	Total £'000
Pooled Funds			
Fixed Income	594	101	**695**
Equities	1,807	986	**2,793**
Other Investments			
Pooled Property	1,708	0	**1,708**
Private Credit	990	0	**990**
Private Equity	4,370	0	**4,370**
Infrastructure	4,763	88	**4,851**
	14,232	1,175	**15,407**
Custody Fees			**331**
Total			**15,738**

The management fees disclosed above include all investment management fees directly incurred by the Fund including those charged on pooled investment vehicles. There are no performance-related fees paid to investment managers. In addition to these costs, indirect costs are incurred through the bid-offer spread on investment sales and purchases. They are reflected in the cost of investment purchases and in the proceeds of sales of investments in Note 14a.

The WPP Global Growth, Global Opportunities, Sustainable Equity, Multi Asset Credit, Absolute Return Bond, Global Credit and Emerging Market funds are investments which are appointed via a manager of managers approach which have their own underlying fees. The return for this mandate are net of the underlying manager fees which is reflected in Note 14a within the 'Change in Market value'. For transparency, the fees in 2025/26 were £6,141,626 (£4,125,186 in 2024/25).

NOTE 12b- ADMINISTRATIVE COSTS

2024/25 £'000		2025/26 £'000
903	Direct employee costs	951
648	Other direct costs	717
437	Support services, including IT	477
1,988		**2,145**

Administrative costs include amounts charged to the Pension Fund by Cyngor Gwynedd for staff costs, support services and accommodation.

NOTE 12c- OVERSIGHT AND GOVERNANCE COSTS

2024/25 £'000		2025/26 £'000
143	Actuarial fees	213
68	Investment consultancy fees	69
47	Performance monitoring service	25
44	External audit fees	46
13	Pensions Committee and Local Pension Board	17
241	Wales Pensions Partnership	272
556		**642**

NOTE 12d- WALES PENSION PARTNERSHIP

The investment management expenses in Note 12a are fees payable to Waystone (the WPP operator) and include fund manager fees (which also includes the operator fee and other associated costs), transaction costs and custody fees. These costs are based on each Fund's percentage share of WPP pooled assets and are deducted from the Net Asset Value (NAV).

The oversight and governance costs in Note 12c are the annual running costs of the pool which includes the host authority costs and other external advisor costs. These costs are funded equally by all eight of the local authority Pension Funds in Wales.

The following fees are included in Note 12 in relation to the Wales Pension Partnership and further details on the WPP can be found in the Annual Report.

	2024/25 £'000	2025/26 £'000
Investment Management Expenses		
Fund Manager fees	5,624	4,808
Transaction costs	1,175	1,270
Custody fees	331	365
	7,130	**6,443**
Oversight and governance costs		
Running costs	241	272
Total	**7,371**	**6,715**

NOTE 13 – INVESTMENT INCOME

2024/25 £'000		2025/26 £'000
28,082	Fixed Income	32,434
20,417	Equities	21,499
1,252	Private Credit	5,322
2,408	Private Equity	8,527
5,924	Infrastructure	9,908
6,242	Pooled property investments	4,993
1,522	Interest on cash deposits	2,162
65,847	**Total before taxes**	**84,845**

The Gwynedd Pension Fund has two bank accounts which are held as part of Cyngor Gwynedd's Group of Bank Accounts. The overall surplus cash held in the Group of Bank Accounts is invested on a daily basis. At the end of the financial year, Cyngor Gwynedd pays interest over to the Pension Fund, based on the Fund's daily balances over the year.

The Pension Fund also has a Euro account to deal with receipts and payments in Euros and to minimise exchange transactions and relevant costs.

NOTE 14 – INVESTMENTS

31 March 2025 £'000		31 March 2026 £'000
	Long-term investment assets	
0	WPP Investment Management Company	159
0		159
	Investment assets	
	Pooled Funds	
878,523	Fixed income	1,161,551
1,725,148	Equities	1,735,684
	Other Investments	
175,589	Pooled property investments	203,619
50,748	Private Credit	63,291
162,518	Private Equity	156,659
199,717	Infrastructure	212,500
3,192,243		**3,533,304**
1,546	Cash deposits	7,208
3,193,789	**Total investment assets**	**3,540,671**
	Investment liabilities	
(642)	Amounts payable for purchases	0
(642)	**Total investment liabilities**	**0**
3,193,147	**Net investment assets**	**3,540,671**

NOTE 14a – RECONCILIATION OF MOVEMENTS IN INVESTMENTS AND DERIVATIVES

2025/26	Market value at 1 April 2025	Purchases during the year	Sales during the year	Change in market value during the year	Market value at 31 March 2026
	£'000	£'000	£'000	£'000	£'000
Long term investments	0	159	0	0	159
Pooled investments*	2,603,671	2,899,491	(2,886,084)	280,157	2,897,235
Pooled property investments**	175,589	179,897	(148,319)	(3,548)	203,619
Private credit	50,748	14,531	(678)	(1,310)	63,291
Private equity / infrastructure	362,235	38,405	(33,552)	2,071	369,159
	3,192,243	3,132,483	(3,068,633)	277,370	3,533,463
Cash deposits	1,546				7,208
Amounts payable for purchases of Investments	(642)				
Fees within pooled vehicles				6,566	
Net investment assets	**3,193,147**			**283,936**	**3,540,671**

*During the year, share class conversions occurred within the following WPP funds: Multi Asset Credit, Absolute Return Bond, Emerging Markets Equity, Global Credit, Global Growth, Global Opportunities and Sustainable Active Equity.

** During the year, pooled property investments managed by Black Rock and UBS were transferred into the Schroders Real Estate Fund as part of the WPP pooling arrangements.

2024/25	Market value at 1 April 2024	Purchases during the year	Sales during the year	Change in market value during the year	Market value at 31 March 2025
	£'000	£'000	£'000	£'000	£'000
Pooled investments	2,558,668	59,499	(90,100)	75,604	2,603,671
Pooled property investments	210,350	3,980	(45,410)	6,669	175,589
Private credit	10,235	37,642	0	2,871	50,748
Private equity / infrastructure	257,011	118,878	(22,930)	9,276	362,235
	3,036,264	219,999	(158,440)	94,420	3,192,243
Cash deposits	499				1,546
Amounts payable for purchases of Investments	(333)				(642)
Fees within pooled vehicles				11,206	
Net investment assets	**3,036,430**			**105,626**	**3,193,147**

No derivative instruments were held by Gwynedd Pension Fund at 31 March 2026 or at 31 March 2025.

NOTE 14b – ANALYSIS OF INVESTMENTS

Investments analysed by fund manager

Market Value at 31 March 2025 £'000	%		Market Value at 31 March 2026 £'000	%
2,326,430	72.9	Wales Pension Partnership	2,812,268	79.5
521,850	16.3	BlackRock	500,194	14.1
226,167	7.1	Partners Group	192,557	5.4
36,337	1.1	Threadneedle	35,344	1.0
6,263	0.2	Lothbury	149	0.0
76,742	2.4	UBS	0	0.0
3,193,789	**100.0**		**3,540,512**	**100.0**

The following investments represent more than 5% of the net assets of the Fund:

Market Value at 31 March 2025 £'000	%		Market Value at 31 March 2026 £'000	%
403,246	12.5	WS Wales PP Absolute Return Bond Fund	554,275	15.4
460,613	14.3	WS Wales PP Global Opportunities Equity Fund	403,967	11.2
418,895	13.0	WS Wales PP Global Growth Fund	389,529	10.8
317,658	9.8	WS Wales PP Sustainable Active Equity Fund	359,705	10.0
233,417	7.2	WS Wales PP Global Credit Fund	347,858	9.7
294,958	9.1	Black Rock Aquila Life UK Equity Index Fund	301,088	8.4
241,859	7.5	WS Wales PP Multi Asset Credit Fund	259,418	7.2
0	0.0	BlackRock Aquila Life WPP World ESG INS EQ Fund	198,675	5.5
170,002	5.3	Black Rock ACS World Low Carbon Fund	0	0.0

NOTE 14c – STOCK LENDING

The Fund's investment strategy permits stock lending subject to specific approval. The income earned by the fund through stock lending was £215,750 (£135,500 in 2024/25). Currently the Fund has total quoted equities of £45.5m on loan (£44.7m at 31 March 2025). These equities continue to be recognised in the Fund's financial statements. No liabilities are associated with the loaned assets.

NOTE 15 – FAIR VALUE- BASIS OF VALUATION

All investment assets are valued using fair value techniques based on the characteristics of each instrument, where possible using market-based information. There has been no change in the valuation techniques used during the year.

Assets and liabilities have been classified into three levels, according to the quality and reliability of information used to determine fair values.

Level 1 – where the fair values are derived from unadjusted quoted prices in active markets for identical assets or liabilities, comprising quoted equities, quoted bonds and unit trusts.

Level 2 – where quoted market prices are not available, or where valuation techniques are used to determine fair value based on observable data.

Level 3 – where at least one input that could have a significant effect on the instrument's valuation is not based on observable market data.

NOTE 15 – FAIR VALUE- BASIS OF VALUATION (continued)

Description of Asset	Valuation hierarchy	Basis of valuation	Observable and unobservable inputs	Key sensitivities affecting the Valuations provided
Cash and cash equivalents	Level 1	Carrying value is deemed to be fair value because of the short- term nature of these financial instruments	Not required	Not required
Pooled investments- equity funds	Level 2	The 'NAV' (net asset value) is calculated based on the market value of the underlying assets	Evaluated price feeds	Not required
Pooled investments- fixed income	Level 2	The 'NAV' is calculated based on the market value of the underlying fixed income Securities	Evaluated price feeds	Not required
Pooled property funds	Level 3	Closing bid price where bid and offer prices are published; closing single price where single price is published	'NAV'- based set on a forward pricing basis	Valuations could be affected by changes to expected cashflows or by differences between audited and unaudited accounts
Private equities	Level 3	Comparable valuation of similar companies in accordance with International Private Equity and Venture Capital Valuation Guidelines 2018 and the IPEV Board's Special Valuation Guidance (March 2020)	• EBITDA multiple • Revenue multiple • Discount for lack of marketability • Control premium	Valuations could be affected by changes to expected cashflows or by differences between audited and unaudited accounts
Infrastructure	Level 3	Valued using discounted cashflow techniques to generate a net present value	Discount rate and cashflow used in the models	Rate of inflation, interest, tax and foreign exchange
Private credit	Level 3	Valuation techniques are used in accordance with U.S. GAAP to measure fair value that is consistent with market approach and/or income approach, depending on the type of security and the circumstance.	Private investments are fair valued initially based upon transaction price excluding expenses. The market approach uses prices generated by market transactions involving identical or comparable securities. The income approach	Valuations could be affected by changes to expected cash flows or by differences between audited and unaudited accounts.

			uses valuation techniques to discount estimated future cash flows to present value.	
Holdings in WPP IM Co	Level 3	Held at fair value	Initially measured at cost	Will be assessed in future for impairment

Sensitivity of assets valued at level 3

The values reported in the Level 3 valuations represent the most accurate estimation of the portfolio values as at 31 March 2026. Any subjectivity related to the investment value is incorporated into the valuation, and the sensitivity analysis can be seen in Note 17.

Transfers between levels 1 and 2

There were no transfers between levels 1 and 2 investments during 2025/26.

NOTE 15a – FAIR VALUE HIERARCHY

The values of the investment in private equity are based on valuations provided by the general partners to the private equity funds in which Gwynedd Pension Fund has invested. These valuations are prepared in accordance with the International Private Equity and Venture Capital Valuation Guidelines, which follow the valuation principles of IFRS and US GAAP.

The following table provides an analysis of the financial assets and liabilities of the pension fund grouped into Levels 1 to 3, based on the level at which the fair value is observable.

Values at 31 March 2026	Quoted market price Level 1 £'000	Using observable inputs Level 2 £'000	With significant unobservable inputs Level 3 £'000	Total £'000
Financial assets at fair value through profit and loss				
Long term investments	0	0	159	159
Fixed income	0	1,161,551	0	1,161,551
Equities	0	1,735,684	0	1,735,684
Pooled property investments	0	0	203,619	203,619
Private credit	0	0	63,291	63,291
Private equity	0	0	156,659	156,659
Infrastructure	0	0	212,500	212,500
Cash deposits	7,208	0	0	7,208
	7,208	**2,897,235**	**636,228**	**3,540,671**
Financial liabilities at fair value through profit and loss				
Payables for investment purchases	0	0	0	0
Total	**7,208**	**2,897,235**	**636,228**	**3,540,671**

NOTE 15a – FAIR VALUE HIERARCHY (CONTINUED)

Values at 31 March 2025	Quoted market Price Level 1 £'000	Using observable inputs Level 2 £'000	With significant unobservable inputs Level 3 £'000	Total £'000
Financial assets at fair value through profit and loss				
Fixed income	0	878,523	0	878,523
Equities	0	1,725,148	0	1,725,148
Pooled property investments	0	0	175,589	175,589
Private credit	0	0	50,748	50,748
Private equity	0	0	162,518	162,518
Infrastructure	0	0	199,717	199,717
Cash deposits	1,546	0	0	1,546
	1,546	**2,603,671**	**588,572**	**3,193,789**
Financial liabilities at fair value through profit and loss				
Payables for investment purchases	(642)	0	0	(642)
Total	**904**	**2,603,671**	**588,572**	**3,193,147**

NOTE 15b – RECONCILIATION OF FAIR VALUE MEASUREMENTS WITHIN LEVEL 3

	Market Value 1 April 2025 £'000	Transfers in/ out of Level 3 £'000	Purchases during the year £'000	Sales during the year £'000	Unrealised gains/ (losses) £'000	Realised (gains)/ losses £'000	Market Value 31 March 2026 £'000
Long term investment	0	0	159	0	0	0	159
Property	175,589	0	179,897	(152,900)	(3,548)	4,581	203,619
Private Credit	50,748	0	14,531	0	(1,310)	(678)	63,291
Private Equity	162,518	0	17,731	(8,240)	(5,279)	(10,071)	156,659
Infrastructure	199,717	0	20,674	(6,706)	7,350	(8,535)	212,500
Total Level 3	**588,572**	**0**	**232,992**	**(167,846)**	**(2,787)**	**(14,703)**	**636,228**

	Market Value 1 April 2024 £'000	Transfers in/ out of Level 3 £'000	Purchases during the year £'000	Sales during the year £'000	Unrealised gains/ (losses) £'000	Realised (gains)/ losses £'000	Market Value 31 March 2025 £'000
Property	210,350	0	3,980	(45,410)	6,669	0	175,589
Private Credit	10,235	0	37,642	0	2,871	0	50,748
Private Equity	167,029	0	12,230	(7,646)	1,177	(10,272)	162,518
Infrastructure	89,982	0	106,648	(1,552)	8,099	(3,460)	199,717
Total Level 3	**477,596**	**0**	**160,500**	**(54,608)**	**18,816**	**(13,732)**	**588,572**

NOTE 16 – CLASSIFICATION OF FINANCIAL INSTRUMENTS

Accounting policies describe how different asset classes of financial instruments are measured, and how income and expenses, including fair value gains and losses, are recognised. The following table analyses the carrying amounts of financial assets and liabilities by category and net assets statement heading. No financial assets were reclassified during the accounting period.

As at 31 March 2025				As at 31 March 2026		
Fair value through profit and loss	Assets at amortised cost	Liabilities at amortised cost		Fair value through profit and loss	Assets at amortised cost	Liabilities at amortised cost
£'000	£'000	£'000		£'000	£'000	£'000
			Financial assets			
0	0	0	Long term Investments	159	0	0
2,603,671	0	0	Pooled investments	2,897,235	0	0
175,589	0	0	Pooled property investments	203,619	0	0
50,748	0	0	Private credit	63,291	0	0
162,518	0	0	Private equity	156,659	0	0
199,717	0	0	Infrastructure	212,500	0	0
0	36,963	0	Cash	0	62,937	0
0	7,163	0	Debtors	0	5,996	0
3,192,243	**44,126**	**0**		**3,533,463**	**68,933**	**0**
			Financial liabilities			
0	0	(4,654)	Creditors	0	0	(8,387)
0	**0**	**(4,654)**		**0**	**0**	**(8,387)**
3,192,243	**44,126**	**(4,654)**		**3,533,463**	**68,933**	**(8,387)**

NOTE 16a – NET GAINS AND LOSSES ON FINANCIAL INSTRUMENTS

31 March 2025 Fair value £'000		31 March 2026 Fair value £'000
	Financial assets	
94,420	Fair value through profit and loss	277,370
0	Loans and receivables	0
94,420	**Total financial assets**	**277,370**
	Financial liabilities	
0	Fair value through profit and loss	0
0	Financial liabilities at cost	0
0	**Total financial liabilities**	**0**
94,420	**Net financial assets**	**277,370**

NOTE 17 – NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS

Risk and risk management

The Fund's primary long-term risk is that the Fund's assets will fall short of its liabilities (i.e. promised benefits payable to members). The aim of investment risk management is to minimise the risk of an overall reduction in the value of the Fund and to maximise the opportunity for gains across the whole Fund portfolio. The Fund achieves this through asset diversification to reduce exposure to market risk (price risk, currency risk and interest rate risk) and credit risk to an acceptable level. In addition, the Fund manages its liquidity risk to ensure there is sufficient liquidity to meet the Fund's forecast cash flows. The Fund manages these investment risks as part of its overall Pension Fund risk management programme.

