



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

PENSION BOARD

Date and Time

1.00 pm, MONDAY, 12TH OCTOBER, 2026

Location

Virtual Meeting

Contact Point

Lowri Haf Evans

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(DISTRIBUTED 06/10/26)

PENSION BOARD

MEMBERSHIP

EMPLOYER REPRESENTATIVES

Sioned Parry (Conwy County Borough Council)

Edward Michael (Isle of Anglesey County Council)

Roland Thomas (Cyngor Gwynedd)

MEMBER REPRESENTATIVES

Hywel Eifion Jones (retired – formerly Isle of Anglesey County Council)

Osian Richards (Cyngor Gwynedd)

Anthony Deakin (retired – formerly Cartrefi Conwy)

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 - 11

The Chairman shall propose that the minutes of the meeting of this committee held on 17th July 2026 be signed as a true record.

5. MINUTES OF PENSIONS COMMITTEE

12 - 20

To submit, for information, minutes of the Pensions Committee meeting held on the 14th September 2026

6. GWYNEDD PENSION FUND DRAFT ANNUAL REPORT 2025/26

21 - 83

To review and provide feedback on the report.

7. THE GOOD ECONOMY REPORT

84 - 94

To review and note the report.

8. LGC INVESTMENT & PENSIONS SUMMIT 2026

95 - 96

To consider and to receive the information.

9. WALES PENSION PARTNERSHIP UPDATE

97 - 157

To receive and note the information.

10. PENSION FUND INVESTMENT PERFORMANCE UP TO 30 JUNE 2026

158 - 162

To consider and accept the information.

11. ANNUAL BENEFIT STATEMENTS 2025/26 (MCCLOUD REMEDY)

163 - 167

To note the contents of this report.

12. PENSION ADMINISTRATION STRATEGY

168 - 191

The Pension Board is requested to:

1. Review and scrutinise the revised Pension Administration Strategy.
2. Provide any comments or recommendations for consideration prior to employer consultation.
3. Note the intention to review the Strategy annually going forward.
4. Support the issue of the revised Strategy to participating employers for consultation prior to submission to the Pensions Committee for approval.

13. GOVERNANCE STRATEGY FOR GWYNEDD PENSION FUND

192 - 217

The Pension Board is requested to:

1. Review and scrutinise the draft Governance Strategy.
2. Provide any comments or recommendations for consideration by officers.
3. Note that further minor amendments may be required following the appointment of the Senior LGPS Officer.
4. Support the submission of the revised Governance Strategy to the Pensions Committee for formal approval.

PENSION BOARD 17-07-2026

Present:

Anthony Deakin and Eifion Jones (Members' Representatives)

Sioned Parry and Roland Thomas (Employer Representatives)

Officers: Delyth Jones Thomas (Investment Manager), Meirion Jones (Pensions Manager) and Lowri Haf Evans (Democracy Services Officer)

1. ELECTION OF CHAIR

RESOLVED to elect Osian Richards as Chair of the Board for 2026/27

2. ELECTION OF VICE-CHAIR

RESOLVED to elect Roland Thomas as Vice-Chair of the Board for 2026/27

Sioned Parry, the Former Chair, took the opportunity to congratulate the new appointments and to thank her fellow members and officers for their support during her time as Chair.

Sioned Parry was thanked for her conscientious attitude in representing the Board and for the work she did regarding the meetings of the Pension Board Chairpersons' Engagement meetings by the Wales Pension Partnership.

3. APOLOGIES

Apologies were received from Osian Richards and Ned Michael, Cllr Elin Hywel (Chair of the Pensions Committee) and Dewi Morgan (Head of Finance Department).

4. DECLARATION OF PERSONAL INTEREST

None to note

5. URGENT ITEMS

None to note

6. MINUTES

The Chair signed the minutes of the previous meeting of this committee held on 20 April 2026 as a true record.

7. GWYNEDD PENSION FUND'S DRAFT STATEMENT OF ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2026

Submitted, for information, a report by the Investment Manager providing details of the Pension Fund's financial activities during the year which ended 31 March 2026

It was reported that the accounts followed the statutory CIPFA format, with the guidance interpreting what was to be presented in the accounts. It was reiterated that the draft accounts were subject to audit by Audit Wales with a view to submitting the final version to the Committee in October 2026. It was noted that this had been a busy year for the Fund as it continued to invest more widely with the Wales Pension Partnership (PPC).

She drew attention to the Fund Account, noting that there were slight variations in the contributions and benefits. It was reiterated that management expenses had reduced when introducing different types of investments into the portfolio and reducing investments with the Partners group, which historically had higher management fees. It was reiterated that the investment income had increased and the Fund had received regular income from the new investments such as infrastructure and private equity within WPP. It was noted that the market value of the Fund had increased by approximately £280 million which was in line with the annual gradual increase.

Reference was made to the statutory notes to the report which gave details behind the figures along with further details about the activities of the Fund and the WPP.

The members thanked the officer for the report.

Observations arising from the ensuing discussion:

- The financial position remained strong
- Thanks to the team for their conscientious work - it was a very healthy position
- That the work of responding to the demand increased each year, and the team completed this effectively and in a timely manner

In response to a question about the background of Note 7: Contributions Received and a reference to 'Other' (exit credit transactions) £5,129, it was noted that the amount was a total transferred following the winding-up of the GwE education service. It was reported that the six Authorities across North Wales had received a sum relating to the amount remaining, implemented in accordance with the additional credit policy.

In response to a question about Note 15b Reconciliation of Fair Value Measurements Within Level 3 (Total Market Value 31-03-26 = £636,228) and, if the value of the investments was an estimate, how could there be assurance around the value, it was noted that properties were valued by receiving prices from the Investment Manager, and the situation and any movements were monitored on a daily basis. It was reiterated that due to the high percentage in equities, they intended to reduce investments in equity to less vulnerable areas – being more stable areas that would face less risk in the open market.

In relation to Note 21 – Current Liabilities and what had led to the change between £4,012,000 in March 2025 and £8,387,000 in March 2026, it was again noted that this was a payment relating to GwE – one that had not been paid until the year it was due - GwE had ended on 31 May 2025.

RESOLVED to accept and note the Pension Fund's Statement of Accounts (subject to audit) for 2025/26.

8. LGPS POOLING SYMPOSIUM

Feedback was provided by Mr Anthony Deakin who had attended the LGPS Pooling Symposium in May on behalf of the Board. The conference programme reflected the pace and scale of change across the LGPS landscape and had been carefully curated to provide practical insight, strategic context and forward-looking perspectives on the evolving role of pooling. The conference offered extensive networking opportunities, enabling delegates to connect with peers, exchange experiences and build valuable relationships at a crucial time for the sector.

He referred to two issues that caused him concern;

- a) That the UK Government did not involve the LGPS in discussions regarding the Fiduciary Duty
- b) There was a need to build in contract management oversight for Pension Committees regarding the pools and dispute resolution arrangements for when things go wrong – he was concerned that the Pensions Committees would shoulder this responsibility.

The members expressed their gratitude for the information.

In response to the comments, the Investment Manager noted that the situation where the LGPS was not included in Fiduciary Duty discussions was being monitored, adding that it would be easy to lose sight of issues amid all the changes. It was noted that IMCo had received the comment and that discussions were taking place regarding setting the balance between the Fiduciary Duty and other movements.

Regarding the concern about the role of the Committee, it was noted that the role was changing in light of the IMCo starting, but one of the Committee's main priorities would certainly be to ensure that the investment firms performed at a governance level. She added that the Board of Trustees would serve as a link between the Committee and IMCo and therefore offered a useful and important resource for sharing and receiving information. It was noted that a training session would be held to highlight the Committee's responsibilities in due course.

In accepting the response, concern was expressed that the UK Government and Welsh Government appeared to have their eye on the money in Local Authority Funds, seemingly because of a shortage of money in their budget to invest money in services, e.g., in housing. As a result, the Gwynedd Fund would need to ensure that it made sensible investments on their behalf, and while accepting that spending was needed locally, there was also a need to ensure value for the Fund's members.

The information was accepted

9. THE DRAFT REPORT OF THE PENSION BOARD'S CHAIR FOR THE PENSION FUND'S ANNUAL REPORT

The Investment Manager presented a (draft) report detailing the activities of the Pension Fund during the year ending 31 March 2026. She pointed out that the report had been set out the same as the 2024 report, taking into consideration the topics that had been discussed during the year.

It was proposed to submit the final report to the Investment Manager by 31/07/2026 to be included as part of the Fund's annual report and as part of the Fund's annual meeting which would be held on 23 November 2026.

The Former Chair thanked her fellow members for volunteering their time to their roles and for reviewing the document, and to the relevant officers involved in preparing the work.

Sioned Parry, the Former Chair was thanked for her work.

It was noted that information on the relevant training needed to be completed and included in the final version.

RESOLVED to accept the contents of the draft report.

10. 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 LPGS 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 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
- Additional Voluntary Contributions – due to challenges arising from the Fund's existing arrangements, Hymans Robertson had been commissioned to review the market to identify a better provider. Legal & General, who had good experience and benefits, were appointed to provide voluntary contribution arrangements for the Fund's members, and discussions were taking place to set a timetable for transfers.
- New Payroll System – current plans for testing the new system to begin during Autumn 2026, with the new system expected to be operational in early 2027
- McCloud Remedy – progress remained positive and work was on track to complete the remaining project work (as per the agreed timetable).

Reference was made to the continued success of 'My Pension Online' noting that the portal's membership continued to grow steadily with 8,200 Members having registered to the new portal. It was reported that the Gwynedd Pension Fund was exploring opportunities to further expand the portal's functionality, including the introduction of digital forms. It was reiterated that following the success of AI videos, they planned to make greater use of videos so that Members could access specific pension topics.

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).

The members expressed their thanks for the report.

During the ensuing discussion, the following observations were made by the Board Members:

- Thanks for the information.
- A lot of work was being done in response to changes and the service remained very satisfactory
- Particular thanks for the McCloud work and for sticking to the timetable

In the context of appointing an independent person for the Pensions Committee, who would need to "fit in", and what the process of selecting that person would be, it was noted that the framework included details of individuals who had competencies for carrying out the task – they intended to appoint from this pool. It was added that Hymans Robertson led on investment advice, but the aspect of governance also needed to be considered. The successful person would need to have extensive LGPS experience and have specialist knowledge in the areas of investment and governance.

In response to a comment regarding the new payroll system and the challenges the Unit would face of not printing and posting payslips or replicating the existing arrangement whereby a paper payslip is only issued when there is a pension payment change of more than £10 compared to the previous month, it was noted that although they accepted there would be more telephone calls, the paperwork would reduce because of My Pension Online. It was reiterated that most queries related to a new tax code.

In the context of historic cases of Fairness Reforms and the need to look back over 15 years to ensure that the correct benefits were being paid, and whether the Unit had adequate resources to complete the work within the timeframe, it was noted that a systems company was looking at how to identify cases but that system was not able to calculate the benefits – the work had to be completed manually. Once the numbers have been identified, they planned to hold discussions with the systems company to try to figure out a way of reconciling the information.

In response to a question about adequate resources to cope with the additional work, it was noted that the appointment of a Trainee Pensions Officer was welcome news and that this role would be used specifically for supporting the governance element. It was reiterated that it was challenging to meet governance requirements and once the Senior LGPS Officer had been appointed, there would be an opportunity to review the structure to ensure that the additional work was being addressed.

In response to a comment that 8,200 Members had signed up to the new portal and whether the number was a fair representation of all Members, it was noted that there was a good representation from all groups but the 30-40 age group had the smallest percentage which may be because a pension was not a priority for them at the moment.

In response to a question about risks arising from transferring Members' Additional Voluntary Contributions from Clerical Medical to Legal & General, it was noted that the

greatest risk would be to stay with Clerical Medical. It was reiterated that Legal & General offered a better experience, a wider range of investment options, lower fees and better online functionality.

In the context of the Satisfaction Survey and whether 89 responses out of all the Fund's Members gave a reliable picture of the situation, it was accepted that the figure was low, but Members were willing to complain directly if they were not happy with the experience. The intention was to introduce an on-line questionnaire rather than on paper, therefore it was hoped that they would get a better response in future.

RESOLVED to accept and note the information.

11. THE PENSION FUND'S ADMINISTRATION POLICIES

The Pensions Manager presented a report which set out two key administrative policies for the Board to examine. 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 good governance. He added that following the Board's review, the policies would be approved by the Pensions Committee in September 2026.

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 and for the work of formalising the policies.

Observations arising from the ensuing discussion:

- Provision of Retirement Estimates – although accepting the need to change, and supporting the proposal, there was a need to exercise caution and not to cut too much on the services of Fund Members. It was reiterated that there was a need to ensure a good service and to not give Members the opportunity to complain about the service – need to ensure a balance in expenditure.

In response to a question on whether an equality impact assessment had been implemented in line with the Council's management of policies to ensure that no one is disadvantaged, and to be mindful of the requirements, they had identified that a low percentage of the Members would be affected by these policies, but in certain cases, officers would be very willing to look at specific situations. It was reiterated that carrying out an equality impact assessment would be an acceptable proposal.

RESOLVED:

- **To accept and note the information.**
- **To undertake an Equality Impact Assessment of the Fund's future policies.**

12. ADMINISTRATION DISCRETIONS POLICY

The Pensions Manager presented an Administrative Discretions Policy for the Board to review. He 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. He

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. It was proposed to review the document annually to ensure that the policy remained up to date, reflected any legislative or operational changes and met regulatory requirements.

He referred to seven proposed changes to the discretions and gave the Members some background to the changes and how they were being formalised.

The members thanked him for the report

Observations arising from the ensuing discussion:

- Welcome the bulk of work that had been done to update the changes
- Accepted the proposal to remove the option of pension abatement (where a member was in receipt of a Tier 1 or Tier 2 ill-health pension or had been awarded additional years by the employer) because additional years had not been awarded and Tier 1 and Tier 2 ill-health retirements were exceptional sickness cases. The change aligned with the administration of other funds.

In response to a comment that the policies had not been reviewed since 2009 and whether new arrangements / resources had been incorporated to review and update more promptly from now on, it was noted that new regulations required the Fund to conduct an independent review of its governance arrangements, including a review of its policies every three years, therefore a new arrangement would need to be sought. It was reiterated that one of the responsibilities of the newly appointed officer would be to ensure compliance and accuracy to the policies to avoid slippage in the work in the future.

RESOLVED

- **To accept that the policy provides sufficient clarity, consistency and governance controls in relation to the exercise of discretionary powers under the LGPS Regulations.**
- **To note the information and the proposed changes to the Fund's approach to pension abatement.**
- **To recommend that the Pensions Committee approves the policy.**

The meeting commenced at 10:00am and concluded at 11:15am

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	PENSION BOARD
DATE	12 OCTOBER 2026
TITLE	GWYNEDD PENSION FUND DRAFT ANNUAL REPORT 2025/26
PURPOSE	To review and provide feedback on the report
AUTHOR	DELYTH JONES-THOMAS, INVESTMENT MANAGER

1. INTRODUCTION

This report introduces the statutory Annual Report for the 2025/26 financial year, which provides details of the Pension Fund's activities during the year.

The document in Appendix 1 is the draft Annual Report.

2. REVIEW BY AUDIT WALES

The draft annual report will be reviewed as part of the financial statements audit by Audit Wales.

3. RECOMMENDATION

The Board is asked to review and provide feedback on the report.



Cronfa Bensiwn
GWYNEDD
Pension Fund

ANNUAL

REPORT

2025/26

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I. Foreword

Welcome to the Gwynedd Pension Fund's annual report for the financial year ending 31 March 2026.

This Annual Report has been produced to provide employers, scheme members, elected members and other interested parties with information concerning the administration and performance of the fund for financial year 2025/26 and we hope you find its content useful.

During the year, the value of the Pension Fund increased from £3.2 billion to £3.6 billion. The Fund saw positive returns of 10.9% over the year, against a benchmark of 11.5%. The average LGPS fund delivered a return of 9.6% for the year, and therefore the Fund return was significantly above the average for the year. Performance in the latest year was driven by the strong results delivered by equities and property delivered a second year of modest results.

The Fund has continued to work as a committed member of the Wales Pension Partnership (WPP) to achieve efficiencies through pooling assets in our investment management arrangements. Following the 2024 Fit for the Future Consultation, the Government has approved WPP's business case to remain a stand-alone investment pool for Wales. This creates a unique opportunity to establish a material centre of excellence in LGPS investment in Wales, creating valuable career opportunities while enhancing the Welsh financial services sector. Progressing the implementation of the business case has been a key focus for WPP over the last twelve months. The Wales Pension Partnership Investment Management Company (WPP IM Co) was established in August 2025. The company is ready to operate as soon as FCA approval is received.

The 2025 actuarial valuation demonstrated once again that the Fund has a strong funding level and therefore a review of the investment strategy was undertaken in November 2025. The review confirmed that the Fund should continue to de-risk by reducing its equity allocation and invest in income generating assets, which includes natural capital for the first time. This will be actioned as investments in infrastructure and private credit is called, and the Fund will work closely with the WPP IM Co in order to invest in property and natural capital assets.

From an administration perspective, Fund staff have continued to ensure that we provide a high standard of service to members and employers throughout 2025/26. During the year, further progress was made in developing digital and electronic ways of working, with a continued focus on improving process efficiency and the overall member experience. The Fund has also continued its preparations for national initiatives such as the Pensions Dashboards Programme, strengthening the quality and accuracy of member data and ensuring that we are well placed to meet future requirements.

The member self-service portal has continued to be an important resource for members, providing secure and convenient access to pension information and enabling greater digital interaction with the Fund. Throughout the year, the team has also continued to implement and manage key legislative and administrative changes, ensuring that members' benefits are administered accurately and efficiently.

We hope the following report will provide you with useful information about our Pension Fund. For more information, or to give your opinion on this report, the contact details of the relevant officers are provided on the next page of the report. Many thanks for your support during 2025/26, and we look forward to the Fund's developments in 2026/27.



**Councillor
Elin Hywel**
Pensions Committee
Chair 2025/26



**Dewi Morgan
s151**
Head of Finance

2. Management Structure

Administering Authority

Cyngor Gwynedd

Pensions Committee

Councillor Elin Hywel (Chair)

Councillor John Pughe Roberts (Vice Chair)

Councillor Stephen Churchman

Councillor Ioan Thomas

Councillor John Brynmor Hughes

Councillor R Medwyn Hughes (until February 2026)

Councillor Iwan Huws (until September 2025)

Councillor Geraint Parry (from November 2025)

Councillor Gwynfor Owen (from March 2026)

Councillor Robin Wyn Williams (Co-opted Member)

Councillor Goronwy Edwards (Co-opted Member)

Pension Board

Employer Representatives

Mr Ned Michael (Isle of Anglesey County Council)

Mrs Sioned Parry (Conwy County Borough Council)

Mr Roland Thomas (Cyngor Gwynedd)

Member Representatives

Mr Osian Richards

Mr H. Eifion Jones

Mr Anthony Deakin

Head of Finance ("Section 151 Officer")

Mr Dewi Morgan

Advisor

Hymans Robertson

Fund Managers

BlackRock

Lothbury

Partners Group

Threadneedle

UBS Global Asset Management Limited

Russell Investments (WPP)

Schroders Capital (WPP)

GCM Grosvenor (WPP)

Octopus Renewables (WPP)

Capital Dynamics (WPP)

IFM Investors (WPP)

CBRE Investment Management (WPP)

Fund Website

www.gwynedd-pensionfund.wales

AVC Providers

Clerical Medical, Utmost Life and Standard Life

Pool

Wales Pension Partnership (WPP)

Pool Operator

Waystone Management (UK) Limited

Custodian

Northern Trust

Actuary

Hymans Robertson

Bank

Barclays Bank plc

Auditor

Audit Wales

Contact Details

Enquiries and more detailed information regarding:

- administration of the Fund can be obtained by contacting:

Mr Meirion Jones,
Pensions Manager,
Cyngor Gwynedd,
Council Offices,
Caernarfon,
Gwynedd. LL55 1SH

☎ 01286 679643

✉ meirionjones2@gwynedd.llyw.cymru

- The Fund's investment and accounting activities should be made to:

Mrs Delyth Jones-Thomas,
Investment Manager,
Cyngor Gwynedd,
Council Offices,
Caernarfon,
Gwynedd. LL55 1SH

☎ 01286 679128

✉ delythwynjonesthomas@gwynedd.llyw.cymru

3. Annual Reports of the Gwynedd Pensions Committee and Gwynedd Pension Board for 2025/26 (the year to 31 March 2026)

3(a) Annual Report of the Gwynedd Pensions Committee for 2025/26 (the year to 31 March 2026)

1. Background and Constitution of the Committee

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

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

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

2. Functions of the Pensions Committee

The key responsibilities of the Pensions Committee include:

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

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

3. Work of the Committee in 2025/26

The Committee's work focused on maintaining strong governance, overseeing investment performance, preparing for key regulatory changes, and ensuring the long-term sustainability of the Fund.

Investment Oversight

The Committee maintained regular oversight of the Fund's investment strategy and performance by:

- Reviewing quarterly investment performance reports and receiving presentations from the Fund's investment managers and advisers.
- Monitoring the Fund's overall funding and investment position in light of changing economic and market conditions.
- Approving strategic investment decisions and asset allocation changes where appropriate.
- Overseeing the continued transition of assets into the Wales Pension Partnership (WPP) pooled investment arrangements.
- Receiving updates on the development of WPP investment sub-funds, including responsible investment-focused equity and fixed income mandates.
- Challenging investment managers and advisers where necessary and seeking assurance that investment decisions remained aligned with the Fund's long-term objectives and stewardship responsibilities.

Funding and Actuarial Matters

The Committee continued to monitor the Fund's financial strength and funding arrangements through:

- Reviewing funding level updates and actuarial monitoring reports.
- Considering preparatory work for the 2025 actuarial valuation, including discussions on employer covenant assessments and funding assumptions.
- Approving amendments to the Funding Strategy Statement to reflect changes in employer participation and emerging regulatory requirements.
- Monitoring employer contribution arrangements and the impact of changes within the Fund's employer base.

Governance and Administration

Significant attention was given to governance, compliance, and the effective administration of the Fund, including:

- Reviewing and monitoring the Fund's Risk Register throughout the year.
- Considering key risks relating to cyber security, employer insolvency, business continuity, data quality, and pension administration performance.
- Receiving updates on administration performance, member engagement, and service delivery standards.
- Monitoring progress against the Fund's Governance Compliance Statement and governance improvement programme.
- Ensuring that committee members received appropriate training and development to support effective decision-making.

Responsible Investment and Climate Risk

The Committee continued to strengthen its approach to responsible investment and stewardship by:

- Reviewing reports on climate-related risks, carbon emissions, and portfolio carbon intensity measures.
- Monitoring progress against the Fund's climate and responsible investment objectives.
- Supporting collaborative engagement activities undertaken through the Wales Pension Partnership and other stewardship organisations.
- Considering developments in Environmental, Social and Governance (ESG) regulation and best practice.
- Ensuring responsible investment considerations were integrated across all relevant asset classes and investment decisions.

Regulatory Compliance and Pension Reform

The Committee oversaw the Fund's response to significant regulatory developments, including:

- Monitoring implementation of the McCloud remedy and receiving updates on data collection, benefit calculations, and member communications.
- Reviewing progress towards compliance with The Pensions Regulator's General Code of Practice.
- Monitoring preparations for connection to the Pensions Dashboards Programme, including data quality and systems readiness.
- Receiving updates on legislative and regulatory changes affecting the Local Government Pension Scheme (LGPS) and considering their implications for the Fund.

Wales Pension Partnership

As a participating authority within the Wales Pension Partnership, the Committee:

- Received regular reports on WPP governance, investment performance, responsible investment activity, and pooling progress.
- Considered business plans, budgets, and strategic developments relating to the Partnership.
- Supported the continued expansion and development of pooled investment arrangements for the benefit of participating funds.

Through these activities, the Committee continued to promote effective governance, safeguard members' benefits, and support the long-term financial sustainability of the Gwynedd Pension Fund.

4. Membership of the Committee (2025/26)

The Pensions Committee is composed of 7 elected members from Cyngor Gwynedd together with one co-opted member each (with a vote) from the Isle of Anglesey County Council and Conwy County Borough Council. Membership during the 2025/26 year was as follows:

Member Name	Representing	Role
Cllr Elin Hywel	Cyngor Gwynedd	Chair
Cllr John Pughe Roberts	Cyngor Gwynedd	Vice Chair
Cllr Stephen Churchman	Cyngor Gwynedd	Member

Member Name	Representing	Role
Cllr John Brynmor Hughes	Cyngor Gwynedd	Member
Cllr Ioan Thomas	Cyngor Gwynedd	Member
Cllr Iwan Huws*	Cyngor Gwynedd	Member
Cllr Richard Medwyn Hughes*	Cyngor Gwynedd	Member
Cllr Geraint Wyn Parry*	Cyngor Gwynedd	Member
Cllr Gwynfor Owen*	Cyngor Gwynedd	Member
Cllr Robin Williams	Anglesey CC	Co-opted Member
Cllr Goronwy Edwards	Conwy CBC	Co-opted Member

*Cllr Geraint Wyn Parry replaced Cllr Iwan Huws towards the end of 2025, and Cllr Gwynfor Owen replaced Cllr R Medwyn Hughes early 2026.

5. Attendance

	12/06/25	07/07/25	15/09/25	24/11/25	09/02/26	26/02/26	16/03/26
Cllr Elin Hywel		✓	✓	✓	✓	✓	
Cllr John Pughe Roberts	✓	✓	✓	✓	✓	✓	
Cllr Stephen Churchman		✓	✓	✓	✓	✓	✓
Cllr John Brynmor Hughes		✓	✓	✓			✓
Cllr Ioan Thomas	✓	✓	✓	✓	✓	✓	✓
Cllr Iwan Huws	✓	✓					
Cllr Medwyn Hughes	✓	✓	✓				
Cllr Geraint Wyn Parry				✓		✓	✓
Cllr Gwynfor Owen							✓
Cllr Robin Williams	✓	✓	✓	✓	✓		✓
Cllr Goronwy Edwards	✓	✓	✓	✓	✓		✓

6. Work Plan and Priorities for 2026/27

The Committee has adopted a forward-looking work plan for **2026/27**, focusing on:

- Monitoring investment performance and the continued development of pooled investments through the **Wales Pension Partnership (WPP)** and **WPP IM Co.**
- Reviewing the Fund's **Investment Strategy Statement** and responsible investment priorities.
- Enhancing the Fund's approach to **climate risk management** and stewardship activities.
- Completing outstanding work relating to the **McCloud remedy**.
- Ensuring compliance with **The Pensions Regulator's General Code of Practice** and other regulatory requirements.
- Supporting the delivery of the **Pensions Dashboards Programme**.
- Continuing to review the Fund's **governance, risk management, and administration arrangements**.
- Supporting ongoing **training and development** for Committee and Local Pension Board members.

Regular reports from the Fund's actuary, investment advisers, Wales Pension Partnership representatives, and officers will support effective oversight and informed decision-making throughout the year.

7. Training and Development

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

Key training activities in 2025/26 included:

<u>Provider</u>	<u>Subject</u>
Wales Pension Partnership	Private Markets Product Knowledge
Wales Pension Partnership	Local/ Impact Investments within Private Markets Asset Classes
Wales Pension Partnership	Voting and Engagement
Wales Pension Partnership	Stewardship Code and Reporting Requirements
Wales Pension Partnership	Responsible Investing
Wales Pension Partnership	Biodiversity and Natural Capital
Wales Pension Partnership	Climate Scenarios and Fiduciary Duty
D G Publishing	LGPS Pooling Symposium
Local Government Chronicle	Investment Seminar
LAPFF	LAPFF Annual Conference
Local Government Association	Governance Conference
Various	Investment in Wales Conference
Hymans Robertson	LGPS Actuarial Valuation

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

7. Conclusion

The Pensions Committee is satisfied that it has fulfilled its governance responsibilities during 2025/26. The Committee has provided robust oversight of the Fund's investments, funding position, and administration services while responding effectively to the challenges and changes within the LGPS environment.

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

Cllr Elin Hywel
Pensions Committee Chair 2025/26

3(b) Annual Report of the Gwynedd Pension Board for 2025/26 (the year to 31 March 2026)

1. Background / Composition

The Board was constituted under the Public Service Pensions Act 2013, and its first meeting was held on 13 July 2015. The membership consists of three members who represent the scheme's employers and three members who represent the scheme members (namely staff who contribute towards the pension scheme and those who are retired and in receipt of a pension).

Over the period from 1 April 2025 to 31 March 2026, the Board has met virtually four times. Board members are invited as observers to the meetings of the Pensions Committee and have agreed to take this role in turn in order to promote understanding as well as communication. This arrangement is balanced with the Chair of the Pensions Committee now attending Board meetings, where she is accountable, with officers for the governance and administration of the Fund. On occasion, the Board has asked for its views and recommendations to be formally submitted for consideration by the Committee.

2. Role of the Board

In accordance with the legislation, the Local Pension Board's two main functions are to assist the administering authority (Cyngor Gwynedd) to:

- i. ensuring effective and efficient governance and administration of the LGPS, and
- ii. ensure compliance with relevant legislation and regulations

Therefore, the Board is a monitoring, reviewing and assisting body, not a body that manages and makes decisions. The Board operates under a Terms of Reference agreed by Cyngor Gwynedd (at a meeting of the full Council on the 5th of March 2015).

It is supported by the Council's Member Support and Scrutiny Officer, and reports are prepared and presented by officers including the Head of Finance, Investment Manager and Pensions Manager of the Fund.

3. Work of the Board

Once again, the past year has been a busy year for the senior staff of the Administrative Authority. Therefore, Board members were aware of the need to prioritise requests for officers to prepare reports for the Board.

4. Attendance

	07/04/2025	11/07/2025	03/11/2025	09/02/2026
Anthony Deakin	✓	✓	✓	✓
H. Eifion Jones	✓	✓	✓	✓
Ned Michael	✓			✓
Sioned Evans Parry	✓		✓	✓
Osian Richards	✓	✓	✓	✓
Roland Thomas		✓	✓	✓

5. Work Plan

In line with the work plan agreed in the previous year, reports were addressed on the following issues:

- **Monitoring progress against the training plan** - The Board reviewed the progress made against the training plan to ensure that Board members maintain the necessary knowledge and skills to carry out their duties effectively.
- **Updates on the work of the Wales Pension Partnership** - The Board received regular reports on the activities and developments of the Wales Pension Partnership, including investment and governance issues affecting the Fund.
- **2025 Actuarial Valuation** - The assumptions used for the 2025 Actuarial Valuation have been reviewed to ensure that they are appropriate and reflect the circumstances of the Fund.
- **Gender Pension Gap** - Information and analysis relating to the Gender Pension Gap was discussed to understand any inequalities and their potential impact on scheme members.
- **Connecting to the Pensions Dashboard** - Progress and preparations for connecting with the Pensions Dashboard have been considered, ensuring that the Fund complies with national requirements.
- **Governance Policy Statement** - The Governance Policy Statement has been revised to ensure that the Fund's governance arrangements remain fit and effective.
- **Funding Strategy Statement** - The content and implementation of the Funding Strategy Statement, which sets out the approach to managing the Fund's long-term accountability and funding, has been covered.
- **Pensions Regulator Governance Survey Results** - The survey results were discussed to identify strengths and any areas where governance arrangements could be improved.
- **Pensions administration updates** - The Board scrutinised the day-to-day performance and operation of the pension administration service, monitoring service and performance standards.
- **Data improvement plan** - The progress of the data improvement plan has been reviewed to ensure that the Fund's data is accurate, complete and meets the required regulatory standards.
- **Pension Fund Administrative Policies** - A number of administrative policies have been considered and reviewed to ensure that they remain current and support the effective operation of the Fund.
- **Gwynedd Pension Fund Draft Accounts (31 March 2025)** - The draft accounts were reviewed to ensure that the Fund's financial position was presented accurately and transparently.
- **Draft Annual Report 2024/25** - The content of the Annual Report has been considered to ensure that it provides a comprehensive overview of the Fund's activities and performance.
- **Risk Register** - The key risks facing the Fund and the measures in place to manage and mitigate them have been reviewed.
- **The Fund's investment performance** - The performance of the investment portfolio was regularly monitored in order to assess whether the Fund was achieving its investment objectives.
- **Investment advisors' strategic objectives** - The investment advisors' performance and strategic objectives were reviewed to ensure they continued to support the Fund's aims.
- **Budget 2026/27** - The proposed budget for 2026/27 has been considered and challenged to ensure that adequate resources are available to sustain the Fund's operations and priorities.

During discussions, input was provided and a number of comments were made by Board members who have assisted the administration authority officers in completing their work.