Responsibility for the Fund's risk management strategy rests with the Pensions Committee. Risk management policies are established to identify and analyse the risks faced by the Pension's Fund operations, then reviewed regularly to reflect changes in activity and market conditions.

a) Market risk

Market risk is the risk of loss from fluctuations in equity and commodity prices, interest and foreign exchange rates and credit spreads. The Fund is exposed to market risk from its investment activities, particularly through its equity holdings. The level of risk exposure depends on market conditions, expectations of future price and yield movements and the asset mix.

The objective of the Fund's risk management strategy is to identify, manage and control market risk exposure within acceptable parameters, whilst maximizing investment return.

In general, excessive volatility in market risk is managed through the diversification of the portfolio in terms of geographical and industry sectors and individual securities. To mitigate market risk, the Fund and its investment advisors undertake appropriate monitoring of market conditions and benchmark analysis.

The Fund manages these risks in two ways:

- the exposure of the Fund to market risk is monitored through a risk factor analysis to ensure that risk remains within tolerable levels;
- specific risk exposure is limited by applying risk-weighted maximum exposures to individual investments.

Other price risk

Other price risk represents the risk that the value of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or foreign exchange risk), whether those changes are caused by factors specific to the individual instrument or its issuer or by factors affecting all such instruments in the market.

The Fund is exposed to share price risk. The Fund's investment managers mitigate this price risk through diversification and the selection of securities and other financial instruments is monitored to ensure it is within the limits set in the Fund investment strategy.

NOTE 17 – NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (continued)

Other price risk – sensitivity analysis

Following analysis of historical data and expected investment return movement during the financial year, in consultation with the Fund's investment advisors, the Fund has determined that the following movements in market price risk are reasonably possible for the 2024/25 and 2025/26 reporting period.

Asset type	Potential market movement (+/-)	
	31 March 2025	31 March 2026
	%	%
UK Equities	16.3	18.0
Global Equities	18.6	18.3
Emerging Markets Equities	24.3	26.9
Private Equity	26.6	27.0
Corporate Bonds	6.5	6.3
Senior Loans (Sub investment grade)	7.6	9.1
Absolute Return Bonds	2.7	2.7
Infrastructure	14.5	14.6
Property	15.2	15.9
Diversified Credit	6.3	6.1
Cash	0.3	0.3
Total Fund	**11.6**	**11.2**

The potential volatilities disclosed above are consistent with a one-standard deviation movement in the change of value of the assets over the latest three years. The total fund volatility takes into account the expected interactions between the different asset classes shown, based on the underlying volatilities and correlations of the assets, in line with mean variance portfolio theory.

NOTE 17 – NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (continued)

Had the market price of the Fund investments increased/decreased in line with the above, the change in the market price of the net assets available to pay benefits would have been as follows:

Asset type	Value as at 31 March 2026 £'000	Percentage change %	Value on Increase £'000	Value on decrease £'000
UK Equities	301,088	18.0	355,284	246,892
Global Equities	1,351,876	18.3	1,599,269	1,104,483
Emerging Markets Equities	82,721	26.9	104,973	60,469
Private Equity*	156,659	27.0	198,957	114,361
Corporate Bonds	347,858	6.3	369,774	325,943
Senior Loans (sub investment grades)*	63,291	9.1	69,051	57,532
Absolute Return Bonds	554,275	2.7	569,240	539,309
Infrastructure*	212,500	14.6	243,525	181,475
Property*	203,619	15.9	235,994	171,243
Diversified Credit	259,418	6.1	275,242	243,593
Cash	62,936	0.3	63,125	62,748
Debtors and Creditors	(2,391)	0.0	(2,391)	(2,391)
Long Term Investments*	159	0.0	159	159
Total assets available to pay Benefits	**3,594,009**		**4,082,202**	**3,105,816**
*Level 3 assets	636,228		747,686	524,770

Asset type	Value as at 31 March 2025 £'000	Percentage change %	Value on Increase £'000	Value on decrease £'000
UK Equities	294,958	16.3	343,036	246,880
Global Equities	1,367,167	18.6	1,621,460	1,112,874
Emerging Markets Equities	63,023	24.3	78,338	47,709
Private Equity*	162,518	26.6	205,748	119,288
Corporate Bonds	233,417	6.5	248,589	218,245
Senior Loans (sub investment grades)*	50,748	7.6	54,605	46,891
Absolute Return Bonds	403,247	2.7	414,134	392,359
Infrastructure*	199,717	14.5	228,676	170,758
Property*	175,588	15.2	202,278	148,899
Diversified Credit	241,859	6.3	257,097	226,622
Cash	36,963	0.3	37,073	36,851
Debtors and Creditors	2,510	0.0	2,510	2,510
Total assets available to pay Benefits	**3,231,715**		**3,693,544**	**2,769,886**
*Level 3 assets	588,571		691,307	485,836

Interest rate risk

The Fund invests in financial assets for the primary purpose of obtaining a return on investments. These investments are subject to interest rate risks, which represent the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. 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.

NOTE 17 – NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (continued)

The Fund's direct exposure to interest rate movements as at 31 March 2025 and 31 March 2026 is set out below. These disclosures present interest rate risk based on the underlying financial assets at fair value:

Asset type	As at 31 March 2025	As at 31 March 2026
	£'000	£'000
Cash and cash equivalents	35,417	55,729
Cash balances	1,546	7,208
Pooled Fixed Income	878,523	1,161,551
Total	**915,486**	**1,224,488**

Interest rate risk sensitivity analysis

The Fund recognises that interest rates can vary and can affect both income to the Fund and the value of net assets available to pay benefits. A 1% movement in interest rates is consistent with the level of sensitivity applied as part of the Fund's risk management strategy. The analysis that follows assumes that all other variables, in particular exchange rates, remain constant, and shows the effect in the year on the net assets available to pay benefits of a +/- 1% change in interest rates:

Asset type	Carrying amount as at 31 March 2026	Change in year in the net assets available to pay benefits	
		+1%	-1%
	£'000	£'000	£'000
Cash and cash equivalents	55,729	557	(557)
Cash balances	7,208	72	(72)
Pooled Fixed Income *	1,161,551	11,616	(11,616)
Total change in assets available	**1,224,488**	**12,245**	**(12,245)**

Asset type	Carrying amount as at 31 March 2025	Change in year in the net assets available to pay benefits	
		+1%	-1%
	£'000	£'000	£'000
Cash and cash equivalents	35,417	354	(354)
Cash balances	1,546	15	(15)
Pooled Fixed Income *	878,523	8,785	(8,785)
Total change in assets available	**915,486**	**9,154**	**(9,154)**

* A change of 1% in interest rate does not have a direct impact on fixed interest securities but does have a partial impact as calculated in the tables above.

The average interest rate received on cash during the year was 4.17% amounting to interest of £2,109,931 for the year (average interest rate of 5.07% and interest income of £1,087,938 in 2024/25).

NOTE 17 – NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (continued)

A 1% increase in interest rates will not affect the interest received on fixed income assets but will reduce their fair value, as shown in the tables above. Changes in interest rates do not impact on the value of cash / cash equivalents but they will affect the interest income received on those balances. Changes to both the fair value of assets and income received from investments impact on the net assets to pay benefits but as noted above this does not have a significant effect on the Fund.

Currency risk

Currency risk represents the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Fund is exposed to currency risk on financial instruments that are denominated in any currency other than the functional currency of the Fund (£UK). The Fund holds assets denominated in currencies other than £UK.

The Fund has made commitments to private equity and infrastructure in foreign currency (€57.9 million and US$15.7 million). These commitments are being drawn down on request from the investment manager over a number of years. The current commitments still outstanding are shown in Note 24. The risk is that the pound is weak relative to the dollar and euro at the time of the drawdown and then strengthens when the Fund is fully funded. The Fund has been funding the commitments since 2005 and therefore the liability is balanced out over a long period.

The Fund's currency rate risk has been calculated based on the volatility of the currencies which would affect the value of the investments and any cash held in those currencies.

Currency risk – sensitivity analysis

Following analysis of historical data in consultation with the Fund investment advisors, the likely volatility associated with foreign exchange rate movements has been calculated with reference to the historic volatility of the currencies and their relative amounts in the Fund's investments.

The 1 year expected standard deviation for an individual currency as at 31 March 2026 is 8.7%. The equivalent rate for the year ended 31 March 2025 was 9.1%. This analysis assumes that all other variables, inparticular interest rates, remain constant.

NOTE 17 – NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (continued)

The tables below show a breakdown of the Fund's exposure to individual currencies as at 31 March 2026 and at the end of the previous financial year:

Currency exposure – by asset type	Carrying amount as at 31 March 2026	Change in year in the net assets available to pay benefits	
		Value on increase	Value on decrease
	£'000	£'000	£'000
Global Equities	1,351,876	1,469,489	1,234,263
Emerging Markets Equities	82,721	89,917	75,524
Private Equity	156,659	170,289	143,030
Corporate Bonds	347,858	378,122	317,595
Senior Loans (sub investment grades)	63,291	68,798	57,785
Absolute Return Bonds	554,275	602,497	506,053
Infrastructure	212,500	230,987	194,012
Diversified Credit	259,418	281,987	236,849
Total change in assets available	**3,028,598**	**3,292,086**	**2,765,111**

Currency exposure – by asset type	Carrying amount as at 31 March 2025	Change in year in the net assets available to pay benefits	
		Value on increase	Value on decrease
	£'000	£'000	£'000
Global Equities	1,367,167	1,491,579	1,242,755
Emerging Markets Equities	63,023	68,758	57,288
Private Equity	162,518	177,307	147,729
Corporate Bonds	233,417	254,658	212,176
Senior Loans (sub investment grades)	50,748	55,366	46,130
Absolute Return Bonds	403,247	439,942	366,551
Infrastructure	199,717	217,891	181,543
Diversified Credit	241,859	263,869	219,851
Total change in assets available	**2,721,696**	**2,969,370**	**2,474,023**

b) Credit risk

Credit risk represents the risk that the counterparty to a transaction or a financial instrument will fail to discharge an obligation and cause the Fund to incur a financial loss. The market values of investments generally reflect an assessment of credit in their pricing and consequently the risk of loss is implicitly provided for in the carrying value of the Fund's financial assets and liabilities.

In essence, the Fund's entire investment portfolio is exposed to some form of credit risk. However, the selection of high quality counterparties, brokers and financial institutions reduces credit risk that may occur through the failure to settle a transaction in a timely manner.

NOTE 17 – NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (continued)

The benchmark for the concentration of the funds held with investment managers is as follows:

Fund	Percentage of Portfolio
UK Equities (BlackRock)	6.0%
Global Equities (BlackRock and Wales Pension Partnership)	27.0%
Emerging Markets (Wales Pension Partnership)	2.0%
Multi Asset Credit (Wales Pension Partnership)	7.5%
Absolute Return Bond (Wales Pension Partnership)	12.5%
Private Credit (Wales Pension Partnership)	7.5%
Global Credit (Wales Pension Partnership)	10.0%
Natural Capital (Not yet allocated)	5.0%
Property (Threadneedle and Wales Pension Partnership)	10.0%
Infrastructure (Wales Pension Partnership and Partners)	7.5%
Private Equity (Wales Pension Partnership and Partners)	5.0%

All investments held by investment managers are held in the name of the Pension Fund, so if the investment manager fails, the Fund's investments are not classed amongst their assets.

Contractual credit risk is represented by the net payment or receipt that remains outstanding. The residual risk is minimal due to the various insurance policies held by the exchanges to cover defaulting counterparties.

In order to maximise the returns from short-term investments and cash deposits, the Council invests any temporarily surplus funds in its bank accounts along with any surplus funds in the Gwynedd Pension Fund bank accounts. An appropriate share of the interest earned is paid to the Pension Fund and any losses on investment are shared with the Pension Fund in the same proportion. Due to the nature of the banking arrangements, any surplus cash in the Pension Fund bank accounts is not transferred to the Council's bank accounts.

Deposits are not made with banks and financial institutions unless they are rated independently and meet the Council's credit criteria. The Council has also set limits as to the maximum percentage of deposits placed with any one class of financial institution. In addition, the Council invests an agreed percentage of funds in the money markets to provide diversification. Money market funds chosen all have AAA rating from a leading ratings agency.

NOTE 17 – NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (continued)

Employers in the Fund are not currently assessed for their creditworthiness or individual credit limits set. There is risk of being unable to collect contributions from employers with no contributing members (e.g. risk associated with employers with a small number of declining contributing members) so the Administering Authority monitors membership movements on an annual basis.

New employers to the Fund will need to agree to the provision of a bond or obtain a guarantee to reduce the risk of future financial loss to the Fund in the event of not being able to meet its pension liability on cessation. As shown in Note 25 two employers have provided bonds. Any future liabilities falling on the Fund as a result of cessation are borne by the whole Fund and spread across all employers. This is done to ensure that actuarial recovery periods and amounts are kept at a manageable level for smaller employers.

This risk has increased by a legal judgement, which potentially indicates that employers with no contributing members cannot be charged contributions under the LGPS Administration Regulations. This ruling, however, does not affect the ability to collect contributions following a cessation valuation under Regulation 38(2). The Actuary may be instructed to consider revising the rates and adjustments certificate to increase an employer's contributions under Regulation 38 of the LGPS (Administration) Regulations 2008 between triennial valuations.

c) Liquidity risk

Liquidity risk represents the risk that the Fund will not be able to meet its financial obligations as they fall due. The Council therefore takes steps to ensure that the Pension Fund has adequate cash resources to meet its commitments to pay pensions and other costs and to meet investment commitments.

The Council has a cash flow system that seeks to ensure that cash is available if needed. In addition, current contributions received from contributing employers and members far exceed the benefits being paid. Surplus cash is invested and cannot be paid back to employers. The Fund's Actuary establishes the contributions that should be paid in order that all future liabilities can be met.

There is no limit on the amount that the Pension Fund bank account can hold. The amounts held in this account should meet the normal liquidity needs of the Fund. Any temporary surplus is invested by the Council in accordance with the Treasury Management Strategy Statement to provide additional income to the Pension Fund. Surplus cash is invested in accordance with the Statement of Investment Principles.

The Fund also has access to an overdraft facility through the Council's group bank account arrangements. This facility would only be used to meet short-term timing differences on pension payments. As these borrowings would be of a limited short-term nature, the Fund's exposure to credit risk is considered negligible.

NOTE 17 – NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (continued)

The Fund defines liquid assets as assets that can be converted to cash within three months. Illiquid assets are those assets which will take longer than three months to convert into cash. As at 31 March 2026 the value of illiquid assets was £636m, which represented 17.7% of the total Fund assets (31 March 2025: £589m, which represented 18.2% of the total Fund assets).

Management prepares periodic cash flow forecasts to understand and manage the timing of the Fund's cash flows. The appropriate strategic level of cash balances to be held forms part of the Fund investment strategy.

All financial liabilities at 31 March 2026 are due within one year as was the case at 31 March 2025.

Refinancing risk

The key risk is that the Fund will be bound to replenish a significant proportion of its financial instruments at a time of unfavourable interest rates. The Fund does not have any financial instruments that have a refinancing risk as part of its treasury management and investment strategies.

NOTE 18 – FUNDING ARRANGEMENTS

In line with the Local Government Pension Scheme (Administration) Regulations 2013, the Fund's actuary undertakes a funding valuation every three years for the purpose of setting employer contribution rates for the forthcoming triennial period. The last such valuation took place as at 31 March 2025.

Description of Funding Policy

The funding policy is set out in the Administering Authority's Funding Strategy Statement, dated March 2026.

In summary, the key funding principles are as follows:

- take a prudent long-term view to secure the regulatory requirement for long-term solvency, with sufficient funds to pay benefits to members and their dependents
- use a balanced investment strategy to reduce long-term cash contributions from employers and meet the regulatory requirement for long-term cost efficiency
- where appropriate, ensure stable employer contribution rates
- reflect different employers' characteristics to set their contribution rates, using a transparent funding strategy
- use reasonable measures to reduce the risk of an employer defaulting on its pension obligations.

The Funding Strategy Statement sets out how the Administering Authority seeks to balance the conflicting aims of securing the solvency of the Fund and keeping employer contributions stable.