The work plan for 2026/27 covers the following areas:

- **Update on regulatory changes** – receive updates on any new legislative changes, guidance or regulatory requirements that affect the Local Government Pension Scheme and the work of the Fund.
- **Issues arising from the Pensions Committee** – considering relevant decisions, discussions and issues referred by the Pensions Committee to ensure an overview and effective governance.
- **Review of the Scheme Advisory Board (SAB) meetings** – receive a summary of key messages, guidance and best practice arising from SAB meetings and consider their relevance to the Fund.
- **Breach of law** – monitoring any breaches of legal or regulatory requirements and ensuring that appropriate action has been taken to minimise risks and comply with the rules.
- **Updates to the Risk Register** – regularly review the risk register to monitor the Fund's key risks and ensure that appropriate mitigation measures are in place.
- **General update on the Administration of Pensions** – receive information on administrative performance, workload, processing schedules and relevant operational developments.
- **Update on the Wales Pension Partnership (IM Co) Investment Management Company** – consider the investment firm's progress, operational developments and governance issues relating to its activities.
- **Pension Fund Discretion Policies** – reviewing and monitoring the Fund's discretionary policies to ensure they are current, consistent and compliant with statutory requirements.
- **Pension Board Report for the Annual Report 2025/26** – prepare and agree the Board's contribution to the Fund's Annual Report, summarising its activities and findings during the year.
- **Cyber security update** – monitoring the Fund's cyber security arrangements, including emerging risks, protection measures and incident response plans.
- **Pensions Dashboard – increased preparedness and response** – receive updates on the Fund's preparatory work for the Pensions Dashboard Programme, including data quality, testing and compliance.
- **Gwynedd Pension Fund Annual Report 2025/26** – review the annual report prior to publication and ensure that it gives a complete picture of the Fund's activities and performance.
- **Investment performance update** – monitoring the performance of the Fund's investments against relevant benchmarks and targets, taking into account market trends and factors.
- **The Fund's Final Accounts for the year ended 31 March 2026** – review of the final accounts and financial results to ensure appropriate transparency and scrutiny.
- **Update on climate-related reporting (TCFD)** – monitoring the progress of the Fund's work in relation to climate-related disclosures and reporting in line with TCFD principles.
- **Budget 2027/28** – consider the proposed budget and the resources needed to support the effective operation of the Fund during the next financial year.

- **Business Plan 2027/28** – review the Fund's strategic priorities, objectives and key activities for the year ahead.
- **Training Plan 2027/28** – ensure that an appropriate training programme is in place to support the knowledge and skills development of Board members.
- **Work Plan 2027/28** – discuss and agree the Board's work programme for the following year to ensure that all relevant issues are addressed.
- **Data quality review (including common and scheme-specific data scores)** – monitoring the quality and accuracy of the Fund's data, reviewing data scores and identifying areas where further improvements are needed.

6. Training

During the Board meetings each Board member was briefed on the LGPS and its administration in Gwynedd in various presentations by the Head of Finance, Investment Manager and Pensions Manager. Board members have also attended a number of virtual meetings and presentations. These include:

Provider

Wales Pension Partnership
Wales Pension Partnership

Wales Pension Partnership
Wales Pension Partnership
Wales Pension Partnership
Wales Pension Partnership
Wales Pension Partnership
D G Publishing
Local Government Chronicle

Subject

Private Markets Product Knowledge
Local/ Impact Investments within Private Markets Asset
Classes
Voting and Engagement
Stewardship Code and Reporting Requirements
Responsible Investing
Biodiversity and Natural Capital
Climate Scenarios and Fiduciary Duty
LGPS Pooling Symposium
Investment and Pensions Conference

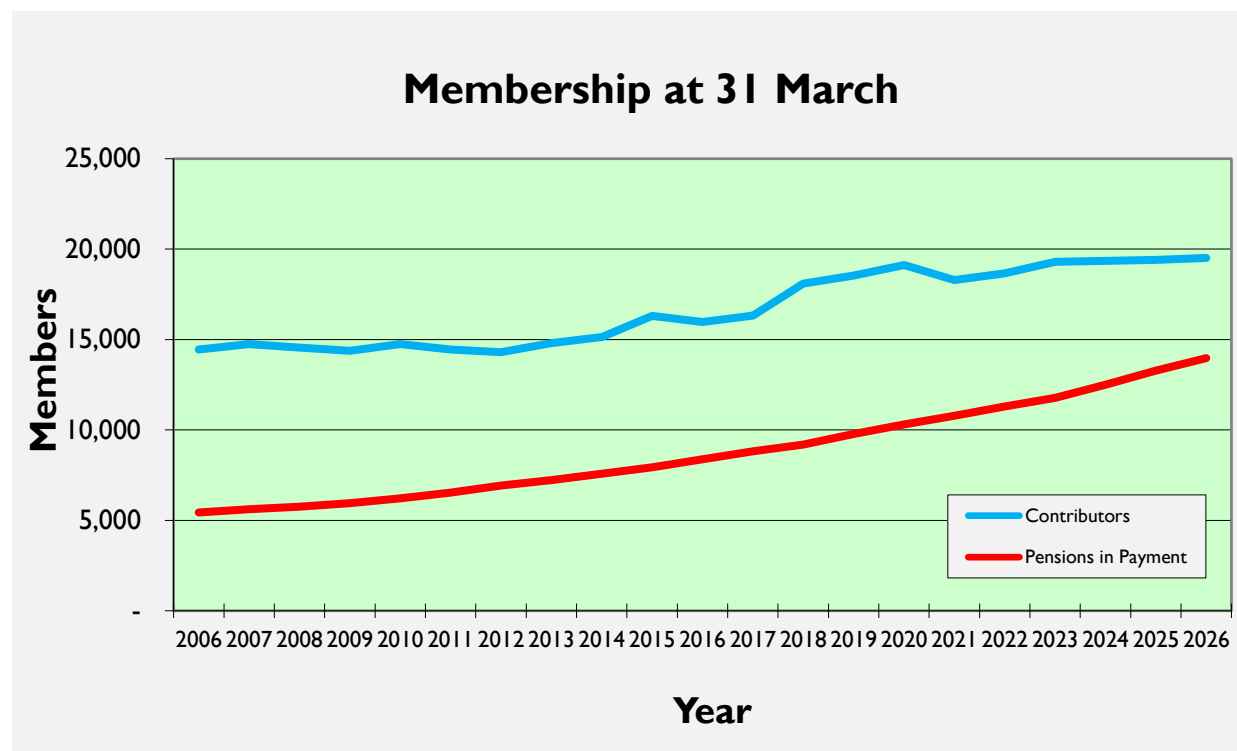
7. Thank you

The Chair wishes to thank her fellow Board members, who have volunteered their time to the functions, and to the relevant officers for their support.

Sioned Parry
Pension Board Chair

4. Membership Summary

The graph below shows the changes in the Fund's membership over the last 20 years. It shows that the number of pensioners has slowly increased from 5,437 in 2006 to 13,972 in 2026 and the number of active contributors has also increased from 14,455 in 2006 to 19,512 in 2026.



The table below shows further details on the Fund's membership:

31 March 2025	Description	31 March 2026
19,412	Contributors	19,512
13,276	Pensions in Payment	13,972
14,846	Deferred Pensioners	15,191
4,683	Unclaimed Benefits	4,780
1,792	Undecided Leavers*	1,540
54,009	Total Membership	54,995

*An undecided leaver is someone who has left their employment but is undecided as to the action that they now want to take with regard to their pension benefits. These records are closely monitored and are ultimately removed from the system once the individual member has decided upon the action they wish to take with regard to their pension benefits. Some records are also undecided leaver as the Fund is awaiting termination details from the scheme employer or because there is a delay in processing the records to the correct status due to staff shortage as a result of struggling to recruit new staff.

5. Pensions Administration

5.1 Review of the Year

Introduction

2025/26 has been another busy year for the Pension Fund. This report provides a general overview of pension administration over the past year and includes the Fund's Key Performance Indicators (KPI). It contains information on the work carried out over the period and an update on various previously mentioned projects.

Performance Management

Administration KPI table A – Total number of casework

	Casework KPI	Total number of cases open as at 31 March (starting position)	Total number of new cases created in the year (1 April to 30 March)	Total number of cases completed in year	Total number of cases completed in previous year
A1	Deaths recorded of active, deferred, pensioner and survivor members	8	476	476	498
A2	New survivor benefits	0	128	128	38
A3	Deferred member retirements	7	464	462	469
A4	Active member retirements	40	536	531	593
A5	Deferred benefits	1,735	953	1,591	3,459
A6	Transfers in (including interfunds in, club transfers)	78	213	240	407
A7	Transfers out (including interfunds out, club transfers)	5	124	126	140
A8	Refunds	14	466	464	288
A9	Divorce quotations issued	2	77	79	90
A10	Actual divorce cases	0	6	5	0
A11	Member estimates requested either by scheme member or employer	38	2,637	2,646	2,784
A12	New joiner notifications	388	3,456	3,442	3,786
A13	Aggregation cases	1,304	1,635	1,167	3,166
A14	Optants out received after 3 months membership	Not recorded	Not recorded	Not recorded	Not recorded

During 2025/26, strong performance was achieved across most of the Fund's administration activities, with a high volume of cases completed and backlogs reduced in a number of key areas.

The total number of recorded death cases (A1) matched exactly the number of new cases received, with 476 cases completed, ensuring that there was no backlog at the end of the year. Similarly, all 128 new survivor benefit cases (A2) received during the year were completed.

The team performed well in processing retirements. A total of 462 deferred member retirements (A3) were completed compared with 464 new cases received, leaving only a very small backlog. For active member retirements (A4), 531 of the 536 new cases received were completed, reducing the outstanding workload carried forward into the following year.

Significant progress was made in reducing the backlog of deferred benefits cases (A5). While 953 new cases were received, 1,591 cases were completed, reducing the number of open cases from 1,735 to 1,097. This reflects a clear focus on addressing historic work backlogs.

Transfer activity also performed well. For transfers in (A6), 240 cases were completed compared with 213 new requests received, reducing the backlog from 78 to 51 cases. Similarly, more transfers out (A7) were completed than received (126 completed compared with 124 received), reducing the number of open cases from 5 to 3.

In the area of refunds (A8), 464 of the 466 new applications received were completed, maintaining a very low level of outstanding cases. More divorce quotations (A9) were also completed than received, eliminating the backlog entirely, while almost all actual divorce cases (A10) were processed during the year.

The team continued to respond effectively to requests from members and employers, completing 2,646 member estimates (A11) compared with 2,637 new requests received. In addition, 3,442 new joiner notifications (A12) were completed, keeping the backlog at a relatively low and stable level.

The most significant challenge related to aggregation cases (A13). Although the team completed 1,167 cases, 1,635 new cases were received during the year, resulting in the backlog increasing from 1,304 to 1,772. This was the only area where a significant increase in outstanding cases was recorded.

Administration KPI table B – Time taken to process casework

	Casework KPI	Suggested fund target	% completed within fund target in year	% completed in previous year	Legal requirement	% completed within legal target in year	% completed within legal target in previous year
B1	Communication issued with acknowledgement of death of active, deferred, pensioner and survivor member	5 working day	35.60%	19.80%	2 months	87.00%	69.3%
B2	Communication issued confirming the amount of dependents pension	10 working day	91.00%	91.00%	2 months	99.20%	97.4%
B3	Communication issued to deferred member with pension and	15 working day	98.90%	99.30%	2 months	99.80%	99.9%

	lump sum options (quotation)						
B4	Communication issued to active member with pension and lump sum options (quotation)	15 working day	95.20%	97.40%	2 months	99.70%	97.7%
B5	Communication issued to deferred member with confirmation of pension and lump sum options (actual)	15 working day	97.20%	97.80%	2 months	98.90%	99.4%
B6	Communication issued to active member with confirmation of pension and lump sum options (actual)	15 working day	57.10%	66.50%	2 months	94.70%	95.7%
B7	Payment of lump sum (both actives and deferreds)	15 working day	Not reported	Not reported	Not reported	Not reported	Not reported
B8	Communication issued with deferred benefit options	30 working day	4.20%	16.80%	2 months	35.30%	36.2%
B9	Communication issued to scheme member with completion of transfer in	10 working day	3.30%	3.30%	2 months	65.80%	67.4%
B10	Communication issued to scheme member with completion of transfer out	10 working day	87.30%	87.30%	2 months	98.40%	94%
B11	Payment of refund	10 working day	97.60%	97.60%	2 months	99.80%	99.6%
B12	Divorce quotation	45 working day	93.70%	94.90%	3 months	98.70%	100%
B13	Communication issued following actual divorce proceedings i.e application of a Pension Sharing Order	15 working day	80.00%	100.00%	3 months	100.00%	Dim
B14	Communication issued to new starters	40 working day	2.30%	71.90%	2 months	94.00%	90.5%

B15	Individual member estimates provided to scheme member or employer	10 working day	95.20%	95.20%	2 months	99.70%	99.7%
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The results for 2025/26 present a mixed picture. While the Fund continued to achieve a very high level of compliance with statutory requirements across most areas, performance against the Fund's internal service targets was more varied, with some categories performing exceptionally well and others facing significant challenges.

In the area of survivor benefits (B2), performance was very strong, with 91% of cases completed within the Fund's target and 99.2% completed within the statutory target. Similarly, deferred member retirement quotations (B3) and active member retirement quotations (B4) continued to achieve a high standard, with more than 95% of cases processed within the Fund's target and almost all cases meeting statutory requirements.

For actual deferred retirements (B5), performance remained strong, with 97.2% of cases completed within the Fund's target and 98.9% within the statutory target. However, actual active member retirements (B6) continued to be a challenging area, with only 57.1% completed within the Fund's target, although 94.7% were still completed within the statutory deadline.

Transfer activity produced mixed results. Transfers out (B10) performed well, with 87.3% meeting the Fund's target and 98.4% complying with the statutory target. However, transfers in (B9) remained a weaker area, with only 3.3% of cases completed within the Fund's target and 65.8% within the statutory target.

Refunds (B11) performed exceptionally well, with 97.6% paid within the Fund's target and 99.8% within the statutory deadline. Strong performance was also achieved for divorce quotations (B12) and individual member estimates (B15), where both internal and statutory targets were met at very high levels.

The main areas of concern continue to be deferred benefit communications (B8) and new joiner communications (B14). Only 4.2% of deferred benefit communications and 2.3% of new joiner notifications were completed within the Fund's internal targets. Nevertheless, performance against statutory targets was significantly better, at 35.3% and 94.0% respectively. These results suggest that while the Fund is generally meeting its statutory obligations, it continues to face challenges in achieving its more ambitious internal service standards in some areas.

The processing of death notifications (B1) showed a significant improvement compared with the previous year. Although only 35.6% of cases were completed within the Fund's internal target, this represents a notable increase from 19.8% in 2024/25. In addition, compliance with the statutory target improved from 69.3% to 87.0%.

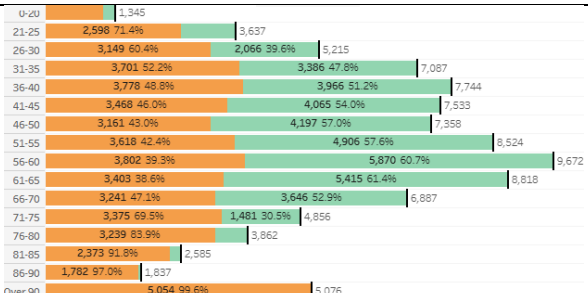
Conclusion

Overall, the 2025/26 results demonstrate that the Fund maintained a high level of compliance with statutory requirements, with the vast majority of processes completed within the relevant legislative timescales. Performance against internal targets remained strong in areas such as survivor benefits, deferred retirements, refunds, divorce quotations and member estimates.

However, challenges remain in certain complex and resource-intensive activities, particularly deferred benefits, transfers in, actual active member retirements and new joiner cases. Despite these areas of concern, overall performance indicates that the administration service has continued to operate effectively and has maintained a high standard of regulatory compliance throughout the year.

Note: The Fund does not operate against fixed performance targets. Instead, it is committed to a philosophy of continuous improvement, with a focus on enhancing service quality and responsiveness over time. For the purposes of this report, performance has been assessed against suggested targets, which reflect nationally recognised benchmarks and provide useful context for comparison.

Administration KPI table C – Communications and engagement

Digital engagement KPI		
C1	% of active members registered for self-service	59.09% as at 31 March
C2	% of deferred members registered for self-service	46.13% as at 31 March
C3	% of pensioner and survivor members registered for self-service	43.20% as at 31 March
C4	% total of all scheme members registered for self-service	49.56% as at 31 March
C5	Top 5 most frequently visited functions	1. Document and Uploads 2. Benefit Calculators 3. Latest Valuation 4. Annual Benefit Statement Video Overview 5. Manage Beneficiaries
C6	Number of registered users by age	
C7	% of all registered users that have logged onto the service in the last 12 months	62.30%
Communication KPI		
C8	Total number of telephone calls received in year	Information not available
C9	% of calls answered at first point of contact	Information not available
C10	Total number of email and online channel queries received	Information not available
C11	Average wait time to speak to a member of the administration team	Information not available
C12	Number of scheme member events held in year (total of in-person and online)	17
C13	Number of employer engagement events held in year (in-person and online)	23

C14	Number of active members who received a one-to-one (in-person and online)	176
C15	Number of times a communication (i.e a newsletter) issued to:	
	a) Active members	1
	b) Deferred members	1
	c) Pensioners	1

Digital Engagement KPIs (C1-C7)

The digital engagement indicators demonstrate positive progress in the use of the self-service portal, with almost half of all scheme members registered by the end of the year. This reflects the Fund's continued success in encouraging members to use digital services to access their pension information.

The highest registration rate was among active members, with 59.09% registered for self-service (C1). Registration levels were also strong among deferred members (46.13%) (C2) and pensioner and survivor members (43.20%) (C3). Overall, 49.56% of all scheme members were registered for the service (C4), demonstrating that the portal is widely used across all categories of membership.

Portal usage data shows that members primarily use the service to access information relating to their pension benefits. The five most frequently visited functions were (C5):

- Uploaded Documents and Files
- Benefit Calculators
- Latest Valuation
- Annual Benefit Statement Video
- Beneficiary Management

These functions suggest that members value the ability to view personal information, model their retirement benefits and manage important details online.

Although detailed age profile data (C6) has not been included within the figures provided, the overall registration levels indicate that the portal continues to attract users from across a broad range of member groups.

Ongoing engagement with the service remained encouraging, with 62.3% of all registered users having logged into the portal during the previous 12 months (C7). This demonstrates that members are not only registering for the service but are actively using it to access their records and pension information.

Conclusion

The 2025/26 results demonstrate that the Fund has continued to make good progress in developing and promoting digital services. Strong registration rates, particularly among active members, together with healthy levels of ongoing usage by registered users, indicate that the self-service portal is becoming an increasingly important channel for delivering information and support to scheme members.

Communication KPIs (C8-C15)

Although data was not available for the number of telephone calls received, the percentage of calls resolved at the first point of contact, the number of email enquiries received or average call waiting times, the available indicators demonstrate a high level of engagement activity with both scheme members and employers throughout the year.

During 2025/26, the Fund delivered 17 member engagement events, both in person and online. These events provided members with the opportunity to learn more about their pension benefits, improve their understanding of the Scheme and ask questions directly to Fund officers. This engagement programme included attendance at major events, including a joint stand at the National Eisteddfod in Wrexham, delivered in partnership with the Clwyd Pension Fund, helping to raise awareness of the Local Government Pension Scheme among both existing and prospective members.

The Fund also continued to maintain strong relationships with employers through 23 employer engagement events, providing guidance, regulatory updates and support on pension administration matters.

In addition to group events, 176 active members received one-to-one meetings, either face-to-face or virtually. These sessions provided personalised support to members considering their pension options and planning for retirement.

Regular written communications also continued throughout the year with the publication of:

- 1 newsletter for active members
- 1 newsletter for deferred members
- 1 newsletter for pensioners

Whilst it was not possible to report on the telephone-related indicators during 2025/26, work is continuing with the Council's ICT Service to develop the necessary management information. During the year, ICT resources were heavily focused on a major corporate project to migrate the Council onto a new telephony system. As a result, the technical support required to extract and validate the call data for 2025/26 was not available. The Fund will continue to work with ICT colleagues to ensure that these performance measures can be reported in future years.

Conclusion

The results demonstrate the Fund's continued commitment to communicating and engaging proactively with both scheme members and employers. Through a combination of member events, employer events, one-to-one meetings and regular communications, the Fund successfully delivered support and information to a wide range of stakeholders. The Fund's presence at the National Eisteddfod in Wrexham, in partnership with Clwyd Pension Fund, was a particular highlight of the engagement programme, helping to promote awareness and understanding of pensions among both scheme members and the wider public.

Although some communication performance indicators were unavailable this year, work is underway to ensure that this information can be captured and reported in future performance reports.

Administration KPI table D – Administration staff as at 31 March

Staff KPI		
D1	Total number of all administration staff (FTE)	22.16
D2	Average service length of all administration staff	11 years 185 days
D3	Number of administration staff vacancies occurred in the year	3
D4	Number of the vacancies filled as at 31 March	2
D5	Ratio of all administration staff to total number of scheme members (all staff including management)	1:2473

D6	Ratio of administration staff (all processing staff and excluding management) to total number of scheme members	1:3018
D7	Average number of all cases (open and closed) completed per member of staff involved in administration duties.	836

The staffing indicators for 2025/26 demonstrate that the Fund has continued to operate with a stable and experienced administration team, maintaining a strong level of expertise and capability despite some staff turnover during the year.

As at 31 March 2026, the Fund employed 22.16 full-time equivalent (FTE) staff within the administration team (D1). The team possessed a significant level of experience, with an average length of service of 11 years and 185 days (D2). This reflects a stable workforce with a strong understanding of the administration and management of the Local Government Pension Scheme.

During the year, there were 3 vacancies within the service (D3), of which 2 had been filled by 31 March 2026 (D4). Although some staff turnover occurred during the year, the majority of vacant posts were successfully recruited to, helping to maintain the operational capacity of the team.

Staffing ratios continue to demonstrate the scale of membership administered by the Fund. The ratio of total administration staff to total scheme membership was 1:2,473 (D5), while the ratio of processing staff, excluding managers, to total scheme membership was 1:3,018 (D6). These figures highlight the significant workload managed by the administration team.

This is also reflected in service productivity levels. During the year, an average of 836 cases per member of staff involved in administration duties were completed (D7). This figure demonstrates a significant level of activity and reflects the contribution made by the team in processing a wide range of cases and services on behalf of scheme members.

Conclusion

The staffing indicators for 2025/26 demonstrate that the Fund continues to benefit from an experienced and stable workforce that has maintained an effective service despite some changes in staffing during the year. With a high average length of service and a significant volume of cases being handled by each member of staff, the results reflect the commitment, expertise and productivity of the administration team in supporting the needs of both scheme members and participating employers.

Administration KPI table E – Data Quality

Annual Benefit Statements KPI		Previous year %	Current year %
E1	% of Annual Benefit Statements issued as at 31 August	100%	100%
E2	Explain with Short commentary if less than 100%	N/A	N/A
E3	% number of annual benefit statements reissued	N/A	N/A
Data category KPI		Previous year data quality score %	Current year data quality score %

E4	Common data	98%	98.2%
E5	Scheme specific data	99.33%	99.39%
Address and email data KPI		Previous year %	Current year %
E6	% of active, deferred and pensioner members recorded as 'gone away' with no home address held or address is known to be out of date	1.59%	1.41%
E7	% of active, deferred and pensioner members with an email address held on file (with and without a record home address)	61.91%	68.32%

Annual Benefit Statements KPI (E1-E3)

A total of 100% of Annual Benefit Statements were issued by the statutory deadline of 31 August, matching the performance achieved in 2024/25. This demonstrates that the Fund continues to meet its legal obligations in full and has ensured that members received timely information regarding their pension benefits.

As the issuance rate was 100%, no further commentary is required in relation to any failure to meet the target.

Data Category KPI (E4-E5)

In 2015, the Pensions Regulator (TPR) took over responsibility for Public Sector Pension Schemes. Before that, in June 2010, the TPR published guidance on what they consider to be good practice to measure the presence of members' data.

Over the last few years we have been commissioning our software provider, Heywood Pension Technologies to produce a Data Quality Report for our Fund every September. We now have software to run this report internally.

The report is divided into two sections:

Common Data: e.g. name, address, NI number, gender, date of birth, status and start date

Scheme Specific Data: e.g. benefits in the scheme, transfer details, AVC, salary details, contributions, service, lifetime allowance, annual allowance and GMP.

Data quality continues to remain very strong across the Fund, with further improvements achieved during 2025/26 in relation to both common data and scheme-specific data. This reflects the Fund's ongoing focus on maintaining complete and accurate member records, which are essential for ensuring accurate benefit calculations and the efficient delivery of services to members.

The common data quality score (E4) increased to 98.2% at the year end, compared with 98.0% in the previous year. This result demonstrates that the Fund has continued to maintain a very high standard of accuracy and completeness for the key data items required to administer the Scheme effectively.

The Fund also performed particularly well in relation to scheme-specific data (E5), with the score increasing from 99.33% to 99.39%. This high level of accuracy demonstrates that the detailed information relating to members' pension benefits is being maintained to an excellent standard.

Address and Email Data KPIs (E6-E7)

These indicators show a further improvement in the quality of the Fund's member contact information during 2025/26. Maintaining accurate addresses and contact details is essential to ensuring that members receive important pension information in a timely and efficient manner.

The percentage of active, deferred and pensioner members recorded as "gone away" without a valid home address, or with an address known to be out of date (E6), reduced to 1.41%, compared with 1.59% in the previous year. This reduction demonstrates an improvement in the quality of the Fund's address records and reduces the risk of members not receiving important communications.

The Fund has continued to invest time and resources in improving the quality of its contact data, including the use of member tracing services where appropriate to locate members who have changed address without notifying the Fund. This work has helped reduce the number of "gone away" records held by the Fund and has contributed to the improvement seen during the year.

A more significant improvement was achieved in relation to email addresses held on file. The percentage of active, deferred and pensioner members with a recorded email address (E7) increased from 61.91% in the previous year to 68.32% in 2025/26. This represents an increase of more than six percentage points in a single year.

This improvement reflects the ongoing efforts made by the Fund over a number of years to collect and maintain as many member email addresses as possible. The Fund seeks to communicate electronically with members wherever practical, as this enables faster, more efficient and more cost-effective communication. It also supports the Fund's wider objectives of increasing digital engagement and promoting the use of the self-service portal.

Member Satisfaction Survey

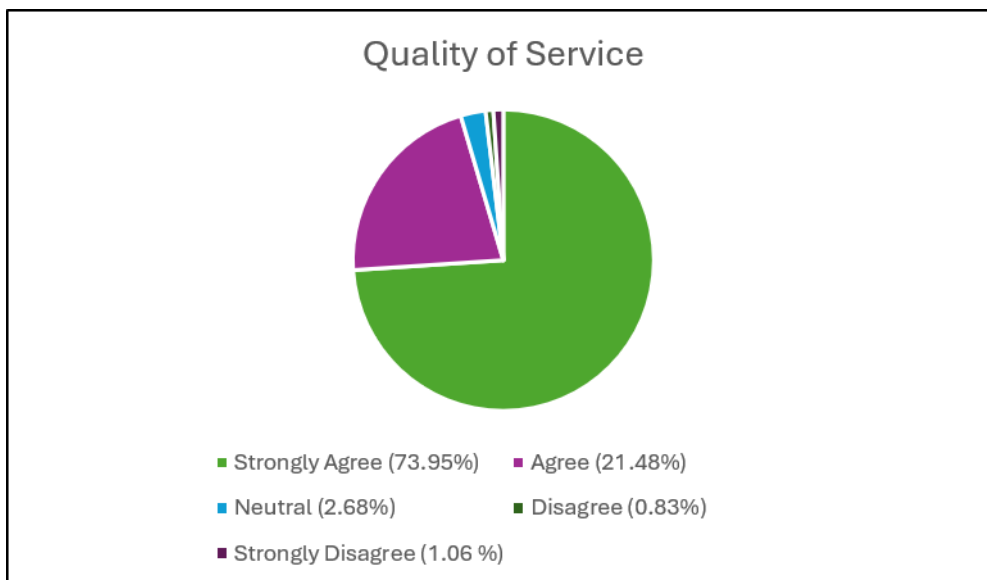
To ensure that we offer the best possible service to our members, a Member Satisfaction Survey is sent at the end of each process, e.g. retirements and payment of refunds for the members to give their opinion on the quality of the service received and their opinion about the service provided by the staff.

89 Members took part in this survey.

Here is a summary of the 2025/26 results:

Quality of Service

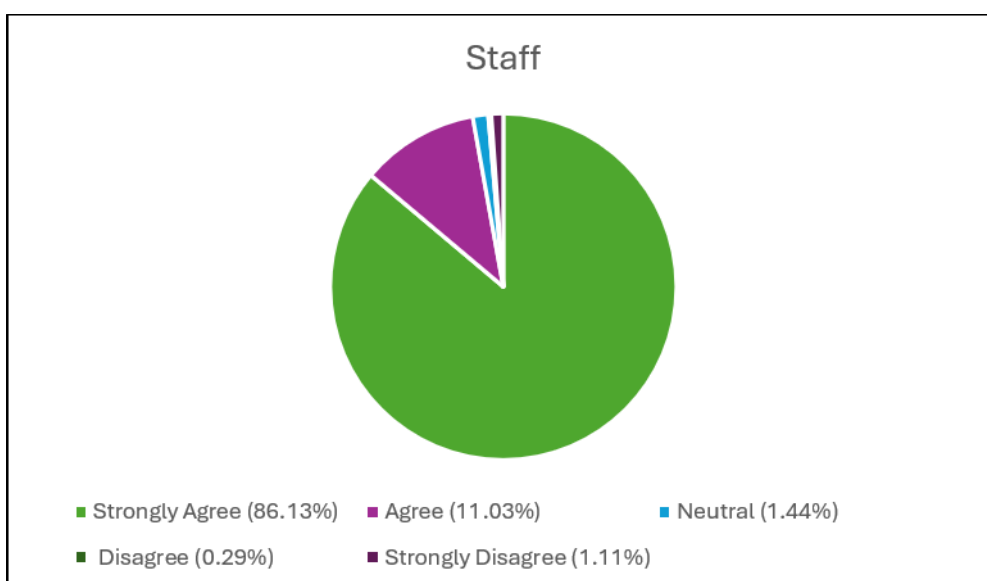
The chart below shows the percentage of users who are satisfied with four aspects of the service's performance based on: i) Service as a whole; ii) Clear information; iii) Quality of service; iv) Time to deal with the enquiry.



As can be seen, **95.5%** of the users strongly agree or agree that the quality of the service provided is of a high standard. The percentage for 2024/25 was **96%**.

Staff

The chart below shows the percentage of users who are satisfied with four aspects of staff performance based on: i) Courtesy; ii) Punctuality; iii) Assistance given; iv) Level of knowledge.



As can be seen, a high percentage once again (**97%**) of the users strongly agree or agree that the quality of the service provided is of a high standard in relation to the staff. The percentage for 2023/24 was **95%**.

Work to do

A number of key tasks and projects have been planned for 2026/27 to further improve the service provided to the Fund's members and employers. These include:

- **Website and Digital Services:** Continuing to develop, update and expand website content to ensure that clear, up-to-date and accessible information is available to members and employers.

- **Online Forms:** Developing a wider range of digital forms to enable members to submit information and applications electronically, reducing paper-based processes and improving efficiency.
- **Digital Communications and Engagement:** Continuing to develop more interactive and engaging video content to help members understand their pension benefits, retirement options and regulatory changes. This will build on the successful use of video content in recent years.
- **Process Automation:** Continuing to develop system automation and improve workflows and correspondence processes, increasing efficiency and reducing processing times where possible.
- **Paperless Office:** Continuing the scanning and digitisation of historical paper files to reduce reliance on paper records and improve accessibility to information.
- **McCloud Project:** Continuing to complete the work associated with the McCloud project, ensuring that member records are accurate and that any remaining obligations are implemented in a timely manner.
- **Appointment of a New Additional Voluntary Contributions (AVC) Provider:** Following a review of the Fund's AVC arrangements, the Fund undertook will undertake a procurement process to appoint a new AVC provider. The review concluded that the current provider, Clerical Medical no longer fulfils the Fund's requirements and does not meet the expectations of either scheme members or the Administering Authority. This reflects the significant service issues experienced over the past two years, including delays and service standards falling below the Fund's expectations. The selection process will seek to ensure that members have access to a modern, competitive and sustainable AVC arrangement that delivers an enhanced member experience and improved service quality.
- **Undecided Leaver Records:** Continuing work to reduce the number of cases where members have left employment but their pension benefits have not yet been finalised or settled.
- **Pensions Dashboard Preparation:** Continuing to review and improve the Fund's data quality, processes and systems to ensure readiness for connection to the Pensions Dashboard Programme and compliance with the associated requirements as they are implemented.

These projects will support the Fund's objectives of improving service quality, increasing digital engagement, enhancing data quality, improving the member experience and ensuring compliance with legislative requirements and best practice within the pensions sector.

i-Connect

i-Connect updates member data in our pension administration system on a monthly basis, avoiding the need for employers to send information at the end of the year.

Data is taken directly from a payroll system by i-Connect which then automatically identifies and submits details of new members, opt-outs and leavers to us.

By now all the employers use i-Connect, with the information being submitted promptly by all the employers overall.

Scheme Administration Statistics

Number of Employers

This table provides a summary of the number of employers in the Fund with active members and ceased (no active members but some outstanding liabilities).