NOTE 18 – FUNDING ARRANGEMENTS (continued)

For employers whose covenant was considered by the Administering Authority to be sufficiently strong, contributions have been stabilised to have a sufficiently high likelihood of achieving the funding target over 17 years. Asset-liability modelling has been carried out which demonstrates that if these contribution rates are paid and future contribution changes are constrained as set out in the Funding Strategy Statement, there is at least a 80% likelihood that the Fund will achieve the funding target over 17 years.

Funding Position as at the Last Formal Funding Valuation

The most recent actuarial valuation carried out under Regulation 62 of the Local Government Pension Scheme Regulations 2013 was at 31 March 2025. This valuation revealed that the Fund's assets, which at 31 March 2025 were valued at £3,232 million, were sufficient to meet 166% of the liabilities (i.e. the present value of promised retirement benefits) accrued up to that date. The resulting surplus at the 2025 valuation was £1,286 million.

Each employer had contribution requirements set at the valuation, with the aim of achieving their funding target within a time horizon and probability measure as per the Funding Strategy Statement. Individual employers' contributions for the period 1 April 2026 to 31 March 2029 were set in accordance with the Fund's funding policy as set out in its Funding Strategy Statement.

Principal Actuarial Assumptions and Method used to Value the Liabilities

Full details of the methods and assumptions used are described in the 2025 valuation report and Funding Strategy Statement.

Method

The liabilities were assessed using an accrued benefits method which takes into account pensionable membership up to the valuation date, and makes an allowance for expected future salary growth to retirement or expected earlier date of leaving pensionable membership.

Assumptions

A market-related approach was taken to valuing the liabilities, for consistency with the valuation of the Fund assets at their market value.

The key financial assumptions adopted for the 2025 valuation were as follows:

Financial assumptions	31 March 2025
Discount rate	5.9% pa
Salary increase	2.8% pa
Benefit increase (CPI)	2.3% pa

The key demographic assumption was the allowance made for longevity. The life expectancy assumptions are based on the Fund's *VitaCurves* with improvements in line with the CMI 2024 model, with core parameterisation, except, initial adjustment of 0.25% and a long term rate of 1.50% pa. Based on these assumptions, the average future life expectancies at age 65 are as follows:

NOTE 18 – FUNDING ARRANGEMENTS (continued)

Mortality assumption	Male Years	Female Years
Current pensioners	20.8	23.7
Future pensioners (aged 45 at the 2025 valuation)	21.8	25.3

Copies of the 2025 valuation report and the Funding Strategy Statement are available on the Pension Fund's website www.gwyneddpensionfund.wales

Experience over the period since 31 March 2025

The increase in US tariffs on imports since March 2025 and the recent conflict in the Middle East have caused significant market volatility which feeds through to the investment returns achieved by the Fund's assets. The Fund's overall investment returns since March 2025 have been positive.

Observed inflation has been higher than anticipated over 2026, resulting in LGPS benefit increases of 3.8% in April 2026 and an increase in the value placed on the Fund's liabilities.

Overall, we estimate that the funding position is likely to be weaker than at the previous formal valuation at 31 March 2025.

The next actuarial valuation will be carried out as at 31 March 2028. The Funding Strategy Statement will also be reviewed at that time, and a revised version will come into effect from 1 April 2029.

NOTE 19 - ACTUARIAL PRESENT VALUE OF PROMISED RETIREMENT BENEFITS

In addition to the triennial funding valuation, the Fund's actuary also undertakes a valuation of the Pension Fund liabilities, on an IAS19 basis every year using the same base data as the funding valuation rolled forward to the current financial year, taking account of changes in membership numbers and updating assumptions to the current year. This valuation is not carried out on the same basis as that used for setting Fund contribution rates and the Fund accounts do not take account of liabilities to pay pensions and other benefits in the future.

In order to assess the value of the benefits on this basis the actuary has updated the actuarial assumptions (set out below) from those used for funding purposes (see Note 18) and has also used them to provide the IAS19 and FRS102 reports for individual employers in the Fund. The actuary has also valued ill health and death benefits in line with IAS19.

NOTE 19 - ACTUARIAL PRESENT VALUE OF PROMISED RETIREMENT BENEFITS (continued)

The actuarial present value of promised retirement benefits at 31 March 2025 and 2026 are shown below:

	31 March 2025	31 March 2026
	£m	£m
Active members	1,004	984
Deferred members	314	307
Pensioners	735	903
Total	**2,053**	**2,194**

The promised retirement benefits at 31 March 2026 have been projected using a roll forward approximation from the latest formal funding valuation as at 31 March 2025.

Assumptions used

The assumptions used are those adopted for the Administering Authority's IAS19 report as shown below and are different as at 31 March 2025 and 31 March 2026. The actuary estimates that the impact of the change in financial assumptions to 31 March 2026 is to decrease the actuarial present value by £93m. It is estimated that the impact of the change in demographic and longevity assumptions is to decrease the actuarial present value by £61m.

	31 March 2025	31 March 2026
Assumption	%	%
Pension increase rate	2.75	3.00
Salary increase rate	3.25	3.50
Discount rate	5.80	6.30

The life expectancy for the longevity assumption is based on the Fund's VitaCurves with improvements in line with the CMI 2025 model, with core parameterisation, initial adjustment of 0.25% and a long term rate of improvement of 1.5% p.a. Based on these assumptions, the average future life expectancies at age 65 are summarised below:

	Male	Female
	Years	Years
Current pensioners	20.9	23.8
Future pensioners (assumed to be aged 45 at the latest valuation date)	21.9	25.4

All other demographic assumptions are unchanged from last year and are as per the latest funding valuation of the fund.

The sensitivities regarding the principal assumptions used to measure the liabilities are set out below:

Change in assumptions at 31 March 2026	Approximate increase to promised retirement benefits	Approximate monetary amount
	%	£m
0.1% p.a. increase in the rate of CPI inflation	2	36
0.1% p.a. increase in the salary increase rate	0	2
0.1% p.a. decrease in the discount rate	2	38
1 year increase in member life expectancy	4	88

NOTE 20 – CURRENT ASSETS

31 March 2025 £'000		31 March 2026 £'000
966	Contributions due – employees	568
3,004	Contributions due – employers	1,662
3,193	Sundry debtors	3,766
7,163	**Total debtors**	**5,996**
35,417	Cash	55,729
42,580	**Total**	**61,725**

NOTE 21 – CURRENT LIABILITIES

31 March 2025 £'000		31 March 2026 £'000
2,215	Sundry creditors	7,945
1,797	Benefits payable	442
4,012	**Total**	**8,387**

NOTE 22 - ADDITIONAL VOLUNTARY CONTRIBUTIONS (AVC)

The market value of the funds is stated below:

	Market value at 31 March 2025 £'000	Market value at 31 March 2026 £'000
Clerical Medical	5,852	7,597
Utmost Life	125	80
Standard Life	5	6
Total	**5,982**	**7,683**

AVC contributions were paid directly to the following manager:

	2024/25 £'000	2025/26 £'000
Clerical Medical	1,135	1,408
Total	**1,135**	**1,408**

NOTE 23 - RELATED PARTY TRANSACTIONS

Cyngor Gwynedd
The Gwynedd Pension Fund is administered by Cyngor Gwynedd. Consequently, there is a strong relationship between the Council and the Pension Fund.

The Council incurred costs of £1,941,377 (£1,787,170 in 2024/25) in relation to the administration of the Fund and was subsequently reimbursed by the Fund for these expenses. The Council is also one of the largest employers of members of the Fund and contributed £34.0m to the Fund in 2025/26 (£32.5m in 2024/25). At the end of the year, the Council owed £2.2m to the Fund which was primarily in respect of interest paid on the Pension Fund's balances, and the Fund owed £2.9m to the Council which was primarily in respect of recharges to the Council for the administrative costs (£1.9m) and the GwE exit credit (£0.9m).

The Gwynedd Pension Fund has two bank accounts which are held as part of Cyngor Gwynedd's Group of Bank Accounts. The overall surplus cash held in the Group of Bank Accounts is invested on a daily basis. At the end of the financial year, Cyngor Gwynedd pays interest over to the Pension Fund, based on the Fund's daily balances over the year. During 2025/26, the Fund received interest of £2,109,931 (£1,087,938 in 2024/25) from Cyngor Gwynedd.

Governance
Two members of the Pensions Committee who is in receipt of pension benefits from the Gwynedd Pension Fund during 2025/26 (committee members J.B.Hughes and G.Edwards). In addition, committee members S.W. Churchman, R.W.Williams, J.B.Hughes, I.Thomas, J.P.Roberts, R.M.Hughes, E.Hywel and G.Owen are active members of the Pension Fund. Committee member I.Huws is a deferred member of the pension fund.

Two members of the Pension Board were in receipt of pension benefits from the Gwynedd Pension Fund during 2025/26 (board members H.E.Jones and A.Deakin). In addition, Board members R.Thomas, O. Richards, N.Michael and S.E.Parry are active members of the Pension Fund.

Wales Pension Partnership Investment Management Company Limited (WPP IM Co)
WPP IM Co (Company Number 16645479) was formed during 2025/26 with the expectation that it will manage and oversee the investments of each Welsh LGPS Fund commencing in 2026/27. Each Fund owns 12.5% of WPP IM Co. The Gwynedd Pension Fund advanced a contribution of £158, 825 during 2025/26 to fund the initial set up costs of the company.

Key Management Personnel
The key management personnel of the fund are the Head of Finance (s151) and Chair of the Pensions Committee

The remuneration payable to key management personnel attributable to the fund is set out below:

2024/25 £'000		2025/26 £'000
31	Short-term benefits	33
5	Post-employment benefits	6
36		**39**

NOTE 24 - COMMITMENTS UNDER INVESTMENT CONTRACTS

Outstanding capital commitments (investments) at 31 March were as follows:

	Total Commitments	Commitment at 31 March 2025	Commitment at 31 March 2026
	£'000	£'000	£'000
Schroders Capital WPP Global Private Equity I L.P	12,500	7,556	5,656
Schroders Capital WPP Global Private Equity II L.P	25,000	18,250	16,000
Schroders Capital WPP Global Private Equity III L.P	27,500	0	19,195
GCM WPP Global Infrastructure I L.P	15,000	7,551	5,337
GCM WPP Global Infrastructure II L.P	27,500	0	25,666
Capital Dynamics CEI (WPP), L.P	10,000	5,869	3,191
Octopus Renewables Infrastructure	34,500	0	0
Russell Investments WPP Global Private Credit I L.P	110,000	62,286	51,703
Russell Investments WPP Global Private Credit II L.P	130,000	0	130,000
IFM Global Infrastructure UK (GB) L.P	57,500	0	0
Total GBP	**449,500**	**101,512**	**256,748**
	€'000	**€'000**	**€'000**
Partners Group Direct 2006	20,000	0	0
Partners Group Global Value 2006	50,000	3,477	0
Partners Group Secondary 2008	15,000	1,960	1,960
Partners Group Global Value 2011	15,000	2,096	2,096
Partners Group Global Infrastructure 2012	40,000	3,419	3,419
Partners Group Direct 2012	12,000	1,181	1,181
Partners Group Global Value 2014	12,000	1,531	1,531
Partners Group Direct Equity 2016	50,000	2,826	2,826
Partners Group Global Value 2017	42,000	11,570	11,570
Partners Group Global Infrastructure 2018	28,000	4,631	4,631
Partners Group Direct Equity 2019	48,000	4,992	4,992
Partners Group Direct Infrastructure 2020	32,000	9,120	7,584
Partners Group Direct Equity V	30,000	22,279	16,129
Total Euros	**394,000**	**69,082**	**57,919**
	US$'000	**US$'000**	**US$'000**
Partners Group Emerging Markets 2011	7,000	1,082	1,082
Partners Group Secondary 2015	38,000	11,420	7,620
Partners Group Direct Infrastructure 2015	43,600	6,986	6,986
CBRE Global Infrastructure Fund (International) L.P	29,075	10,932	0
Total Dollars	**117,675**	**30,420**	**15,688**

These commitments relate to outstanding call payments on unquoted funds held in the the portfolio. The amounts 'called' by these funds are irregular in both size and timing over a number of years from the date of the original commitment.

NOTE 25 – CONTINGENT ASSETS

Two admitted body employers in the Gwynedd Pension Fund hold insurance bonds to guard against the possibility of being unable to meet their pension obligations. These bonds are drawn in favour of the Fund and payment will only be triggered in the event of employer default.

NOTE 26 – CONTINGENT LIABILITIES

There are no contingent liabilities identified.

NOTE 27 – IMPAIRMENT LOSSES

There are no impairment losses identified.

The report of the Auditor General for Wales to the members of Cyngor Gwynedd as administering authority for Gwynedd Pension Fund.

Opinion on financial statements

I have audited the financial statements of Gwynedd Pension Fund for the year ended 31 March 2026 under the Public Audit (Wales) Act 2004.

Gwynedd Pension Fund' financial statements comprise the fund account, the net assets statement and the related notes, including the material accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and international accounting standards as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2025-26.

In my opinion, in all material respects, the financial statements:

• give a true and fair view of the financial transactions of the pension fund during the year ended 31 March 2026, and of the amount and disposition at that date of its assets and liabilities; and
• have been properly prepared in accordance with legislative requirements and UK adopted international accounting standards as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2025-26.

Basis for opinion

I conducted my audit in accordance with applicable law and International Standards on Auditing in the UK (ISAs (UK)) and Practice Note 10 'Audit of financial statements and regularity of public sector bodies in the United Kingdom'. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report.

My staff and I are independent of the pension fund in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern

In auditing the financial statements, I have concluded that the use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the pension fund's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the responsible financial officer with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Annual Report other than the financial statements and my auditor's report thereon. The Responsible Financial Officer is responsible for the other information contained within the Annual Report. My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my report, I do not express any form of assurance conclusion thereon.

My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or knowledge obtained in the course of the audit, or otherwise

appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Opinion on other matters
In my opinion, based on the work undertaken in the course of my audit:

• the information contained in the Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with the Local Government Pension Scheme Regulations 2013.

Matters on which I report by exception

In the light of the knowledge and understanding of the pension fund and its environment obtained in the course of the audit, I have not identified material misstatements in the Annual Report.

I have nothing to report in respect of the following matters, which I report to you, if, in my opinion:

• I have not received all the information and explanations I require for my audit;
• adequate accounting records have not been kept, or returns adequate for my audit have not been received from branches not visited by my team; or
• the financial statements are not in agreement with the accounting records and returns.

Responsibilities of the responsible financial officer for the financial statements

As explained more fully in the Statement of Responsibilities for the financial statements, the responsible financial officer is responsible for:
• the preparation of the financial statements, which give a true and fair view;
• maintaining proper accounting records;
• internal controls as the responsible financial officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; and
• assessing the Gwynedd Pension Fund's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the responsible financial officer anticipates that the services provided by Gwynedd Pension Fund will not continue to be provided in the future.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit the financial statements in accordance with the Public Audit (Wales) Act 2004.

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

My procedures included the following:
• enquiring of management, the Head of Internal Audit and those charged with governance, including obtaining and reviewing supporting documentation relating to Gwynedd Pension Fund's policies and procedures concerned with:
  ▪ identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;

▪ detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and

▪ the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.

• considering as an audit team how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, I identified potential for fraud in management override of controls;

• obtaining an understanding of Gwynedd Pension Fund's framework of authority as well as other legal and regulatory frameworks that Gwynedd Pension Fund operates in, focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of Gwynedd Pension Fund; and

• obtaining an understanding of related party relationships.

In addition to the above, my procedures to respond to identified risks included the following: • reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations discussed above;

• enquiring of management, the Pensions Committee and legal advisors about actual and potential litigation and claims;

• reading minutes of meetings of those charged with governance and the administering authority;

• in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and

• evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

I also communicated relevant identified laws and regulations and potential fraud risks to all audit team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

The extent to which my procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of the Gwynedd Pension Fund's controls, and the nature, timing and extent of the audit procedures performed.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website www.frc.org.uk/auditorsresponsibilities. This description forms part of my auditor's report.

Other auditor's responsibilities

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Certificate of completion of audit

I certify that I have completed the audit of the accounts of Gwynedd Pension Fund in accordance with the requirements of the Public Audit (Wales) Act 2004 and the Auditor General for Wales' Code of Audit Practice.

Catherine Mealing-Jones
Auditor General for Wales
25 November 2026

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Audit Wales

Audit of Accounts Report – Gwynedd Pension Fund

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We welcome correspondence and telephone calls in Welsh and English. Corresponding in Welsh will not lead to delay. Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg. Ni fydd gohebu yn Gymraeg yn arwain at oedi.

Mae'r ddogfen hon hefyd ar gael yn Gymraeg. This document is also available in Welsh.

Introduction



Catherine Mealing-Jones

Auditor General for Wales

As the newly appointed Auditor General for Wales, I am pleased to share my Audit of Accounts Report. The Report summarises the main findings from my audit of your 2025-26 accounts. My team have already discussed these findings with the Investment Manager.