	Active	Ceased
Scheduled bodies:	29	6
Admitted bodies:	16	28
Total:	45	34

Scheme membership

	31/03/2021	31/03/2022	31/03/2023	31/03/2024	31/03/2025	31/03/2026
Active	18,295	18,657	19,304	19,348	19,412	19,512
Deferred	12,431	12,540	13,160	14,419	14,846	15,191
Pensioners	10,780	11,298	11,780	12,504	13,276	13,972
Undecided	8,133	8,617	7,966	7,044	6,475	6,320
Total:	49,639	51,112	52,210	53,315	54,009	54,995

Retirements during 2025/26

This table provides a summary of the number of retirements within the Fund during 2025/2026.

Reason for leaver	Number of pensioners
Early/Normal Retirement	706
Redundancy/ Efficiency	45
Ill Health	39
Late Retirement	169
Flexible Retirement	31
Total	990

Staffing indicators

The table below shows the number of staff in the Pensions Administration Team working exclusively on Local Government Pension Scheme benefits.

	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Number of full-time equivalent Pension Fund staff	18.10	19.16	20.16	22.6	23.6	22.16
Total fund membership (Does not include undecided members)	41,506	42,495	44,244	46,271	47,534	48,675
Number of fund members to one member of administration staff	2,293	2,218	2,195	2,047	2,014	2,196

Unit cost per member

Investment Management Expenses	2023/24	2024/25	2025/26
Total Costs	£12,866,000	£15,738,000	£10,885,000
Total Membership Numbers (Does not include unclaimed benefits and undecided members)	46,271	47,534	48,675
Cost per member	£278.06	£331.08	£223.63
Administration Expenses			
Total Costs	£1,720,000	£1,988,000	£2,145,000
Total Membership Numbers (Does not include unclaimed benefits and undecided members)	46,271	47,534	48,675
Cost per member	£37.17	£41.82	£44.07
Oversight and Governance Expenses			
Total Costs	£456,000	£556,000	£642,000
Total Membership Numbers (Does not include unclaimed benefits and undecided members)	46,271	47,534	48,675
Cost per member	£9.85	£11.69	£13.19
Total cost	£325.08	£384.59	£280.89

Acknowledgments

Overall, 2025/26 has been a successful year for the Pension Fund I would like to thank all the staff for their hard work and support over the year, the employers for providing timely information and our actuary Hyman Robertson for their work and advice over the year.

Meirion Jones
Pensions Manager

5.2 Local Government Pension Scheme Regulations

General

The Public Service Pensions Act 2013 governs the Fund. The Fund is administered in accordance with the following secondary laws:

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

Cyngor Gwynedd administers the Gwynedd Pension Fund for its own employees and those of 44 other bodies (including 2 Local Authorities). The Fund does not cover teachers, for whom separate arrangements exist. The Fund is financed by contributions from employers and employees, together with income earned from investments.

From April 2014 employee contribution rates are determined in bands according to their actual pay indexed annually in line with inflation. Employees may opt to pay half rate contributions to accrue half rate personal benefits in what is called the 50/50 scheme, death and dependent benefits remain at full rate. The bandings for April 2025– March 2026 are shown in the table below:

Pay Bands	Contribution Rates main scheme	Contribution Rates 50/50 scheme
Up to £17,800	5.5%	2.75%
£17,801 - £28,000	5.8%	2.9%
£28,001 - £45,600	6.5%	3.25%
£45,601 - £57,700	6.8%	3.4%
£57,701 - £81,000	8.5%	4.25%
£81,001 - £114,800	9.9%	4.95%
£114,801 - £135,300	10.5%	5.25%
£135,301 - £203,000	11.4%	5.7%
More than £203,001	12.5%	6.25%

Employers contribute to the scheme at a rate assessed triennially by the Fund's Actuary, or in the event of any significant change in an employer's membership or profile. Employers continue to pay the full rate in respect of members who opt for the 50/50 option or are on reduced pay due to illness.

Benefits

The LGPS provides significant benefits to members based on two separate schemes. There is a final salary arrangement, itself consisting of two accrual rates, and a CARE (Career Average Revalued Earnings) arrangement that came into force from 1 April 2014. Below are brief details of how the pensions accrue in both arrangements.

For the final salary element benefits will normally be based on two factors: service or membership during which contributions have been paid to the scheme, known as "Total Membership", and the wage or salary on which those contributions were paid (normally the last 12 months of service), known as "Final Pay".

The CARE part will be in the form of 1/49ths pension calculated on individual years' actual pensionable earnings revalued annually.

- **Annual Pension**

The calculation of the annual standard pension is based on the following formula:

***Final Pay x 1/80 x Total Membership to 31 March 2008; plus
Final Pay x 1/60 x Total Membership from 1 April 2008 to 31 March 2014; plus***

The accrued and revalued CARE pension on years from 1 April 2014 onwards

Once the pension is in payment it will rise each April in line with the increase in the Consumer Price Index.

- **Lump Sum**

There is also an entitlement to a standard tax-free lump sum on membership to 31 March 2008, based on the following formula:

Final Pay x 3/80 x Total Membership to 31 March 2008 only

- **Conversion of Benefits**

There is an option to convert part of the pension into an additional lump sum in excess of the formula shown above, but subject to HMRC limits.

Councillor Pensions

The scheme also provides access for Councillors. The benefit package is based on the pre April 2008 formula for pension and lump sum shown above but using Career Average Salary instead of Final Pay. This remains the position for councillor members even after the introduction of the new main scheme from April 2014. No new Councillors are eligible to join the LGPS in England and current Councillor Members must leave the scheme when their term of office comes to an end.

III-Health Retirement

If the membership period is 2 years or more, and an administering authority approved independent registered medical practitioner certifies that the member has become permanently unable to do their job or any comparable job with their employer, they will receive a pension, and if choosing to convert their pension, a tax free lump sum immediately.

The benefit payable depends on the ill health retirement awarded:

Tier 1

If the member is unlikely to be capable of gainful employment before their Normal Pension Age (NPA), ill health benefits are based on the pension they have already built up in their pension account at the date of leaving the scheme plus the pension they would have built up, calculated on assumed pensionable pay, had they been in the main section of the scheme until they reached their NPA.

Tier 2

If the member is unlikely to be capable of gainful employment within 3 years of leaving, but are likely to be capable of undertaking such employment before their NPA, ill health benefits are based on the pension they have already built up in their pension account at the date of leaving the scheme plus 25% of the pension they would have built up calculated on assumed pensionable pay, had they been in the main section of the scheme until they reached their NPA.

Tier 3

If the member is likely to be capable of gainful employment within 3 years of leaving, or before their NPA if earlier, ill health benefits are based on the pension they have already built up in their pension account at leaving. Payment of these benefits will be stopped after 3 years, or earlier if the member is in gainful employment or become capable of such employment, provided they have not reached their NPA by then. If the payment is stopped it will normally become payable again from their NPA.

Gainful employment means paid employment for not less than 30 hours in each week for a period of not less than 12 months.

Early Retirement

If membership period is 2 years or more, a member may elect to retire and receive their LGPS benefits at any time from age 55 onwards; however payment before normal pension age may result in an actuarial reduction for early release, and if after normal pension age benefits may be actuarially increased due to late payment.

Preserved Benefits

Leavers with 2 years of membership are awarded preserved benefits, calculated in the same way as described in the paragraph 'Benefits', but with payment being deferred and index linked until payment is made any time after age 55 (age 60 if termination before 1/04/2014). Alternatively, it may be possible to transfer the equivalent value of benefits to another pension scheme.

Leavers with less than 2 years' membership, and with no further LGPS rights, may reclaim their contributions, less tax and any contracted out premiums that may apply.

Death in Service

A death grant of three times Final Pay is payable, regardless of the length of membership. For part-time employees, the Final Pay is not increased to its whole-time equivalent rate.

In addition, survivor benefits may be payable to spouses, or partners, with dependent children benefits also payable subject to certain criteria, mainly based on age and whether in full time education.

Death after Retirement

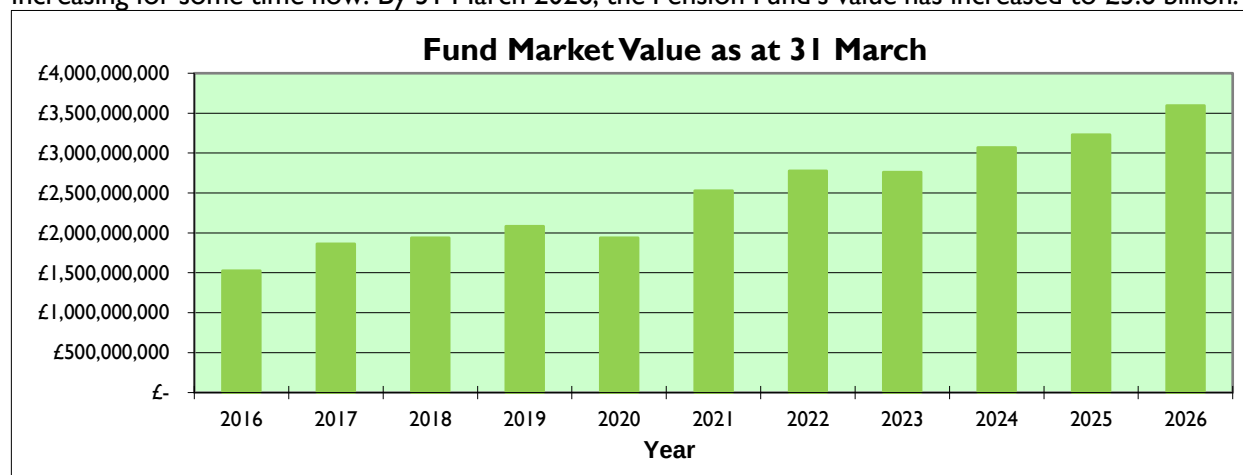
If a member dies after drawing their LGPS pension and before reaching age 75, a death grant may be payable. Generally speaking, the death grant is equal to 10 times (or 5 times if they left the LGPS before 1 April 2008) the pension less the amount already paid. If the member left after 31/03/2014 then the amount of additional lump sum the member received on retirement as a result of giving up pension for lump sum is also deducted from the sum payable.

Like for death in service, spouses and partners' pensions are payable for life whilst dependant eligible children's pensions are payable subject to the same conditions as for Death in Service.

6. Investments

6.1 End of Year Position

The Gwynedd Pension Fund is in a relatively healthy position with the value of the Fund gradually increasing for some time now. By 31 March 2026, the Pension Fund's value has increased to £3.6 billion.



Asset Allocation

The strategic asset allocation is one of the most important decision for any pension fund, and is the main determinant of the Fund's long-term performance. The following table shows the Fund's actual asset allocation against its target strategic allocation at 31.03.26.

Type of asset	Actual %	Target %	Difference %
UK Equity	8.5	6.0	+2.5
Global Equity	38.2	27.0	+11.2
Emerging Markets Equity	2.3	2.0	+0.3
Private Equity	4.4	5.0	-0.6
Total Growth	53.4	40.0	+13.4
Property	5.8	10.0	-4.2
Infrastructure	6.0	7.5	-1.5
Multi Asset Credit	7.3	7.5	-0.2
Private Credit	1.8	7.5	-5.7
Natural Capital	0.0	5.0	-5.0
Total Income	20.9	37.5	-16.6
Absolute Return Bond	15.7	12.5	+3.2
Corporate Bonds	9.8	10.0	-0.2
Total Defensive	25.5	22.5	+3.0
Cash	0.2	0.0	+0.2
Total	100.0	100.0	+0.0

The 2025 actuarial valuation demonstrated again that the Fund has a strong funding level and therefore a further review of the investment strategy was undertaken by the Fund in November 2025. It was agreed by the Pensions Committee to continue to de-risk the Fund by reducing its equity allocation and

invest in income generating assets, which includes an allocation to natural capital for the first time.

This new strategy will be actioned as investments in infrastructure and private credit will increase as capital is called, and the Fund will work closely with WPP IM Co in order to invest in property and natural capital.

Investments by investment fund manager

Manager	Fund	Asset Class	31 March 2025 £000	31 March 2026 £000
Pooled				
Wales Pension Partnership	Global Opportunities	Global Equity	460,613	403,967
Wales Pension Partnership	Global Growth	Global Equity	418,895	389,529
Wales Pension Partnership	Emerging Markets	Global Equity	63,023	82,721
Wales Pension Partnership	Sustainable Active Equity	Global Equity	317,658	359,705
Wales Pension Partnership	Absolute Return Bond	Bonds	403,247	554,275
Wales Pension Partnership	Multi Asset Credit	Multi-Credit Asset	241,859	259,418
Wales Pension Partnership	Global Credit	Bonds	233,417	347,858
Wales Pension Partnership	Russell Investments Global Private Credit	Private Credit	50,748	63,291
Wales Pension Partnership	GCM WPP Global Infrastructure I	Infrastructure	8,048	10,857
Wales Pension Partnership	GCM WPP Global Infrastructure II	Infrastructure	0	1,712
Wales Pension Partnership	Capital Dynamics CEI	Infrastructure	4,131	6,809
Wales Pension Partnership	Octopus Renewables Infrastructure	Infrastructure	35,101	37,299
Wales Pension Partnership	IFM Global Infrastructure	Infrastructure	60,918	65,990
Wales Pension Partnership	CBRE Global Infrastructure	Infrastructure	14,683	25,287
Wales Pension Partnership	Schroders Capital WPP Global Private Equity I	Private Equity	6,022	8,605
Wales Pension Partnership	Schroders Capital WPP Global Private Equity II	Private Equity	7,165	11,007
Wales Pension Partnership	Schroders Capital WPP Global Private Equity III	Private Equity	0	9,036
Wales Pension Partnership	Schroders Real Estate	Property	0	168,275
Total Pooled			2,325,528	2,805,641
Under pool management				
Black Rock	Aquila Life UK Equity Index	UK Equity	294,958	301,088
Black Rock	ACS World Low Carbon Equity	Global Equity	170,002	0
Black Rock	Aquila Life ESG Equity	Global Equity	0	198,675
Total Under pool management			464,960	499,763
Not pooled				
Black Rock	Property	Property	56,246	0
Lothbury	Property	Property	6,263	0
UBS	Property Global Ast Triton	Property	76,742	0
Threadneedle	Property TPEN	Property	34,116	35,344
Threadneedle	Property TPUT	Property	2,221	0
Partners	Private Equity	Private Equity	149,330	128,011
Partners	Infrastructure	Infrastructure	76,836	64,546
Total Not pooled			401,754	227,901
Total			3,192,242	3,533,305

Assets within the UK

The following table provides additional information on investments in the UK:

£m Asset values as at 31 March 2026	Pooled	Under Pool Management	Not pooled	Total
UK Listed Equities	40.1	277.9	0	318.0
UK Government Bonds	37.6	0	0	37.6
UK Infrastructure	33.6	0	8.6	42.2
UK Private Equity	4.5	0	11.4	15.9

£m Asset values as at 31 March 2025	Pooled	Under Pool Management	Not pooled	Total
UK Listed Equities	53.4	273.3	0	326.7
UK Government Bonds	30.4	0	0	30.4
UK Infrastructure	8.7	0	10.2	18.9
UK Private Equity	1.8	0	13.3	15.1

6.2 Investment Performance

Quarterly Meetings

The performance of the Investment Managers is monitored on a quarterly basis. Investment Managers submit quarterly reports to the Pensions Committee, relevant officers and the Fund's adviser, and these are scrutinised in the Pensions Committee meetings.

Performance Monitoring

Gwynedd subscribes to a service provided by Pensions & Investment Research Consultants Ltd (PIRC), who calculate the rate of return for Gwynedd and for other pension funds and provides comparisons.

Targets

Individual performance benchmarks for the Investment Managers are shown in the table below.

Fund/ Asset Class	Benchmark	Performance target (% p.a)
WPP Global Opportunities	MSCI All Country World Index	Outperform the index +2%
WPP Global Growth	MSCI All Country World Index	Outperform the index +2%
WPP Emerging Markets	MSCI Emerging Markets Index	Outperform the index +1.5%
WPP Sustainable Active Equity	MSCI All Country World Index	Outperform the index +2%
WPP Absolute Return Bond	3mth SONIA	3mth SONIA + 2%
WPP Multi Asset Credit	3mth SONIA	3mth SONIA + 4%
WPP Global Credit	Bloomberg Global Aggregate Credit Index	Outperform the index
WPP Private Credit	8% p.a.	7%- 9% net IRR
WPP Global Infrastructure	8% p.a.	8%-10% net IRR
WPP Wales Renewable Infrastructure	8% p.a.	8% p.a.
WPP Open Ended Infrastructure	8% p.a.	8%-10% net IRR
WPP Private Equity	15% net IRR	15% net IRR
Black Rock Aquila Life UK Equity Index	FTSE All- Share Index	Track the benchmark
Black Rock ESG World Equity (WPP)	MSCI World	Track the benchmark
All Property	UK All Balanced Property Fund Index	Outperform the index
Partners Private Equity	MSCI All Country World Index	MSCI All Country World Index
Partners Infrastructure	8% p.a.	8% p.a.

The Fund has made direct investments with Lothbury, UBS and Threadneedle, so therefore have not given them a benchmark. However, for indicative purposes we monitor them against the 'IPD Balanced Property Unit Trust Index'.

The Fund's Performance

	1 Year Return	1 Year Benchmark	3 Year Return	3 Year Benchmark	Since Inception Return	Since Inception Benchmark
	%	%	%	%	%	%
Wales Pension Partnership Funds						
WPP Global Opportunities	17.0	17.5	14.2	14.1	12.5	11.9
WPP Global Growth	13.9	17.5	10.0	14.1	9.7	11.9
WPP Emerging Markets	31.4	27.2	10.2	10.0	5.6	6.8
WPP Sustainable Active Equity	13.3	17.5	n/a	n/a	10.1	14.8
WPP Absolute Return Bond	4.2	6.2	5.7	6.9	4.2	5.1
WPP Multi Asset Credit	7.3	8.3	8.2	9.0	3.9	7.0
WPP Global Credit	4.3	4.4	n/a	n/a	-0.1	0.1
WPP Private Credit*	n/a	n/a	n/a	n/a	n/a	n/a
WPP Global Infrastructure	5.4	8.0	n/a	n/a	5.7	8.0
WPP Wales Renewable Infrastructure	8.5	8.0	n/a	n/a	2.6	8.0
WPP Open Ended Infrastructure	10.8	8.0	n/a	n/a	7.8	8.0
WPP Private Equity	19.7	15.0	n/a	n/a	19.0	15.0
Local Funds						
Black Rock Aquila Life UK Equity Index	21.7	21.5	13.4	13.3	7.8	7.8
Black Rock ACS World Low Carbon Equity Tracker	n/a	n/a	n/a	n/a	-2.0	-1.3
BlackRock Property	4.0	4.3	1.9	3.3	4.7	5.4
Threadneedle TPEN Property	3.5	4.3	3.3	3.3	3.3	3.2
UBS Property	4.0	4.3	2.6	3.3	2.3	3.3
Partners Group Private Equity	-4.2	18.0	0.6	16.3	8.9	11.4
Partners Group Infrastructure	4.2	8.0	8.2	8.0	11.7	8.0
Whole Fund	10.9	11.5	9.0	9.8	7.8	7.6

*results not yet available for WPP Private Credit

The Fund saw positive returns over 1 year, 3 years and since inception. The average LGPS fund delivered a return of 9.6% for the year, and therefore, even though Gwynedd Pension Fund did not achieve its benchmark, this was common within the LGPS funds, and the Fund did achieve returns that were better than the LGPS average during the year. Performance in the latest year was driven by the strong results delivered by equities and property delivered a second year of modest results.

It is generally accepted that investment performance over a longer period of time is a more valid indicator than over a single year as investment strategies designed to bring good performance in the longer run may from time to time suffer from short-term setbacks.

The Fund's performance over three years was behind benchmark, but the performance was in the upper half of all LGPS and was ranked 38th out of all LGPS funds. The benchmarks given are very challenging and the Fund is performing well and is in front of its benchmark since inception.

6.3 Administrative and Custody Arrangements

Specialist Advice

The Local Government Pension Scheme Regulations oblige the Council to take specialist advice on investment. This advice is provided by an independent advisor from Hymans Robertson (the Fund's advisors) who monitor the Investment Managers.

Custodians

Some of the investment managers have an associated custodian who holds the assets of their part of the portfolio. The managers and their associated custodians are as follows:

- BlackRock's custodian is JP Morgan Chase Bank

- WPP's custodian is Northern Trust.

Partners Group is not included in the Fund's custody arrangements.

Administrative Procedures

Administrative procedures ensure that those transfers which do take place, between the Council and the Investment Managers, must be authorised by the signatories of two named officers who are on the Pension Fund's authorised signature list.

6.4 Investment Powers

Investment Powers

The regulations require that the Fund has an Investment Strategy Statement (ISS).

This enables pension funds to be flexible in their strategy and invest a larger percentage of their fund in individual pooling arrangements. There are no specific limits in the legislation and therefore no need to formally increase the amounts. However, it is good practice to have some broad limits, and these are included in the ISS.

6.5 Investment Management

General

The main objective of an investment policy is to maximise the return on the money entrusted to the Fund, consistent with acceptable levels of risk, and for the annual return in the longer run to exceed the level of wage inflation. It must be borne in mind that the Fund's liabilities (pensions) are very long-term, extending to the middle of the century. These liabilities will increase with inflation, both because of the index-linking of pensions and due to the rising level of employees' salaries and wages to the time of retirement. There is a relationship between the level of returns achieved and the contribution rate which employers are expected to pay. The Pensions Committee considers that in the long run equity returns will exceed bond returns and it is for this reason that a high proportion of the Fund is invested in equities. However, the Committee have recognised that the triennial valuation demonstrated a healthy level of surplus and therefore has decreased its equity allocation as seen in 6.1 in order to de-risk the Fund.

Investment Manager Briefs

As a result of a deliberate policy to diversify assets and investment styles, the Fund has Investment Managers with varying briefs:

Investment Manager	Brief
BlackRock	Passive
WPP	Active
Partners	Active

BlackRock is briefed to be a "passive" manager. The manager will allocate their mandate's asset allocation in line with that of the benchmark and in each market, they aim to track stock exchange indices. As a result, their mandates' performance should be in line with their respective benchmarks. Appointing a passive manager reduces the risk of underperformance relative to benchmark; however, it also reduces the possibility of out-performance relative to the benchmark.

All the others are "active" managers. They are given the discretion to invest in their best investment ideas. Whilst they have a great deal of flexibility in terms of which stocks, regions and sectors they can invest in, there are a number of restrictions in place which prevents the managers deviating too far from the benchmark and taking excessive risk. Appointing active managers increases the possibility of out-performance, relative to the benchmark; however, it also increases the risk of underperformance relative to benchmark.

6.6 Wales Pension Partnership

The WPP was established in 2017 with the objective to deliver:

- economies of scale
- strong governance and decision making
- reduced costs and excellent value for money, and
- an improved capacity and capability to invest in infrastructure

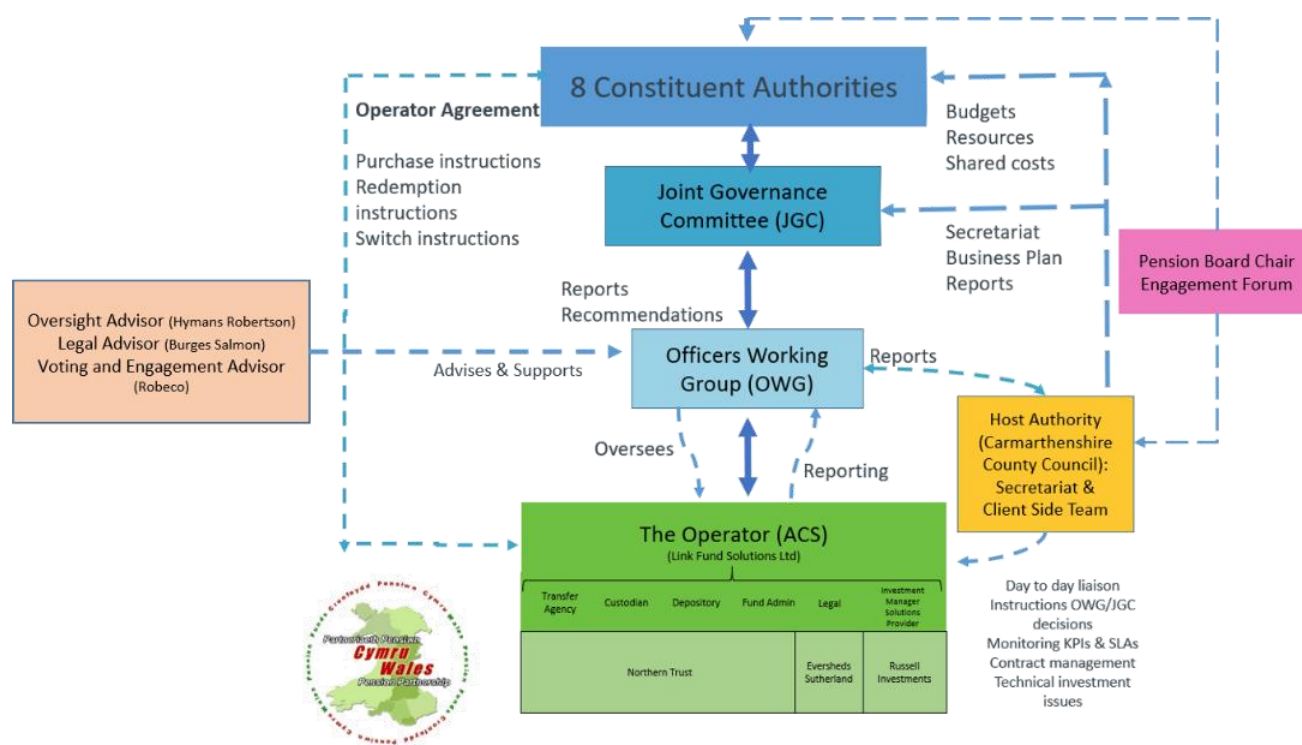
The WPP is one of the eight Local Government Pension pools nationally and is a collaboration of the eight LGPS funds in Wales. The eight funds have a long, successful history of collaboration including a collaborative tender for a single passive equity provider for the Welsh funds pre-dating the Government's pooling initiative.

Collective investment management offers the potential for investment fee savings, opportunities to broaden investment portfolios, enhanced voting and engagement activity as well as access to shared knowledge and best practice. Whilst the WPP is responsible for providing collaborative investment solutions, each constituent authority remains responsible for setting their own investment strategy.

WPP's operating model is designed to be flexible and deliver value for money. WPP appointed an external fund Operator and makes use of external advisers to bring best of breed expertise to support the running of the Pool. The Operator is Waystone Management (UK) Limited (Waystone) and they have partnered with Russell Investments to deliver effective investment management solutions and provide strong net of fee performance for all the Constituent Authorities.

Governance

The WPP details how it deals with all aspects of Governance through its Inter Authority Agreement (IAA) which was approved by all eight Constituent Authorities in March 2017. The IAA defines the standards, roles and responsibilities of the Constituent Authorities, its Members, Committees and Officers and includes a Scheme of Delegation outlining the decision-making process. In line with its belief that good governance should lead to superior outcomes for stakeholders, the WPP has put in place a robust governance structure:



The eight Constituent Authorities of the WPP are:

- Carmarthenshire County Council (Host)
- City and County of Swansea Council
- City of Cardiff Council
- Flintshire County Council
- Cyngor Gwynedd
- Powys County Council
- Rhondda Cynon Taff County Borough Council
- Torfaen County Borough Council

The Constituent Authorities sit at the top of the WPP's governance structure. They retain control of all activity carried out by the WPP and remain responsible for approving the WPP's Business Plan, which outlines the WPP's budget and work plan, as well as its Beliefs and Objectives.

The Joint Governance Committee (JGC) oversees and reports on the WPP and is comprised of one elected member from each of the eight Constituent Authorities, and a co-opted (no-voting) scheme member representative.

The Officer Working Group (OWG) provides support and advice to the Joint Governance Committee and is comprised of practitioners and Section 151 officers from all eight Constituent Authorities.

Carmarthenshire County Council is the Host Authority for the WPP and is responsible for providing administrative and secretarial support to the JGC and the OWG, and liaising day to day with the Operator on behalf of all the Welsh LGPS funds.

Waystone (Operator) carries out a broad range of services for the WPP, which includes facilitating investment vehicles and sub-funds, performance reporting, transition implementation, manager monitoring and fee negotiations. There is an Operator Agreement in place which sets out the contractual duties of the Operator and governs the relationship between the Operator and the WPP. The JGC and OWG, with the support of Hymans Robertson, oversee the work that Waystone carries out on behalf of the WPP. Waystone engages with the Constituent Authorities by:

- Direct engagement – attendance at one committee meeting annually
- Indirect engagement – with all Constituent Authorities through the JGC and OWG

In collaboration with Waystone, Russell Investments provide investment management solution services to the WPP and they work in consultation with WPP's eight Constituent Authorities to establish investment vehicles.

Northern Trust is the Depository for the WPP ACS vehicle and provides numerous services including securities lending, fund administration, compliance monitoring and reporting.

Hymans Robertson are WPP's Oversight Advisor and their role spans oversight and advice on governance arrangements, operator services, strategic investment aspects and project management support.

Burges Salmon are WPP's legal advisors, and they provide legal advice in relation to FCA regulated funds, tax and governance arrangements, including assisting with complex procurement processes.

Robeco UK are the WPP's Voting and Engagement provider and are responsible for implementing the Voting Policy across WPP's portfolio and undertaking engagement activity on behalf of the WPP.

The WPP's beliefs are the foundation for WPP's governance framework and have been used to guide all the WPP's activities and decision making, including its objectives and policies. The WPP, in consultation with the Constituent Authorities, has developed a set of governing policies. In all instances, the WPP's

policies and procedures have been developed to either complement or supplement the existing procedures and policies of the Constituent Authorities. The WPP's key policies, registers and plans are listed below and can be found on the WPP website.



Responsible Investment has been a key priority for the WPP since it was established in 2017. Various activities have been undertaken to work towards WPP's ambition of becoming a leader in Responsible Investment. Initially the focus was on formulating a Responsible Investment Policy and since then the WPP has formulated its own Climate Risk Policy and has worked with its Voting and Engagement Provider, Robeco, to agree a Voting Policy. A WPP Responsible Investment Sub-Group has been established to take ownership of Responsible Investment related work streams and actions that are required to achieve the commitments made in the WPP's Responsible Investment and Climate Risk Policies.

The WPP's Business Plan, Governance Manual and all other policies detailed in the chart above can be found on the WPP website:

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

Risk

Risk management is a critical element of WPP's commitment to good governance. The WPP has developed a structured, extensive and robust risk strategy which seeks to identify and measure key risks and ensure that suitable controls and governance procedures are in place to manage these risks. The WPP's Risk Policy has been developed in such a way that risks can be anticipated and dealt with in a swift, effective manner to minimize potential loss or harm to the WPP and its stakeholders.

WPP maintains a Risk Register which is reviewed regularly by a dedicated Risk Sub-Group which reports back to the OWG and JGC on a quarterly basis.

Training

The WPP has its own training policy and develops an annual training plan which is designed to supplement existing Constituent Authority training plans. Local level training needs will continue to be addressed by Constituent Authorities while the WPP training plan will offer training that is relevant to the WPP's pooling activities. Induction training is also provided to all new JGC members.

Pooling progress to date

The WPP aims to deliver investment solutions that allow the Constituent Authorities to implement their own investment strategies with material cost savings while continuing to deliver investment performance to their stakeholders. The WPP has a range of equity and fixed income sub funds, as well as a number of private markets investment programmes. Alongside the Constituent Authorities' existing passive investments, this means that the WPP now has 81% of assets under pool management.

As of 31 March 2026, WPP has total assets worth £28.8bn, £23.5bn of which sits within the pool, see breakdown below:

Fund	Managed by	Launch Date	31 March 2026 £000	%
Global Growth Equity	Russell Investments	February 2019	3,777,538	13.1
Global Opportunities Equity	Russell Investments	February 2019	3,518,894	12.2
UK Opportunities Equity	Russell Investments	September 2019	898,662	3.1
Emerging Markets Equity	Russell Investments	October 2021	358,345	1.2
Sustainable Active Equity	Russell Investments	June 2023	1,714,186	6.0
Global Credit	Russell Investments	July 2020	1,348,780	4.7
Global Government Bond	Russell Investments	July 2020	515,955	1.8
UK Credit	Waystone Management (UK) Limited	July 2020	888,276	3.1
Multi-Asset Credit	Russell Investments	July 2020	974,694	3.4
Absolute Return Bond	Russell Investments	September 2020	812,857	2.8
Infrastructure	GCM Grosvenor, IFM, CBRE and Octopus, Capital Dynamics	Various	926,220	3.2
Private Credit	Russell Investments	April 2023	424,331	1.5
Private Equity	Schroders Capital	October 2023	245,641	0.9
Real Estate	Schroders, CBRE	February 2026	1,181,140	4.1
Passive Investments	BlackRock	March 2016	5,881,749	20.5
Investment not pooled			5,278,710	18.4
Total Investments across all 8 Pension Funds			28,745,978	100

The investment assets split between Gwynedd Pension Fund and WPP are as follows:

Fund	31 March 2026 £000	%
Global Opportunities	403,967	11.4
Global Growth	389,529	11.0
Emerging Markets	82,721	2.3
Sustainable Active Equity	359,705	10.2
Global Credit	347,858	9.9
Multi Asset Credit	259,418	7.3
Absolute Return Bond	554,275	15.7
Private Markets	408,168	11.6
Passive Equity	499,763	14.1
Investment not pooled	227,901	6.5
Total Investment Assets	3,533,305	100

The above table provides additional details to note 14 from the financial statements and summarises Gwynedd Pension Fund's investment in the WPP, together with the assets that remain under the direct oversight of the Fund. During the year assets were transitioned and the table above shows the assets currently managed by the pool as of 31 March 2026.

Pooling costs

Carmarthenshire County Council, as the Host Authority for the Wales Pension Partnership, is responsible for providing administrative and secretarial support and liaising day to day with the Operator on behalf of all the LGPS funds in Wales. The WPP budget is included in the WPP Business Plan and approved annually by all eight Constituent Authorities.

The Host Authority and External Advisor costs (the running costs) are funded equally (unless specific projects have been agreed for individual Funds) by all eight of the Constituent Authorities and recharged on an annual basis. The amount recharged to the Gwynedd Pension Fund for the financial year ending 31 March 2026 was £272k and this is included in Note 12d in the financial statements.

In addition to the running costs, there are also transition costs associated with the transition of assets into the pool, these costs can be categorised in terms of direct and indirect costs. Direct costs include the costs of appointing a transition manager to undertake the transition, together with any additional oversight of this process undertaken from a research and reflection perspective. Indirect costs include both explicit and implicit costs, such as commissions, spread and impact, and opportunity costs known as implementation shortfall. Transition costs are directly attributable to the assets undergoing the transition and are therefore deducted from their net asset value as opposed to a direct charge to the Fund.

Investment Management Costs

The table below discloses the investment management costs split between those held by the WPP (including the passive equities) and those held outside of the WPP for 2025/26.

		Direct	Indirect	Total
		£000	£000	£000
Management Fees	Pool Assets	4,808	4,885	9,693
	Non-Pool Assets	4,436	515	4,951
Transaction Costs	Pool Assets	1,270	0	1,270
	Non-Pool Assets	6	2,415	2,421
Custody Costs	Pool Assets	365	0	365
	Non-Pool Assets	0	0	0
Whole Fund Total		10,885	7,815	18,700

2026/27 Objectives

During 2025/26, the WPP submitted its fifth annual Stewardship Report and was successful in retaining its signatory status to the UK Stewardship Code. WPP published its second all- Wales Climate Report (AWCR) and, building on the recommendations of the first AWCR, launched its own bespoke global passive- equity fund with Black Rock as well as launching the first Real Estate investment programmes. The WPP is also in the process of completing its first all-Wales Impact Report, which it will complete during 2026/27.

WPP won both the LGC and LAPF Investment Innovation awards this year, in recognition of WPP's locally focused approach to local impact investing in Wales- stimulating economic growth, supporting SMEs and creating long- term employment opportunities. Excellent feedback was received from both judging panels, with one quoting, "Our winner provided a best-in-class example of concrete, innovative, place-based investing with rigour and keen focus on returns required to meet fiduciary requirements" and the other praising WPP's creativity in connecting institutional investment with the real economy, describing it as a scalable model that could inspire similar initiatives elsewhere, a standout example of innovation with tangible social and economic outcomes. Local impact investing continues to be a key objective for WPP in 2026/27.

Following the 2024 Fit for the Future Consultation, the Government has approved WPP's business case to remain a stand- alone investment pool for Wales. This creates a unique opportunity to establish a material centre of excellence in LGPS investment in Wales, creating valuable career opportunities while enhancing the Welsh financial services sector. Progressing the implementation of the business case has been a key focus for WPP over the last twelve months. The Wales Pension Partnership Investment Management Company (WPP IM Co) was established in August 2025, with Rob Lamb appointed as CEO in September 2025. The FCA application was submitted in November 2025 and all required Senior Management Functions have been appointed. The initial WPP IM Co business plan for financial year 2026/27 was presented at the 10 March JGC meeting, and has subsequently been approved by all the Constituent Authorities. The company is ready to operate as soon as FCA approval is received.

Securities Lending

Securities lending commenced in March 2020. Revenue is split on an 85:15 basis between WPP and Northern Trust with all costs for running the securities lending programme taken from Northern Trust's share of the fee split. A minimum of 5% of the nominal quantity of each individual equity holding is held back and a maximum of 25% of total AUM is on loan at any one time. Total revenue of during 2025/26 was £2,017,927 (gross) / £1,715,305 (net) with £415,345,172 out on loan as of 31 March 2026.

More detailed information can be found in WPP's Annual Return which is published on the WPP website - [Wales Pension Fund | Home \(walespensionpartnership.org\)](https://walespensionpartnership.org)

6.7 Responsible Investing

The Fund recognises that environmental, social and corporate governance (ESG) issues can represent a material financial risk to its stakeholders and can influence the Fund's long-term returns and reputation. Given this, the Committee aims to be aware of, and monitor, financially material ESG factors and has agreed the following set of investment beliefs in relation to Responsible Investment:

- In accordance with the Committee's fiduciary duty, financial considerations should carry more weight than non-financial considerations when making investment decisions, even though ESG matters can materially affect risk and returns. Therefore, ESG factors should be embedded in the investment processes and in the decision-making processes of asset managers appointed by the Fund / Wales Pension Partnership.
- The Fund's Committee will seek to invest in sustainable assets, including investing within the Wales area when non-financial investments can derive from this, on condition that they satisfy the requirements of the fiduciary duty.
- The Committee accepts that it has a duty to be a responsible investor. It is expected that consulting with companies, rather than avoiding investing, will be more effective in changing corporate behaviour and reducing risk. Wherever possible, collaborative action (such as that taken via Local Authority Pension Fund Forum (LAPFF) membership and commissioned from Robeco alongside WPP partners) provides the most successful route to influence outputs.
- As a long-term investor, the Fund is vulnerable to systemic risks such as climate change and the expectation of a transfer to a low carbon economy. Financial outcomes can be improved through managing how open to such risks the Fund is.
- Shareholder comprehension and outcomes can be improved through providing transparency at each step of the value-adding chain.
- Training and education are likely to form a key element in developing the Fund and its Committee position on ESG related matters.

The Committee recognises that the Fund's assets are invested globally and across many sectors, which means reducing the Fund's carbon emissions is more challenging than it would be for an individual organisation. In March 2022, the Committee committed to set a goal for the Fund to be net zero by 2050, supported by an undertaking to assess the feasibility of the Fund **reaching net zero 5,10 or 20 years earlier**.

The Committee believes it is important for LGPS funds to take a leading role in shaping the future, both in terms of supporting the transition to a low carbon economy and achieving broader ESG goals. The Committee is able to exert influence in two ways: through the investment decisions it takes; and through ongoing engagement with the companies and projects the Fund invests in. Against this background, the Committee believes it is appropriate to set a realistic goal while also looking at the feasibility to achieve a more ambitious goal.

At the same time, the Committee believes that the reduction in the Fund's carbon emissions should be achieved in a measured way. The Fund must remain focused on its primary obligation to pay benefits to its members, including consideration of any associated risks. A measured approach allows the Fund to capture investment opportunities arising from the transition to a low carbon economy, as well as mitigating the risks. Further, a measured approach supports active stewardship, giving the Committee more time and greater scope to effect change and achieve a just transition through ongoing engagement.

As a priority in 2026/27 the Fund will be re-assessing its net zero ambition and its responsible investment policy.

7. Management and Financial Performance

7.1 Managing Risk

The Gwynedd Pension Fund recognises the importance of effective risk management. Risk management is the process by which the Fund identifies and deals with the risks associated with the activities.

For the Gwynedd Pension Fund, the risks come from several sources including long-term investment strategy, funding position, investment performance, scheme administration, membership change, financial systems and communications.

The following documents explain these major risks and show how they are identified, avoided, managed and reviewed:

- Risk Register
- Investment Strategy Statement
- Funding Strategy Statement
- Gwynedd Pension Fund Accounts- reference to financial instrument risks

Expert advice is provided by Hymans Robertson, our advisers, and the Pensions Committee meets to review the performance of our investment managers on a quarterly basis.

The Risk Register is monitored and reviewed on a regular basis by both the Pensions Committee and Pension Board. Risks are assessed in terms of their potential impact and likelihood of occurring.

A summary of the Fund's most significant risks can be seen in the following table:

Risk areas	Mitigating factors
Funding and Investments	
The Committee Members and Investment Officers make inappropriate decisions as a result of insufficient knowledge of financial markets and inadequate investment and actuarial advice received resulting in poor financial performance, financial loss and increase in employer contributions.	• GPF Investment Strategy is set in accordance with LGPS investment regulations. • The Investment Strategy takes the Fund's liabilities into account. • The Investment Strategy is approved and reviewed by the Pensions Committee. • GPF uses an external investment advisor who provides specialist guidance to the Investment Panel and Pensions Committee regarding the Investment Strategy • Members and Officers are encouraged to challenge advice and guidance received. • Members and Officers receive relevant training on a timely basis.
The Pension Fund has insufficient assets to meet its long term liabilities. The Pension Fund's investment strategy fails to produce the required returns.	• Triennial actuarial valuations provide periodic indications of the growth in assets against liabilities. • Employer contribution rates are set in response to this. • The 2025 valuation showed that there is a funding provision of 166% in the Gwynedd Fund. However, the Fund continues to use prudent assumptions for the valuation. • GPF investments are diversified across a range of different types of assets to minimise the impact of losses in individual markets and individual fund managers.

	- As a result of the 2025 Valuation, the Committee has re-allocated assets to lower risk asset types. - Fund-specific benchmarks and targets are set. - Fund assets are kept under regular review as part of the Fund's performance management process. - The Fund/ WPP replaces underperforming investment managers.
Market risk - Market crash leading to failure to reduce the deficit resulting in: - Financial loss - Increased employer contribution costs.	- The Fund is diversified across a range of asset classes to mitigate the impact of poor performance in an individual market segment. - Investment performance and monitoring arrangements exist which provide the investment officers with the flexibility to rebalance the portfolio in a timely manner. - The long term nature of the liabilities significantly reduces the impact.
The Fund fails to adequately account for climate change, climate risk and environmental, social and governance (ESG) factors.	- The Fund has an active Responsible Investment policy and a net zero target of 2050 has been set. - As part of the Wales Pension Partnership a number of active steps take place including: responsible investment executive group, engagement and voting provider, WPP are a signatory to the UK Stewardship Code. - The Investment Panel will also constantly engage and challenge managers on how they consider the risk of climate change and ESG factors. - The Fund aims to invest in impact investments that make a difference locally and in the wider world.
Custodian Role	
Failure of custodian leading to losses which results in: - Failure to reduce the deficit - Financial loss	- A highly reliable Custodian with high accreditation was appointed. - Fund assets are protected in the event of insolvency of the custodian. - The Custodian must follow FCA and TPR financial regulations.
Pension Administration	
Cyber Attack - Loss of sensitive data. - Systems damaged or destroyed. - Reputation risk. Financial loss arising from legal action.	- Firewall in operation. - Software regularly updated with latest security features. - The system is backed up daily. - Password access is required.
Uncontrollable External Factors	
Normal operations disrupted by uncontrollable external factors. Service delivery threats from fire, bomb, extreme weather, electrical faults, sickness, epidemic, pandemic etc. Insufficient daily back up, disaster recovery, and IT cover to support systems. Temporary loss of ability to provide service to stakeholders.	- Working from home is happening with many of the staff now working hybrid. - Disaster Recovery Plan for pension system. - Business Continuity / Disaster. - Recovery Plan for the Authority with IT firewalls.

7.2 Investment Strategy Statement

The Pensions Committee approved the Investment Strategy Statement in March 2026 following the 2025 valuation. This strategy defines the types of investments that the Fund may use in the long term.

There are no specific limits for types of investments. However, it is good practice to have some broad limits, and these are included in the Investment Strategy Statement. A copy of the Investment Strategy Statement is available on the Fund's website at:

<https://www.gwyneddpensionfund.wales/en/Investments/Investment-Strategy-Statement-March-2026.pdf>

7.3 Funding Strategy Statement

LGPS administering authorities are required to prepare and publish a Funding Strategy Statement. The Funding Strategy Statement sets out the fund-specific strategy which will identify how employers' pension liabilities are best met going forward.

LGPS benefits are guaranteed by statute and thereby the pensions promise is secure. The Funding Strategy Statement addresses the issue of managing the need to fund those benefits over the long term, whilst at the same time facilitating scrutiny and accountability through improved transparency and disclosure. It also provides LGPS administrative authorities with a statutory framework within which to manage their Funds' long-term pension liabilities going forward.

The Funding Strategy Statement was reviewed during 2025/26 to reflect the Actuarial Valuation on 31 March 2025. It includes all employer contribution rates from the 1 April 2026 onwards.

A copy of the Funding Strategy is available on the Fund's website at:

<https://www.gwyneddpensionfund.wales/en/Investments/Funding-Strategy-Statement-Gwynedd-Pension-Fund-March-2026.pdf>

Paper copies of the Investment Strategy Statement and Funding Strategy Statement can be obtained from Delyth Jones-Thomas, Cyngor Gwynedd, Council Offices, Shirehall Street, Caernarfon, LL55 1SH.

7.4 Financial Performance

Income

	Actual 2024/25 £000	Actual 2025/26 £000
Employee/ Member contributions	24,831	26,040
Employer contributions	76,929	75,455
Transfer in	9,156	9,378
Investment Income	65,847	84,845
Other Income	3	5
Total Income	176,766	195,723

There was a general increase but in particular, an increase in investment income. The equity investments have continued to perform strongly and therefore have generated significant income, but also as part of the new strategic asset allocation we have invested more in the fixed income and infrastructure funds, and these investments have generated significant interest income.

Expenditure

	Actual 2024/25 £000	Actual 2025/26 £000
Benefits payable	(94,520)	(95,546)
Payments to leavers	(7,870)	(8,147)
Management expenses	(18,282)	(13,672)
Total Expenditure	(120,672)	(117,365)

There was a decrease in the management expenses figures due to a decrease in the management expenses for legacy private market managers.

Net Assets

	Actual 2024/25 £'000	Actual 2025/26 £'000
Profit and losses on disposal of investments and changes in the market value of investments	105,626	283,936
Net Increase/ (Decrease) in the Net Assets available for benefits during the year	161,720	362,294

The value of investments on the market has increased steadily during the year in line with market movements.

Further information is included in the Statement of Accounts (Section 9).

7.5 International Accounting Standard 19 (IAS19) and Financial Reporting Standard 102 (FRS102)

Definition of IAS19

IAS19 effectively defines how pension scheme assets and liabilities are to be measured for financial reporting purposes and notes that any deficit or surplus should be recognised in full as a balance sheet item, with any movements being recognised in the annual profit and loss account. IAS19 is relevant to bodies required to report under International Financial Reporting Standards (IFRS). This includes the scheduled bodies in the Pension Fund, which are part of Government accounting, namely Cyngor Gwynedd, Isle of Anglesey County Council, Conwy County Borough Council and their foundation schools, Eryri National Park Authority, the Police and Crime Commissioner for North Wales and Careers Wales North West. Two of the smaller employers also requested IAS19 reports. All other employers are still subject to FRS102 reporting requirements.

Accounting for IAS19 and FRS102

Adoption of IAS19 or FRS102 means that employers must recognise the net asset or liability, and a pensions reserve, in the balance sheet. They also must make entries in the Consolidated Revenue Account for movements in the asset or liability relating to defined benefit schemes.

IAS19 and FRS102 Reports as at 31/03/2026

In March 2026 the necessary data was collected to enable the Actuary to calculate the individual IAS19 or FRS102 information for the Fund's employers.

IAS19 and FRS102 Results as at 31/03/2026

The employer had the choice to base the results on expected returns or actual returns. Each employer's results reflect their own specific circumstances. Therefore, this update should be considered as an illustrative guide to the main issues affecting most employers, rather than a detailed explanation of each employer's experience.

7.6 Final Accounts 2025/26

The Final Accounts were audited by Audit Wales, and the final version in Section 9 was presented to the Pensions Committee on 23 November 2026.

7.7 Governance

The Fund is administered within the framework established by statute, which stipulates that Cyngor Gwynedd is the Administering Authority.

Governance Policies

The Governance Policy Statement and the Governance Compliance Statement state the governance practices of the Pension Fund.

<https://www.gwyneddpensionfund.wales/en/Governance/Governance-Compliance-Statement-2023.pdf>

Paper copies can be obtained from Delyth Jones-Thomas, Cyngor Gwynedd, Council Offices, Shirehall Street, Caernarfon, LL55 1SH.

7.8 Knowledge and Skills Framework

Gwynedd Pension Fund recognises the importance of ensuring that all staff and members charged with the financial administration and decision-making regarding the pension scheme are fully equipped with the knowledge and skills to discharge the duties and responsibilities allocated to them.

Therefore, Gwynedd Pension Fund seeks to utilise individuals who are both capable and experienced and it will provide training for staff and members of the pension decision-making bodies to enable them to acquire and maintain an appropriate level of expertise, knowledge and skills.

Most of the current members of Pensions Committee have completed the LGA Fundamentals which is a bespoke LGPS training course aimed at members to enable them to carry out their duties effectively. Members which have recently joined the Committee will complete this training in the Autumn.

Training undertaken in the last 12 months as part of the Wales Pension Partnership has included:

Wales Pension Partnership	Private Markets Product Knowledge
Wales Pension Partnership	Local/ Impact Investments within Private Markets Asset Classes
Wales Pension Partnership	Voting and Engagement
Wales Pension Partnership	Stewardship Code and Reporting Requirements
Wales Pension Partnership	Responsible Investing
Wales Pension Partnership	Biodiversity and Natural Capital
Wales Pension Partnership	Climate Scenarios and Fiduciary Duty

In addition, the committee members have attended numerous conferences and events which have enhanced their knowledge further.

7.9 Investment Unit

Collaboration continues to be very important theme again this year. I would like to thank the staff within the Investment Unit for their hard work during the year and the teams at Hymans Robertson and all the funds in Wales and Wales Pension Partnership for their willing co-operation throughout.

Delyth Jones-Thomas
Investment Manager

8. Actuarial Report

General

The Fund needs to be sufficient to meet its commitments, and therefore the Fund receives a valuation every three years to assess the situation. The most recent actuarial valuation of the Fund was undertaken as at 31 March 2025 (previously 31 March 2022), and the new rates will be effective from 1 April 2026. The next valuation will be at 31 March 2028 and any changes to employers' contributions will be effective from 1 April 2029 onwards.

Method and Assumptions Used

The actuarial methods used in the valuation were the "Projected Unit Method" for the Fund as a whole and employers who will continue to admit new entrants to the Fund and the "Attained Age Method" for employers who no longer admit new entrants to the Fund. The main financial assumptions were as follows:

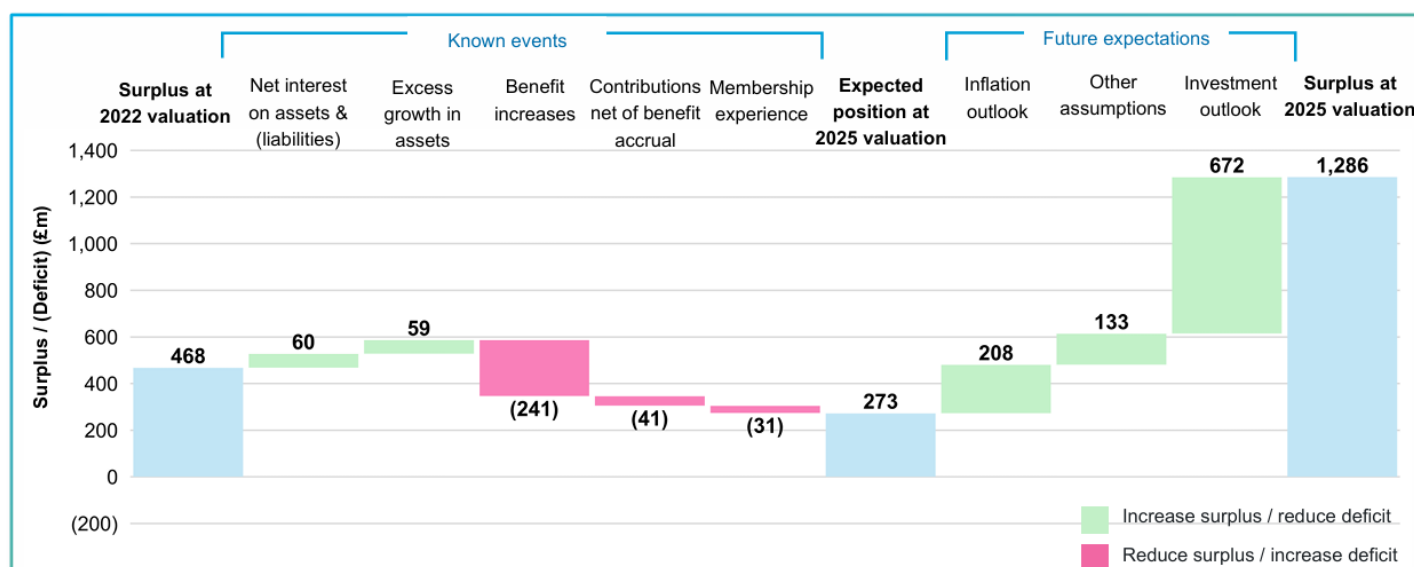
	% per annum
Discount Rate	5.9%
Salary Increases	2.8%
Benefit increases and CARE revaluation (CPI)	2.3%

2025 Valuation Results

The triennial actuarial valuation as at 31 March 2025 was completed during 2025/26. The funding position for the whole Fund improved from 120% at 31 March 2022 to 166% at 31 March 2025, mainly due to strong investment performance over the period and a decrease in its liabilities.

Valuation date		31 March 2025	31 March 2022
Assets		3,232	2,776
Liabilities	Actives (£m)	794	1,042
	Deferreds (£m)	268	392
	Pensioners (£m)	884	874
Surplus / (Deficit) (£m)		1,286	468
Funding Level		166%	120%

The funding position has increased from a surplus of £468m to a surplus of £1,286m. See the movements in the chart below:



The actuary produced a report for each individual employer. A forum was held for all employers in

October 2025, where the Actuary presented the results and answered questions. This was a very useful session and a number of employers attended.

The final Gwynedd Pension Fund 2025 Actuarial Valuation Report was produced in March 2026 and is available on the Fund's website at:

<https://www.cronfabensiwngwynedd.cymru/cy/Buddsoddiadau/230328-Gwynedd-Pension-Fund-Final-Valuation-Report.pdf>

Employer Contribution Rate

The Contribution Objective is achieved by setting employer contributions which are likely to be sufficient to meet both the cost of new benefits accruing and to address any funding deficit relative to the funding target over the agreed time horizon. A secondary objective is to maintain where possible relatively stable employer contribution rates.

For each employer in the Fund to meet the Contribution Objective, a primary rate has been calculated in order to fund the cost of new benefits accruing in the Fund. Additionally, if required, a secondary contribution rate has also been calculated to target a fully funded position within each individual employer's set time horizon.

The table below summarises the whole fund Primary and Secondary Contribution rates at this valuation.

Primary Rate (% of pay)	Secondary Rate (%)		
1 April 2026 – 31 March 2029	2026/27	2027/28	2028/29
16.2%	-0.3%	-0.3%	-0.3%

The next triennial valuation will be at 31 March 2028.

9. Statement of Accounts 2025/26

To be included after audit.

10. Communication Policy Statement

Introduction

Regulation 61 of the Local Government Pension Scheme (LGPS) 2013 Regulations stipulates that all administering authorities are required to publish a statement of policy regarding communication with key stakeholders.

Cyngor Gwynedd is the administering authority for the Gwynedd Pension Fund and the Fund's key stakeholders include:

1. Scheme members:

- 1.1 Active Scheme Members
- 1.2 Deferred members
- 1.3 Pensioner members
- 1.4 Prospective members

2. Scheme Employers

3. Other bodies:

- 3.1 Pension Committee and Pension Board
- 3.2 Fund Staff
- 3.3 Other Bodies

This communication statement sets out the policy for the provision of information and how the Fund intends to publicise, promote and develop the Scheme to each stakeholder group. It will be kept under review and amended when there is a material change in the policy.

The Fund's aim is to provide a high quality and consistent service to their stakeholders in the most efficient and cost-effective manner.

The intention is that all communications are as timely as possible, factual and in plain language, and presented in a manner appropriate to the receiver. Where individuals have specific needs in relation to the format of information, steps are taken to ensure that the required format is available, such as Braille, Audio, and Large Print.

All Gwynedd Pension Fund's publications are bilingual, in line with Cyngor Gwynedd's Language Policy. Information in other languages may be available on request.

Where legislative Scheme changes are known in advance, procedures will be put in place to implement the changes in the most effective manner.

1.1 Communicating with Active Members

Active Members (including Councillor Members) are those who are contributing into the LGPS through one of the Gwynedd Pension Fund Scheme Employers. The methods of communication with these members are described below.

- **Website** - The Gwynedd Pension Fund website contains a section dedicated to Active Members. It provides general information about the LGPS including, Transfers, Improving Benefits, Retirement, Divorce, Death Benefits, Tax Allowances and Frequently Asked Questions. News items are added when required to notify members of any Scheme changes. There is a separate section dedicated to the pension benefits for Councillor Members.
- **Member Self Service** - The member self-service web portal on the Gwynedd Pension Fund website allows members to view and update their pension data securely online, such as death grant expression of wish, contact details, annual benefit statements and letters. The planning tools allow members to perform benefit calculations and prepare for retirement.

- **Employer Events** – The Gwynedd Pension Fund is available to attend employer events on request and provide a pension stand where members can discuss any pension issues with the pension fund staff and provide relevant scheme literature.
- **Presentations** – The Gwynedd Pension Fund is always available to offer presentations on the scheme. Presentations are also held when needed to inform Active Members of major changes to scheme regulations. Specialist information sessions can also be held at the request of the employer for members who are affected by the bulk transfer of pensions from the LGPS to other pension providers.
- **Pre-Retirement Courses** – A program of six courses are held by Chadwicks IFA, a firm of financial advisors' form Chester each year. The Gwynedd and Flintshire Pension Funds provide alternate LGPS presentations at these events.
- **Consultation Sessions** – The Gwynedd Pension Fund Communications Officers can hold individual consultation session for scheme members at the request of scheme employers. Consultations are usually held at the employees worksites and they offer the opportunity for scheme members to receive general and specific information about the LGPS and ask any question they may have relating to their LGPS pension.
- **Individual Appointments** - Active Members can arrange an appointment with a member of the Gwynedd Pension Fund staff at the Pension office in Caernarfon.

In some cases (e.g terminal illness) a representative from the Gwynedd Pension Fund will visit a member at their home at the request of their employer.

- **Scheme Literature** –
 - **Pension Starter Pack.** Issued when a Scheme Employer notifies us of a new Active Member. This includes a Short Guide to the LGPS, a New Starter Form, Death Grant Expression of Wish form and a Statutory Notification of entry into the scheme.
 - **Short Scheme Guide.** The short scheme guide provides general information on the LGPS and is issued to all new employees and to existing members on request. Copies of the scheme guide in Braille, large print and audio can be provided on request.
 - **Retirement Guide.** The Retirement Guide outlines the arrangements for the payment of pension benefits and sets out the benefits payable to survivors in the event of the member's death and the other most important things to note.
 - **Factsheets.** A range of factsheets have been produced for scheme members which give information specific topics relating to the LGPS.
- **Newsletters** - We issue periodic newsletters to Active Members to update them of changes in the scheme regulations.
- **Annual Benefit Statements** - Each year we issue a statement to each member showing the pension they have built up to the previous 31 March and forecasts the benefits payable at State Pension Age. They are uploaded automatically to a member's Member Self Service Online portal or sent directly to their home address if they have chosen not to register.
- **Annual Report and Accounts** - An electronic copy of the Fund's Annual Report and Accounts is available to all Scheme members on the website. Hard copies are also available upon request.
- **Correspondence** - The Fund uses both paper mail and e-mail to receive and send correspondence. Response will be made in the individuals preferred language of choice.
- **Statutory Notification** - Members are notified when any change occurs to their pension record, thus affecting their pension benefits.
- **Pensions Helpline** – A single helpline number is available for all pension enquiries and a dedicated e-mail address is available for enquiries by e-mail.
- **Poster Campaign** – A poster campaign will be implemented when major scheme changes need to be communicated to Active Scheme members. They will be distributed to employers so that they can be displayed at employees work sites.
- **Internal Dispute Resolution Procedure (IDRP) leaflet** – A document covering stage 1 of the IDRP is available on request.

1.2 Communicating with Deferred Members

Deferred Members (including Councillor Members) are those who have left their employment with a scheme employer and who have preserved benefits within the fund. The methods of communication with these members are described below.

- **Website** - The Gwynedd Pension Fund website contains a section dedicated to Deferred Members. It provides general information about the LGPS including, Transfers Out, Retirement, Divorce, Death Benefits and Frequently Asked Questions. News items are added when required to notify members of any Scheme changes. There is a separate section dedicated to the pension benefits for Councillor Members leaving before retirement.
- **Member Self Service** - The member self-service web portal on the Gwynedd Pension Fund website allows members to view and update their pension data securely online, such as death grant expression of wish, contact details, annual benefit statements and letters. The planning tools allow members to perform benefit calculations and prepare for retirement.
- **Individual Appointments** - Deferred Members can arrange an appointment with a member of the Gwynedd Pension Fund staff at the Pension office in Caernarfon.

In some cases (e.g terminal illness) a representative from the Gwynedd Pension Fund will visit a member at their home at the request of their old employer, the individual or individual's representative.

- **Scheme Literature** –
 - **Retirement Guide**. The Retirement Guide outlines the arrangements for the payment of pension benefits and sets out the benefits payable to survivors in the event of the member's death and the other most important things to note.
 - **Factsheets**. A range of factsheets have been produced for scheme members which give information specific topics relating to the LGPS.
- **Newsletters** - we issue periodic newsletters to Deferred Members to update them of changes in the scheme regulations.
- **Deferred Benefit Statements** - Each year we issue a statement to each deferred member showing the up to date value of their pension benefits. They are uploaded automatically to the member's Member Self Service online portal or sent directly to their home address if they have chosen not to register.
- **Annual Report and Accounts** - An electronic copy of the Fund's Annual Report and Accounts is available to all Scheme members on the website. Hard copies are also available upon request.
- **Correspondence** - The Fund uses both paper mail and e-mail to receive and send correspondence. Response will be made in the individuals preferred language of choice.
- **Pensions Helpline** – A single helpline number is available for all pension enquiries and a dedicated e-mail address is available for enquiries by e-mail.
- **Internal Dispute Resolution Procedure (IDRP) leaflet** – A document covering stage 1 of the IDRP is available on request.

1.3 Communicating with Pensioners

Pensioners include retired members and the dependants of deceased members. The methods of communication with pensioners are described below.

- **Website** - The Gwynedd Pension Fund website contains a section dedicated to Pensioners. It provides general information about the LGPS including, Divorce, Death Benefits, Payment Dates, Living Abroad, Pensions Increases and Frequently Asked Questions. News items are added when required to notify pensioners of any Scheme changes.
- **Member Self Service** - The member self-service web portal on the Gwynedd Pension Fund website allows pensioners to view and update their pension data securely online, such as death grant expression of wish, contact details and letters.
- **Individual Appointments** - Pensioners can arrange an appointment with a member of the Gwynedd Pension Fund staff at the Pension office in Caernarfon.

- **Payslips and P60** – A payslip is sent to Pensioner when there is a change of £5 or more in their next payment as compared with the previous month. All pensioners receive a combined P60 and payslip at the end of each tax year.
- **Notice of Pensions Increase** – Each April, pensioners receive a notice informing them of the Pensions Increase which is to be applied on their pension (if applicable) and they also receive confirmation of the pay dates for the next 12 months.
- **Annual Report and Accounts** - An electronic copy of the Fund's Annual Report and Accounts is available to all Scheme members on the website. Hard copies are also available upon request.
- **Correspondence** - The Fund uses both paper mail and e-mail to receive and send correspondence. Response will be made in the individuals preferred language of choice.
- **Pensions Helpline** – A single helpline number is available for all pension enquiries and a dedicated e-mail address is available for enquiries by e-mail.
- **Birthday Congratulations** – Pensioners, including those receiving dependents benefits, celebrating their 100th birthday will receive a birthday card from the Gwynedd Pension Fund.
- **Internal Dispute Resolution Procedure (IDRP) leaflet** – A document covering stage I of the IDRP is available on request.

1.4 Communicating with Prospective Members

Prospective Members are employees who are eligible to join the LGPS with one of the Gwynedd Pension Fund Scheme Employers but have decided not to. The methods of communication with prospective members are described below.