My team have substantially completed the audit work as set out in my Audit Plan dated July 2025, subject to completion of final audit procedures steps.

Since my Audit Plan, I have updated materiality to reflect the 2025-26 accounts. I have also identified one new audit risk which needs to be brought to your attention. This along with my response to previously identified audit risks is set out in **Appendix 1**.

I am required to provide an opinion on whether the accounts have been properly prepared, and give a true and fair view, in all material aspects. My proposed audit opinion and basis for it is outlined on page 14.

It is the responsibility of the those charged with governance, i.e Pensions Committee to address any matters raised in my report and provide me with a Letter of Representation.

I would like to extend my gratitude to the officers and staff of Gwynedd Pension Fund (the Pension Fund) for their cooperation throughout the audit process which has been invaluable in completing this audit effectively.

Your audit at a glance



We intend to issue an **unqualified opinion** on the accounts

See **Appendix 2**



There are no **other significant matters** to report

See **Audit findings**



There are no **uncorrected misstatements** in the accounts.

See **Audit findings**



We are aiming to certify your accounts on **25 November 2026**, which is ahead of the deadline of **1 December 2026**.

Materiality

I use professional judgement to set a materiality threshold to identify and correct misstatements that could affect users' decisions, considering both financial errors and disclosure requirements according to the applicable accounting framework and laws. My team updates materiality throughout the audit and I include in this report matters that exceed my reporting threshold, as set out below:

Materiality	Reporting threshold (trivial)
Set at 1% of gross assets based upon 2025-26 draft financial statements	Set at 5% of materiality
£36.024 million	**£1.801 million**

There are some areas of the accounts that may be of more importance to the user of the accounts. We confirm a lower materiality level for:

Related party disclosures – Key management personnel
£1,000

Audit Findings

Misstatements

A misstatement arises where information in the accounts is not in accordance with accounting standards.

Uncorrected misstatements

There were no uncorrected misstatements

Corrected misstatements

During our audit, we identified misstatements that have been corrected by management, but which we consider should be drawn to your attention.

Value of correction	Accounts area	Explanation
Disclosure only	**Note 1 Description of the Fund** We identified that the pensioner figures disclosed in Note 1 were overstated by 21. Our testing also found 5 members incorrectly classified as active members of the scheme instead of 'Undecided Leavers'.	To ensure accuracy of the financial statements.

There were also a small number of minor amendments as a result of our work.

Other significant issues

International Standard on Auditing 260 requires us to communicate with those charged with governance. We must tell you significant findings from the audit and other matters if they are significant to your oversight of the Pension Fund's financial reporting process.

There were no such issues identified during the audit.

Proposed audit opinion

Audit opinion

We intend to issue an unqualified audit opinion on this year's accounts once you have provided us with a Letter of Representation (see below).

Our proposed audit report is set out in **Appendix 2**.

Letter of representation

A Letter of Representation is a formal letter in which you confirm to us the accuracy and completeness of information provided to us during the audit. Some of this information is required by auditing standards; other information may relate specifically to your audit.

The letter we are requesting you to sign is included in **Appendix 3,** the contents of which are in line with our standard request for representations.

Audit team and ethical compliance

The main members of my team who carried out the audit work, together with their contact details, are summarised in **Exhibit 1**.

Exhibit 1: My local audit team

Engagement Lead	Matthew Edwards matthew.edwards@audit.wales
Audit Manager	Yvonne Thomas yvonne.thomas@audit.wales
Senior Auditor	Osian Roberts osian.roberts@audit.wales

Compliance with ethical standards

We confirm that:

- we have complied with the ethical standards we are required to follow in carrying out our work;
- we have remained independent of yourselves;
- our objectivity has not been comprised;
- we have no relationships that could undermine our independence or objectivity; and
- the safeguards outlined in the Audit Plan regarding the Audit Manager and Senior Auditor's relatives and friends contributing to or receiving a pension from the Pension Fund were appropriately implemented to manage any potential conflicts.

Appendix 1 – Audit risks and outcomes

Since the issue of my Audit Plan in July, my team identified an additional risk of material misstatement that should be brought to your attention as listed below.

Exhibit 1: Audit risks identified following issue of my Audit Plan

Audit risk	Work done	Outcome
Note 14a – Investment Purchases and Sales During 2025-26, investment purchases and sales increased significantly due to £2,408 million of Wales Pension Partnership (WPP) fund share class conversions and £141 million of pooled property investments being transferred to WPP Private Markets. There was a risk that these transactions were incorrectly classified as investment purchases and sales within the financial statements.	The audit team: • tested the investment purchases and sales, including the WPP fund conversions and transfer of pooled property investments; • assessed the nature and substance of the transactions and confirmed that their classification was in accordance with the relevant accounting requirements.	My audit work did not identify any errors in the classification of these transactions. We concluded that their treatment as investment purchases and sales was appropriate. However, given the significant value of the transactions, we requested additional disclosure in Note 14b to explain the nature of the £2,408 million WPP fund conversions and £141 million pooled property transfer.

Exhibit 2 lists the audit risks included within my Audit Plan and sets out how they were addressed as part of the audit.

Exhibit 2: Audit risks reported previously, work done and outcome

Audit risk	Work done	Outcome
Risk of management override The risk of management override of controls is present in all entities. Due to the unpredictable way in which such override could occur, it is viewed as a significant risk [ISA 240.32-33].	The audit team: • tested the appropriateness of journal entries and other adjustments made in preparing the financial statements; • reviewed accounting estimates for bias; and • evaluated the rationale for any significant transactions outside the normal course of business.	My audit work did not identify any instances of management override of controls.
Investment Assets Valuation The investment asset balance contains £3,533 million of investments (fixed income, equity, property, private credit, private equity and infrastructure) which are complex to value and there is subjectivity in their valuation. There is therefore a risk that the investment balances are materially misstated.	The audit team: • agreed the valuations to appropriate supporting documentation; • reviewed 'control assurance' reports from the relevant fund managers; and • evaluated the risk of residual material misstatement and the need for additional audit procedures.	My audit work did not identify any issues with the valuation of Investment Assets.

Local Government Pension Scheme Reform Following the 'Fit for the Future' consultation in November 2024, a new FCA-regulated investment management company is being developed. Throughout the 2025-26 financial year work has been underway to establish the company, and under the Local Government Pension Scheme (Pooling, Management and Investment of Funds) Regulations 2026 all assets will be controlled and managed by the pool post 2025-26. This means that, whilst there will still be assets managed locally at 31 March 2026, clear disclosures will be required in the fund's financial statements to describe the progress during the 2025-26 financial year and future plans.	The audit team: • continued to discuss and monitor developments in the establishment of the investment management company; and • reviewed disclosures made in the financial statements to ensure they fully and accurately describe progress and future plans.	My audit work identified that the disclosure in Note 6 required a minor update to reflect the change in WPP Investment Management Company's FCA status between the draft and final accounts.

Related party disclosures The financial statements must disclose any related party relationships along with the transactions and balances between the Pension Fund and the other body/party. The Pension Fund has many relationships that could be considered a related party. Many are well known for example, participating employers as contributors. However, where related party relationships arise via individual officer or member relationships, there is likely to be less transparency regarding these relationships. These transactions are of high interest and are considered to be material by their nature. There is a risk of material misstatement due to incomplete or inaccurate disclosures, even where these are of relatively low value.	The audit team: • reviewed the Pension Fund's process for identifying related party relationships and associated transactions and balances; • undertook procedures to confirm the completeness of related party relationships; and • ensured disclosures were complete, accurate, consistent with evidence and are in accordance with the Local Government Code.	My audit work did not identify any issues with the related party disclosures.

Appendix 2 – Proposed audit report

The report of the Auditor General for Wales to the members of Cyngor Gwynedd as administering authority for Gwynedd Pension Fund.

Opinion on financial statements

I have audited the financial statements of Gwynedd Pension Fund for the year ended 31 March 2026 under the Public Audit (Wales) Act 2004.

Gwynedd Pension Fund' financial statements comprise the fund account, the net assets statement and the related notes, including the material accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and international accounting standards as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2025-26.

In my opinion, in all material respects, the financial statements:

- give a true and fair view of the financial transactions of the pension fund during the year ended 31 March 2026, and of the amount and disposition at that date of its assets and liabilities; and
- have been properly prepared in accordance with legislative requirements and UK adopted international accounting standards as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2025-26.

Basis for opinion

I conducted my audit in accordance with applicable law and International Standards on Auditing in the UK (ISAs (UK)) and Practice Note 10 'Audit of financial statements and regularity of public sector bodies in the United Kingdom'. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report.

My staff and I are independent of the pension fund in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical

Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern

In auditing the financial statements, I have concluded that the use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the pension fund's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the responsible financial officer with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Annual Report other than the financial statements and my auditor's report thereon. The Responsible Financial Officer is responsible for the other information contained within the Annual Report. My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my report, I do not express any form of assurance conclusion thereon.

My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Opinion on other matters

In my opinion, based on the work undertaken in the course of my audit:

- the information contained in the Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with the Local Government Pension Scheme Regulations 2013.

Matters on which I report by exception

In the light of the knowledge and understanding of the pension fund and its environment obtained in the course of the audit, I have not identified material misstatements in the Annual Report.

I have nothing to report in respect of the following matters, which I report to you, if, in my opinion:

- I have not received all the information and explanations I require for my audit;
- adequate accounting records have not been kept, or returns adequate for my audit have not been received from branches not visited by my team; or
- the financial statements are not in agreement with the accounting records and returns.

Responsibilities of the responsible financial officer for the financial statements

As explained more fully in the Statement of Responsibilities for the financial statements, the responsible financial officer is responsible for:

- the preparation of the financial statements, which give a true and fair view;
- maintaining proper accounting records;
- internal controls as the responsible financial officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; and
- assessing the Gwynedd Pension Fund's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the responsible financial officer anticipates that the services provided by Gwynedd Pension Fund will not continue to be provided in the future.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit the financial statements in accordance with the Public Audit (Wales) Act 2004.

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement,

whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

My procedures included the following:

- enquiring of management, the Head of Internal Audit and those charged with governance, including obtaining and reviewing supporting documentation relating to Gwynedd Pension Fund's policies and procedures concerned with:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
  - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- considering as an audit team how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, I identified potential for fraud in management override of controls;
- obtaining an understanding of Gwynedd Pension Fund's framework of authority as well as other legal and regulatory frameworks that Gwynedd Pension Fund operates in, focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of Gwynedd Pension Fund; and
- obtaining an understanding of related party relationships.

In addition to the above, my procedures to respond to identified risks included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations discussed above;

- enquiring of management, the Pensions Committee and legal advisors about actual and potential litigation and claims;
- reading minutes of meetings of those charged with governance and the administering authority;
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and
- evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

I also communicated relevant identified laws and regulations and potential fraud risks to all audit team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

The extent to which my procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of the Gwynedd Pension Fund's controls, and the nature, timing and extent of the audit procedures performed.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website www.frc.org.uk/auditorsresponsibilities. This description forms part of my auditor's report.

Other auditor's responsibilities

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Certificate of completion of audit

I certify that I have completed the audit of the accounts of Gwynedd Pension Fund in accordance with the requirements of the Public Audit (Wales) Act 2004 and the Auditor General for Wales' Code of Audit Practice.

Catherine Mealing-Jones
Auditor General for Wales
25 November 2026

1 Capital Quarter
Tyndall Street
Cardiff, CF10 4BZ

Appendix 3 – Letter of representation

Final Letter of Representation

Gwynedd Pension Fund

Auditor General for Wales
Wales Audit Office
1 Capital Quarter
Cardiff
CF10 4BZ
23 November 2026

Representations regarding the 2025-26 financial statements

This letter is provided in connection with your audit of the financial statements of Gwynedd Pension Fund for the year ended 31 March 2026 for the purpose of expressing an opinion on their truth and fairness and their proper preparation.

We confirm that to the best of our knowledge and belief, having made enquiries as we consider sufficient, we can make the following representations to you.

Management representations

Responsibilities

We have fulfilled our responsibilities for:

- the preparation of the financial statements in accordance with legislative requirements and the Code of Practice on Local Authority Accounting in the United Kingdom 2025-26; in particular the financial statements give a true and fair view in accordance therewith; and
- the design, implementation, maintenance and review of internal control to prevent and detect fraud and error.

Information provided

We have provided you with:

- full access to:
  - all information of which we are aware that is relevant to the preparation of the financial statements such as books of account and supporting documentation, minutes of meetings and other matters;
  - additional information that you have requested from us for the purpose of the audit; and
  - unrestricted access to staff from whom you determined it necessary to obtain audit evidence;
- the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud;
- our knowledge of fraud or suspected fraud that we are aware of and that affects Gwynedd Pension Fund and involves:
  - management;
  - employees who have significant roles in internal control; or
  - others where the fraud could have a material effect on the financial statements;
- our knowledge of any allegations of fraud, or suspected fraud, affecting the financial statements communicated by employees, former employees, regulators or others;
- our knowledge of all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements; and
- the identity of all related parties and all the related party relationships and transactions of which we are aware.

Financial statement representations

All transactions, assets and liabilities have been recorded in the accounting records and are reflected in the financial statements.

The methods, the data and the significant assumptions used in making accounting estimates, and their related disclosures are appropriate to achieve recognition, measurement or disclosure that is reasonable in the context of the applicable financial reporting framework.

Related party relationships and transactions have been appropriately accounted for and disclosed.

All events occurring subsequent to the reporting date which require adjustment or disclosure have been adjusted for or disclosed.

All known actual or possible litigation and claims whose effects should be considered when preparing the financial statements have been disclosed to the auditor and accounted for and disclosed in accordance with the applicable financial reporting framework.

The financial statements are free of material misstatements, including omissions. There are no uncorrected misstatements.

Representations by the Pensions Committee

We acknowledge that the representations made by management, above, have been discussed with us.

We acknowledge our responsibility for the preparation of true and fair financial statements in accordance with the applicable financial reporting framework. The financial statements were approved by the Pensions Committee on 23 November 2026.

We confirm that we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that it has been communicated to you. We confirm that, as far as we are aware, there is no relevant audit information of which you are unaware.

Signed by:	Signed by:
Dewi Aeron Morgan	Councillor Elin Hywel
Head of Finance, Cyngor Gwynedd	Chair of the Pensions Committee
23 November 2026	23 November 2026

Audit quality

Our commitment to audit quality in Audit Wales is absolute. We believe that audit quality is about getting things right first time.

We use a three lines of assurance model to demonstrate how we achieve this. We have established an Audit Quality Committee to co-ordinate and oversee those arrangements. We subject our work to independent scrutiny by the Institute of Chartered Accountants in England and Wales and our Chair of the Board acts as a link to our Board on audit quality. For more information see our latest audit quality report.



Our People

- Selection of right team
- Use of specialists
- Supervisions and review



Arrangements for achieving audit quality
Selection of right team

- Audit platform
- Ethics
- Guidance
- Culture
- Learning and development
- Leadership
- Technical support



Independent assurance

- EQRs
- Themed reviews
- Cold reviews
- Root cause analysis
- Peer review
- Audit Quality Committee
- External monitoring

Supporting you

Audit Wales has a range of resources to support the scrutiny of Welsh public bodies, and to support them in continuing to improve the services they provide to the people of Wales.

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Our newsletter which provides you with regular updates on our public service audit work, good practice, and events.

Archwilio Cymru
Audit Wales

Audit Wales

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Website: www.audit.wales

We welcome correspondence and telephone calls in Welsh and English.

Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg.

Cyllid / Finance
Pennaeth Cyllid / Head of Finance: Dewi Morgan

Gofynnwch am/Ask for: Dewi Aeron Morgan
☎(01286) 682682
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Ein Cyf / Our Ref: DWJT/BME
Eich Cyf / Your Ref:

23 November 2026

Auditor General for Wales

Wales Audit Office

1 Capital Quarter

Cardiff

CF10 4BZ

Representations regarding the 2025-26 financial statements

This letter is provided in connection with your audit of the financial statements of Gwynedd Pension Fund for the year ended 31st March 2026 for the purpose of expressing an opinion on their truth and fairness and their proper preparation.

We confirm that to the best of our knowledge and belief, having made enquiries as we consider sufficient, we can make the following representations to you.

Management representations

Responsibilities

We have fulfilled our responsibilities for:

- the preparation of the financial statements in accordance with legislative requirements and the Code of Practice on Local Authority Accounting in the United Kingdom 2025-26; in particular the financial statements give a true and fair view in accordance therewith;
- the design, implementation, maintenance and review of internal control to prevent and detect fraud and error.

Information provided

We have provided you with:

- full access to:
  - all information of which we are aware that is relevant to the preparation of the financial statements such as books of account and supporting documentation, minutes of meetings and other matters;
  - additional information that you have requested from us for the purpose of the audit; and
  - unrestricted access to staff from whom you determined it necessary to obtain audit evidence;

- the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud;
- our knowledge of fraud or suspected fraud that we are aware of and that affects Gwynedd Pension Fund and involves:
  - management;
  - employees who have significant roles in internal control; or
  - others where the fraud could have a material effect on the financial statements;
- our knowledge of any allegations of fraud, or suspected fraud, affecting the financial statements communicated by employees, former employees, regulators or others;
- our knowledge of all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements; and
- the identity of all related parties and all the related party relationships and transactions of which we are aware.

Financial statement representations

All transactions, assets and liabilities have been recorded in the accounting records and are reflected in the financial statements.

The methods, the data and the significant assumptions used in making accounting estimates, and their related disclosures are appropriate to achieve recognition, measurement or disclosure that is reasonable in the context of the applicable financial reporting framework.

Related party relationships and transactions have been appropriately accounted for and disclosed.

All events occurring subsequent to the reporting date which require adjustment or disclosure have been adjusted for or disclosed.

All known actual or possible litigation and claims whose effects should be considered when preparing the financial statements have been disclosed to the auditor and accounted for and disclosed in accordance with the applicable financial reporting framework.

The financial statements are free of material misstatements, including omissions. There are no uncorrected misstatements.

Representations by the Pensions Committee

We acknowledge that the representations made by management, above, have been discussed with us.

We acknowledge our responsibility for the preparation of true and fair financial statements in accordance with the applicable financial reporting framework. The financial statements were approved by the Pensions Committee on 23 November 2026.

We confirm that we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that it has been communicated to you. We confirm that, as far as we are aware, there is no relevant audit information of which you are unaware.

Signed by:



Dewi Aeron Morgan

Head of Finance, Cyngor Gwynedd

Signed by:

Councillor Elin Hywel

Chair of the Pensions Committee

23 November 2026

MEETING:	**PENSIONS COMMITTEE**
DATE:	**23 NOVEMBER 2026**
TITLE:	**TREASURY MANAGEMENT 2026-27 MID YEAR REVIEW**
PURPOSE:	**CIPFA's Code of Practice recommends that a report on the Council's actual Treasury Management during the current financial year is produced.**
RECOMMENDATION:	**RECEIVE THE REPORT FOR INFORMATION**
AUTHOR:	**DELYTH JONES-THOMAS, INVESTMENT MANAGER**

1. INTRODUCTION

It was decided at the Pensions Committee, 16 March 2026 to allow surplus money from the Pension Fund to be pooled and co-invested with the Council's overall cash flow for the 2026/27 financial year.

This report also includes the requirement in the 2021 Code, of quarterly reporting of the treasury management prudential indicators. The non-treasury prudential indicators are incorporated in the Council's normal quarterly reports. This report provides the half-year update.

2. EXTERNAL CONTEXT

Economic Background: The key story remained the conflict in the Middle East and its impact on global energy prices and inflation, while on the UK politics side, Andy Burham became the new Prime Minister. Although energy prices had shown signs of moderating towards the end of (calendar) Q2, the continuing conflict pushed oil and gas up sharply once again in Q3. Around mid-September, Brent oil and UK gas prices were over 30% and 70% higher respectively compared to the period preceding the Bank of England's (BoE) July Monetary Policy Report (MPR).

Given the inflationary impact of the previous energy shock from the Russia/Ukraine war, central bank policymakers remained alert to higher energy prices feeding into wider price and wage-setting behaviour ('second-round effects'). In the UK, higher fuel and energy prices were evident in headline inflation, but there was limited evidence of material second-round effects. At the same time, underlying wage pressures continued to moderate, and the labour market remained relatively loose.

The BoE's Monetary Policy Committee (MPC) maintained Bank Rate at 3.75% throughout the period. In April the MPC voted by 8-1 to leave rates unchanged, with one member wanting a 0.25% increase. The voting subsequently became more hawkish, moving to 7-2 in June and 6-3 in both July and September, with all dissenters preferring to increase Bank Rate to 4.00%. The change in voting patterns reflected increasing policymaker concern over the persistence of the energy shock and the risk that higher headline inflation could become embedded in domestic prices and wages.

At the September MPC meeting, the Committee judged the inflation risks were further to the upside compared to its July MPR. Energy prices had risen again and borrowing costs were materially higher than before the US/Iran conflict. Despite expecting inflation would rise further in the near-term, most members believed that a soft labour market, spare capacity and restrictive monetary conditions would reduce inflation over time. Moreover, the data showed there was still little evidence of material second-round effects, although the MPC emphasised that the risk of these effects would increase the longer elevated and volatile energy prices persisted.

UK headline consumer price inflation (CPI) initially declined, suggesting the initial energy shock was not spreading into a wider range of goods and services. However, later in the period inflation picked up again, with CPI rising from 2.6% in June to 3.1% in August due largely to higher transport costs. Core CPI was 2.6% in July and August, suggesting the divergence between that and headline inflation was due to energy rather than a broad increase in underlying inflation.

UK economic activity was somewhat stronger than initially anticipated over the period. GDP expanded by 0.6% in the first quarter of the calendar year and 0.5% in the second quarter, slightly stronger than the initial estimate of 0.4%. Monthly activity was more volatile, with a contraction of -0.1% in April, followed by gains of 0%, 0.3% and 0.4% in May, June and July respectively.

Labour market data continued to show softening employment conditions. The unemployment rate fell to 4.9% in April and remained at that level to July, against expectations it would tick up. Job vacancies also continued to decline, to 702,000 in the three months to July. Earnings growth moderated, with regular earnings at 3.5% in the three months to July and total earnings at 3.9%, suggesting weaker labour demand was continuing to restrain domestic wage pressures.

Arlingclose, the Council's treasury adviser, expects Bank Rate will stay at 3.75%. However, higher energy prices due to the ongoing conflict(s) and uncertainty around the government's upcoming Budget have increased the near-term upside risks. Moreover, stronger inflation projections, which accompanied the September MPC decision, shifted market expectations for Bank Rate higher. In addition, despite little evidence of second-round effects to date, the changing tone of the MPC minutes suggests it may not need something seismic to tip the Committee to increase Bank Rate.

The US Federal Reserve held the Fed Funds target range at 3.50%-3.75% through to July. However, inflation pressures rose during the summer, pushing headline CPI to 3.4% in August, with higher petrol prices accounting for much of the increase. This led the Fed to raise its target range to 3.75%-4.00% in September. The move reflected increased concern over inflation at a time when US economic activity and labour-market conditions were relatively resilient.

Following a 0.25% increase in June, the European Central Bank raised its three key policy rates by a further 0.25% in September, taking the deposit facility rate to 2.50%. Inflation increased from 2.9% in July to 3.2% in August, and an initial estimate suggested a further rise to 3.8% in September, with energy prices the principal driver. The ECB emphasised the uncertainty around the duration of the energy shock and the risk prolonged higher inflation could feed into wider price-setting.

Financial markets: After the sharp deterioration early in the period, financial market sentiment improved somewhat as there were ongoing hopes that the US/Iran war would be resolved. However, towards the end of the period, signs of any potential resolution appeared premature and oil prices rose alongside inflation and bond yields while equity market volatility increased as investors weighed conflict-related as well as AI-related concerns.

Bond yields in both the US and UK increased markedly over the period, with the gap between gilts and US Treasuries tightening towards the end of the period. While term premia are still embedded in gilt yields given the relatively uncertain fiscal outlook, a more hawkish Fed alongside persistent US inflation and fiscal concerns have pushed the yields on US Treasuries to their highest levels in years.

Some relatively market-friendly announcements were made by Andy Burham in his speech at the Labour Party conference, but it will be the Budget at the end of October that will hopefully provide some clarity on what the UK's fiscal position might look like going forward.

Over the period, the 10-year UK benchmark gilt yield started at 4.86% and ended at a high of 5.43%. The 20-year gilt yield starting at 5.45% and finished at 5.93%, another high for the period. The Sterling Overnight Rate (SONIA) averaged 3.73% over the period to 30th September.

Credit review: Arlingclose maintained its advised recommended maximum unsecured duration limit on the majority of the banks on its counterparty list at 6 months. The other banks remain on 100 days.

During the period, Fitch upgraded numerous banks due to a rating methodology change, as well as the reference obligations used for Issuer Default Ratings and introduced more differentiated notching between deposits, senior preferred, senior unsecured and senior non-preferred debt ratings.

Later in the period, Moody's changed the outlook on HSBC to Positive from Stable, while also affirming its long-term deposit rating. This follows a similar action from S&P on HSBC's outlook a few months prior to this.

After spiking in April following escalation in the Iran war, credit default swap prices on UK banks declined during most of the period but started to pick up again in September. They ended the period well below levels that may give cause for concern but remain under constant monitoring.

European banks' CDS prices followed a similar pattern to the UK, while Canadian bank CDS prices rose early in the period and then remained at similar levels, while Australian and Singaporean banks tended to trend downwards.
Overall, at the end of the period CDS prices for all banks on Arlingclose's counterparty list remained within limits deemed satisfactory for maintaining credit advice at current durations.

Financial market volatility is expected to remain a feature, at least in the near term and, credit default swap levels will continue to be monitored for signs of ongoing credit stress.

As ever, the institutions and durations on the Council's counterparty list recommended by Arlingclose remain under constant review.

3. TREASURY INVESTMENT ACTIVITY

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

The Council holds invested funds, representing income received in advance of expenditure plus balances and reserves held. During the 6 months, the Council's investment balance ranged between £21.0 and £115.8 million due to timing differences between income and expenditure. The investment position during the period is shown in the following table:

Treasury Investment Position

	31.3.26 Balance £m	6 month Movement £m	30.9.26 Balance £m	30.9.26 Income Returns %
Banks & building societies (unsecured)	1.2	0.6	1.8	3.15
Local authorities	8.0	(8.0)	0.0	0.00
Money Market Funds	47.5	(23.1)	24.4	3.93
Debt Management Office	27.1	(27.1)	0.0	0.00
Pooled Funds	12.2	0.2	12.4	5.75
Total investments	**96.0**	**(57.4)**	**38.6**	

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 treasury 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.

As demonstrated by the liability benchmark in this report, the Council expects to be a long-term borrower and new treasury investments are therefore primarily made to manage day-to-day cash flows using short-term low risk instruments. The existing portfolio of strategic pooled funds will be maintained to diversify risk into different asset classes and boost investment income.

The progression of risk and return metrics are shown in the extracts from Arlingclose's quarterly investment benchmarking in the table below.

	Credit Score	Credit Rating	Bail-in Exposure	Weighted Average	Rate of Return

				Maturity (days)	%
31.03.2026	4.50	A+	58%	46	4.49
30.09.2026	**4.99**	**A+**	**100%**	**2**	**4.51**
Similar Las	**4.57**	**A+**	**58%**	**53**	**4.13**
All LAs	**4.58**	**A+**	**67%**	**10**	**4.11**

Bank Rate remained at 3.75% during the period. The rates on DMADF deposits ranged between 3.70% and 3.75% and Money Market Rates between 3.71% and 3.97%.

£13m of the Council's investments has been invested in externally managed strategic pooled property, multi-asset, bond and equity funds where short- term security and liquidity are lesser consideration, and the objectives instead are regular revenue income and long- term price stability. 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 investment objective are regularly reviewed.

The performance of our pooled property, multi-asset, bond and equity funds at September 2026 can be seen below:

FUND NAME	ASSET CLASS	No of Units Held in Period	Current Value £	Capital Growth £	Dividends Earned £	Holding Period (yrs)	Capital Return	Income Return	Total Return	Volatility
AEGON (KAMES) DIVERSIFIED MONTHLY INCOME FUND	MULTI ASSET	1,158,480	1,327,536	77,536	490,620	7.5	6.20%	39.25%	45.45%	9.5%
CCLA - LAMIT PROPERTY FUND	PROPERTY	1,524,344	4,174,416	-825,585	1,478,090	7.5	-16.51%	29.56%	13.05%	5.9%
NINETY ONE (INVESTEC) DIVERSIFIED INCOME FUND	MULTI ASSET	1,228,153	1,135,053	-114,947	383,750	7.3	-9.20%	30.70%	21.50%	3.3%
PAYDEN ABSOLUTE RETURN BOND FUND	ABSOLUTE RETURN	233,541	1,958,803	-41,197	344,497	3.0	-2.06%	17.22%	15.16%	1.1%
SCHRODER INCOME MAXIMISER FUND	EQUITY - UK	7,675,245	3,920,400	405,092	1,499,952	5.6	11.52%	42.67%	54.19%	8.6%
GRAND TOTAL			12,516,208	-499,100	4,196,908	6.3	-3.83%	32.25%	28.41%	4.4%
			Unrealised capital loss since purchase:	-483,792			Annualised income return:	4.52%		
							Average Bank Rate:	*2.52%*		

It is evident that the combined capital value of the funds is less than the initial investment of £13m. 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 rates. Investment in these funds will be maintained in the medium term.

4. COMPLIANCE

Compliance with specific investment limits is demonstrated in the table below.

Investment Limits

The Council failed to comply with two investment restrictions and this occurred because we had a high level of cash and therefore the investment with some counterparties was increased temporarily. We have opened additional accounts to ensure full compliance in the future.

	Counterparty Maximum during period	Counterparty 30.9.26 Actual	Counterparty 2026/27 Limit	Complied

The UK Government	£52.9m	£0m	Unlimited	✓
Local authorities & other government entities	£5m	£0m	£10m	✓
Secured investments- government support	£0m	£0m	£10m	✓
Secured investments- other collateral	£0m	£0m	£10m	✓
Banks (unsecured)	£5m	£1.8m	£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	✓

5. TREASURY MANAGEMENT PRUDENTIAL INDICATORS

As required by the 2021 CIPFA Treasury Management Code, the Council monitors and measures the following treasury management prudential indicators.

i. Long term Treasury Management Investments

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 prudential limits on the long-term treasury management limits are:

	2026/27	**2027/28**	**2028/29**	**No precise date**
Actual principal invested beyond year end	£13m	£0	£0	£0
Limit on principal invested beyond year end	£40m	£20m	£20m	£20m
Complied	✓	✓	✓	✓

Additional 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.

	30.9.26 Actual	2026/27 Target	Complied
Portfolio average credit score	4.99	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.

	30.9.26 Actual	2026/27 Target	Complied
Total cash available within 3 months	£26.2m	£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:

	30.9.26 Actual	2026/27 Limit	Complied
Upper limit on one year revenue impact of a 1% rise in interest rates	£215,026	£1,105,508	✓
Upper limit on one year revenue impact of a 1% fall in interest rates	£215,026	£1,105,508	✓

Treasury Management Performance

The Council measures the financial performance of its treasury management activities both in terms of its impact on the revenue budget and its relationship to benchmark interest rates.

The Council's budgeted investment income for the year is £992,000, however the actual expected investment income for the year 2026/27 is slightly higher at approximately £1.1m.

6. INVESTMENT TRAINING

During the period, officers have attended investment training with Arlingclose and CIPFA relevant to their roles.

7. RECOMMENDATION

To receive the report for information.

MEETING	**PENSIONS COMMITTEE**
DATE	**23 NOVEMBER 2026**
TITLE	**WPP IM CO INVESTMENT CONFERENCE**
PURPOSE	**To receive relevant feedback and information from the conference**
RECOMMENDATION	**Receive the information**
AUTHOR	**DELYTH JONES-THOMAS, INVESTMENT MANAGER**

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1. INTRODUCTION

The first WPP IM Co Investment Conference was held in October 2026 and a number of officers and committee members attended.

2. WPP IM Co CONFERENCE

The conference agenda can be found in Appendix 1 and a report from Councillor Elin Hywel in Appendix 2.

The attendees will also provide verbal feedback and share relevant information from the conference.

3. RECOMMENDATION

The Committee is requested to receive the information.