- **Website** - The Gwynedd Pension Fund website contains a section dedicated to Prospective Members. It provides general information about the LGPS including, Reasons for Joining, Transfers, Contribution Rates, Retirement, Opting Out and Frequently Asked Questions. News items are added when required to notify members of any Scheme changes. There is a separate section dedicated to the pension benefits for Councillor Members.
- **Employer Events** – The Gwynedd Pension Fund is available to attend employer events on request and provide a pension stand where prospective members can discuss any pension issues with the pension fund staff and provide relevant scheme literature and forms.

The Gwynedd Pension Fund encourages employers to include pensions as part of staff induction events and will provide scheme literature and forms. The communications team could attend upon request.

- **Consultation Sessions** – The Gwynedd Pension Fund Communications Officers can hold individual consultation session for scheme members and prospective members at the request of scheme employers. Consultations are usually held at the employees worksites and they offer the opportunity for scheme members to receive general and specific information about the LGPS and ask any question they may have about joining the LGPS.
- **Individual Appointments** - Prospective Members can arrange an appointment with a member of the Gwynedd Pension Fund staff at the Pension office in Caernarfon.

- **Scheme Literature** –
 - **Short Scheme Guide.** The short scheme guide provides general information on the LGPS and is issued to all new employees and on request. Copies of the scheme guide in Braille, large print and audio can be provided on request.
 - **Factsheets.** A range of factsheets have been produced for scheme members which give information specific topics relating to the LGPS
- **Correspondence** - The Fund uses both paper mail and e-mail to receive and send correspondence. Response will be made in the individuals preferred language of choice.
- **Pensions Helpline** – A single helpline number is available for all pension enquiries and a dedicated e-mail address is available for enquiries by e-mail.
- **Poster Campaign** – A poster campaign is periodically implemented which highlights the benefits of joining the LGPS. They will be distributed to employers so that they can be displayed at employees work sites.

2 Communicating with Scheme Employers

For Cyngor Gwynedd as Administering Authority to efficiently run the scheme it is essential that the flow of accurate

timely and clear information between Scheme Employers and the Fund is maintained through effective communication.

The methods of communication with Scheme Employers are described below.

- **Website** - Our website is under review to develop a section dedicated to Scheme Employers. The Website also contains all the Pension Fund Governance Documents, for example the Actuarial Valuation Report, Policy Documents and the Annual Report and Accounts. There are also links to sources of further information such as the Local Government Association's (LGA's) dedicated LGPS website.
- **i-Connect** - i-Connect is a secure online portal that takes data directly from the payroll system and feeds it directly into the pension system on a monthly basis. It automatically identifies and processes new joiners, opt-outs and leavers and enables the employer to check and cleanse the data before submission.
- **Contact Database** - Regulatory and administrative updates are frequently issued to all employers listed on the contact database via e-mail or letter. The employer Contact database is amended as necessary following updates from the Employers.
- **Annual General Meetings** - The Annual General Meeting is held specifically for Employers and Union Representatives to discuss the Annual Report and Accounts. Representatives from various professional advisory bodies, such as the Fund Actuary and Fund Managers also attend in order to answer on Funding, Investment Performance and Valuations.
- **Employer meetings** - As required to discuss topical issues, significant legislation changes, pre and post actuarial valuation and provide information and discuss improvements in the flow of information.
- **Individual Employer meetings** - Meetings with individual employers can be arranged to discuss matters specific to their participation in the Pension Fund. or to provide advice and guidance on specific issues.
- **Individual Employer Training meetings** - These can be arranged to resolve any administrative training issues identified by either the employer, or the Fund. These sessions are held at employer venues, with development being monitored and reviewed periodically thereafter.
- **Employer Guide** - The new Employer Guide is in the process of being completed and will be circulated electronically to all Employing Bodies and uploaded onto our website.
- **Service Level Agreements** - To improve the standard of service to members we aim to establish Service Level Agreements with Employers. The agreements will provide guidance on statutory obligations and responsibilities and set targets for both Employers and the Administering Authority–
 - To provide correct information
 - To act on, and respond to that information within a given timescaleAny targets for the Service Level Agreements will be agreed beforehand.

3.1 Communicating with the Pensions Committee and Local Pension Board

As the Gwynedd Pension Fund's administering authority, Cyngor Gwynedd has formed a Pensions Committee and a Pensions Board which meets quarterly to discharge the duties of the Council regarding the governance and administration of the Fund.

The Pensions Committee is responsible for approving the pension fund governance documents, including the Annual Report and Accounts and the Pension Fund Policies. It is also responsible for setting the Pension Fund Investment Strategy and the appointment of Investment Managers. The Pensions Committee is made up of nine elected Councillors.

The Pension Board is responsible for overseeing the work of the Pensions Committee and assists the Pension Fund in complying with all the legislative requirements making sure the scheme is being effectively and efficiently governed and managed. The Pension Board has three scheme member representatives and three employer representatives, one of which is elected as chair.

To facilitate the work of both the Pension Committee and Pension Board they are provided with access to all the Pension Fund Documents including the Annual Report and Accounts, the Actuarial Report, Policy Documents, Pensions Committee reports and decisions and Pension Board reports.

The methods of communication with Pension Committee and Board members are described below.

- **E-mails** - E-mail is the preferred method of communication for general messages.
- **Reports** – The Committee and Board members are provided with the following Reports:
 - **Annual Reports and Accounts** - The key publication on investment and administration.
 - **Actuarial Report** – Following the Fund's triennial valuation
 - **Specialised Reports** – Produced by the Gwynedd Pension Fund for their consideration.
- **Pension Fund Policies** – The committee have access to all the Gwynedd Pension Fund policies for consideration and approval
- **Presentations** – Committee and Board members are invited to presentations by The Gwynedd Pension Fund and advisers on investment, actuarial, and administration matters.
- **Training** - Committee members and Pension Board Members are required to undertake relevant training to enable them to carry out their roles effectively. Training can be done in-house, by LGA, the Pension Fund Investment Managers and advisors or the Pension Fund Actuary.
- **Agenda and Minutes** – The agenda and minutes for each meeting are published on the Cyngor Gwynedd website.

3.2 Communicating with Pension Fund Staff

Effective communication with Pension Fund Staff is an important part of daily operations and enables the Gwynedd Pension Fund to deliver a quality and accurate service to our key stakeholders.

The methods of communication with Pension Fund Staff are described below.

- **Induction** – All new members of staff undergo an induction program.
- **E-mails** - E-mail is the preferred method of communication for general messages within the unit. Where necessary, this will be followed up with individual or team training.
- **WhatsApp Group Chat** – During emergencies when e-mail is not available general messages will be shared on WhatsApp.
- **In-house Training** – General and pension-specific training on matters arising with regards to regulatory or procedural changes is given as a necessary as part of the unit's commitment to continuous improvement.
- **External Training** – Professional qualifications can only improve the knowledge and confidence of the team in their communication with stakeholders. All new and existing members of staff are therefore encouraged to study for professional qualifications in pension administration with the Chartered Institute of Payroll Professionals (CIPP). Staff also attend LGA and Heywood training as appropriate
- **Staff Meetings** – Staff Meetings are held bi-monthly to discuss any developments in legislation, changes to working procedures and operational matters. Staff are encouraged to participate in these meetings and influence the decisions that affect the whole Unit.

The operational plan, including Key Performance Indicators is also discussed on a regular basis to ensure that the members of the team are aware of and are meeting their targets.

- **Staff Appraisals** - Fund staff of all levels have an appraisal each year to discuss work issues, monitor performance and areas for development.
- **Continuous Monitoring** – Service Standards are monitored regularly to ensure staff are aware of their responsibilities in relation to the Scheme. On a daily basis communication is encouraged between members of staff and the Management team and an open door policy is in place.
- **Internet** - All staff have access to the Internet to ensure timely access to LGPS information. They also have access to Member Self Service to assist them in carrying out their roles.

3.3 Communication with Other Bodies

To facilitate the administration of the Gwynedd Pension Fund we must communicate with the following bodies:

- **Member Representatives** - These can include any individual or group, such as solicitors, Trade Unions or other Pension Providers, requesting information on behalf of a Scheme Member. This is only provided with the member's authority, in compliance with the Data Protection Act 2018 and GDPR. All Scheme Literature is available on request.
- **Wales Pension Partnership** - The Wales Pension Partnership (WPP) was established in 2017. The WPP is a combination of eight Local Government Pension Scheme (Constituent Authorities) funds across Wales and one of eight national funds for Local Government Pension Scheme.
- **Shrewsbury Pensions Officers Group** - Senior Pensions Officers from the Gwynedd Pension Fund meet representatives from other Local Authority Funds in the West Pennines area on a quarterly basis to share information, discuss questions on legislation and prevailing regulations as well as any technical or procedural issues.
- **All Wales Group** - Senior Pensions Officers from the Gwynedd Pension Fund meet representatives from other Local Authority Funds in Wales on a quarterly basis to share information, discuss questions on legislation and prevailing regulations as well as any technical or procedural issues.
- **All Wales Communication Group** - The Group meets as and when required, with a view of formalising and unifying approach to communications within the Welsh Local Government Authorities. The Group have collectively produced:
 - Uniform Annual Benefit Statement for both active and deferred members
 - A Short Scheme Guide
 - A Retirement Guide
 - Death Grant Expression of Wish Forms
 - Ill Health Certificates
 - Pension Fact Sheets on various topics which can be distributed to members.
- **Scheme Actuary** – Regarding Funding Levels, the Triennial Valuation, FRS17, TUPE and all funding issues.
- **HMRC** – With regards to tax issues for Scheme members.
- **Additional Voluntary Contributions** – Officers of the Pension fund have regular contact with the Fund's AVC providers regarding the funds of individual Scheme members.
- **Fund Managers** – Regarding investment and Fund performance.
- **LGA** – The Local Government Association (The Pensions Team) provides technical advice to Pension Fund Administering Authorities and to employers on the LGPS.

11. Glossary

Active Equity Management - A hands-on investment strategy where professional managers buy and sell individual stocks to beat a market index.

Actuary - An independent consultant who advises on the viability of the Fund. Every three years the actuary review the assets and liabilities of the Fund and reports to the Council as Administering Authority on the financial position and the recommended employers contribution rates. This is known as the actuarial valuation.

Active Member - Current employee who is contributing to a pension scheme.

Administering Authority - The Council with a statutory responsibility for running the Fund and that is responsible for all aspects of its management and operation.

Admitted Body - An organisation whose staff can become members of the Fund by virtue of an admission agreement between the Council and the organisation. It enables contractors who take on the Council's services with employees transferring, to offer those staff continued membership of the Fund.

Asset Allocation - Apportionment of investment funds among categories of assets, such as bonds, equities, cash, property and private equity. Asset allocation affects both risk and return.

Asset Class - A specific area/ type of investment e.g. overseas equities, fixed income, cash, property.

Benchmark Return - The benchmark return is the return that would be achieved if the Fund Manager had not deviated from the weightings of each asset class given to them by the Investment Panel, and had achieved returns in each of these asset classes consistent with the average return of all Local Authority Funds for that class. The benchmark weightings of asset classes are outlined within the Investment Strategy Statement.

Corporate Governance - Issues relating to the way in which a company ensures that it is attaching maximum importance to the interests of its shareholders and how shareholders can influence management.

Custodian - Bank or other financial institution that keeps custody of stock certificates and other assets of a client, collects dividends and tax refunds due, and settles purchases and sales.

Deferred pensioner - A member who has stopped paying into the scheme but is not yet retired.

Emerging markets - Relatively new and immature stock markets for equities and bonds. Settlement and liquidity can be less reliable than in the more established 'developed' markets, and they tend to be more volatile.

Employer contributions rates - The percentage of the salary of employees that employers pay as a contributions towards the employees' pension.

Equities - Ordinary shares in UK and overseas companies traded on a recognised Stock Exchange. Shareholders have an interest in the profits of the company and are normally entitled to vote at shareholders meetings.

Fair value - The price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Fixed interest securities/ bonds - Investments, especially in government stocks, with a guaranteed rate of interest. Conventional bonds have fixed rates, whilst index linked vary with inflation. They represent loans repayable at a stated future date, and which can be traded on a Stock Exchange in the meantime.

Fund Manager - A person or company to whom the investment of the whole, or part of the assets of a fund is delegated by the trustees.

Investment - An asset acquired for the purpose of producing income and capital gain for its owner.

Market value - The price at which an investment can be sold at a given date.

Passive - A style of investment management which aims to construct a portfolio in such a way as to provide the same return as to that of a chosen index.

Pensioner - A scheme member who receives a pension from the Fund.

Performance - A measure, usually expressed in percentage terms, of how well a fund has done over a particular time period - either in absolute terms or as measured against the average fund or a particular benchmark.

Pooled funds - Pooled investment vehicles issue units to a range of investors. Unit prices move in response to changes in the value of the underlying portfolio, and investors do not own directly the assets in the fund.

Portfolio - A collective term for all investments held in a fund, market or sector.

Private equity - Investments made by specialist managers in all types of unlisted companies rather than through publicly tradable shares.

Resolution body - Bodies that have a right to allow some or all their staff to become members of the LGPS, subject to the resolution body meeting the requirements of the LGPS regulations.

Return - The total gain from holding an investment over a given period, including income and increase/ (decrease) in market value.

Risk - Generally taken to mean the variability of returns. Investments with greater risk must usually promise higher returns than more 'stable' investments before investors will buy them.

Scheme employers - Local authorities and bodies specified in the LGPS regulations, whose employees are entitled automatically to be members of the Fund, and Admission bodies including voluntary, charitable and similar bodies, carrying out work of public nature, whose staff can become members of the Fund by virtue of an admission agreement with the Council.

Scheduled body - An organisation that has the right to become a member of the Local Government Pension Scheme under the scheme regulations. Such an organisation does not need to be admitted as its right to membership is automatic.

Transfer value - Payments made between funds when contributors leave service with one employer and decide to take the value of their contributions to the new fund.

Unrealised increase/ (decrease) in market value - The change in market value, since the purchase date, of those investments held at year end.

MEETING	PENSION BOARD
DATE	12 OCTOBER 2026
TITLE	THE GOOD ECONOMY REPORT
PURPOSE	To review and note the report
AUTHOR	DELYTH JONES-THOMAS, INVESTMENT MANAGER

1. INTRODUCTION

Gwynedd Pension Fund alongside the other 7 partner funds in Wales have commissioned a report by The Good Economy in order to demonstrate the work accomplished by the pensions funds for local investment in Wales.

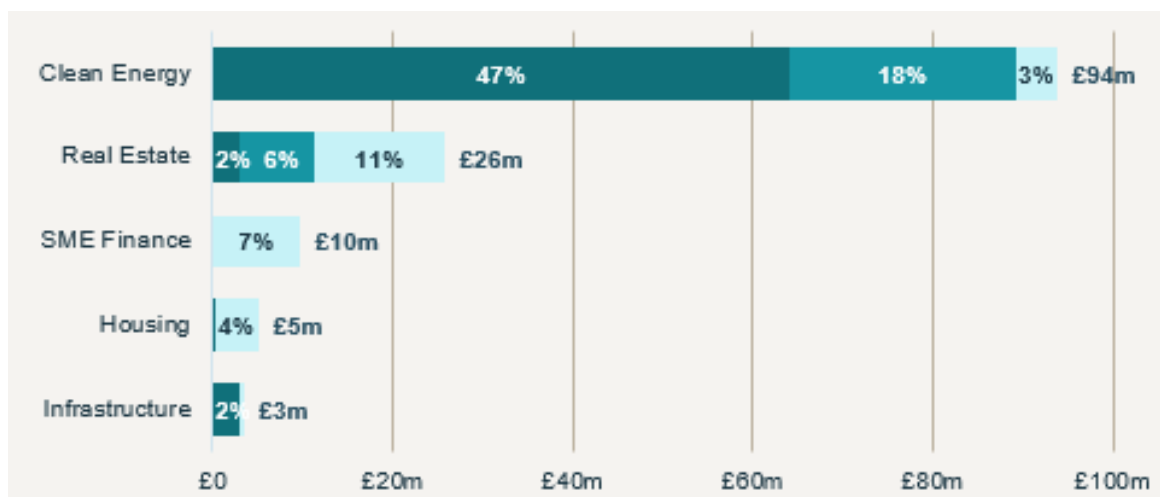
The report summarises the extent of local investing by WPP and its potential impact, with a focus on investments in Wales. The report is based on a portfolio analysis of private market investments that have exposure to the UK

The report is in Appendix 1.

2. INVESTMENTS IN WALES

WPP and the eight underlying member funds has £139 million invested in Wales in clean energy infrastructure, SME finance, housing, and real estate. Two-thirds flows into clean energy (solar, onshore wind, and energy storage), developing new generation capacity. The remaining third spans SME finance backing local businesses, housing developments addressing affordability and demographic need, and infrastructure including health and education facilities.

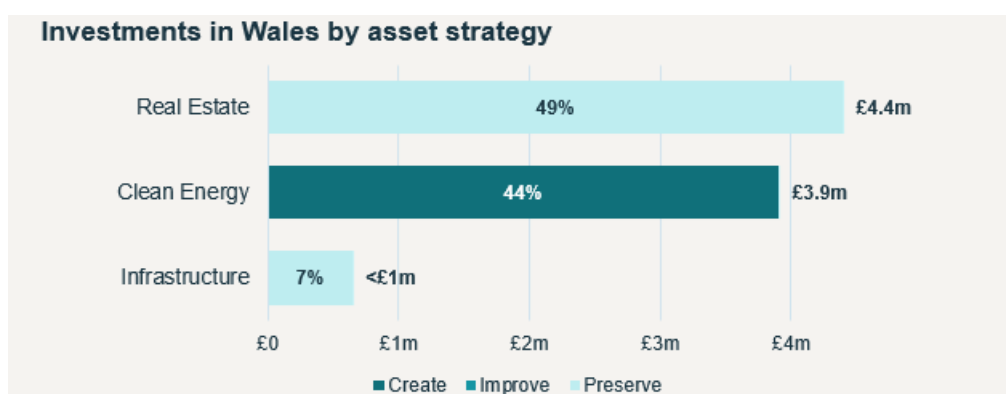
Half of the portfolio is invested in development projects, for example new energy projects, rather than acquiring existing assets. A further quarter of investment upgrades and expands acquired assets. 63% of investment in Welsh assets is in funds where WPP holds leading and influential ownership positions (sole investor, cornerstone commitments, or direct investments). These investments align with Wales Wellbeing Goals, particularly employment, clean energy transition, housing, and health infrastructure.



3. GWYNEDD PORTFOLIO OVERVIEW

Gwynedd has £8.7 million invested in 23 assets across Wales, with investments spread across commercial real estate, clean energy, and infrastructure. Commercial real estate accounts for 47% of investments, including retail, industrial, and office properties with one retail asset located in Gwynedd. Clean energy represents 45% of the portfolio, with two onshore wind assets generating capacity equivalent to powering 553,112 homes. Infrastructure investments include utilities and social infrastructure, with three health facilities (one in Gwynedd).

Nearly half of the portfolio consists of new developments, namely new wind generation. The remaining portfolio preserves existing investments. 44% of investment in Welsh assets is in funds where Gwynedd holds leading and influential ownership positions (sole investor, cornerstone commitments, or direct investments), providing influence over how projects develop. These investments align with Wales Wellbeing Goals, particularly clean energy transition, infrastructure provision, and local employment.



4. RECOMMENDATION

The Board is asked to review and note the report.

WPP PBII Reporting 2025 – WPP PORTFOLIO OVERVIEW

As of 31st March 2025: Wales

This report summarises the extent of local investing in WPP and its potential impact, with a focus on investments in Wales. The report is based on a portfolio analysis of private market investments that have exposure to the UK.

Total committed (WPP)

£4.11bn [1]

Across 8 member funds

Committed to Wales-focussed funds

£185m

4.5% of total commitments

Fund managers

31

97% active in UK – 65% active in Wales

Total invested

£2.46bn

In active assets as of reporting date

Invested in 97 assets across Wales

£139m

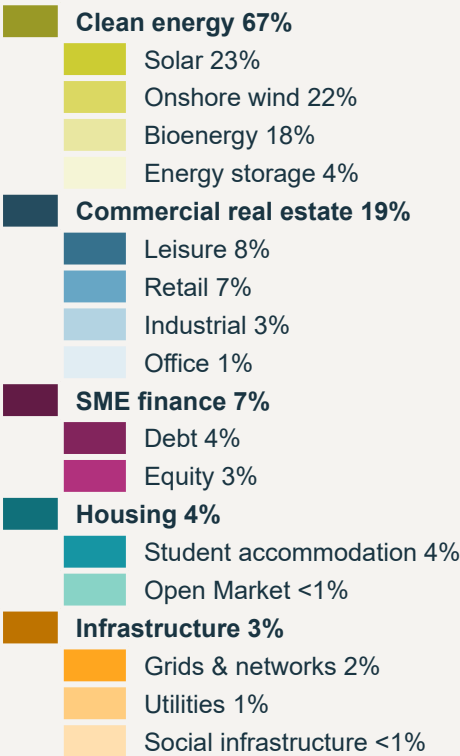
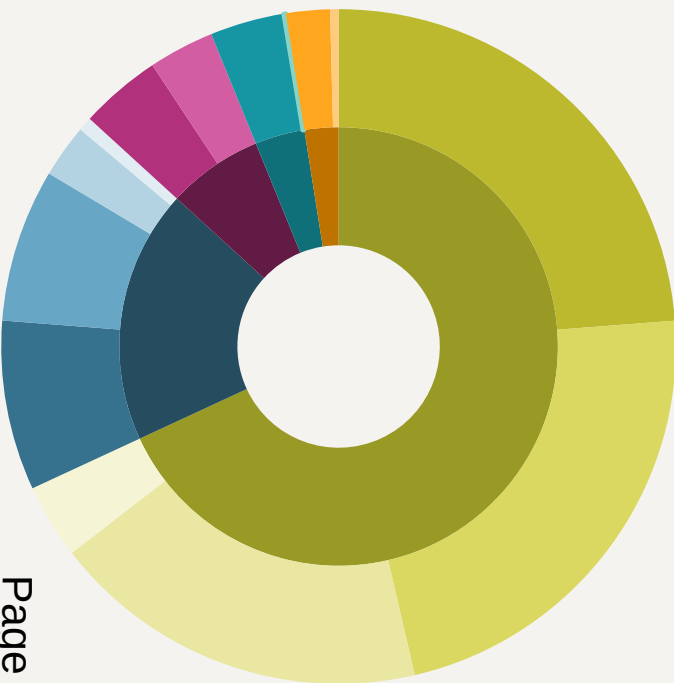
14% of UK total investments

Investment funds

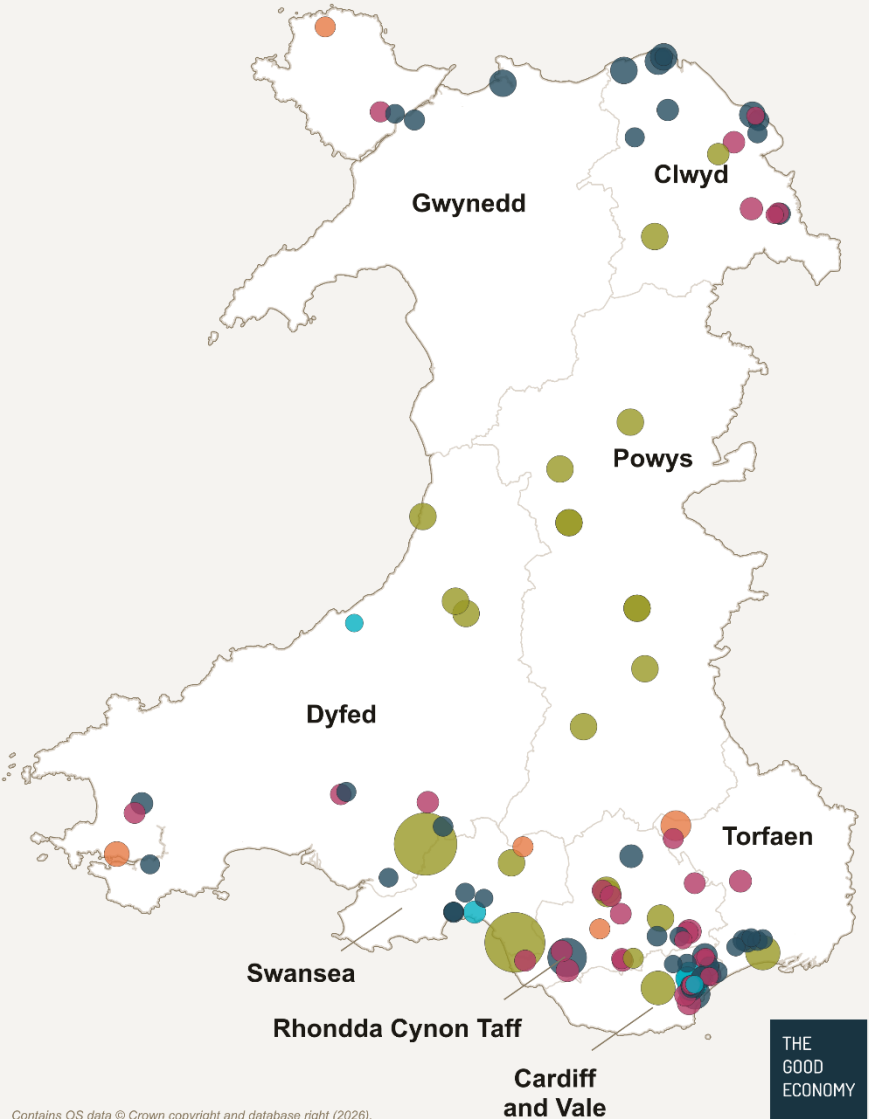
62

82% active in UK – 37% active in Wales

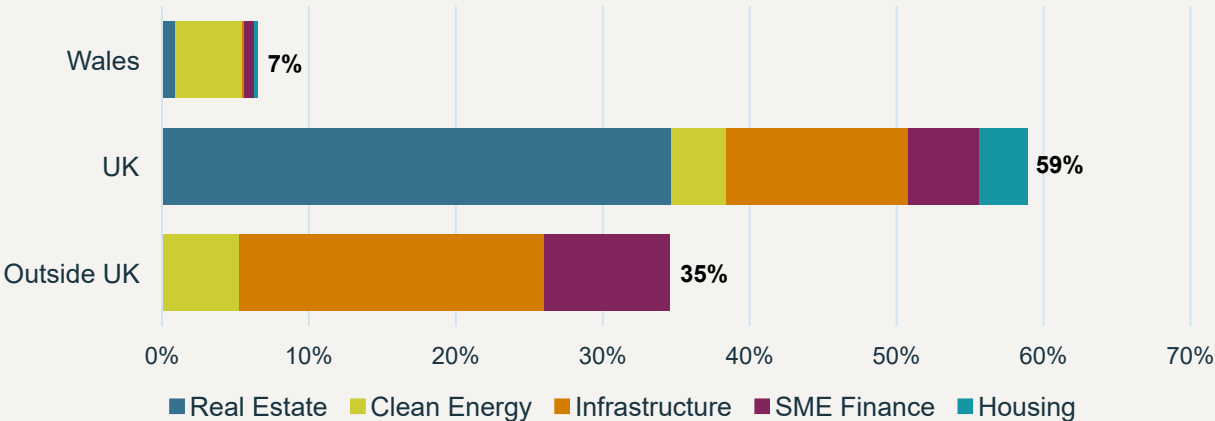
% of total invested in Wales, by sector



As of 31st March 2025: Wales



% of total invested, by geography

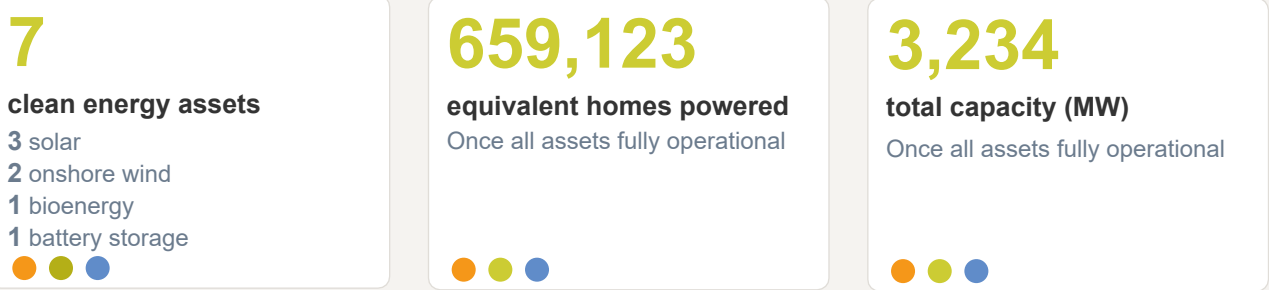


WPP PBII Reporting 2025 – WPP IN WALES – Outputs and Impact

As of 31st March 2025: Wales

Key outputs of WPP assets in Wales and how they support the Welsh Wellbeing Goals

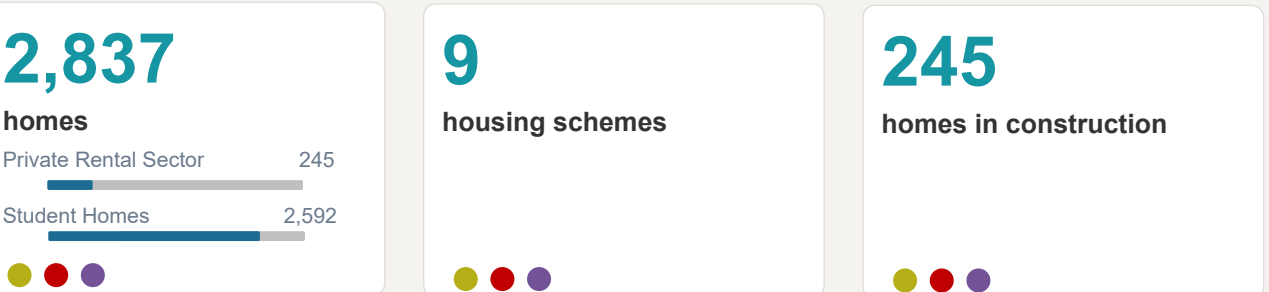
CLEAN ENERGY



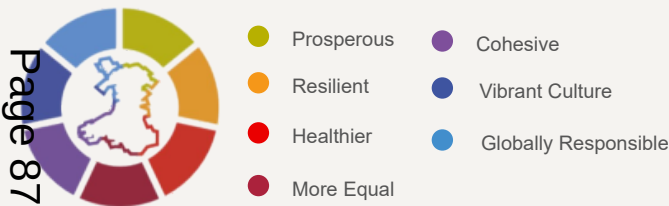
SME FINANCE & EMPLOYMENT



HOUSING



INFRASTRUCTURE & REAL ESTATE



Case Study: Investment in Wales Renewable Energy

As of 31st March 2025

FUND STRATEGY

Capital Dynamics: Capital Dynamics CEI WPP

Capital Dynamics is an independent global private-asset manager specialising in renewable energy infrastructure. Its Clean Energy Infrastructure (CEI) platform makes direct equity investments in renewable power projects from early-stage development through to commercial operation.

Capital Dynamics CEI WPP LP was established in 2023 in partnership with WPP as a dedicated place-based investment vehicle, with its mandate shaped directly by Welsh pension capital and focused exclusively on renewable energy infrastructure in Wales.

By pooling seven of the eight member funds through WPP, the vehicle secured a collective commitment of £70 million (100% of the fund) directed towards Welsh clean energy. This scale has been critical in directing long-term capital in Welsh energy infrastructure, expanding investment opportunity and retaining more of the associated economic benefit in Wales.

As of 31 March 2025, £26.6 million (38%) has been drawn into solar and onshore wind developments located across Wales through the Bute Energy Portfolio. The fund is intended to support the transition to a low-carbon energy system, with a focus on development-stage and pre-construction projects. These investments are expected to contribute to the Welsh Government's targets for 100% renewable electricity by 2035 and 1 GW of locally owned capacity by 2030.

CAPITAL DYNAMICS CEI WPP LP	
Total committed:	£70m (100% of fund)
Drawn to date:	£26.6m (38%)
Member fund participation:	7 of 8 WPP funds
Geographic mandate:	Wales – renewable energy

"This investment in Bute Energy projects means that our members are contributing to addressing all of these issues while also retaining the wealth from renewable energy in Wales — as well as meeting Welsh Government targets on local and shared ownership of renewable energy projects."

Councillor Ted Palmer, Chair, WPP Joint Governance Committee, September 2023

INVESTMENT IN WALES



Onshore Wind Development – Bute Energy

CREATE

Bute Energy

- **£70m** committed by WPP
- **16** onshore wind parks at various stages across Wales
- **1** site construction ready (Twyn Hywel, RCT)
- **3** sites through public consultation with planning applications submitted

Bute Energy is a portfolio of 16 onshore wind parks at various stages of development across Wales. In 2023, the fund committed £70 million to Bute Energy; as of March 2025, 38% (£26.6m) has been drawn to fund early-stage development and progress projects through planning and pre-construction.

This early-stage capital is designed to enable new generation capacity that did not previously exist. Capital Dynamics engages actively with local authorities and communities throughout the planning process. Currently one project, Twyn Hywel in RCT, has received planning consent and is construction-ready, with three others having cleared public consultations and submitted planning applications.