Noddwr Arweiniol Russell Investments

WPP Wales Pension Partnership IM Co

Cynhadledd Cwmni Rheoli Buddsoddiadau PPC

Agenda

Diwrnod 1 – Dydd Mawrth 13 Hydref 2026

AMSER	AGENDA
11:45 - 12:00	**Cyrraedd a Chofrestru**
12:00 - 12:50	**Cinio Bwffe a Rhwydweithio**
12:50 - 13:05	**Croeso a Chadw Trefn**
13:05 - 13:45	**Sesiwn gan Brif Weithredwr Cwmni Rheoli Buddsoddiadau Partneriaeth Pensiwn Cymru**
13:45 - 14:45	**Sesiwn Lawn #1** Cyd-destun y Farchnad a'r Economi
14:45 - 15:10	**Lluniaeth a Rhwydweithio**
15:10 - 16:00	**Sesiwn Lawn #2** Buddsoddi Cyfrifol, Stiwardiaeth ac Ymgysylltu – A yw'n 'Addas ar gyfer y Dyfodol?'
16:00 - 17:00	**Sesiwn Lawn #3** Deallusrwydd Artiffisial mewn Portffolios Buddsoddi
17:00 - 17:10	**Sylwadau I Gloi Diwrnod 1**
18:00 - 23:00	**Diodydd a Swper**

Diwrnod 2 – Dydd Mercher 14 Hydref 2026

AMSER	AGENDA
09:00 - 09:30	**Lluniaeth a Rhwydweithio**
09:30 - 10:10	**Sesiwn ynghylch Buddsoddi Lleol gan Gwmni Rheoli Buddsoddiadau Partneriaeth Pensiwn Cymru**
10:10 - 10:30	**Lluniaeth a Rhwydweithio**
10:30 - 11:40	**Sesiwn Lawn #4** Themâu Ecwiti
11:40 - 12:45	**Sesiwn Lawn #5** Themâu Incwm Sefydlog
12:45 - 13:00	**Sylwadau i Gloi a Diolchiadau**
13:00	**Cinio a Diwedd y Gynhadledd**

Noddwyr

OAKTREE · Hymans Robertson · Man · Jupiter Asset Management · Colchester Global Investors · mirova Investing in sustainability · ROBECO The Investment Engineers · waystone

Lead sponsor Russell Investments

WPP Wales Pension Partnership IM Co

WPP IM Co. Investment Conference

Agenda

Day 1 - Tuesday 13 October 2026

TIME	AGENDA
11:45 - 12:00	**Arrival & Registration**
12:00 - 12:50	**Buffet Lunch & Networking**
12:50 - 13:05	**Welcome & Housekeeping**
13:05 - 13:45	**WPP IM Co. Chief Executive Officer Session**
13:45 - 14:45	**Plenary Session #1** Market and Economic Scene-Setting
14:45 - 15:10	**Refreshments & Networking**
15:10 - 16:00	**Plenary Session #2** Responsible Investment, Stewardship & Engagement – Is it 'Fit for the Future?'
16:00 - 17:00	**Plenary Session #3** Artificial Intelligence (AI) in Investment Portfolios
17:00 - 17:10	**Day 1 Closing Remarks**
18:00 - 23:00	**Drinks Reception & Dinner**

Day 2 - Wednesday 14 October 2026

TIME	AGENDA
09:00 - 09:30	**Refreshments & Networking**
09:30 - 10:10	**WPP IM Co. Session on Local Investing**
10:10 - 10:30	**Refreshments & Networking**
10:30 - 11:40	**Plenary Session #4** Equity Themes
11:40 - 12:45	**Plenary Session #5** Fixed Income Themes
12:45 - 13:00	**Closing Remarks and Thanks**
13:00	**Lunch and Close**

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Cronfa Bensiwn
GWYNEDD
Pension Fund

Ffurflen Gofnodi Adborth o Gynadleddau CPLlL /
LGPS Conference Feedback Recording Form

1. Manylion y Cynghorydd / Councillor Details	
Enw / Name:	Elin Hywel
Teitl y Gynhadledd / Conference Title:	WPP Investment Management Company Conference
Dyddiad y Gynhadledd / Date of Conference:	13/10/2026 – 14/10/2026
Lleoliad neu Ddarparwr / Location or Provider:	WPP IM Co, Parkgate Hotel, Cardiff

2. **Prif Sesiynau a Fynychwyd / Key Sessions Attended**

Rhowch fanylion y prif sesiynau, gweithdai neu gyflwyniadau a fynychwyd / Please list the main sessions, workshops or presentations you attended:

- Session by the Chief Executive of the Wales Pension Partnership Investment Management Company
- Market and Economic Context
- Responsible Investing, Stewardship and Engagement – Is it fit for the future?
- Artificial Intelligence in Investment Portfolios
- Session on Local Investment by the Wales Pension Partnership Investment Management Company
- Equity Themes
- Fixed Income Themes

3. Prif Bwyntiau a Ddysgwyd / Materion a Amlygwyd / Key Points Learned / Issues Highlighted

Crynhowch y pwyntiau pwysicaf, y mewnwelediadau neu'r diweddariadau polisi a gyflwynwyd yn ystod y gynhadledd / Summarise the most important points, insights or policy updates shared during the conference:

- The importance and value of face-to-face opportunities for as many of the Committee as possible to attend was evident from this conference, with a number of members having the opportunity to hear first-hand information and discuss with others to develop their learning and understanding of the topics of interest to them.
- There was a good mix of topics to be discussed over the two days and there were good opportunities to contribute from the floor, and I was delighted to see our members doing so.
- It was nice to receive an update from WPP IMCo at the start of the first day that gave everyone in the room the opportunity to be on the same page. It set a useful

frame for us from high quality targeting to their activity, a global and local view – and where the balance is.

- The discussion on responsible investing is always useful and there were good and open opportunities here for questions from the floor. It showed open confidence from the organisers to enable a conversation like this and bodes well (hopefully) for the future.
- The discussion and presentation on artificial intelligence was very interesting on the first day and gave us a good opportunity to discuss – not only its investments in GA but to develop a better understanding of how GA is used by our investment managers, to understand the risks on the value of working with GA in this way.
- At the beginning of the second day we had a closed session on investing locally. There were several benefits to a closed session in my opinion. Initially it provided an opportunity to get to know who is directly involved with the PPC. It also gave attendees the opportunity to talk more openly and receive very local knowledge to their areas. It was a development to the conversation on investing locally and an opportunity to highlight again the different roles of the committees as owners and clients why come to manage the investments that will take place by WPP IMCo.
- The last two sessions were an eye-opener with opportunities to identify the side effect of global events from a pure investment perspective.

4. Perthnasedd i'r Gronfa CPLlL / Relevance to the LGPS Fund

Esboniwch sut mae'r wybodaeth yn berthnasol i lywodraethu'r gronfa, strategaeth fuddsoddi, gweinyddiaeth neu reoli risg / Explain how the information relates to the fund's governance, investment strategy, administration or risk management:

The information received and the networking was critical to the development of the fund as we continued to change according to the requirements of 'Fit for the Future' and the WPP IMCo organisation.

5. Camau Gweithredu neu Gamau Dilynol a Argymhellir / Recommended Actions or Follow-Up

Rhestrwch unrhyw gamau gweithredu, newidiadau neu drafodaethau pellach y dylai'r pwyllgor/bwrdd eu hystyried / List any suggested actions, changes, or further discussions needed by the committee/board:

There is a need to continue to develop an intelligent and positive conversation on investing locally and responsible investment through conversations that provide opportunities for members to meaningfully contribute to the process.

6. Deunyddiau neu Adnoddau a Gasglwyd / Materials or Resources Obtained

Cofnodwch unrhyw ddogfennau, dolenni, cyflwyniadau neu nodiadau a all fod o gymorth i'r pwyllgor / Include links, documents, slide decks, or notes that may assist the committee:

Some slides shared directly over email.

7. Asesiad Cyffredinol / Overall Assessment Rhowch eich adborth cyffredinol ar werth ac effeithiolrwydd y gynhadledd / Provide your general feedback on the value and usefulness of the conference:
A lively conference sharing useful information while offering important opportunities to develop understanding, networking and develop relationships between Committee members and WPP IMCo

8. Sylwadau Ychwanegol / Additional Comments Defnyddiwch y rhan hon ar gyfer unrhyw sylwadau neu bryderon ychwanegol / Use this space for any extra observations or concerns not covered above:

MEETING	**PENSIONS COMMITTEE**
DATE	**23 NOVEMBER 2026**
TITLE	**LAPFF BUSINESS MEETING REPORT**
PURPOSE	**To receive relevant feedback and information from the LAPFF Business Meeting**
RECOMMENDATION	**Receive the information**
AUTHOR	**COUNCILLOR STEPHEN CHURCHMAN**

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1. INTRODUCTION

The LAPFF Business Meeting was held on October 14 2026 and Councillor Stephen Churchman attended on behalf of Gwynedd Pension Fund.

2. LAPFF BUSINESS MEETING

The meeting report can be found in Appendix 1.

Councillor Stephen Churchman will provide verbal feedback and share relevant information from the meeting.

3. RECOMMENDATION

The Committee is requested to receive the information.

LOCAL AUTHORITY PENSION FUND FORUM

Business Meeting

October 14th 2026 at 18 Smith Square, Westminster

Report by Stephen Churchman

Background

The LAPFF Executive Committee holds a virtual meeting two to three weeks prior to the Business Meeting. This is a meeting of Executive Committee members along with our advisors, PIRC (Pensions & Investment Research Consultants Ltd**,** Europe's largest independent corporate governance and shareholder advisory consultancy). These meetings are held quarterly.

Members receive reports on a variety of subjects including updates of previous reports, shareholder engagements, changes in legislation and or the requirements for the LGPS as well as the internal matters from the Treasurer and the Forum Officer and the annual workplan.

The reports are updated taking into account comments, questions and answers from the Executive Committee Meeting and this forms the basis of the agenda for the next Business Meeting.

The Business Meeting is an open meeting for representatives of all member funds to attend, along with the Executive Committee members, advisors from PIRC and on an ad hoc basis any other advisors as deemed required for specific reports presented in the agenda pack. All the member representatives are entitled to vote. Occasionally invited representatives of non-member funds as observers.

For Information

The Forum Officer is Keith Bray. He is the ipso facto LAPFF Ambassador. His roles and responsibilities include attending Pension Committees on request all around the UK, engaging with non-member funds (ever trying to recruit).

There are 98 LGPS Funds (86 in England and Wales, 11 in Scotland, 1 in Northern Ireland). LAPFF membership stands at 87 plus 7 Pool funds.

Keith always reminds us that he is available to attend any Pension Committee free of charge on request to discuss any issues.

The key takeaways from the October Meeting:

- **Climate stewardship:** Members noted the climate-focus report and agreed it should inform the annual workplan. Engagement will prioritise electricity grids, renewable deployment, storage and resilience, alongside selective work on industrial innovation, commercial buildings, transport electrification and agricultural supply chains.
- **Capital markets and proxy voting:** Members noted the Capital Markets Working Group update and the 2026 proxy-season trends. The work supports stronger shareholder rights, reporting quality, climate-risk accounting and hybrid rather than virtual-only AGMs.

- **CAHRA escalation:** Approved a two-track escalation approach for companies exposed to conflict-affected and high-risk areas:
    - Continue engagement with respondents whose due-diligence processes show material weaknesses, escalating if improvement is not demonstrated.
    - Escalate non-responders directly in the 2027 AGM season through targeted voting alerts, AGM attendance and, where appropriate, public communications.
- **CAHRA portfolio analysis:** Members approved commissioning the Heartland Initiative to analyse LAPFF's 1,000 most widely held companies, produce a public report, and use the findings to target future engagement. The quoted fee is USD 8,000.
- **Climate-transition plan initiative:** Members noted continued support for advisory shareholder votes on FTSE 100 climate-transition plans at least every three years. The 2026 investor letter was backed by 62 investors representing more than £3.8 trillion in assets under management.
- **Quarterly engagement report:** Members were asked to review the July–September draft report, covering deforestation, supply-chain resilience, nature, cement decarbonisation, CAHRAs, EV supply chains, mining, and executive remuneration.

Official minutes and agendas for the Local Authority Pension Fund Forum (LAPFF) business meetings are restricted to member funds and can be accessed directly via the LAPFF Member Portal.

Annual Conference

I will be attending the LAPFF Annual Conference which will be held at the Hilton Hotel, Bournemouth between 2nd and 4th December 2026.

Conference Details

- **Dates:** Wednesday, 2 December to Friday, 4 December 2026
- **Location:** Hilton Bournemouth, Terrace Road, Bournemouth, BH2 5EL
- **Theme:** "Protecting long-term value: Stewardship and governance in an era of emerging risk"
- **Schedule:** Starts with a light lunch at 12:30 PM on 2 December and concludes at 1:00 PM on 4 December.

Stephen W Churchman

22nd October 2026

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MEETING	**PENSIONS COMMITTEE**
DATE	**23 NOVEMBER 2026**
TITLE	**GWYNEDD PENSION FUND DRAFT CONFLICTS OF INTEREST POLICY**
PURPOSE	**To review and approve the policy**
AUTHOR	**DELYTH JONES-THOMAS, INVESTMENT MANAGER**

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1. INTRODUCTION

This report presents the Gwynedd Pension Fund Conflicts of Interest Policy for consideration by the Pensions Committee.

The policy has been prepared with input by the legal department at Cyngor Gwynedd and can be seen in Appendix 1.

2. BACKGROUND

As part of the UK Government's "Fit for the Future" reforms for the Local Government Pension Scheme (LGPS), administering authorities are legally mandated to establish and maintain a dedicated conflicts of interest policy.

This policy will form a vital part of the Fund's Governance Framework and will be fundamental to the effective management of the Pension Fund and maintaining confidence amongst scheme members, employers and other stakeholders.

Once this policy is adopted, the Fund is required to review and, if appropriate, update its conflicts of interest policy at least once in each valuation period, and without delay after any significant change to the Fund's governance arrangements or relevant asset pool company.

3. CONFLICTS OF INTEREST POLICY

This policy provides a clear framework for how actual, potential and perceived conflicts should be identified, declared, recorded, managed and reviewed.

The policy ensures that conflicts of interest are managed consistently, proportionately and transparently across the governance, management, administration and advisory arrangements of the Gwynedd Pension Fund.

The policy applies to applies to members of the Pensions Committee, Pension Board members, relevant officers, advisers, managers, suppliers and any other person involved in Fund business.

4. RECOMMENDATION

The Board is asked to approve the policy.

Cronfa Bensiwn
GWYNEDD
Pension Fund

Conflicts of Interest Policy

Contents

1. Executive Summary
2. Purpose and Scope
3. Legislative and Governance Context
4. Definition of a Conflict of Interest
5. Governance Principles
6. Roles and Responsibilities
7. Identifying, Declaring and Recording Conflicts
8. Managing Conflicts
9. Specific Risk Areas
10. Breaches and Reporting
11. Training, Monitoring and Review
12. Publication

Appendix A: Declaration of Interests Form
Appendix B: Meeting Declaration Procedure
Appendix C: Examples of Conflicts and Management Actions

1. Executive Summary

This report sets out a Conflicts of Interest Policy for the Gwynedd Pension Fund. It provides a clear framework for how actual, potential and perceived conflicts should be identified, declared, recorded, managed and reviewed.

The policy is designed to support robust governance, transparent decision-making and compliance with the expectations applying to Local Government Pension Scheme funds. It applies to members of the Pensions Committee, Pension Board members, relevant officers, advisers, managers, suppliers and any other person involved in Fund business.

2. Purpose and Scope

The purpose of this policy is to ensure that conflicts of interest are managed consistently, proportionately and transparently across the governance, management, administration and advisory arrangements of the Gwynedd Pension Fund.

The policy applies to:

- Members of the Pensions Committee.
- Members of the Pension Board.
- Officers of Cyngor Gwynedd involved in the Fund which includes the Head of Finance, Monitoring Officer and Senior LGPS Officer.
- Investment, actuarial, legal, governance, administration, benefits, procurement, accounting, audit and stewardship advisers.
- External managers, consultants, suppliers and service providers.
- Representatives of participating employers when involved in Fund business.
- Any other person invited to participate in Fund decision-making, review or advisory activity.

The policy should be read alongside the Fund's Governance Policy Statement, Investment Strategy Statement, Funding Strategy Statement, Administration Strategy, Communications Policy, Risk Management Policy, Cyngor Gwynedd's Constitution, Member Code of Conduct, Officer Code of Conduct, procurement rules, gifts and hospitality arrangements and whistleblowing procedures.

3. Legislative and Governance Context

Cyngor Gwynedd is the Administering Authority for the Gwynedd Pension Fund. The Fund's governance responsibilities are exercised through delegated arrangements, including the Pensions Committee and the Pension Board.

The Pensions Committee has delegated responsibilities including investment strategy, monitoring investment arrangements, certain pension administration decisions and scrutiny of the Fund's financial affairs.

The Pension Board assists the Administering Authority in securing compliance with LGPS regulations, other legislation and requirements imposed by The Pensions Regulator, and in supporting effective and efficient governance and administration of the Fund.

The principal legal and regulatory framework includes:

- The Local Government Pension Scheme Regulations 2013.
- The Public Service Pensions Act 2013.

- The Pensions Act 2004.
- The Pension Schemes Act 2026
- The Pensions Regulator's General Code of Practice.
- Relevant statutory guidance for LGPS administering authorities in England and Wales.
- Cyngor Gwynedd's Constitution, codes, protocols and local governance requirements.

Members of the Pensions Committee

In addition to the requirements of this Policy, all members and co-opted members of the Pensions Committee have an overriding requirement to follow and abide by Cyngor Gwynedd's Members' Code of Conduct. The Code contains provisions relating to personal interests, personal and prejudicial interests, their disclosure and limitations on members' participation where they have any such interest. Accordingly, for those members, disclosures under this policy are in addition to disclosures under the Code of Conduct.

Employees

Cyngor Gwynedd officers are required to adhere to Cyngor Gwynedd's Employees' Code of Conduct which includes requirements in relation to the disclosure and management of personal and pecuniary interests, and the provisions of this Policy do not override or remove those obligations.

4. Definition of a Conflict of Interest

For the purposes of this policy, a conflict of interest is any situation in which a person's ability to act solely in the interests of the Fund, or to carry out Fund-related duties objectively, could be impaired or could reasonably be perceived to be impaired by another interest or duty.

Type	Meaning	Example
Actual conflict	A direct and current conflict between Fund responsibilities and another interest.	A Committee member is involved in appointing an adviser and has a financial interest in one of the bidding firms.
Potential conflict	Circumstances that could develop into an actual conflict.	An officer involved in procurement is discussing future employment with a potential bidder.
Perceived conflict	A reasonable person could believe judgement may be influenced, even if the person considers they can act impartially.	A Board member scrutinises a supplier where a close family member holds a senior role.
Competing duty	A person owes duties to more than one organisation or group.	A councillor participates in Fund business while also holding responsibilities in a participating employer body.

Conflicts may be financial or non-financial. A non-financial interest can still be significant if it could influence, or appear to influence, a person's judgement.

5. Governance Principles

All individuals covered by this policy must:

1. Act honestly, objectively and in good faith.
2. Put the interests of the Fund, scheme members and beneficiaries first when carrying out Fund responsibilities.
3. Avoid situations where personal interests, external roles or other duties could improperly influence Fund business.
4. Declare conflicts at the earliest opportunity.
5. Consider whether a reasonable person could perceive that a conflict exists.
6. Comply with all decisions made under this policy to manage a conflict.
7. Protect confidential information.
8. Not use their position for personal gain or to benefit another person or organisation improperly.
9. Seek advice if they are unsure whether a conflict exists.
10. Keep declarations up to date.

Some interests are inherent in the LGPS structure. For example, a person may be a scheme member, an elected member, an employer representative or a member representative. Such interests do not automatically prevent involvement in Fund business, but they must be declared and managed where relevant to a particular matter.

6. Roles and Responsibilities

Role	Key responsibilities
Pensions Committee members	Declare interests in accordance with this policy and Cyngor Gwynedd's Member Code of Conduct; review agendas and reports in advance; declare conflicts at meetings; comply with the Chair's ruling on participation, withdrawal or voting; and maintain confidentiality.
Pension Board members	Declare interests on appointment and during their term; ensure that they do not have a conflict that would prejudice their ability to assist the Administering Authority; review meeting papers in advance; and comply with decisions on managing conflicts.
Officers	Declare relevant personal, financial, professional or other interests; comply with officer conduct requirements; ensure processes are fair and transparent; maintain the Conflicts Register where required; and escalate concerns promptly.
Head of Finance (s151)	Ultimately responsible for the proper administration of Cyngor Gwynedd, the administering authority's financial affairs.

Senior LGPS Officer	Responsible for ensuring the administering authority is appropriately managed and resourced in respect of all matters of the LGPS. This includes administration, investment and governance.
Monitoring Officer	Advise on member conduct, constitutional requirements and standards matters where relevant to conflicts of interest.
Advisers, managers and service providers	Disclose conflicts before appointment and throughout the contract; explain safeguards; notify the Fund promptly if new conflicts arise; comply with professional standards; and avoid improper use of confidential information.
Pooling company (WPP IM Co)	Disclose conflicts before appointment and throughout the contract; explain safeguards; notify the Fund promptly if new conflicts arise; comply with professional standards; and avoid improper use of confidential information.

7. Identifying, Declaring and Recording Conflicts

7.1 When conflicts should be considered

Conflicts should be actively considered:

- On appointment to a Committee, Board, officer or adviser role.
- Before accepting an advisory, management or supplier appointment.
- At the start of each Committee, Board or working group meeting.
- When personal, professional or financial circumstances change.
- During procurement, tender evaluation and contract management.
- During employer admission, exit, contribution, covenant or funding strategy matters.
- During pension administration decisions, appeals and complaints.
- When dealing with confidential or commercially sensitive information.
- During activity connected to investment pooling or collaborative arrangements.
- Members and co-opted member of the Pensions Committee are required by the Members Code of Conduct in all matters to consider whether they have a personal interest and whether the Code requires them to disclose that interest.

7.2 Declaration process

All individuals covered by this policy must complete a Declaration of Interests form on appointment, annually, whenever their circumstances change and whenever requested by the Fund. Individuals must submit a nil return where they have no interests to declare.

At the start of each formal meeting, the Chair will ask members and attendees to declare any interests in relation to the agenda. Any declarations and management actions will be recorded in the minutes. All members and co-opted members of the Committee are required to register any interests declared at the meeting in accordance with the requirements of the Members' Code of Conduct.

7.3 Conflicts Register

The Fund will maintain a Conflicts of Interest Register. The register should include the name of the individual or organisation, role, nature of the interest, whether the conflict is actual, potential or perceived, date declared, relevant matter, action taken, review date and date removed where applicable.

8. Managing Conflicts

The appropriate management action will depend on the nature, seriousness and context of the conflict. The aim is not necessarily to eliminate all conflicts, but to ensure that they are disclosed, assessed and managed in a proportionate and auditable way.

Management action	When it may be appropriate
Record only	Where the interest is minor and does not affect the matter under consideration.
Participation with safeguards	The individual may participate, but with limitations such as not receiving confidential information.
Non-participation in discussion	The individual may remain in the meeting but not contribute to the relevant item.
Withdrawal from the meeting	The individual leaves the room for the relevant item.
No voting	The individual is excluded from voting on the relevant matter.
Restriction from papers	The individual does not receive certain papers, reports or confidential information.
Removal from process	The individual is removed from a working group, procurement panel or evaluation process.
Independent advice	The Fund seeks legal, governance or other independent advice.
Alternative decision route	The matter is referred to another authorised person or body.
Resignation or contract review	In serious or persistent cases, an individual may be asked to resign from a role, or a contract may be reviewed or terminated.

8.1 Decision-making on conflicts

- Members and co-opted members are personally responsible for considering which provisions of the Code of Conduct may apply in any given situation and to act in accordance with their obligations under the Code. Nothing in this Policy overrides or removes that obligation.
- For Committee meetings, the Chair of the Pensions Committee, advised by the Monitoring Officer or relevant officer, will determine how a declared conflict should be managed.
- For Pension Board meetings, the Chair of the Board, advised by the Monitoring Officer or relevant officer, will determine how a conflict should be managed.

- For officer conflicts, the Senior LGPS Officer, Head of Finance or Monitoring Officer will determine the appropriate management action.
- For adviser or supplier conflicts, the Senior LGPS Officer, in consultation with the Head of Finance, Monitoring Officer or legal advisers where appropriate, will determine the appropriate action.
- Where the Chair has a conflict, the Vice-Chair or another appropriate person will determine how the conflict should be managed.

9. Specific Risk Areas

9.1 Gifts and hospitality

Individuals must not accept gifts, hospitality or benefits that could influence, or be perceived to influence, their judgement. All offers must be handled in accordance with Cyngor Gwynedd's relevant policies and registers. Particular care is required where offers are made by investment managers, advisers, actuaries, custodians, administrators, software providers, legal firms, employers, prospective suppliers or organisations involved in procurement or contract renewal.

9.2 Procurement and contract management

Anyone involved in scoping, evaluating, scoring, negotiating, awarding or managing Fund contracts must declare any interests in bidders, suppliers or related parties. Where a conflict is identified, the individual may be removed from the process or restricted from receiving documents.

9.3 Investment decisions

Investment decisions must be made in accordance with the Fund's Investment Strategy Statement, fiduciary responsibilities and relevant regulations. Conflicts may arise through financial interests, adviser relationships, access to market-sensitive information, political or campaigning positions, or personal relationships with investment providers.

9.4 Employer-related matters

Conflicts may arise in relation to admissions, exits, contribution rates, funding strategy, covenant assessments, cessation debts, payment plans, administration performance, data quality and discretions. A connection with an affected employer must be declared and managed.

9.5 Scheme member matters

Being a member of the LGPS does not, on its own, constitute a conflict. However, a conflict may arise where a person is involved in a decision that specifically affects their own benefits, a family member's benefits, or a small identifiable group of which they are part. Examples include appeals, ill-health matters, discretionary benefit decisions, overpayment recovery, transfers, aggregation decisions and complaints.

9.6 Confidentiality and information barriers

Confidential information obtained through Fund business must be used only for proper Fund purposes. Individuals must not share confidential information with unauthorised persons, use Fund information for personal gain, use Fund information to benefit another organisation improperly, or disclose commercially sensitive information. The Fund may establish information barriers, restrict access to papers or exclude individuals from discussions where necessary.

9.7 Advice and implementation

WPP IM Co provides the principal investment advice to partner funds on investment strategies and implements those strategies through underlying pooled products. A conflict may arise where pension funds

have different investment beliefs but implementation of a common approach would be beneficial to WPP IM Co.

10. Breaches and Reporting

A breach of this policy may include failure to declare an interest, incomplete or misleading declarations, participation in a matter despite a conflict, failure to follow a management decision, misuse of confidential information, acceptance of inappropriate gifts or hospitality, or failure by an adviser or supplier to disclose a conflict.

Breaches may be dealt with through advice or training, recording of the breach, referral to the Monitoring Officer, referral under standards or disciplinary procedures, review of Committee or Board membership, review or termination of adviser or supplier contracts, reporting to The Pensions Regulator or another body where required, and inclusion in the Fund's risk or breach reporting arrangements.

Any person who believes that a conflict has not been declared or properly managed should report the matter promptly to the Senior LGPS Officer, Head of Finance, Monitoring Officer, Chair of the Pensions Committee or Chair of the Pension Board. Concerns may also be raised through Cyngor Gwynedd's whistleblowing arrangements where appropriate.

11. Training, Monitoring and Review

Committee members, Board members and relevant officers will receive training on conflicts of interest as part of induction and ongoing training. Training should cover definitions of conflicts, declaration procedures, meeting procedures, procurement risks, investment conflicts, employer-related conflicts, gifts and hospitality, confidentiality and relevant LGPS case studies.

The Conflicts Register will be reviewed at least annually and reported to the Pensions Committee and Pension Board as appropriate. This policy will be reviewed at least every three years, or earlier if legislation, statutory guidance, regulatory expectations, governance arrangements or a significant conflict incident require it.

12. Publication

This policy should be made available to Committee members, Board members, officers, advisers, service providers, participating employers, scheme members and other stakeholders where appropriate. Publication supports transparency and confidence in the Fund's governance arrangements.

Appendix A: Declaration of Interests Form

This form should be completed on appointment, annually, whenever circumstances change and whenever requested by the Fund.

Name	
Role	
Organisation	
Date of declaration	
Employment, office or profession	
Directorships, partnerships or business interests	
Financial interests	
Roles with participating employers	
Adviser, supplier or investment connections	
Personal relationships, gifts and hospitality, or other interests	

Declaration: I confirm that the information provided is complete and accurate to the best of my knowledge. I undertake to update this declaration promptly if my circumstances change.

Signed: _____ Date: _____

Appendix B: Meeting Declaration Procedure

At the start of each meeting, the Chair should ask:

> "Are there any declarations of interest in relation to the items on today's agenda?"

Where an interest is declared, the minutes should record the name of the individual, agenda item, nature of the interest, whether the interest is actual, potential or perceived, and the action taken to manage the conflict.

Example minute wording: Councillor [Name] declared a potential conflict of interest in relation to agenda item [x], due to [brief reason]. Following advice from the Monitoring Officer, Councillor [Name] remained in the meeting but did not participate in the discussion or vote on the item.

Appendix C: Examples of Conflicts and Management Actions

Scenario	Conflict risk	Potential management action
Committee member connected to an employer	A contribution-rate or funding decision affects an employer with which the member has a senior role.	Declare the interest, do not participate in the discussion and withdraw from the vote.
Adviser acting for more than one LGPS fund	Advice may be influenced by obligations to another fund involved in the same opportunity.	Require disclosure, review safeguards and consider independent advice.
Officer with family connection to supplier	Tender evaluation could be perceived as compromised.	Remove the officer from the procurement panel and restrict access to tender documents.
Board member who is a scheme member	General LGPS membership may be relevant but does not normally prevent participation.	Record the interest. Further action only if the matter specifically affects the individual or a small identifiable group.
Hospitality from investment manager	Hospitality shortly before a contract review may appear to influence judgement.	Declare the offer and decline unless approved as proportionate under gifts and hospitality rules.

Meetings of the Pensions Committee

Members and co-opted member of the Pensions Committee have a duty, under the Members Code of Conduct, in all matters to consider whether they have a personal interest under the Code, and whether the Code requires them to disclose that interest. Meetings of the Pensions Committee shall follow Cyngor Gwynedd's established procedure for declaring and registering personal interests.

Meeting:	Pensions Committee
Date:	23/11/2026
Title:	Governance Strategy for Gwynedd Pension Fund
Author:	Meirion Jones, Pensions Manager
Purpose:	To present the Governance Strategy for Gwynedd Pension Fund to the Pensions Committee for formal approval, following review and scrutiny by the Pension Board.
Reccomendation:	The Pensions Committee is requested to: 1. Note that the Pension Board has reviewed and scrutinised the Governance Strategy. 2. Note the comments received from the Pension Board and the amendments made to the Strategy as a result. 3. Note that further minor amendments may be required to the section relating to the LGPS Senior Officer following appointment to the role. 4. Approve the Governance Strategy for Gwynedd Pension Fund.

1. Purpose of the Report

To present the Governance Strategy for Gwynedd Pension Fund to the Pensions Committee for formal approval. The Strategy is attached at **Appendix A**.

2. Background

Good governance principles within the LGPS require administering authorities to maintain clear governance arrangements and document how the Fund is governed, managed and monitored. The Governance Strategy has therefore been developed to bring together the Fund's governance framework, responsibilities, policies and oversight arrangements into a single document.

The Strategy sets out the Fund's governance objectives, governance structure, roles and responsibilities, training requirements, risk management arrangements and framework for continuous improvement.

The Strategy has been developed taking into account current LGPS governance requirements, the recommendations arising from the Good Governance Review and emerging governance reforms affecting the LGPS.

3. Current Position

This is the first Governance Strategy to be prepared for Gwynedd Pension Fund. Its purpose is to provide a comprehensive framework that brings together the Fund's governance arrangements and supports effective governance and oversight.

The Strategy includes a section relating to the role and responsibilities of the LGPS Senior Officer. As the Fund is currently awaiting appointment to this role, this section has intentionally been kept at a high level. It is anticipated that minor amendments may be required following the appointment and confirmation of the Senior Officer's detailed responsibilities.

Officers do not anticipate any significant changes to the Strategy in the near future, although it will be reviewed periodically to ensure that it remains up to date and reflects LGPS governance requirements.

4. Consideration by the Pension Board

The draft Governance Strategy was presented to the Pension Board on 12 October 2026 for review and scrutiny.

Following consideration of the document, the Pension Board supported the submission of the Strategy to the Pensions Committee for approval, but made the following suggestion:

- A specific reference to compliance with the Well-being of Future Generations (Wales) Act 2015 should be included within the Strategy.

Officers have considered the Board's comment and amended the Strategy accordingly. The relevant reference has now been included within the final version attached.

In addition, since the document was presented to the Pension Board, officers have made a number of further minor amendments to the Strategy. These include updating references to the responsibilities of WPP IM Co, together with revisions to the narrative in Section 7 and the description of the role of the Investment Manager in Section 8 to more accurately reflect current arrangements. These amendments do not alter the overall content or direction of the Strategy.

5. Recommendation

The Pensions Committee is requested to:

1. Note that the Pension Board has reviewed and scrutinised the draft Governance Strategy.
2. Note the comment received from the Pension Board and the amendment made to the Strategy as a result.

3. Note that further minor amendments may be required to the section relating to the LGPS Senior Officer following appointment to the role.
4. Approve the Governance Strategy for Gwynedd Pension Fund.

Cronfa Bensiwn
GWYNEDD
Pension Fund

Gwynedd Pension Fund

Governance Strategy

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1. Introduction

Purpose of the Strategy

This Governance Strategy sets out the governance framework for the Gwynedd Pension Fund ("the Fund"), administered by Cyngor Gwynedd as the designated Administering Authority for the Local Government Pension Scheme (LGPS).

The Strategy establishes how the Fund will be governed, managed and monitored to ensure that decisions are taken transparently, effectively and in the best interests of scheme members, employers and local taxpayers.