When fully operational, the portfolio is projected to generate around 25% of Wales's total electricity demand – a material contribution towards the Welsh Government's target for electricity to be 100% renewable by 2035. The portfolio is also expected to support the Government's ambition for 1 GW of locally owned renewable capacity by 2030, with WPP's collective investment designed specifically to retain ownership and economic benefit within Wales. In doing so, it is intended to contribute to several of the Well-being of Future Generations (Wales) Act 2015 goals, including a more resilient, globally responsible, and prosperous Wales.

WHEN FULLY OPERATIONAL – PROJECTED OUTCOMES

2,114 MW Combined capacity	553,000 Equivalent homes powered per year	25% of Wales's electricity demand (projected)	2.6Mt CO2 offset per year
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WPP PBII Reporting 2025

Investment Overview

Sector	Fund Name	Manager	Cardiff & Vale	Clwyd	Dyfed	Gwynedd	Powys	RCT	Swansea	Torfaen
Clean Energy	Capital Dynamics CEI WPP	Capital Dynamics	●	●	●	●	○	●	●	●
	Capital Dynamics CEI (Clwyd)	Capital Dynamics	○	●	○	○	○	○	○	○
	Generation IM Sustainable Solutions Fund IV	Generation	○	●	○	○	○	○	○	○
	Harbour Vest Cayman Cleantech Fund	HarbourVest	○	●	○	○	○	○	○	○
	Hermes Environmental Innovation	Hermes	○	●	○	○	○	○	○	○
	Impax New Energy Investors III	Impax	○	●	○	○	○	○	○	○
	Octopus Renewables Infrastructure SCSp	Octopus	●	○	○	●	●	○	●	●
	Quinbrook Renewables Impact Fund	Quinbrook	○	○	○	○	○	○	○	●
	Quinbrook Renewables Impact Fund II	Quinbrook	○	○	○	○	○	○	○	●
	Greencoat Tachbrook - Biomass Plant	Schroders	○	○	○	○	○	○	●	○
			2	6	1	2	1	1	3	4
SME Finance	AEP IV	August Equity	○	●	○	○	○	○	○	○
	AEP V	August Equity	○	●	○	○	○	○	○	○
	Bridges Sustainable Growth Fund III	Bridges	○	●	○	○	○	○	○	○
	Bridges Sustainable Growth Fund IV	Bridges	○	●	○	○	○	○	○	○
	Bridges Sustainable Growth Fund IV(B)	Bridges	○	●	○	○	○	○	○	○
	Charterhouse CCP IX	Charterhouse	○	●	○	○	○	○	○	○
	ECI 10 LP	ECI	○	●	○	○	○	○	○	○
	ECI 11 LP	ECI	○	●	○	○	○	○	○	○
	ECI 12 LP	ECI	○	●	○	○	○	○	○	○
	ETF Manager 2012 2	ETF Partners	○	●	○	○	○	○	○	○
	ETF Manager 2018 3	ETF Partners	○	●	○	○	○	○	○	○
	Foresight Regional Investment	Foresight	○	●	○	○	○	○	○	○
	Foresight Regional Investment III	Foresight	○	●	○	○	○	○	○	○
	Management Succession (Wales)	FW Capital	○	●	○	○	○	○	○	○
	Mercer Private Investment VII SICAV-SIF	Mercer	○	●	○	○	○	○	○	○
	Mercer Private Investment VIII SICAV-RAIF	Mercer	○	●	○	○	○	○	○	○
	Schroders WPP 1 PE/2023	Schroders	●	●	○	●	●	○	●	○
	Schroders WPP 2 PE/2024	Schroders	●	●	○	●	●	○	●	○
			2	18	-	2	2	-	2	-
Housing	CT UK Residential Real Estate	COLTAM	○	○	○	○	○	○	●	○
	Man GPM RI Community Housing Fund	ManGroup	○	○	○	○	○	○	●	○
			-	-	-	-	-	-	2	-
End of Funds	Private debt	Russell	●	●	●	●	●	○	●	●
	CBRE UK Property Fund	CBRE	●	●	●	●	●	●	●	●
			2	2	2	2	2	1	2	2

Sector	Fund Name	Manager	Cardiff & Vale	Clwyd	Dyfed	Gwynedd	Powys	RCT	Swansea	Torfaen
Real Estate	Standard Life Pooled Property Pension Fund	Aberdeen	●	○	○	○	○	○	○	○
	Blackrock UK Property	BlackRock	●	●	○	○	●	○	○	○
	Bridges Property Alternatives Fund III	Bridges	○	●	○	○	○	○	○	○
	Bridges Property Alternatives Fund IV	Bridges	○	●	○	○	○	○	○	○
	Bridges Property Alternatives Fund V	Bridges	○	●	○	○	○	○	○	○
	Bridges Property Alternatives Fund VI	Bridges	○	●	○	○	○	○	○	○
	CCLA Property	CCLA	○	●	○	○	○	○	○	○
	Threadneedle Property Unit Trust TPUT	COLTAM	○	○	○	●	○	○	○	●
	TPEN Property	COLTAM	○	○	○	●	○	○	○	○
	Darwin Leisure Development Fund	Darwin	○	●	○	○	○	○	○	○
	Darwin Leisure Property Fund	Darwin	○	●	○	○	○	○	○	○
	Hermes Property Unit Trust	Hermes	○	●	○	○	●	○	○	○
	M&G Secured Property Income Fund	M&G	○	○	○	○	○	●	○	●
	Paloma Real Estate Fund II	Paloma	○	●	○	○	○	○	○	○
	Triton Property Fund	UBS	●	○	○	●	○	○	○	○
			3	10	-	3	2	1	-	1
Infra-structure	CBRE Global Infrastructure Fund	CBRE	●	○	○	●	●	○	●	●
	GCM Grosvenor WPP Global Infrastructure	GCM Grosvenor	○	●	●	●	●	●	●	●
	British Strategic Investment (BSIF) Infrastructure	Gresham House	○	○	○	○	○	○	○	●
	British Sustainable Infrastructure Fund II	Gresham House	○	○	○	○	○	○	○	●
	British Sustainable Infrastructure Fund III	Gresham House	○	○	○	○	○	○	○	●
	Hermes Infrastructure II	Hermes	○	●	○	○	○	○	○	○
	IFM Global Infrastructure Fund	IFM	○	●	○	●	○	○	○	○
	Innisfree Secondary 2 Fund	Innisfree	○	●	○	○	○	○	○	○
	Newcore Strategic Situations IV	Newcore Capital	○	●	○	○	○	○	○	○
	Newcore Strategic Situations V	Newcore Capital	○	●	○	○	○	○	○	○
	UK Strategic Alternative Income Fund	BlackRock	○	○	●	○	○	○	○	○
			1	6	2	3	2	1	2	5
Total			10	42	5	12	9	4	11	12
Not received	Livingbridge VII	Livingbridge	○	●	○	○	○	○	○	○
Deployed post 31 March 2025	GCM WPP Global Infrastructure II	GCM Grosvenor	○	○	●	○	○	●	●	●
	GCM WPP UK Infrastructure	GCM Grosvenor	●	●	●	●	●	●	●	●
	Gersham House Forest Fund VI	Gresham House	●	○	●	○	●	○	●	●

WPP statement on 2025 Impact Report

WPP’s inaugural all-Wales Impact Report – produced in partnership with The Good Economy to reflect our local investments, collectively, as at end-March 2025 – demonstrates the firm commitment of WPP’s partner funds in investing locally in Wales and the UK. That objective has continued into 2025/26. Since then, in addition to the investments outlined in this report, we have made additional commitments within Wales. For example, within our private-debt allocations, we are supporting social-housing projects through Pluto Investments. We have also assigned a specific local and impact allocation within our real estate programme. WPP has supported partner funds in our collective £115m into the Gresham House UK forestry fund, with a major asset located in Bannau Brycheiniog (Brecon Beacons). The £50m Newcore Swansea Social partnership has also been established, investing in social infrastructure in the Swansea area. Additional commitments have also been made within the existing relationships with the Development Bank of Wales, to renewables projects in Wales, and to the Foresight Regional Investment Fund, which includes the Clwyd area.

We want to emphasise that this is just the beginning of WPP’s local-investing journey. The aspiration and clear objective to invest locally in Wales and the UK was a clear mandate endorsed in the WPP Fit for the Future business case approved by HM Government in April 2025. With the launch of WPP Investment Management Company in 2026, the formation of a dedicated local-investment function – which is able to source, appraise and invest in local opportunities throughout Wales and the UK – shall enable partner funds to deploy those stated ambitions at pace, scale and provide the investment returns they expect.



About The Good Economy

The Good Economy is a leading, independent impact advisory firm. We exist to accelerate the transition to a good economy, where financial systems deliver not just returns but better outcomes for society. We support fund managers, asset owners, allocators and public authorities to align investment decisions with purpose, embedding impact into how economic investment is allocated and governed. By working through established systems, we shape how value is defined, how markets behave, and what good investment looks like – helping our clients lead with integrity and drive meaningful change.



4 Miles’s Buildings, Bath BA1 2QS	info@thegoodeconomy.co.uk
Scott House, Suite 1, The Concourse, Waterloo Station, London SE1 7LY	www.thegoodeconomy.co.uk

WPP PBII Reporting 2025 – GWYNEDD PORTFOLIO OVERVIEW

As of 31st March 2025: Wales

This report summarises the extent of Gwynedd’s local investing and its potential impact, focussing on investments in Wales. The report is based on an analysis of the fund’s private market investments that have exposure to the UK.

Total committed (Gwynedd)
£468m
Across 13 funds

Total invested
£318m
In active assets as of reporting date

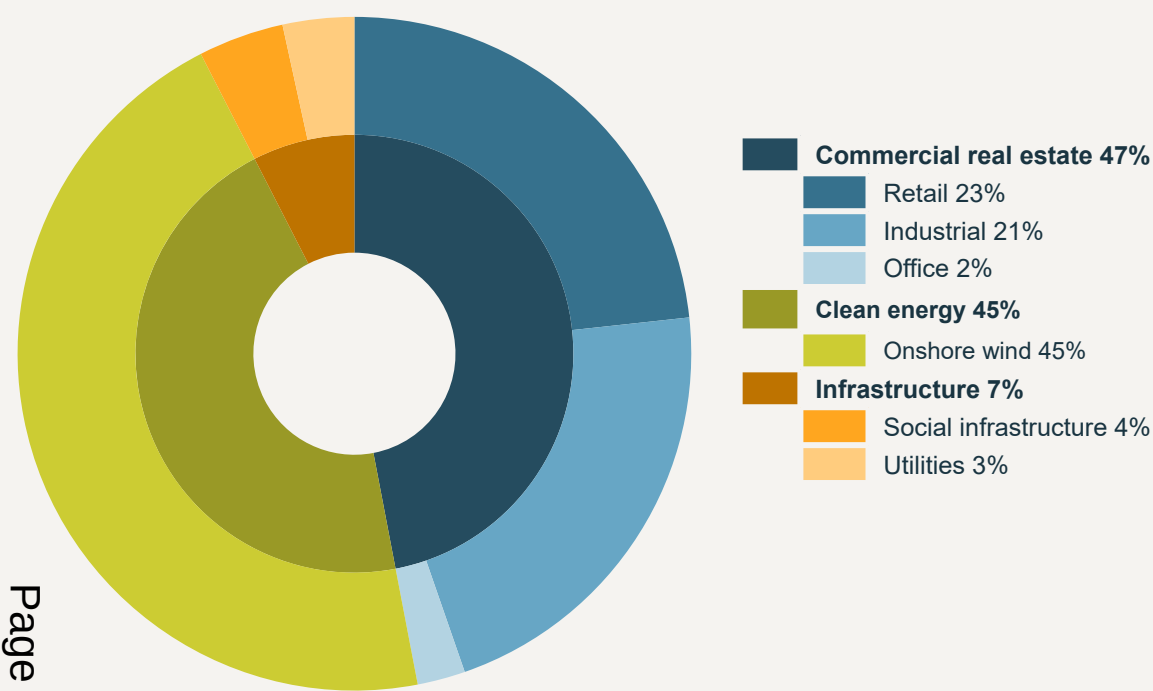
Committed to Wales-focussed funds
£10m
2% of total commitments

Invested in 23 assets across Wales
£8.7m
4% of UK total investments

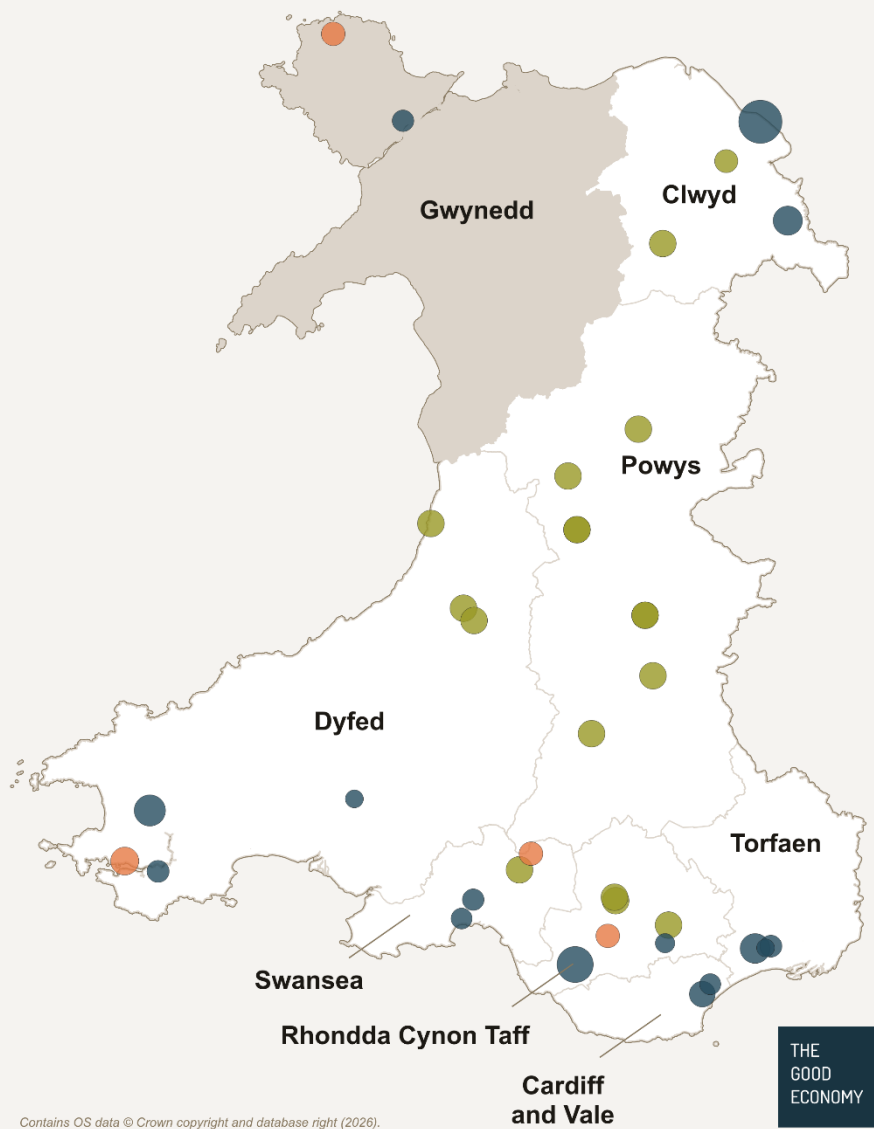
Fund managers
10
100% active in UK – 60% active in Wales

Investment funds
13
92% active in UK – 54% active in Wales

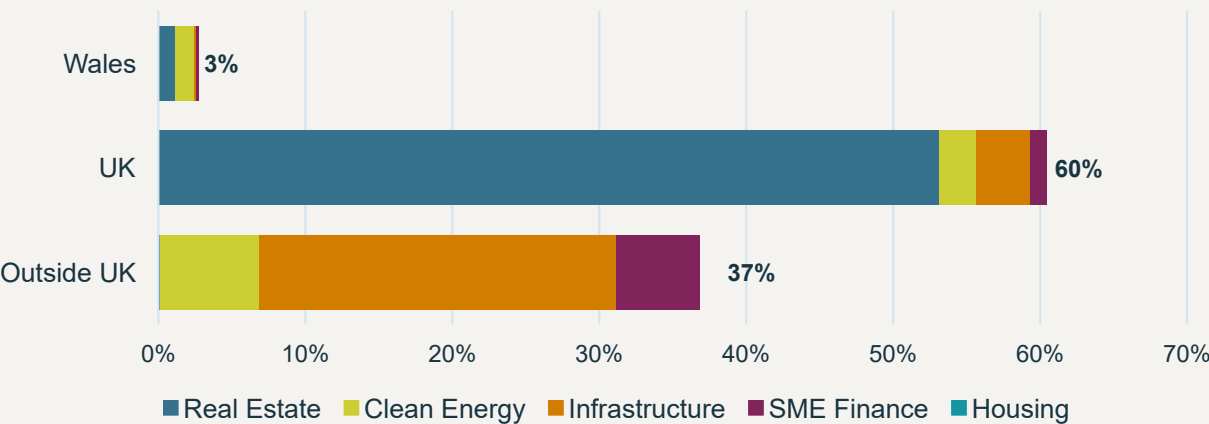
% of total invested in Wales, by sector



As of 31st March 2025: Wales



% of total invested, by geography



WPP PBII Reporting 2025 – GWYNEDD IN WALES – Outputs and Impact

As of 31st March 2025: Wales

Key outputs of Gwynedd Pension Fund assets in Wales and how they support the Welsh Wellbeing Goals

CLEAN ENERGY

2

clean energy assets

2 onshore wind



553,112

equivalent homes powered

Once all assets fully operational



2,684

total capacity (MW)

Once all assets fully operational



INFRASTRUCTURE



5

Infrastructure assets

2 Utilities



3

Social infrastructure assets

3 health facilities
1 in Gwynedd



REAL ESTATE



15

real estate assets

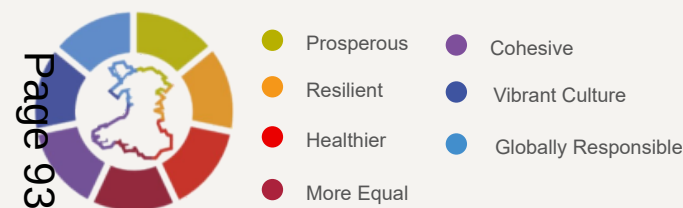
10 retail
4 industrial
1 office



1

of which in Gwynedd

1 retail asset



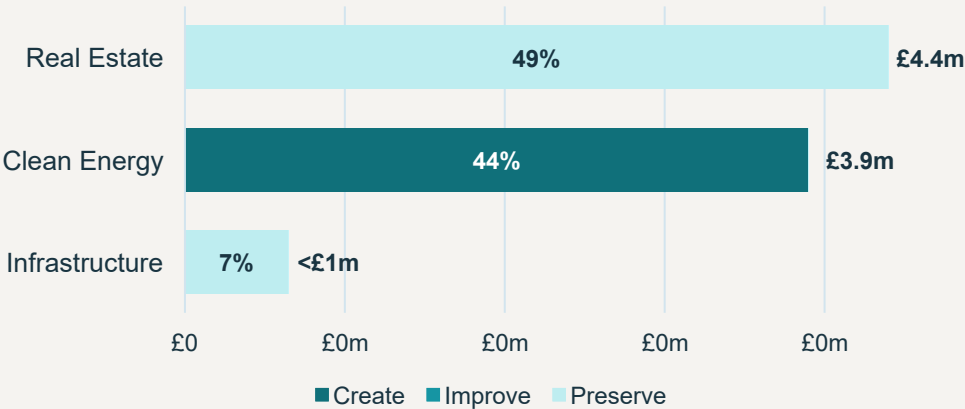
The Well-being of Future Generations (Wales) Act 2015 sets seven national goals for a more prosperous, equal and sustainable Wales. WPP maps its place-based investments against these goals to show how capital deployed in Wales serves wider public priorities.

As of 31st March 2025: Wales

Gwynedd has £8.7 million invested in 23 assets across Wales, with investments spread across commercial real estate, clean energy, and infrastructure. Commercial real estate accounts for 47% of investments, including retail, industrial, and office properties with one retail asset located in Gwynedd. Clean energy represents 45% of the portfolio, with two onshore wind assets generating capacity equivalent to powering 553,112 homes. Infrastructure investments include utilities and social infrastructure, with three health facilities (one in Gwynedd).

Nearly half of the portfolio consists of new developments, namely new wind generation. The remaining portfolio preserves existing investments. 44% of investment in Welsh assets is in funds where Gwynedd holds leading and influential ownership positions (sole investor, cornerstone commitments, or direct investments), providing influence over how projects develop. These investments align with Wales Wellbeing Goals, particularly clean energy transition, infrastructure provision, and local employment.

Investments in Wales by asset strategy



Investments in Wales by asset strategy and fund ownership structure (£m invested)

Classification	Leading Investor	Significant >15% share	Minority <15% share	Total
Create	£3.8m		£0.1m	£3.9m
Improve				
Preserve			£5m	£5.0m
Total	£3.8m		£5.1m	£8.9m

Create	New assets, services, or capacity that did not previously exist
Improve	Upgrading or expanding existing assets to deliver better outcomes
Preserve	Holding existing assets in their current form, no change or use or enhancement

Case Study: Investment in Wales Renewable Energy

As of 31st March 2025

FUND STRATEGY

Capital Dynamics: Capital Dynamics CEI WPP

Capital Dynamics is an independent global private-asset manager specialising in renewable energy infrastructure. Its Clean Energy Infrastructure (CEI) platform makes direct equity investments in renewable power projects from early-stage development through to commercial operation.

Capital Dynamics CEI WPP LP was established in 2023 in partnership with WPP as a dedicated place-based investment vehicle, with its mandate shaped directly by Welsh pension capital and focused exclusively on renewable energy infrastructure in Wales.

By pooling seven of the eight member funds through WPP, the vehicle secured a collective commitment of £70 million (100% of the fund) directed towards Welsh clean energy. This scale has been critical in directing long-term capital in Welsh energy infrastructure, expanding investment opportunity and retaining more of the associated economic benefit in Wales.

As of 31 March 2025, £26.6 million (38%) has been drawn into solar and onshore wind developments located across Wales through the Bute Energy Portfolio. The fund is intended to support the transition to a low-carbon energy system, with a focus on development-stage and pre-construction projects. These investments are expected to contribute to the Welsh Government's targets for 100% renewable electricity by 2035 and 1 GW of locally owned capacity by 2030.

CAPITAL DYNAMICS CEI WPP LP	
Total committed by Gwynedd:	£10m (14% of fund)
Drawn to date:	£3.8m (38%)
Geographic mandate:	Wales – renewable energy

"This investment in Bute Energy projects means that our members are contributing to addressing all of these issues while also retaining the wealth from renewable energy in Wales — as well as meeting Welsh Government targets on local and shared ownership of renewable energy projects."

Councillor Ted Palmer, Chair, WPP Joint Governance Committee, September 2023

INVESTMENT IN WALES



Onshore Wind Development – Bute Energy

CREATE

Bute Energy

- **£10m** committed by Gwynedd
- **16** onshore wind parks at various stages across Wales
- **1** site construction ready
- **3** sites through public consultation with planning applications submitted

In 2023, Gwynedd Pension Fund committed £10m to Bute Energy as part of WPP's collective £70m investment in the portfolio. As of 31 March 2025, 38% (£26.6m) has been drawn to fund early-stage development and progress projects through planning and pre-construction.

Bute Energy is a portfolio of 16 onshore wind parks at various stages of development across Wales. Through its investment, the fund is supporting the transition to renewable energy across Wales. This early-stage capital is designed to enable new generation capacity that did not previously exist. Capital Dynamics engages actively with local authorities and communities throughout the planning process, with several projects having received planning consent or submitted applications following public consultation.

When fully operational, the portfolio is projected to generate around 25% of Wales's total electricity demand – a material contribution towards the Welsh Government's target for electricity to be 100% renewable by 2035. The 16 onshore wind parks are also expected to support the Government's ambition for 1 GW of locally owned renewable capacity by 2030, with the collective investment designed specifically to retain ownership and economic benefit within Wales. Through its investment in Bute Energy, Gwynedd Pension Fund is contributing to the Well-being of Future Generations (Wales) Act 2015 goals, including a more resilient, globally responsible, and prosperous Wales.

WHEN FULLY OPERATIONAL – PROJECTED OUTCOMES			
2,114 MW Combined capacity	553,000 Equivalent homes powered per year	25% of Wales's electricity demand (projected)	2.6Mt CO2 offset per year

MEETING	PENSION BOARD
DATE	12 OCTOBER 2026
TITLE	LGC INVESTMENT & PENSIONS SUMMIT 2026
PURPOSE	To receive relevant feedback and information from the conference
RECOMMENDATION	Receive the information
AUTHOR	Anthony Deakin

1. INTRODUCTION

The LGC Investment & Pensions Summit was held in September and Anthony Deakin attended on behalf of the Board.

2. LGC INVESTMENT & PENSIONS SUMMIT 2026

The conference agenda can be found here:
<https://investmentsummit.lgcplus.com/lips2026/en/page/programme?&view-type~0=compact>

Anthony Deakin will provide feedback and share relevant information from the conference, see Attachment 1.

3. RECOMMENDATION

The Board is requested to receive the information.



Cronfa Bensiwn
GWYNEDD
Pension Fund

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

1. Manylion y Cynghorydd / Councillor Details

Enw / Name:	ANTHONY DEAKIN
Teitl y Gynhadledd / Conference Title:	LGC Investment & Pensions Summit
Dyddiad y Gynhadledd / Date of Conference:	10 & 11 SEPTEMBER 2026
Lleoliad neu Ddarparwr / Location or Provider:	THE EASTSIDE ROOMS BIRMINGHAM

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:

Thursday 10 September

9.10 to 9.55 LGPS in Transition: governance pooling and implementation
9.55 to 10.30 Active Global Equities in a more volatile world
10.30 to 11.05 Where will investment innovation come from in the new landscape
11.35 to 12.05 The Great British small cap opportunity: Growth, Value & Discovery
12.05 to 12.35 Building Income Resilience: the case for Real Estate Long Income
13.35 to 14.15 "Birds of a feather" discussion session
14.15 to 14.50 How can the LGPS build resilience to systemic climate and geopolitical shocks
14.50 to 15.25 Private markets & emerging opportunities beyond the standard template
15.55 to 16.35 Local investment: what the LGPS needs before they can invest
16.35 to 17.10 Local investment models : what works in practice?

Friday 11 September

9.05 to 9.35 Governance in Practice : Delivering effective oversight in a changing LGPS
9.40 to 10.10 The Pensions Regulator : Priorities for the LGPS and the wider pensions landscape
10.15 to 10.45 Single Purpose Pension authorities
10.50 to 11.20 From pensions gaps to practical action
11.50 to 12.25 Delivering local investment at scale and pace : from strategy to execution
12.25 to 13.00 The New Global Order: what matters for long term investors

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

Crynowch 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:

I have summarised below the take aways from ,in my view, the three most “strategic “ sessions.

LGPS in Transition: governance pooling and implementation

Funds are shifting from direct investment management to strategic oversight – building trust with pools, developing new governance skills and acting as effective pool clients are now the primary responsibilities of administering authorities. The success of pooling will depend on relationships , not regulation – partner funds must collaborate with one another and with pools to avoid duplication, coordinate oversight and develop shared cultural objectives

Local investment: what the LGPS needs before they can invest

No fund on the Panel was willing to accept a lower risk – adjusted return for local investment – fiduciary duty comes first, and any local investment programme must sit coherently within the Fund's overall strategic asset allocation , not outside it. Local investment is a multi year build , not an immediate deployment opportunity: the groundwork – mapping stakeholders, understanding strategic authority priorities , consulting partner funds, and building an investible pipeline - must come before capital is committed at scale

Governance in Practice : Delivering effective oversight in a changing LGPS

The session examined the emerging role of the independent Person (IP) ahead of the statutory requirement for all LGPS funds to appoint one by the end of the year. Speakers stressed that the IP's purpose is to strengthen governance and improve the quality of committee decision making rather than to duplicate the advice already provided by investment consultants , actuaries and legal advisers

4. Perthnasedd i'r Gronfa CPLIL / 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 programme for the **2026 Investment & Pensions Summit** helped further understanding of how UK government legislation and priorities are driving place based investment . It provided insights to help align investment strategies with local economic ambitions and explored how collaboration can mobilise long term capital to deliver growth across the country.

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:

LGPS in Transition: governance pooling and implementation

Training for both elected members and officers was identified as a priority with high committee turnover and new skill requirements making structured induction and ongoing development essential to the governance model that the reforms now demand

Local investment: what the LGPS needs before they can invest

There was a clear steer from the Panel that broad UK exposure, rather than hyper local investment, was the appropriate starting point for most funds and pools, with local specifically increasing incrementally as track record, governance and stakeholder relationships develop over time

Governance in Practice : Delivering effective oversight in a changing LGPS

The speakers agreed that whether appointing a firm or individual to the IP role, the critical success factor is the working relationship between the IP, the committee and the senior officer, alongside a clearly scoped contract that defines expectations from the outset to prevent unexpected costs as the role develops (i.e. mitigate risk of role creep)

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:

Presentation slides are to be uploaded onto the conference app

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:

Excellent conference. Very informative re the current investment changes and issues.

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:

There were far fewer exhibitors at the summit which I believe reflects the move from funds to pools re investment decisions. I think we can expect a change in conference formats in response to this move.

MEETING	PENSION BOARD
DATE	12 OCTOBER 2026
TITLE	WALES PENSION PARTNERSHIP UPDATE
PURPOSE	To receive and note the update of Pension Board Chairs from the Welsh Pension Partnership
AUTHOR	DELYTH JONES-THOMAS, INVESTMENT MANAGER

1. INTRODUCTION

This is a regular report that provides members of the Pension Board with an update delivered by the Welsh Pension Partnership (WPP) on behalf of the eight LGPS funds in Wales.

2. PENSION BOARD CHAIRS ENGAGEMENT MEETING

The Chairs of the Pension Boards meet every 6 months, and last formally met on 29 April 2026. The host authority has provided a summary of the items discussed at that meeting which is attached as Appendix 1 to this report.

This mainly consisted of the risk register, and the latest Business Plans are included in appendix 2 and 3.

3. 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 Chief Executive Officer in September 2025.

Rob Lamb presented the Business Plan (Appendix 4) and provided a general update.

Since then, a further update has been provided summarising what the company has achieved since September 2025 in relation to Governance, People and Operations (Appendix 5).

4. PERFORMANCE REPORTS AS AT 31 DECEMBER 2025

The performance reports can be found in Appendix 6.

5. RECOMMENDATION

To receive and note the information.

Wales Pension Partnership (WPP) -

Pension Board Chairs Engagement (PBCE) meeting update

Meeting date: Wednesday 29 April 2026

Location: Cardiff Castle, Cardiff

Attendees:

Officers

Chris Moore, Carmarthenshire (CCC) (Chair)

Tracey Williams, CCC

Martin Owens, CCC

Pension Board Chairs

Ian Coleman, Torfaen

Karen McWilliam, Clwyd

Dafydd Edwards, Powys

Hugh Coombs, RCT

Osian Richards, Scheme Member Representative (virtual)

Sioned Parry, Gwynedd (virtual)

John Jones, Dyfed

Michael Prior, Cardiff

Ian Guy, Swansea

Other Attendees

John Wright, Hymans (virtual)

Rachel Barrack, Hymans (virtual)

Rob Lamb, IM Co (Item 7)

Aidan Quinn, Russell Investments (Item 8)

Agenda item	Detail
Item 1 - Apologies	None
Item 2 - Minutes and actions from last meeting	29 October 2025 – no outstanding actions
Item 3 – Scheme Member Rep update	Osian Richards is the appointed Scheme Member Representative (Co-opted non-voting Member) and attends the JGC meetings quarterly. No update provided at the meeting.