It has been prepared having regard to:

- The Public Service Pensions Act 2013.
- The Local Government Pension Scheme Regulations 2013 (as amended).
- Guidance issued by the Ministry of Housing, Communities and Local Government.
- Guidance issued by The Pensions Regulator.
- The recommendations of the LGPS Good Governance Review.
- Emerging LGPS governance reforms.
- Existing governance arrangements adopted by Gwynedd Pension Fund.
- The Well-being of Future Generations (Wales) Act 2015 and the sustainable development principle

Governance Objectives

The Fund aims to:

- Act in the best interests of members and employers.
- Maintain robust governance arrangements.
- Deliver effective scrutiny and accountability.
- Ensure legal and regulatory compliance.
- Support long-term sustainability of the Fund.
- Promote transparency in decision making.
- Deliver value for money.
- Maintain high standards of stewardship and fiduciary responsibility.
- Continuously improve governance arrangements.
- Support the well-being goals and sustainable development principle set out in the Well-being of Future Generations (Wales) Act 2015 when carrying out Pension Fund functions.

2. Governance Principles

The Fund will operate in accordance with the following principles:

Accountability

Decision-makers must be accountable for their actions and decisions.

Transparency

Governance arrangements and decision-making processes shall be open and accessible wherever possible.

Integrity

All participants must act honestly, fairly and professionally.

Stewardship

The Fund will exercise prudent management of assets and resources on behalf of members and employers.

Effectiveness

The governance framework must support informed and timely decisions.

Equity

The interests of all employers and members will be considered appropriately.

Continuous Improvement

Governance arrangements will be regularly reviewed against developing best practice and legislative requirements.

Sustainable Development

The Fund will seek to incorporate the sustainable development principle into decision-making by considering the long-term impact of decisions, preventing future risks where possible, working collaboratively with stakeholders, integrating wider impacts into decision-making and involving those affected by decisions

3. Governance Framework

The Gwynedd Pension Fund operates within a layered governance structure designed to provide effective decision-making, scrutiny, challenge and assurance.

Governance Bodies

The Fund's governance framework comprises:

- Cyngor Gwynedd as Administering Authority.
- Pensions Committee.
- Local Pension Board.
- Head of Finance (Section 151 Officer).
- Senior LGPS Officer,
- Pensions Manager.
- Monitoring Officer.
- Professional Advisers.
- Wales Pension Partnership

These bodies collectively provide strategic leadership, operational management, independent oversight and assurance.

4. Role of Cyngor Gwynedd as Administering Authority

Cyngor Gwynedd is legally responsible for:

- Maintaining and administering the Fund.
- Exercising all functions delegated under LGPS legislation.
- Ensuring compliance with legal requirements.
- Maintaining appropriate governance arrangements.
- Appointing the Pensions Committee and Local Pension Board.
- Ensuring adequate resources are available for the administration of the Fund.

The Council acts as Scheme Manager under the Public Service Pensions Act 2013.

5. Role of the Pensions Committee

Purpose

The Pensions Committee is the principal decision-making body for the Fund and exercises delegated authority from Cyngor Gwynedd.

The Committee is responsible for the strategic direction and management of the Fund while officers are responsible for day-to-day operations.

Membership

The Committee consists of nine voting members:

- Seven elected members nominated by Cyngor Gwynedd.
- One representative from Conwy County Borough Council.
- One representative from Isle of Anglesey County Council.

This structure reflects the importance of the Fund's largest participating employers and supports accountability to stakeholders.

In addition to the nine voting members, the Committee will include an Independent Member appointed in accordance with the requirements of the Local Government Pension Scheme and relevant governance reforms. The Independent Member will provide objective challenge, support effective decision-making, and contribute specialist knowledge and experience to enhance the Committee's governance, transparency, and accountability. Whilst participating fully in discussions and providing independent scrutiny, the Independent Member will not have voting rights.

Strategic Responsibilities

Funding and Actuarial Matters

The Committee shall:

- Approve the Funding Strategy Statement.
- Determine employer funding arrangements.
- Monitor employer covenant risks.
- Consider valuation outcomes.
- Approve admission and cessation arrangements.
- Monitor contributions and funding levels.

Investment Responsibilities

The Committee shall:

- Approve and review the Investment Strategy Statement.

- Determine strategic asset allocation.
- Receive and monitor investment performance reports.
- Review responsible investment matters.
- Consider stewardship and climate-related risks.
- Oversee participation in investment pooling arrangements.

Governance Responsibilities

The Committee shall:

- Approve governance policies and strategies.
- Maintain oversight of governance compliance.
- Review Committee effectiveness.
- Oversee risk management arrangements.
- Monitor conflicts of interest.
- Consider internal and external audit findings.

Administration Responsibilities

The Committee shall:

- Monitor administration performance.
- Approve service standards.
- Approve the Administration Strategy.
- Approve the Communications Policy.
- Monitor complaints and Internal Dispute Resolution Procedure cases.

Financial Stewardship

The Committee shall:

- Approve Pension Fund budgets.
- Review annual accounts.
- Monitor expenditure.
- Consider audit findings.
- Oversee financial management arrangements.

The Committee will normally meet quarterly and receive comprehensive monitoring reports covering governance, funding, investment and administration matters.

6. Role of the Local Pension Board

Purpose

The Local Pension Board assists the Administering Authority in complying with:

- LGPS Regulations.
- Other relevant legislation.
- Requirements of The Pensions Regulator.
- Good governance practice.

Membership

The Board consists of:

- Three employer representatives.
- Three scheme member representatives.

Employer and member representatives have equal representation within the Board.

Responsibilities

The Board provides scrutiny, challenge and assurance through:

- Reviewing governance arrangements.
- Examining administration performance.
- Reviewing risk management.
- Monitoring compliance.
- Reviewing audit findings.
- Monitoring data quality.
- Reviewing cyber security and business continuity arrangements.
- Monitoring implementation of governance improvements.

The Board is not a decision-making body and does not duplicate the role of the Pensions Committee.

7. Wales Pension Partnership

The Fund participates in the Wales Pension Partnership (WPP), the investment pooling arrangement established by the eight Welsh LGPS administering authorities.

We are both a Client and Shareholder of Wales Pension Partnership Investment Management Company Limited (WPP IM Co) which acts as the investment management company for all eight Welsh LGPS funds. WPP IM Co is an authorised FCA investment management company which

provides the following services:

- Investment advice;
- Implement the investment strategy set by the fund;
- Make day to day investment management decisions required to manage assets effectively, including buying, holding and selling investments;
- Implement reponsible investment policies, engagement and voting policies in line with the Fund's strategy and objectives;
- Support cost savings, value for money and competitive long-term investment outcomes through scale.

We retain the responsibility for setting the Investment Strategy Statement, Funding Strategy Statement, strategic asset allocation, responsible Investment policies, employer funding matters and stewardship policies.

We have a Client Service Agreement which sets out the terms of our participation in WPP IM Co as a client, this confirms the scope of the services to be delivered, the service standards we receive and the fees we are required to pay.

Separately we have a Shareholder Agreement which sets out the terms of our participation as a shareholder of WPP IM Co. This ensures that we retain sufficient oversight of WPP IM Co to ensure that our strategic decisions are delivered. The Shareholder Agreement contains a number of matters which are reserved to the shareholder. These matters include approval of the business plan and budget of WPP IM Co, and the remuneration policy for their staff.

Whilst not required under regulation, Wales Pension Partnership contains governance structures designed to ensure collaborative working across the eight participating funds in Wales. These groups help ensure that there is suitable oversight of the investment management company, ensuring that the company delivers the investment performance required and sufficiently takes account of the requirements of its clients and shareholders. These governance arrangements are set out in the Inter-Authority Agreement between the eight participating funds.

The key groups established under the Inter-Authority Agreement are:

<u>Shareholder Forum</u>

The Shareholder Forum is designed to strengthen the voice of shareholders with WPP IM Co by allowing a forum to discuss motions and proposals put to the shareholders by WPP IM Co.

We are required to vote as shareholders individually. The Shareholder Forum meets at least quarterly and is composed of one Officer from each of the funds.

Joint Governance Committee

The Joint Governance Committee (JGC) is designed to strengthen the voice of clients with WPP IM Co and provide client-side governance and oversight of the pooling arrangements.

The Chair of the Pensions Committee represents Gwynedd Pension Fund on the Joint Governance Committee.

8. Officer Responsibilities

Section 151 Officer

The Head of Finance, acting as Section 151 Officer, is responsible for:

- Proper administration of the Fund's financial affairs.
- Financial governance and stewardship.
- Internal control arrangements.
- Provision of financial advice.
- Ensuring adequate resources.
- Statutory financial oversight.

The Section 151 Officer provides an independent layer of assurance to both the Committee and the Council.

LGPS Senior Officer Responsibilities

In line with emerging governance reforms and Good Governance Review recommendations, the Fund recognises the importance of a clearly designated LGPS Senior Officer responsible for the overall delivery of Pension Fund functions.

This section will need to be updated once the Senior Officer has been appointed

Investment Manager

The Investment Manager is responsible for:

- Managing investment governance.
- Monitoring investment performance.
- Preparing investment reports.
- Supporting development of investment strategies.
- Liaison with WPP Investment Management Company and advisers.
- Supporting Wales Pension Partnership activities.
- Oversight of responsible investment activities.
- Preparation of Pension Fund accounts and annual reports.

Pensions Manager

The Pensions Manager is responsible for:

- Pension administration operations.
- Payment of benefits.
- Employer support and engagement.

- Data quality improvement.
- Annual benefit statements.
- Website and communications.
- Valuation data preparation.
- Administration Strategy implementation.
- Compliance with service standards.

9. Role of Advisers

The Fund will appoint appropriately qualified professional advisers to support decision-making.

These may include:

- Fund Actuary.
- Investment Consultant.
- Legal Advisers.
- Custodian.
- External Auditors.
- Governance Advisers.

Advisers support informed decision-making but do not replace the responsibilities of Committee members.

10. Knowledge and Skills

Effective governance depends upon knowledgeable decision-makers.

The Fund will maintain a comprehensive Training Policy based upon the CIPFA Knowledge and Skills Framework.

Pensions Committee Members

Members will:

- Complete induction training.
- Undertake ongoing development.
- Attend specialist investment and governance training.
- Maintain individual training records.
- Participate in knowledge assessments.
- Attend conferences and seminars.

Local Pension Board Members

Board members will:

- Complete mandatory induction training.
- Maintain training records.
- Participate in knowledge assessments.
- Participate in governance workshops.
- Attend conferences and seminars.

Officers

Officers will maintain professional competence through:

- Formal qualifications.
- Industry training.
- Conferences and seminars.
- Continuing professional development.

An annual training report will be presented to both the Committee and Board.

11. Conflicts of Interest

The Fund recognises that conflicts may arise between:

- Employers.
- Scheme members.
- Cyngor Gwynedd.
- Committee members.
- Pension Board members.
- Officers.
- Advisers.

The Fund will maintain a formal Conflicts of Interest Policy which requires:

- Annual declarations.
- Ongoing disclosure of interests.
- Conflict registers.
- Appropriate mitigation measures.
- Periodic review.

12. Risk Management

Risk management forms a central component of the governance framework.

The Fund will maintain a comprehensive Risk Register covering:

Governance Risks

- Poor decision making.
- Insufficient skills and knowledge.
- Regulatory non-compliance.

Funding Risks

- Employer insolvency.
- Funding deficits.
- Contribution instability.

Investment Risks

- Market volatility.
- Underperformance.
- Liquidity constraints.
- Concentration risk.

Operational Risks

- Administration failures.
- Resource shortages.
- Cyber incidents.
- Data breaches.

Regulatory Risks

- Legislative changes.
- Compliance failures.

Risk reports will be reviewed regularly by both the Committee and Local Pension Board.

13. Cyber Security and Operational Resilience

Recognising increasing cyber threats across the pensions sector, the Fund will maintain arrangements covering:

- Cyber security governance.
- Data protection compliance.
- Disaster recovery.
- Business continuity planning.
- System resilience.
- Third-party supplier oversight.

The Committee and Board will receive regular assurance reports on cyber resilience and operational continuity.

14. Responsible Investment and Stewardship

The Fund believes that effective governance includes responsible management of environmental, social and governance (ESG) risks.

The Fund will:

- Integrate ESG considerations where financially material.
- Support active stewardship.
- Exercise shareholder rights responsibly.
- Monitor climate-related financial risks.
- Work collaboratively through the Wales Pension Partnership.
- Support long-term sustainable investment outcomes.

In exercising its investment and stewardship responsibilities, the Fund will have regard to long-term environmental, social and governance considerations and seek to support sustainable outcomes that are consistent with its fiduciary duties and the principles of the Well-being of Future Generations (Wales) Act 2015.

15. Stakeholder Engagement

The Fund recognises that effective stakeholder engagement is fundamental to good governance and the successful delivery of pension services. Open, transparent and proactive communication helps to build trust and confidence, supports informed decision-making, and ensures that the needs and views of stakeholders are understood and considered when developing policies, strategies and service improvements.

The Fund is committed to maintaining meaningful engagement with all stakeholder groups and will seek feedback regularly to improve the quality, accessibility and effectiveness of its communications and services.

Members

The Fund will provide clear, accurate and timely information to active, deferred and pensioner members through a variety of channels, including:

- Annual Benefit Statements.
- Pension savings statements and retirement information.
- Member newsletters and updates.
- The Fund's website and online member portal.
- Guides, factsheets and technical publications.
- Presentations, webinars and pre-retirement seminars.
- Digital communications and electronic correspondence.
- Dedicated support from Pension Fund officers.

The Fund will also seek to increase member awareness and understanding of the LGPS by providing educational opportunities and promoting engagement with pensions throughout a member's career.

Employers

Employers play a critical role in the administration and governance of the LGPS. The Fund is committed to developing strong working relationships with all participating employers and ensuring that they receive the support necessary to fulfil their responsibilities under the Scheme.

Engagement with employers will include:

- Regular employer forums and consultation events.
- Employer training sessions and workshops.
- Guidance notes, procedural guides and technical updates.
- Employer newsletters and bulletins.
- Dedicated employer support from Fund officers.
- Attendance at employer meetings where required.
- Support in relation to valuations, contributions, discretions and regulatory changes.
- Opportunities to provide feedback on Fund services and proposed policy developments.

The Fund will work collaboratively with employers to improve data quality, maintain compliance and ensure the efficient administration of members' benefits.

Trade Unions and Member Representatives

The Fund recognises the important role of recognised trade unions and member representative bodies in representing the interests of Scheme members.

Engagement may include:

- Consultation on significant policy or regulatory changes.
- Participation in stakeholder events and presentations.
- Discussion of matters affecting Scheme members.
- Opportunities to provide input on communication and service initiatives.
- Engagement through governance and consultation arrangements where appropriate.

16. Audit and Assurance Framework

The Fund maintains a comprehensive framework of internal controls, governance oversight and independent assurance to support effective decision-making, manage risk and ensure compliance with statutory and regulatory requirements.

Assurance is provided through the day-to-day management and control activities undertaken by Pension Fund officers, together with regular oversight from the Pensions Committee, Local Pension Board, Section 151 Officer and Monitoring Officer. These arrangements are supplemented by independent review and challenge from Internal Audit, External Audit, the Fund Actuary and relevant regulatory bodies.

Collectively, these arrangements provide a robust system of governance, accountability and scrutiny, helping to ensure that the Fund operates effectively, risks are appropriately managed, and the interests of members, employers and other stakeholders are protected.

17. Committee Effectiveness and Independent Review

The Fund is committed to regularly assessing and enhancing the effectiveness of its governance arrangements to ensure that they remain fit for purpose and aligned with regulatory requirements and industry best practice.

To support this objective, the Committee will periodically undertake:

- Governance self-assessments.
- Knowledge and skills assessments.
- Committee effectiveness reviews.
- Reviews of governance structures, policies and decision-making processes.
- Independent governance reviews where appropriate.

In addition, the Fund acknowledges that recent LGPS governance reforms introduce a requirement for administering authorities to undergo periodic independent governance reviews. These reviews will provide external assurance on the effectiveness of the Fund's governance arrangements, decision-making structures, resources, knowledge and skills, and compliance with statutory requirements. The Fund will fully participate in such reviews and will implement any recommendations arising from them as part of its governance improvement programme.

Recommendations arising from all reviews and assessments will be monitored through a formal action plan and incorporated into the Fund's continuous improvement framework to ensure governance arrangements remain effective, transparent and accountable.

18. Governance Improvement and Continuous Development

The Fund recognises that governance standards continue to evolve.

Accordingly, the Fund will:

- Monitor developments within the LGPS.
- Consider Good Governance Review recommendations.
- Benchmark against other LGPS funds.
- Implement governance improvements.
- Review governance structures periodically.
- Maintain an action plan to track governance enhancements.

19. Review of this Strategy

This Governance Strategy will be reviewed:

- On an annual basis.
- Following significant legislative changes.
- Following actuarial valuations where appropriate.
- Following material governance developments.
- At the request of the Pensions Committee or Local Pension Board.

Any revisions will be approved by the Pensions Committee following consultation with the Local Pension Board.