Item 4 - Risk Register	The OWG is responsible for maintaining the WPP Risk Register and reporting back any changes or developments to the JGC on a quarterly basis. The OWG has a dedicated Risk Sub-Group to take ownership of the Risk Register and the quarterly review of the document. During Q3 2025, a review took place of the Investments risks section. During Q4 2025, a review took place of the first half of the Governance and Regulation section, risks G1 to G7 and risk G16. John Wright of Hymans Robertson presented the changes which were approved by the JGC on 8 December 2025 and 10 March 2026 respectively. Key points highlighted below: ○ I1 “The WPP Sub-funds failure to achieve their long term targeted investment returns” – Monitoring continues to take place, and a RAG framework is currently being developed. This work will move over to IM Co once the company is set up operationally. ○ I8 “The WPP fails to adequately account for climate change, climate risk and ESG factors” – There continues to be progress in this area over the past 12 months, focussing on the evolution of the current risk controls. Further key activities include continued dialogue with the Constituent Authorities on the climate and sustainability agenda, creation of bespoke passive solution for WPP creating greater consistency, evolution of quarterly reporting and discussions on additional responsible investment related policies ○ I9 “The WPP fails to facilitate investment solutions that enable the Constituent Authorities to meet their investment strategy and objectives.” – Progress is being made in this area - Information collated on non-pooled assets will be carried forward as part of the IM Co work and consideration will focus on oversight and facilitation of additional investment programs. ○ G16 “Project Snowdon does not meet the timescales and delivery capability laid out in the Government consultation and subsequent WPP business case.” – In December 2025, the Government issued further consultations, including a technical consultation which WPP responded to on 31 December 2025. The timescales and volume of activities to be completed to become a fully operational FCA regulated
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	Company by 1 April 2026 remain challenging. However, as a result of current risk controls, the WPP are comfortable that project Snowdon is progressing in line with the project plan and is 'on track'. It was noted that the Risk Register in the new governance structure, post the IM Co set up, is currently being developed and will be taken to the July 2026 JGC meeting for approval. The updated Risk Register can be found on the WPP website.
Item 5 - Host Authority update	Due to timing – item was not covered at the meeting 2025/26 Business Plan update as at 31 December 2025 attached for reference.
Item 6 – WPP Business Plan 2026/27	Due to timing – item was not covered at the meeting 2026/27 Business Plan attached for reference.
Item 7 – WPP IM Co update	Rob Lamb from IM Co presented IM Co's 2026/27 Business Plan (attached) and provided the following update: • The Minded to Approve notice from the FCA has not yet been received. It was confirmed that the required information has been provided to the FCA and that the FCA had no outstanding queries on the submission. The submission is currently being reviewed internally by the FCA. No further action for IM Co until it receives further correspondence from the FCA. • IM Co employees are having regular meetings with the individual constituent authorities. • There is a great deal of work to be undertaken, including regulatory work which is required by the FCA. The current focus is on the transitionary work and then strategy work by the end of the year. • IM Co staff are attending a team day in Cardiff tomorrow, 30 April 2026. • The company is working on the 5 year business plan, including a 12 month budget, which is to be approved by March 2027. • Training sessions will continue as they have been with pension committee and board members being invited.

Item 8 – Performance Reports as at 31 December 2025	Aidan Quinn of Russell Investments presented a performance summary paper (attached) summarising the performance of each individual ACS sub fund for the quarter ending 31 December 2025.
Item 9 - AOB	No AOB
Item 10 – Next meeting	October 2026 – Date and venue to be confirmed

Webcast link for the 8 December 2025 and 10 March 2026 JGC meetings below:

[Agenda for Wales Pension Partnership Joint Governance Committee on Monday, 8th December, 2025, 10.00 am](#)

[Agenda for Wales Pension Partnership Joint Governance Committee on Tuesday, 10th March, 2026, 10.00 am](#)

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



Wales Pension Partnership
Business Plan
2025-2026
Q3 Review
(April to December 2025)

Governance

Work to be completed	Completed	Comments
Legal Services provider procurement process	Yes	Approved at the September JGC meeting
Delivery of Project Snowdon	In progress	
Annual review of WPP's policies and plans	Ongoing	
Quarterly reviews of the Risk Register	Ongoing	
Respond to any pooling related consultations and carry out any necessary changes as a result of consultation outcomes	Ongoing	

Ongoing Investment Programme developments

Work to be completed	Completed	Comments
Launch the real estate investment programmes	In progress	Schroders UK Fund launched 2 February 2026
Launch additional Private Market vintages	Ongoing	
Consideration of WPP's UK, local / impact opportunities and requirements	Ongoing	
Evolution of existing Equity, Fixed Income and Passive Funds	Ongoing	
Consult with CAs on need for further investment programmes, and develop as required	Ongoing	

Operator Services

Work to be completed	Completed	Comments
Operator and Sub-Fund governance Oversight	Ongoing	

Investment Reporting

Work to be completed	Completed	Comments
Develop & Implement Private Markets reporting	In progress	Private Markets reporting options being considered
Stewardship Code reporting	Yes	2024/25 report submitted 31 October 2025
Climate-related / TCFD reporting	Yes	AWCR published February 2026
Nature-related / TNFD reporting	In progress	Nature-related report in the process of being developed
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	
Annual performance review of WPP Sub-Funds	In progress	To be completed by the end of March 2026
On-going engagement with CA's regarding ESG standards and climate ambitions to meet evolving needs	Ongoing	

Communication and Training

Work to be completed	Completed	Comments
Formulation of the WPP's Annual Responsible Investment Progress Report	Yes	Report presented at the July 2025 JGC and published on website
Formulation of the WPP's annual training plan		The 2026/27 training plan will be formulated by IM Co
Formulation of the WPP's Annual Update	Yes	2024/25 Annual Update published in July 2025
Formulation of the WPP's Annual Report	Yes	2024/25 Annual Report published in October 2025

Resources, budget and fees

Work to be completed	Completed	Comments
Annual review of resources and capacity	Yes	Reviewed when formulating the 2026/27 budget
Formulation of Annual WPP Budget	Yes	Formulated and included in the 2026/27 Business Plan
Review and Monitoring of Operator / external provider fees	Ongoing	

Training Plan

Training topics to be completed during 2025–2026 as per approved 2025-2026 Training Plan and progress to date:

	Completed	Comments
• Private Credit and Infrastructure asset classes	Yes	12 June 2025
• Local / Impact investments within the Private Market asset classes	Yes	12 June 2025
• Stewardship – Voting & Engagement	Yes	24 September 2025
• Stewardship – Stewardship Code and reporting requirements	Yes	24 September 2025
• RI – Biodiversity and Natural Capital	Yes	18 November 2025
• RI – Climate Scenarios and Fiduciary Duty	Yes	18 November 2025
• Pooling Consultation		Postponed to 2026/27
• Any new regulatory / guidance developments		Postponed to 2026/27

Budget

2025-2026 Budget Monitoring Report:

	Budget 2025 – 2026 £000	Forecast 2025 – 2026 £000	Variances 2025 – 2026 £000
Host Authority	241	194	47
External Advisors	1,376	1,162	214
Project Snowdon	2,915	2,600	315
TOTAL to be recharged *	4,532	3,956	576
Operator Services	46,110	42,000	4,110
Allocator Services	9,673	9,673	0
TOTAL to be deducted from the NAV **	55,783	51,673	4,110

**Host Authority, External Advisor and Project Snowdon costs are to be funded equally by all eight of the WPP's Constituent Authorities and these will be recharged on an annual basis.*

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

Equity Sub-Funds

Global Growth Fund

Managed by: Russell Investments

Global Opportunities Fund

Managed by: Russell Investments

UK Opportunities Fund

Managed by: Russell Investments

Emerging Markets Fund

Managed by: Russell Investments

Sustainable Active Equity Fund

Managed by: Russell Investments

Fixed Income Sub-Funds

Absolute Return Bond Fund

Managed by: Russell Investments

Global Government Bond Fund

Managed by: Russell Investments

Multi-Asset Credit Fund

Managed by: Russell Investments

Global Credit Fund

Managed by: Russell Investments

UK Credit Fund

Managed by: Waystone Management (UK) Ltd

Private Markets

Infrastructure – closed ended

Managed by: GCM Grosvenor

Infrastructure – open ended

Managed by: CBRE, IFM and Octopus

Private Credit

Managed by: Russell Investments

Private Equity

Managed by: Schroders Capital



Wales Pension Partnership

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



Wales Pension Partnership Business Plan 2026/27



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Introduction

This is the annual operational business plan for the Constituent Authorities of the Wales Pension Partnership (WPP). The WPP is the collaboration of Constituent Authorities in Wales who are administering authorities to all of the LGPS Funds in Wales.

The Constituent Authorities are the shareholders and clients of WPP Investment Management Company (IM Co), a standalone company regulated by the Financial Conduct Authority (FCA). IM Co has its own, separate business plan and budget. WPP's role includes oversight of IM Co as shareholders and clients.

This is a transitional business plan for the first year of IM Co being operational. This document will be monitored and formally reviewed and agreed every year. The purpose of the business plan is to:

- Explain the background and governance structure of the WPP
- Outline the priorities and objectives of the WPP Constituent Authorities
- Outline the financial budget for the relevant Business Plan period

About the Wales Pension Partnership

The WPP was established in 2017 as part of the Government's pooling initiative. At that time, the WPP chose an operating model designed to be flexible and deliver value for money, appointing an external Operator and making use of external advisers to bring best of breed expertise to support the running of the Pool. WPP is a collaboration of the eight LGPS funds (Constituent Authorities) covering the whole of Wales and has a long and proven track record of collaborative working, having identified in its 2013 report "Welsh LGPS - Working Together" that a joint approach delivers economies of scale, operational efficiencies and improved investment outcomes.

The eight LGPS Funds (Constituent Authorities) of the Wales Pension Partnership are:

- Dyfed Pension Fund (Carmarthenshire County Council)
- City and County of Swansea Pension Fund (Swansea Council)
- Cardiff & Vale of Glamorgan Pension Fund (City of Cardiff Council)
- Clwyd Pension Fund (Flintshire County Council)
- Gwynedd Pension Fund (Cyngor Gwynedd)
- Powys Pension Fund (Powys County Council)
- Rhondda Cynon Taf (RCT) Pension Fund (Rhondda Cynon Taff County Borough Council)
- Greater Gwent (Torfaen) Pension Fund (Torfaen County Borough Council)

As a result of the government's "Fit for the Future" changes to LGPS Investment Pooling, WPP is establishing an FCA regulated Investment Management Company (IM Co). The formation of IM Co. presents a once in a generation opportunity to create a stand-alone LGPS Investment Company for the benefit of all stakeholders. Not only can the WPP continue to invest for, and safeguard the LGPS pensions of its members, it shall have the chance to continue in its role investing locally throughout Wales and the rest of the UK, for the benefit of the people of Wales.

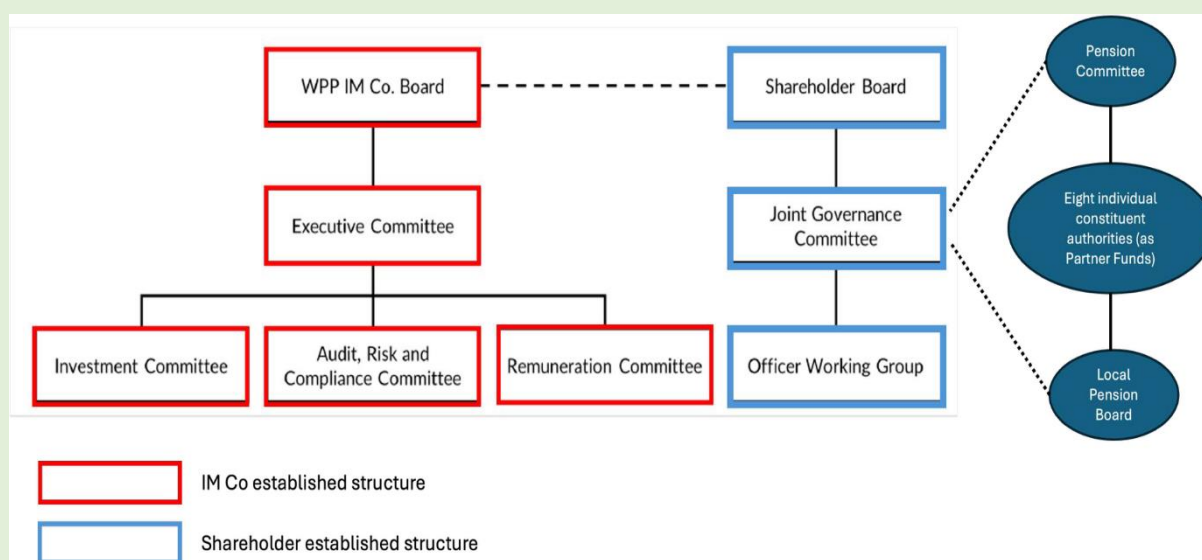
The IM Co will:

- implement all aspects of the CAs investment strategies
- provide investment advice to the CAs including strategic asset allocation
- have sole control of investment decision making and investment strategy implementation
- contract with providers of services, including Waystone who provide fund operator services for WPP's Authorised Contractual Scheme (ACS)
- be wholly owned by the WPP CAs

Governance

The WPP is responsible for ensuring that its business is conducted in accordance with regulation and guidance. We must also ensure that: public money is safeguarded and properly accounted for, used economically, efficiently and effectively to ensure value for money. We also strive for continuous improvement and to conform with industry best practice.

The diagram below illustrates the WPP governance structure from 1st April 2026.



The Shareholder Board exists to exercise the rights of the Constituent Authorities as owners of the IM Co (e.g. appointment and removal of senior IM Co Directors, approval of IM Co budget, approval of remuneration policy, etc) and will consist of S151 or senior LGPS officers from all eight Constituent Authorities. The Shareholder Board will be supported by the Joint Governance Committee and Officers Working Group, comprising of elected members, scheme member representative and officer representatives from all eight Constituent Authorities. The Constituent Authorities remain involved in all aspects of WPP's governance structure. There will also be two shareholder representatives sitting on the IM Co Board.

The WPP details how it deals with all aspects of Governance through its Inter Authority Agreement (IAA), which defines the standards, roles and responsibilities of the Constituent Authorities, its Members, Committees and Officers. The IAA includes a Scheme of Delegation outlining the decision-making process, taking into account the relevant legislation.

There is also a Shareholder Agreement and Client Services Agreement in place. The Shareholder Agreement details the relationship between the IM Co and Constituent Authorities, as shareholders, and regulates the operation and management of the Company. The Client Service Agreement details the terms and conditions of services to be provided by the IM Co for the Constituent Authorities.

The WPP believes in being open and transparent as well as regularly engaging with its key stakeholders. As such the WPP ensures the meetings of the Joint Governance Committee are accessible to the public via a live webcast stream. Meeting papers are also made publicly available. Local Pension Board Chairs engagement meetings are also held regularly as a means of fostering stakeholder engagement.

WPP personnel should obtain a degree of knowledge and understanding that ensures they are able to carry out their duties associated with the WPP. WPP personnel should also be aware of the WPP's framework, beliefs, policies, and decision-making process.

It is best practice for WPP personnel to have appropriate knowledge and understanding of:

- the regulations and markets relating to pensions;
- the pooling of Local Authority Pension Schemes; and
- relevant investment opportunities.

Local level training needs will continue to be addressed by individual Constituent Authorities while IM Co will offer training that is relevant to the WPP's pooling activities.

Risk Management

The WPP recognises that it faces numerous risks which, if left unmanaged, can limit WPP's ability to meet its objectives and to act in the best interest of its stakeholders and beneficiaries. However, the WPP also understands that some risks cannot be fully mitigated and that in these instances' risks need to be embraced through active and effective management. IM Co will have a separate risk register that will be managed within the governance of the company and the regulatory framework within which it operates.

Risk management is a critical element of WPP's commitment to good governance, the WPP has developed a structured, extensive and robust risk strategy. This strategy will be embedded into the WPP's governance framework to ensure better decision-making, improved outcomes for stakeholders and greater efficiency.

The WPP's risk strategy seeks to identify and measure key risks and ensure that suitable controls and governance procedures are in place to manage these risks. The WPP believes that risks are fluid in nature and that the severity and probability of risks can change rapidly and without warning. To reflect this belief, the WPP's Risk Policy has been developed in such a way that risks can be anticipated and dealt with in a swift, effective manner to minimise potential loss or harm to the WPP and its stakeholders.

It is critical that prior to making decisions the WPP understands the associated risks and considers the means by which these risks could be managed.

The greatest risk to the WPP's continued operation is its ability to deliver on its primary objectives. The WPP's Business Plan is an additional means through which the WPP will give special recognition to risks that pose a material threat to the delivery of its objectives and the actions required to manage these risks.

During the course of this business plan the WPP will seek to develop mechanisms, frameworks and process for managing the following key risks:

- The service delivery and performance of IM Co
- The robustness of the WPP governance structure
- Risk associated with Responsible Investment

The WPP is well aware of the threat posed by cyber security breaches and the importance of data security. Carmarthenshire County Council, as the Host Authority for the WPP, has a robust framework in place to ensure the security of its network and information systems. The Council also has a detailed Cyber Incident Response Plan, which outlines procedures for preparing, identifying, restricting, and responding to cyber incidents, ensuring business continuity and the preservation of evidence. The Constituent Authorities retain responsibility for individual member data for their respective LGPS Pension Funds.

Objectives

The WPP is proud to represent the eight Constituent Authorities and recognises its duty to ensure the needs and requirements of all stakeholders are met. The WPP, through consultation with all eight Constituent Authorities, has formulated a list of primary objectives these can be summarised as follows:

- Comply with “Fit for the Future” requirements in respect of LGPS investment pooling in a cost effective and sustainable way
- Exercise effective collective oversight of IM Co and its management
- Collective consideration of “reserved matters” including senior appointments, removal of directors and annual approval of the IM Co budget to assist CA’s in the exercise of their individual approval rights
- Exercise effective collective oversight of the IM Co service delivery to clients, including investment performance, investment costs, effective implementation services, quality of advice and effective implementation of WPP CA’s RI policy;
- Consider opportunities for investment in Wales and support appropriate opportunities (aligned with the local investment policies of CAs) for consideration by IM Co;
- Specify a common RI policy for implementation by IM Co; and
- Align with best practice in all of the above.

The eight Constituent Authorities recognise that their strength derives from their shared beliefs and their ability to work together to deliver on their unified objectives for the benefit of all WPP stakeholders.

Beliefs

The WPP's Beliefs reflect the collaborative nature and shared values of the Constituent Authorities, they are as follows:

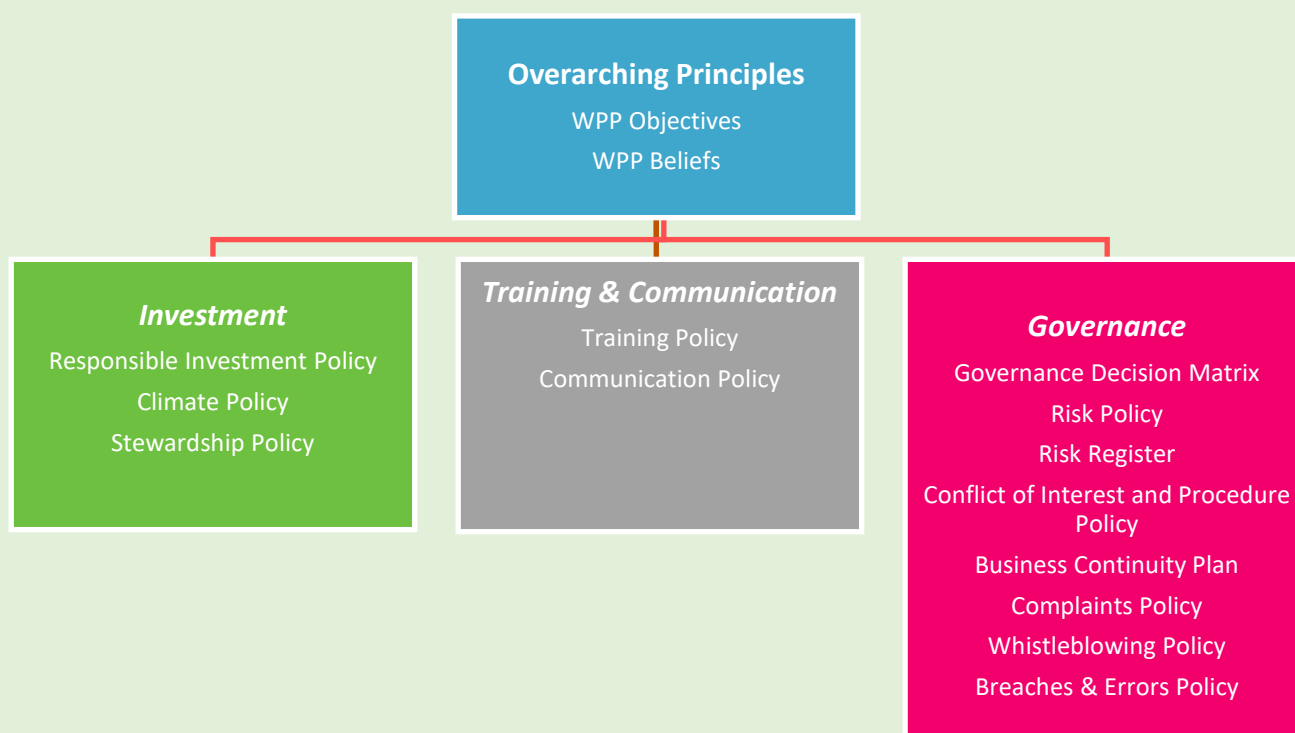
- The WPP believes that pooling LGPS investments delivers benefits in scale, cost efficiency and governance for the LGPS Funds in Wales and opportunities for using LGPS assets to benefit the local communities of Wales.
- The WPP believes that the CAs' role as shareholders and clients of WPP IM co is to ensure that the IM Co is properly resourced and delivering the services needed to meet the investment needs of WPP as administering authorities to the LGPS Funds in Wales and to provide oversight of IM Co and its governance. Good governance should lead to superior outcomes for the WPP's LGPS stakeholders
- Collaboration between the IM Co and Constituent Authorities, as shareholders and clients, is critical to achieving the WPP's objectives. External collaboration may also be beneficial in delivering cost savings and better outcomes for stakeholders
- Responsible Investment and effective Climate Risk mitigation strategies, alongside consideration and evidential management of broader Environmental, Social and Governance issues, should result in better outcomes for the WPP's stakeholders
- Effective internal and external communication is vital to achieving the WPP's objectives
- Fee and cost transparency will aid decision making and improve stakeholder outcomes
- Continuous learning, innovation and development will help the IM Co, WPP and its Constituent Authorities to evolve

The WPP's beliefs are the foundation for WPP's governance framework and have been used to guide all of the WPP's activities and decision making, including its objectives and policies.

Policies

The WPP believes that good governance should lead to superior outcomes for the WPP's stakeholders. In recognition of this belief, the WPP, in consultation with the Constituent Authorities, has developed a robust governance structure and framework and a set of governing policies. In all instances the WPP's policies and procedures have been developed to either complement or supplement the existing procedures and policies of the Constituent Authorities.

The WPP's key policies, registers and plans are listed below and can be found on the WPP website.



The WPP's policies are reviewed on a regular basis and the WPP will continually assess whether any additional policies, registers or plans are required. In line with the establishment of IM Co, all of these policies will be reviewed during 2026/27. The policies play a vital role in the WPP's governance arrangements and have been formulated with the sole purpose of providing a codified framework which will ensure that the WPP achieves its objectives in an effective and transparent means.

Work Plan

The table below shows key priorities and objectives that the WPP aims to complete over the next financial year. The workplan has been broken down into a number of key sections which are all vital to the continued success of the WPP.

Work to be completed
Governance
Annual review of WPP's policies and plans
Six Monthly Risk Register reviews
Annual performance review of WPP Sub-Funds
Respond to any pooling related consultations and carry out any necessary changes as a result of consultation outcomes
IM Co support and oversight
IM Co set up support
IM Co oversight, assurance, risk management (KPIs) and benchmarking versus comparators
Responsible Investment
Stewardship Code reporting
Climate-related / TCFD reporting
On-going development, implementation and reporting of all stewardship activities
On-going communication and reporting of RI activity to all stakeholders
On-going Sub-Fund responsible investment and climate risk reporting
Collective Consideration of WPP's UK, local / impact opportunities
Communication, Training and Budget
Formulation of WPP's Annual Responsible Investment Progress Report
Formulation of WPP's Annual Update
Formulation of WPP's Annual Report
Deliver training on any new regulatory requirements
Formulation of Annual WPP Budget / Business Plan
Complete year end Annual Return

Please note this is a transitional workplan for 2026/27, some of these workplan items will move across to IM Co from 2027/28 onwards.

Budget

The table below outlines the WPP's budget for the next financial year.

	Forecast 2025-26 outturn	2026-27
	£'000	£'000
Host Authority	194	173
External Advisors	1,162	834
Project Snowdon	2,600	N/A
TOTAL to be recharged *	3,956	1,007

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

IM Co will have its own budget, which will be approved by the shareholders, as a reserved matter.

This budget is for the WPP client side only.

Contact Details

If you require further information about anything in or related to this business plan, please contact the Wales Pension Partnership:

Postal Address - Wales Pension Partnership

Carmarthenshire County Council

Treasury & Pension Investments Section

County Hall

Carmarthen

SA31 1JP

E-mail - WalesPensionPartnership@carmarthenshire.gov.uk

Telephone - (01267) 224136

Further information on the WPP and ongoing updates on the WPP's progress can be found on the website and LinkedIn page.

The website can be found here:

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



WPP Investment Management Company Limited

Initial Business Plan
Financial Year 2026/27

Submitted to the Shareholders
February 2026

Executive Summary

WPP Investment Management Company Limited (WPP IM Co) will assume full FCA- authorised responsibility for investment management and advisory services across the combined Welsh LGPS portfolio of more than £25 billion on 31 March 2026. This document is the company's Initial Business Plan for FY2026/27, submitted to shareholders under clause 6.1 of the Shareholders' Agreement. A CEO letter providing the narrative context for shareholders is provided by separate cover.

The company's eight strategic objectives are: fiduciary duty and member welfare; investment implementation; investment advice; responsible investment and stewardship; local and Welsh investment; governance, accountability, and transparency; regulatory compliance; and team and capability development. All elements of this plan are structured around those objectives.

The governance framework is established by three inter-related agreements: the Shareholders' Agreement, which governs the relationship between the company and its shareholders; the Client Services Agreement, which governs the investment management and advisory relationship with each authority as client; and the Inter-Authority Agreement, which governs the relationship between the eight authorities. Day-to-day shareholder oversight is exercised through the Shareholder Board, the Joint Governance Committee, and the Officers Working Group.

The total operating budget for FY2026/27 is £9.0 million, against a Fit for the Future Business Case projection of £7.0 million, a difference of £2.0 million driven principally by staffing. The company goes live with 12 employees and 6 board directors on Day 1, reaching 24 employees by December 2026. Roles anticipated in Years 2 and 3 of the Business Case have been brought forward into Year 1. The full-year staffing run rate of approximately £4.6 million is close to the Business Case's projected endpoint. The revenue model is cost-plus, with fees received quarterly in advance.

The Year 1 investment management approach is focused on the active oversight of mandates inherited from the Partner Funds. The investment framework, which will cover investment beliefs, strategic asset allocation, manager selection principles, and the criteria against which performance will be assessed, will be developed in collaboration with Partner Funds during FY2026/27. Private markets capability is being built as a core part of the Year 1 build-out.

The operations and staffing build is on plan. The Day 1 leadership team is in place. Key executive appointments completing the team across the year include the General Counsel, the Director of Private Markets and Local Investments, and the Director of Operations. Total staffing costs for the year are £4.2 million on a pro-rated basis.

The principal risks for FY2026/27 are: staffing and capability; regulatory; budget and cost management; third-party dependency; operational; governance and conflict; and

operating model. The risk register will be developed into a structured format during the year as the compliance function is established.

The responsible investment programme is overseen by the CIO from Day 1. A common RI policy will be developed in collaboration with Partner Funds during FY2026/27. The company will exercise voting rights across its equity holdings, engage with investee companies on material ESG issues, and apply for UK Stewardship Code signatory status during the year.

1. About WPP Investment Management Company

WPP Investment Management Company Limited is the investment management company for the Wales Pension Partnership, on track for FCA authorisation before 31 March 2026. The company will manage investment assets on behalf of eight Welsh Local Government Pension Scheme administering authorities, with combined assets under management of more than £25 billion.

The company was established in direct response to the Fit for the Future consultation, which requires LGPS funds in England and Wales to pool their assets through FCA-authorised investment management companies and to delegate investment strategy to those companies. WPP IM Co is the vehicle through which the eight Welsh funds meet those requirements.

The company's revenue model is cost-plus: fees are set to cover the full operating cost of the business, received from shareholders quarterly in advance. The company holds no external revenue line. Its financial sustainability depends on operating within agreed budget parameters and on the cost discipline that implies.

From the point of authorisation, WPP IM Co will hold full responsibility for investment advice and investment implementation across the combined portfolio, operating under the FCA's Senior Managers and Certification Regime.

2. Strategic Objectives

The company's strategic objectives are set out below. They are the framework within which this plan operates and the basis against which progress will be reported to shareholders under the Shareholders' Agreement.

- 1. Fiduciary duty and member welfare.** To act at all times in the best interests of LGPS members in Wales, placing fiduciary duty to scheme members at the centre of all investment decisions, governance structures, and operational conduct. Every investment, operational, and governance decision this company makes is made in service of that purpose. Shareholders are the mechanism; members are the purpose.
- 2. Investment implementation.** To effectively implement, in accordance with applicable law, statutory guidance, and relevant advice, the investment strategies (including high-level strategic asset allocation) set by each Partner Fund. The company holds full accountability for investment implementation end-to-end, including where delivery is delegated to external managers. In Year 1, the primary focus is oversight of the mandates inherited from the Partner Funds, establishing the framework and standards against which all implementations will be assessed going forward.
- 3. Investment advice.** To provide investment advice to each Partner Fund, supporting them in setting investment objectives, strategic asset allocation, and responsible investment policies. The advisory relationship with each of the eight Partner Funds is a core function of the company. Year 1 establishes the advisory framework, the governance through which advice is delivered, and the standards to which it will be held.
- 4. Responsible investment and stewardship.** To act as a responsible, long-term investor, exercising active stewardship of the assets under management in a manner consistent with high standards of corporate governance and the company's responsible investment policy. Responsible investment is integrated into the company's approach from Day 1, not treated as a supplementary activity. The company will exercise voting rights across its equity holdings, engage with investee companies on material ESG issues, and develop a comprehensive responsible investment policy in collaboration with Partner Funds during FY2026/27. Section 8 of this plan sets out the responsible investment programme in further detail.
- 5. Local and Welsh investment.** To allocate capital towards investments that deliver measurable economic, social, and environmental outcomes for Wales, in a manner consistent with fiduciary duty and the investment strategies set by each Partner Fund. The company holds a direct mandate from both central and local government to invest in ways that are impactful on the Welsh economy, Welsh society, and Welsh environment. That mandate will be pursued through the investment

framework, through manager mandates, and through the direct investment programme as it develops. It will not be pursued at the expense of fiduciary duty.

- 6. Governance, accountability, and transparency.** To operate in accordance with high standards of accountability, governance, and transparency, including through regular governance reviews, performance and cost reporting, and appropriate representation of shareholders and clients. The governance framework established by the Shareholders' Agreement, the Client Services Agreement, and the Inter-Authority Agreement provides the structure within which the company operates. The company will meet all reporting obligations to shareholders and will be proactive in providing the information that shareholders and clients need to exercise effective oversight.
- 7. Regulatory compliance.** To operate in full compliance with all applicable laws, FCA regulations, and relevant government guidance. Regulatory credibility is the licence to operate. From the point of FCA authorisation, the company will meet all obligations under the Senior Managers and Certification Regime, the Investment Firms Prudential Regime, and all ongoing regulatory reporting requirements.
- 8. Team and capability development.** To attract, develop, and retain a high-performing team with the skills, values, and capabilities required to deliver the company's mission to the highest standard. The company's long-term success depends on the quality of the people who build and run it. Year 1 is the critical year for bringing together the right team. This is a generational opportunity to build an investment manager of genuine quality with a uniquely Welsh purpose, and attracting people who are drawn to that purpose is the filter that matters most.

3. Governance and Oversight

Three inter-related agreements define the governance framework within which WPP IM Co operates, and each serves a distinct purpose. The Shareholders' Agreement (SHA) governs the relationship between the company and the eight authorities in their capacity as co-owners and shareholders of the company: it regulates the company's management and operation, the rights of shareholders, and the matters on which shareholder approval is required. The Client Services Agreement (CSA) governs the relationship between the company and each authority in its capacity as a client of the company, in receipt of investment management and advisory services. The Inter-Authority Agreement (IAA) governs the relationship between the eight authorities themselves. WPP IM Co is not a party to the IAA.

Governance bodies

The practical governance bodies through which the eight authorities exercise collective oversight of the company are established by the IAA. The Shareholder Board is the primary forum for shareholder oversight. The Joint Governance Committee (JGC) monitors the company's performance against agreed KPIs and handles operational matters. The Officers Working Group (OWG) provides officer-level support to both. These bodies operate alongside the SHA's formal shareholder decision-making structures and are the primary interface through which WPP IM Co reports to and engages with its shareholders.

Board composition

The IM Co board comprises eight directors: two executive directors, two shareholder representative non-executive directors, and four independent non-executive directors. An independent non-executive director chairs the board and has no casting vote. This structure meets FCA requirements under SM&CR. The board will establish an Audit, Risk and Compliance Committee and a Remuneration Committee, each chaired by an independent non-executive director. Quorum for board meetings is five directors.

Shareholder reserved matters

The SHA distinguishes between matters the board may decide unilaterally and matters that require shareholder approval. Reserved matters are divided into two categories. Unanimous consent is required for two matters: the winding up of the company and its merger or amalgamation with another entity. Shareholder Supermajority is required for 35 matters, including approval of the Annual Budget, approval of any new Business Plan, and approval of any material amendment to the Business Plan.

A material amendment to the Business Plan is defined in the SHA as any amendment that would, individually or in aggregate with other amendments, result in a 10% or more change in total forecast operating expenditure, capital expenditure, or funding requirements in any Financial Year. In-year, the board is authorised to incur expenditure

of up to 15% above the approved Annual Budget without further shareholder approval. Expenditure beyond that threshold requires a Shareholder Supermajority.

Reporting to shareholders

The SHA requires the company to provide quarterly management accounts within 60 days of the end of each quarter, an annual report on progress against Strategic Objectives, and such other information as shareholders may reasonably require. This Initial Business Plan is produced under clause 6.1 of the SHA, which acknowledges the company's formative stage and does not require the same minimum content as subsequent Business Plans. The five-year Business Plan, due before 1 April 2027, will meet the full requirements of clause 6.2 of the SHA.

Governance independence

The company exercises its investment management responsibilities independently of its shareholders. The governance framework distinguishes clearly between matters that require shareholder input and those that fall properly within the discretion of the IM Co board and executive team. Both sides of that distinction will be respected.

4. Financial Summary

The total budget for FY2026/27 is £9.0 million. This compares with the cost projection in the Business Case of £7.0 million, a difference of £2.0 million. The main driver of that increase is staffing.

The Business Case planned for 16 people from Day 1, with the team expected to grow to around 30 over two to three years. The budget reflects a different recruitment profile: the company goes live with 12 employees on Day 1 and reaches 24 employees by December 2026, with six board directors in place throughout the year. Hires the Business Case planned for Year 2 and Year 3 have been brought forward into Year 1 to ensure the company is properly resourced from the point of authorisation. The effect is that Year 1 staffing costs of £4.2 million on a pro-rated basis already approach the full-team run rate the Business Case projected as its endpoint.

The Business Case also assumed that certain business support functions, including HR, payroll, IT, and property, would be provided by a constituent authority at marginal cost. The budget provides for those functions on a standalone basis, reflecting the company's status as an independent regulated entity. This accounts for approximately £0.4 million of the remaining difference.

The fee for delegated implementation and related services provided by Russell Investments has increased from £1.0 million in the Business Case to £1.275 million, reflecting a more fully defined mandate. Investment advice costs remain in line with the Business Case at £1.5 million, though this figure is subject to confirmation once each Partner Fund's current spend has been assessed.

The company's revenue model is cost-plus: fees are set to recover the full operating cost of the business, received from shareholders quarterly in advance. A full financial model, including multi-year projections and sensitivity analysis, will form part of the Five-Year Business Plan due before 1 April 2027.

Running costs	Estimated costs for 2026/27	Comments
Staffing costs	£4.2m	12 employees on Day 1 with 24 employees in place by December 2026, with six board directors in place throughout the year
Delegated implementation and related services	£1.3m	Middle office and administration services, including rebalancing activity, cash flow management and private markets administration
Investment advice	£1.5m	Based on current spend across partner funds. There will be corresponding savings at partner funds
Business Support	£1.3m	HR, payroll, IT, property etc
Other	£0.7m	Insurance, licenses, fees etc

5. Investment Management Approach

WPP IM Co holds full accountability for investment outcomes across the combined Welsh LGPS portfolio. Where delivery is delegated to external managers, accountability is retained. The company acts as investment manager of record and is responsible for the quality of every decision it takes, including the decision to delegate.

Investment framework

The investment framework is being developed during FY2026/27. It will set out the company's investment beliefs, strategic asset allocation approach, manager selection principles, and the criteria against which performance will be assessed. The framework will be aligned with Fit for the Future requirements and with each Partner Fund's investment strategy statement. It will be developed in collaboration with Partner Funds.

Manager selection and oversight

In Year 1, the company's primary focus is oversight of inherited mandates rather than new manager selection. The investment advisory and implementation mandates transferred from the Partner Funds on Day 1 will continue under active oversight from the outset. The CIO leads the development of the manager oversight framework and is responsible for the standard of oversight applied to all inherited arrangements.

Where mandates come up for review during FY2026/27, selection processes will be rigorous and documented. Performance will be measured against agreed benchmarks. Underperformance will be addressed.

Private markets capability

The Fit for the Future consultation carries a specific expectation that pool companies develop meaningful private markets capability. WPP IM Co is building that capability as a core part of the Year 1 programme. The Director of Private Markets and Local Investments, joining in September 2026, will work closely with the CEO and the CIO to develop the private markets strategy and oversight framework.

Local investment

Each of the eight Partner Funds has its own investment policies, priorities, and views on the allocation of capital towards Welsh economic, social, and environmental outcomes. The company recognises those policies and the central role of each Pension Committee in shaping the investment approach of their own fund. The company holds a mandate from shareholders and from central government to invest in ways that are impactful on Wales. That mandate will be pursued through close collaboration with Partner Funds as the implementation framework is developed, working with each fund to understand its position and build an approach that reflects it. It will not be pursued at the expense of fiduciary duty.

Responsible investment

Responsible investment is integrated into the investment approach from Day 1. ESG factors, including climate risk, will be embedded in the investment framework as it is developed. The company will exercise active stewardship over the assets it manages, including engagement with companies and voting at shareholder meetings. The full RI policy, developed with Partner Funds during FY2026/27, will set the principles and standards that apply across all mandates. Section 8 of this plan sets out the company's responsible investment programme in further detail.

Partner Fund support

The company's obligations to Partner Funds under the Client Services Agreement extend beyond investment management and advice. They include training and development support for Pension Fund Committee members and officers, covering investment strategy, responsible investment, and the governance of delegated investment management. WPP has provided this support to Partner Funds in the past and the company will continue to do so, developing a structured programme in collaboration with Partner Funds during FY2026/27.

6. Operations and Staffing

Recruitment programme

FY2026/27 is a year of operational build. The company enters the year with a substantive leadership team already in place: CEO, CIO, Director of Finance, Director of Risk, Head of People, and Head of Communications are all in post or joining by the end of March 2026. The planned headcount trajectory from that base is: Day 1, 12 employees; end of Q1 (June 2026), approximately 17; end of Q2 (September 2026), approximately 21; end of Q3 (December 2026), 24. These figures refer to employees only and do not include the six board directors in place throughout the year. All target start dates are subject to the outcome of recruitment processes and individual notice periods.

Key appointments completing the executive team and senior staff during the year include the General Counsel (target: June 2026), the Director of Private Markets and Local Investments (target: September 2026), and the Director of Operations (target: September 2026). The Head of Finance and Partner Fund Relations, Head of Investment Strategy and Stewardship, and Chief of Staff all join in April 2026.

The company is building its team with a clear mission filter. This is a generational opportunity: establishing a world-class investment manager with a uniquely Welsh purpose. That is the most powerful recruitment tool available. People who are drawn to that purpose are the right people for this company.

Staffing costs

Total staff costs for FY2026/27 are estimated at £4,179k on a pro-rated basis, reflecting phased hiring across the year. The full-year run rate at planned headcount is approximately £4.6 million. This figure represents the Year 2 baseline against which future budgets will be set.

Operational infrastructure

Operational infrastructure for FY2026/27 covers IT systems, risk and portfolio management platforms, compliance tools, and the office environment. Specialist consultants have been engaged to support the technology build and operational set-up phase. Key platform decisions will be finalised in Q1 and Q2.

Recruitment costs

Recruitment fees for FY2026/27 are estimated at £282k, reflecting the scale of hiring required to bring the team from its Day 1 position to planned headcount across the year.

7. Risk Management and Compliance

Risk management in FY2026/27 is at an early stage of maturity, consistent with the company's formative status. This section sets out the principal risks identified and the company's current mitigations. It is presented as the Initial Risk Register for FY2026/27 and will be developed into a structured register, aligned with the legacy WPP three-monthly review framework, as the compliance function is established during the year.

Principal risks

Staffing and capability risk. The company's ability to execute its strategy depends on completing the executive team and board on the planned timeline. The CIO is in post. Key remaining executive appointments carry delivery risk if delayed: in particular the General Counsel (target: June 2026), the Director of Private Markets and Local Investments (target: September 2026), and the Director of Operations (target: September 2026). Board composition also carries risk: the appointment of independent non-executive directors is critical to establishing the governance framework on the required timeline. **Mitigation:** active recruitment processes underway for all key positions; interim support in place where required; the phased build programme is designed to manage dependency risk.

Regulatory risk. From the point of FCA authorisation, the company must meet all obligations under the Senior Managers and Certification Regime (SM&CR), complete the Internal Capital and Risk Assessment (ICARA) process required of all FCA-regulated investment firms under the Investment Firms Prudential Regime, and meet all ongoing regulatory reporting obligations. Any failure carries material consequences for the licence to operate. **Mitigation:** Director of Risk appointed; regulatory specialist support engaged; compliance monitoring framework in development; ICARA process initiated; FCA authorisation expected before 31 March 2026.

Budget and cost management risk. Year 1 costs include significant inherited elements: the investment advisory and implementation mandates transferred from Partner Funds on Day 1, one-off recruitment fees, and operational set-up. Managing the transition from one-off to recurring cost base, and maintaining discipline on all discretionary items, is a Year 1 management priority. **Mitigation:** Director of Finance appointed; full budget reconciliation underway; one-off costs clearly identified and separated in the Financial Summary; cost discipline maintained across the organisation.

Third-party dependency risk. Russell Investments has a long-standing relationship with the Partner Funds and is a well-established presence in the WPP structure. The investment implementation and middle office mandate with WPP IM Co is, however, a new arrangement: it has been put in place specifically to manage the operational requirements that come with the transition of assets

to the company's management, rather than being a legacy mandate carried over from the previous structure. The company enters a significant operational dependency on this new arrangement from Day 1. Any disruption to it would carry material consequences for investment continuity and operational stability.

Mitigation: close engagement with Russell through the transition planning process; clear contractual and operational frameworks being established ahead of Day 1; transition planning integrated into the operational build programme.

Operational risk. Platform and system selection, vendor management, and the build of operational infrastructure all carry delivery risk in a start-up environment. **Mitigation:** specialist consultants engaged for the technology build; key platform decisions being made in Q1 and Q2 to allow adequate implementation time.

Governance and conflict risk. Managing governance independence while meeting the legitimate expectations of eight institutional shareholders is an ongoing challenge. **Mitigation:** clear framework established by the SHA and CSA; board composition designed to provide independence; escalation routes established for matters where tensions arise.

Operating model risk. The company's operating model reflects the requirements of the Fit for the Future consultation as they are currently understood. Government policy in relation to LGPS pooling continues to develop, and future requirements from central government or other regulatory bodies could materially alter what the company is required to do or how it is required to do it. Any such change would carry implications for budget, regulatory capital, and the delivery timeline set out in this plan. Responding to material operating model change also requires the alignment of eight shareholders through the governance framework established by the Shareholders' Agreement; where change requires collective decision-making, the company's ability to respond within the required timeframe depends on that alignment being in place. **Mitigation:** government policy and regulatory developments are actively monitored; the company engages proactively with shareholders on the implications of any emerging requirements so that alignment can be built ahead of formal decisions being required.

Compliance programme

The compliance monitoring framework for FY2026/27 is in development. It will cover SM&CR obligations, the ICARA process, transaction reporting, and the broader regulatory calendar. Compliance is led by the Director of Risk. The General Counsel, once appointed, will provide legal oversight and support to the compliance function.

Risk management framework and policies

A functioning risk management framework is a prerequisite of FCA authorisation, not a product of it. In parallel with the compliance programme, the company is implementing

the full suite of policies required of a regulated investment firm: conflicts of interest, remuneration, best execution, business continuity, whistleblowing, and data protection, among others. Each is being reviewed, finalised, and embedded during FY2026/27.

The ICARA process, required under IFPR, sits at the centre of the risk framework. It requires the company to identify its material risks, assess the capital and liquid assets needed to manage them, and satisfy itself that its governance is adequate to that task. That work is led by the Director of Risk, with specialist external support engaged where the company's internal capability is still developing.

8. Responsible Investment

Responsible investment is a core component of the company's investment approach; not a supplementary activity. The company holds the credentials appropriate to its stage of development and is building towards a more comprehensive programme as the team is established.

TCFD

The company is aligned with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). Climate-related financial risk is integrated into the investment process, consistent with the obligations on UK pension funds and their managers.

ESG integration

Environmental, social, and governance factors are integrated into the company's investment process, not treated as a separate consideration. The investment framework being developed during FY2026/27 will embed ESG assessment into manager selection, oversight, and portfolio monitoring. The standard will apply to all asset classes and all mandates.

Stewardship and engagement

The Head of Investment Strategy and Stewardship is in post from April 2026 and leads the development of the company's stewardship programme. Each Partner Fund has its own stewardship objectives and responsible investment priorities. The company's role is to implement those objectives in a manner consistent with FCA regulation and best practice, working in collaboration with Partner Funds as the programme develops. That collaborative approach is already in evidence: the Joint Governance Committee is considering an exclusionary framework in early 2026, and WPP IM Co will work with Partner Funds on the implementation approach that follows from it. The company will exercise voting rights across its equity holdings and engage with companies on material ESG issues. Building on the successful signatory status of the Partner Funds, application for UK Stewardship Code signatory status will be made during FY2026/27 once the stewardship framework and engagement programme are established to the required standard.

RI policy

A common RI policy for WPP IM Co implementation will be developed in collaboration with Partner Funds during FY2026/27, as an extension of the work already done by the Wales Pension Partnership in its previous guise. The CSA provides the governance framework for this process. Each Partner Fund's Pension Committee will have the opportunity to input its own responsible investment policies and priorities before a common framework is agreed; the intent is to reflect those individual positions in the policy where they are compatible, rather than to impose a single approach. The policy

will cover investment integration, stewardship, engagement, and the Welsh mandate on local investment and environmental, social, and economic outcomes for Wales.

Welsh investment mandate

The primary obligation of the company is to safeguard the pensions of LGPS members in Wales. Within that obligation, the company carries a genuine mandate from shareholders and from central government to allocate capital towards investments that deliver measurable outcomes for Wales. That mandate will be pursued where it is consistent with fiduciary duty; it will not be pursued at its expense. A local investment programme will be developed in consultation with Partner Funds. Progress will be reported to shareholders as the investment programme develops.

Appendix A: KPI Framework (Initial)

The KPI framework for FY2026/27 will be agreed with the Joint Governance Committee. The framework will cover five areas: investment performance; operational delivery; regulatory compliance; staffing and capability build; and financial management.

KPIs will be set at levels appropriate to the company's stage of development and will be reviewed as the executive team is established and as the five-year Business Plan is developed.

PLACEHOLDER

Full KPI schedule to follow on agreement with the JGC during FY2026/27.

Appendix B: Risk Register (Initial)

The narrative risk register for FY2026/27 is set out in Section 7 of this plan. The principal risks identified are: staffing and capability risk; regulatory risk; budget and cost management risk; third-party dependency risk; operational risk; governance and conflict risk; and operating model risk.

A structured risk register, aligned with the WPP three-monthly review framework and the format expected by the JGC, will be developed during FY2026/27 as the compliance function is established.

PLACEHOLDER

Structured risk register to follow as the compliance framework is developed during FY2026/27.

WPP IM Co: Progress Update

Prepared by Rob Lamb, Chief Executive Officer

This paper summarises what has been achieved since September 2025, organised under the same three areas used in the weekly Transitional Board meetings: governance, people, and operations.

	Status	Comments
Governance		Structure, documentation and board ready to execute.
People		A core team is in place with a mix of experienced LGPS officers and regulated investment management experience.
Operations (technology, corporate services and business process)		The operational transition plan is in place and operational readiness is on track. IT and cyber-security contracts are being finalised.

The company is ready to operate as a regulated firm. The remaining dependency is the Financial Conduct Authority (FCA) Minded to Approve letter, which we now expect by July 2026. The delay to the original April 2026 FCA authorisation target is primarily attributable to the parliamentary timetable for the Pension Schemes Act, which received Royal Assent on 29 April 2026.

Governance

Every foundational governance decision required before FCA authorisation has been taken. Between November 2025 and March 2026, we consulted formally with all eight constituent authorities on the two documents that define the relationship between shareholders and the company: the Shareholders' Agreement and the Client Services Agreement. Both were approved by all eight Pension Fund Committees before the end of March 2026, alongside the Year 1 budget and initial business plan. That consultation process, conducted across eight separate Local Authorities with different political compositions, timelines and concerns, was completed without objection or material amendment.

The governance architecture that underpins FCA authorisation is now fully designed and ready to execute. The permanent Board structure separates three distinct roles that are currently blurred: 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. The FCA requires a clear firewall between the ownership and client functions, and that firewall is built into the framework we have agreed with all parties.

The sequence from the FCA's Minded to Approve letter through to formal authorisation is mapped in detail and can be completed within ten working days of receipt. Transitional directors will resign, new directors will be appointed, regulatory capital will be called and confirmed, and the remaining legal documents will be executed. Companies House filings and final evidence to the FCA will follow immediately. Every step has been agreed with our legal advisors.

People

Fifteen people are now either in post or have accepted offers to join the company. Five are experienced LGPS officers moving across from Welsh local authorities, bringing the institutional memory and relationships that are essential to continuity of service. The remaining ten are new to the Welsh Local Government Pension Scheme and bring perspective from regulated investment management, risk, finance, communications and operations. The blend is deliberate: we need people who understand the system we are inheriting and people who bring the disciplines of the regulated environment we are entering.

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 and a Director of Risk. All required Senior Management Function holders have been submitted to the FCA as part of the application. An independent Chair and Non-Executive Directors have been recruited and are participating in induction and training so that they are ready to take up their positions on Board transition.

On 30 April 2026, the full team came together for the first time at a team day in Cardiff. We used the session to connect as people, to remind ourselves of our shared purpose, and to begin building the culture that will define this company. We agreed collectively that our immediate focus remains operational readiness, and that the deeper work on strategy and culture will follow once we are authorised, but before March 2027.

Operations

The FCA application was submitted on the last day of October 2025, in line with the November 2025 target set out in the critical path. Since then, we have worked through a series of questions and information requests from the FCA's Authorisations team. On 13 April 2026, the FCA confirmed that its recommendation to authorise was passing through internal approval. In addition, on 15 May 2026 some further questions were received mostly focused on operational resilience and these were responded to within the requested timeframe. The next formal communication we expect is the Minded to Approve letter, which we have been told to expect to arrive by July 2026.

The reason authorisation has not yet been granted is not within WPP IM Co's control. The Pension Schemes Act, which is the primary legislation that provides the framework for LGPS pooling reform, received Royal Assent on 29 April 2026. Until that point, the legislative basis on which the FCA was being asked to authorise a company of this kind was incomplete. The parliamentary timetable for that Act caused the original April 2026 target to move.

MHCLG, including the Pensions Minister, has expressed gratitude for the pace at which WPP IM Co has progressed relative to the other LGPS pools. That recognition reflects the fact that every milestone within our control has been delivered on or ahead of schedule: application submitted, SMF holders appointed, legal framework consulted and approved, team recruited, office secured in Cardiff, and operational transition planning underway.

Version one of the operational transition plan has been prepared and is being led by the Chief Investment Officer. 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 and cyber-security is being outsourced to a third party and we are continuing to negotiate the detail of that contract. Given our outsourced model and expedited timeline for operational transition, it has been important to ensure appropriate oversight is captured by contractual obligations. In the meantime, day to day investment management and fiduciary responsibilities have continued unchanged; there has been no disruption to members or employers at any stage.

Next steps

With authorisation now a matter of timing, the team's full attention is on operational readiness. Every member of the team has a 60-day plan to 1 July 2026 that connects their individual priorities to the company's collective preparation for Day 1. These are specific, measurable commitments covering the systems, controls, relationships and reporting that must be functioning from the point WPP IM Co appears on the FCA register. The plans are reviewed weekly, and provide confidence that when the Mind to Approve letter arrives, the distance between receiving it and being fully operational will be measured in days rather than weeks.



Rob Lamb

CEO, Wales Pension Partnership Investment Management Company

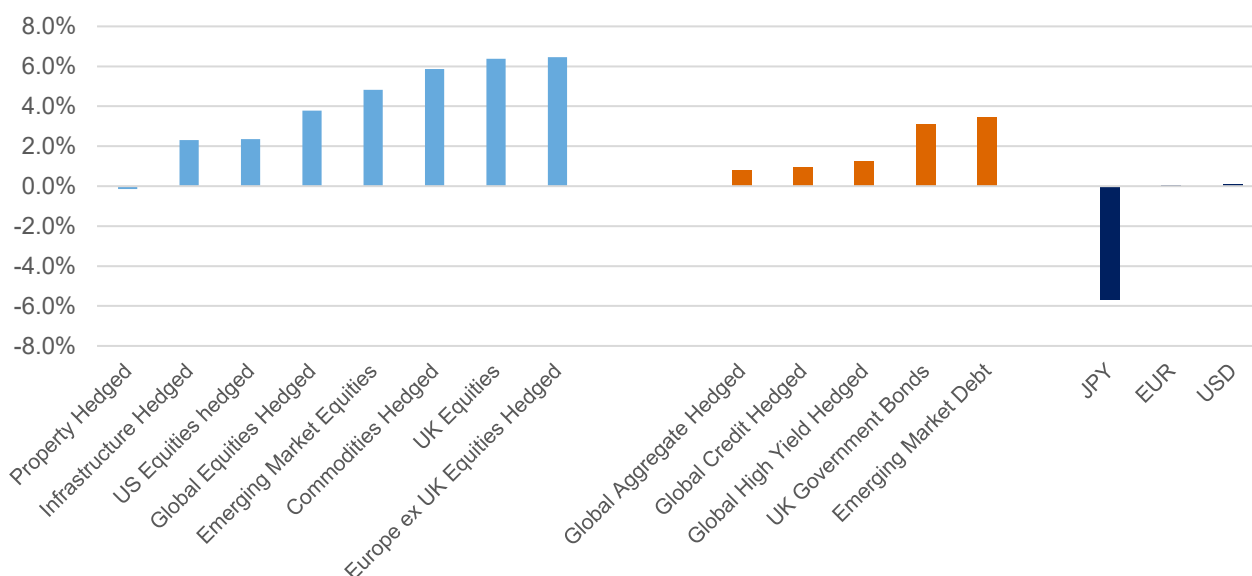
JGC - WPP Performance Summary Q4 2025

Global Market Commentary

The MSCI World Net Index rose by 3.1% (USD) over the fourth quarter. All regions saw gains in a volatile but ultimately positive end to the year. Canada, Europe, the UK and emerging markets were the best-performing markets. In contrast, the US underperformed all other regions and the global index, impacted by weakness in technology names as scepticism grew over the benefits and expected returns from massive investment in artificial intelligence (AI) capacity. Oil prices fell, ending the period below \$60 per barrel amid oversupply concerns. Gold rose by double-digits, after breaking through the \$4,000 per troy ounce threshold in October. The Federal Reserve (Fed) twice cut its benchmark interest rate by 25 basis points (bps). Both the Bank of England and Bank of Canada cut interest rates by 25 bps, while the European Central Bank (ECB) left rates unchanged. Towards year-end, the Bank of Japan (BoJ) raised its policy rate by 25 bps to 0.75%, a 30-year high.

In the UK, 10-year gilt yields fell in October on rising expectations of rate cuts and market-friendly messages from the Treasury. Comments from the BoE governor, Andrew Bailey, who said a weakening jobs market could help reduce inflation, also helped gilts to rally. Encouraging inflation figures heightened optimism over rate cuts, sending 10-year yields lower. As the BoE held rates in November, Governor Bailey fuelled expectations of a rate cut in December, indicating that risks had receded while September's 3.8% inflation was likely the peak. Weak jobs data and disappointing GDP growth strengthened expectations of an imminent rate cut. Gilts dropped sharply after Chancellor Rachel Reeves' apparent U-turn decision to scrap a rise in income tax in the Budget, which raised concerns about the fiscal outlook. After the Budget was announced gilt yields fell as investors were comforted by the decision to significantly raise the fiscal buffer to about £22 billion from £9 billion. The Budget encompassed £26 billion of tax rises but lacked pro-growth measures. Later, fresh data showed GDP unexpectedly fell by 0.1% MoM in October. This, and better than expected November inflation (at 3.2% YoY from 3.6%) prompted a dip in 10-year yields. As the BoE cut rates in December, the narrow 5:4 majority vote indicated ongoing inflation concerns prompting traders to recalibrate expectations of further rate cuts. Over the quarter the yield on benchmark 10-year gilts fell by 22 bps to 4.48%.

Asset class performance – Quarter to Date (December 2025)



Benchmarks : Global equity hedged (MSCI World ACWI), UK equity (FTSE All Share), US equity hedged (Russell 1000 Net GBPH), Europe ex UK equity (MSCI Europe ex UK Equity Net GBPH), Japan equity (TOPIX Net GBPH), Emerging equity (MSCI Emerging Markets Net), Global HY bonds (BofAML Global High Yield 2% Constrained Index), EMD LC (JP Morgan GBI-EM Global Diversified Index), Global credit hedged (Bloomberg Barclays Global Aggregate Credit Index), Global aggregate hedged (Bloomberg Barclays Global Aggregate Bond Index GBPH), UK Government Bonds (ICEBofAML UK Gilts All Stocks (GB), Property hedged (FTSEEPRA Nareit Dev Re GBP)

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	Q4 2025			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	2.8	3.4	-0.6	12.9	13.9	-1.0	13.4	15.6	-2.2	10.9	12.3	-1.4	31/01/2019
Global Opportunities Equity Fund	3.5	3.4	0.1	16.2	13.9	2.3	16.2	16.3	-0.1	13.5	12.6	0.9	31/01/2019
Sustainable Active Equity Fund	4.0	3.4	0.6	10.1	13.9	-2.8	-	-	-	12.3	17.0	-4.7	23/06/2023
Emerging Markets Equity Fund	5.0	4.8	0.2	28.9	24.7	4.2	13.4	12.3	1.1	5.9	5.1	0.8	20/10/2021
UK Opportunities Equity Fund	4.7	6.4	-1.7	19.5	24.0	-4.5	14.0	13.6	-0.4	7.6	8.3	-0.7	23/09/2019
Global Government Bond Fund	0.6	0.7	-0.1	5.9	3.7	2.2	3.7	3.7	0.0	-0.3	-1.2	0.9	30/07/2020
Global Credit Fund	0.9	0.9	0.0	6.6	6.7	-0.1	5.6	5.8	-0.2	0.2	0.2	0.0	27/07/2020
Multi Asset Credit Fund	1.3	2.0	-0.7	9.9	8.5	1.4	9.9	9.0	0.9	4.5	7.0	-2.5	27/07/2020
Absolute Return Bond Strategy Fund	1.1	1.5	-0.4	5.0	6.5	-1.5	6.5	6.9	-0.4	4.5	5.1	-0.6	30/09/2020
Sterling Credit Fund	2.5	2.5	0.0	7.2	6.8	0.4	6.4	5.7	0.7	0.3	-0.6	0.9	27/07/2020

WPP Sub-fund Summary (Net):

WPP Net Performance	Q4 2025			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	2.8	3.4	-0.6	12.6	13.9	-1.3	13.0	15.6	-2.6	10.5	12.3	-1.8	31/01/2019
Global Opportunities Equity Fund	3.5	3.4	0.1	15.9	13.9	2.0	15.9	16.3	-0.4	13.2	12.6	0.6	31/01/2019
Sustainable Active Equity Fund	4.0	3.4	0.6	9.7	13.9	-4.2	-	-	-	11.9	17.0	-5.1	23/06/2023
Emerging Markets Equity Fund	4.9	4.8	0.1	28.4	24.7	3.7	13.0	12.3	0.7	5.4	5.1	0.3	20/10/2021
UK Opportunities Equity Fund	4.6	6.4	-1.8	19.1	24.0	-4.9	13.6	13.6	0.0	7.2	8.3	-1.1	23/09/2019
Global Government Bond Fund	0.5	0.7	-0.2	5.6	3.7	1.9	3.5	3.7	-0.2	-0.5	-1.2	0.7	30/07/2020
Global Credit Fund	0.8	0.9	-0.1	6.4	6.7	-0.3	5.4	5.8	-0.4	0.0	0.2	-0.2	27/07/2020
Multi Asset Credit Fund	1.2	2.0	-0.8	9.5	8.5	1.0	9.6	9.0	0.6	4.2	7.0	-2.8	27/07/2020
Absolute Return Bond Strategy Fund	1.0	1.5	-0.5	4.7	6.5	-1.8	6.3	6.9	-0.6	4.2	5.1	-0.8	30/09/2020
Sterling Credit Fund	2.5	2.5	0.0	7.0	6.8	0.2	6.3	5.7	0.6	0.2	-0.6	0.8	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.

	Q4 2025	1 Year	3 Year	5 Year	Since Inception
Gross	2.8	12.9	13.4	8.3	10.9
Net	2.8	12.6	13.0	7.9	10.5
MSCI AC World Index Net*	3.4	13.9	15.6	11.2	12.3
Excess returns (gross)	-0.6	-1.0	-2.2	-2.9	-1.4
Excess returns (Net)	-0.6	-1.3	-2.6	-3.3	-1.8

Inception Date: 18th November 2024

Source: Northern Trust as of 31 December 2025

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 a positive absolute return over the fourth quarter but finished behind the benchmark on a relative basis.

The Fund underperformed, impacted by its growth and small cap tilts, which were headwinds in the period. At the sector level, overweight exposure to and stock selection within consumer discretionary detracted from relative returns, notably an overweight to AutoZone. Stock selection within industrials was also ineffective (overweight Carrier Global, Copart). In health care an underweight to pharmaceuticals giant Eli Lilly was unhelpful. Positive stock selection within communication services was helped by an overweight to Alphabet. At the manager level, Pzena was by far the best performer, rewarded for its value tilt. Positive contributions came from an underweight to and selection within information technology (overweight Samsung Electronics, Nokia). Further positive contribution came from an overweight to and stock selection within financials (overweight to Citigroup, Bank of Ireland). Baillie Gifford was the worst performer. Its growth focus was out of favour in the period. In sectors, overweight exposure to and stock selection within consumer discretionary was the main detractor, in particular, overweights to Prosus, DoorDash and Sea Ltd. Stock selection within communication services was also unhelpful (overweight Meta).

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.

	Q4 2025	1 Year	3 Year	5 Year	Since Inception
Gross	3.5	16.2	16.2	12.4	13.5
Net	3.5	15.9	15.9	12.1	13.2
MSCI AC World Index Net	3.4	13.9	16.3	11.6	12.6
Excess returns (gross)	0.1	2.3	-0.1	0.8	0.9
Excess returns (Net)	0.1	2.0	-0.4	0.5	0.6

Inception Date: COB 31st January 2019

Source: Northern Trust as of 31 December 2025

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 a positive absolute return over the fourth quarter and finished ahead of the benchmark on a relative basis.

The Fund outperformed benefitting from its value exposure. At the sector level, overweight exposure to and stock selection within materials was a key positive contributor as this sector continued to outperform. In particular, overweights to Aluminum Corporation of China and precious metals miner Fresnillo were rewarded. Stock selection within financials was also effective (overweight Lloyds Banking Group). In information technology, positive stock selection was seen in an overweight to Samsung Electronics and an underweight to Oracle although this was partly offset by underweights to SK Hynix and Micron Technology, which detracted. In health care, the best-performing sector, although an overweight to the sector was helpful, stock selection was negative (underweight Eli Lilly). However, an off-benchmark position in Nippon Shinyaku and an overweight to Roche mitigated some of the impact. The main detractors of relative returns were stock selection in consumer discretionary and industrials. In the former, an off-benchmark position in Coupang and an overweight to Alibaba were detrimental while an overweight to Uber in the industrials sector was unhelpful. At the manager level, Sanders was the best performer, helped by its value exposure and tilt to large caps. Stock selection was particularly effective, notably within technology. This included overweights to Samsung Electronics and Applied Materials. As in the previous quarter, Morgan Stanley was the worst performer. Negative stock selection was the key driver of underperformance. Relative performance was held back by an overweight to and stock selection within consumer discretionary (overweight DoorDash, off-benchmark exposure to Coupang). Selection within communication services (overweight Spotify) was also detrimental.

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.

	Q4 2025	1 Year	Since Inception
Gross	4.0	10.1	12.3
Net	4.0	9.7	11.9
MSCI AC World Index Net	3.4	13.9	17.0
Excess returns (gross)	0.6	-3.8	-4.7
Excess returns (Net)	0.6	-4.2	-5.1

Inception Date: COB 23rd June 2023

Source: Northern Trust as of 31 December 2025

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 a positive absolute return of 0.82% in the fourth quarter but finished behind the benchmark on a relative basis.

The Fund's factor positioning was marginally rewarded within this environment. The tilt towards value stocks contributed to positive relative returns. However, the preference for small capitalisation stocks detracted. On a regional basis, sStock selection was positive within Emerging Markets and US Exposure to US names Sandisk (off-benchmark), Alcoa (off-benchmark) and an underweight to Meta were notable contributors. At the sector level, stock selection was positive within information technology but was negative within financials (overweight to 3i Group) and industrials (overweight Owens Corning). Positioning and effective selection within the health care (overweight) and consumer discretionary (underweight) sectors was also rewarded. At the manager level, Sparinvest S.A. was the best-performing strategy. SNeuberger Berman and Wellington underperformed.

EM Market Commentary

Emerging markets (EM) outperformed the MSCI World Net Index over the quarter. South Korea, Chile and Hungary were among the best performers. South Korea's equity market was boosted by strong performance in the technology sector, particularly among semiconductor manufacturers such as TSMC and SK Hynix. As well as its dominance in AI-related industries and strong positions in other sectors such as defence and shipbuilding, South Korea's equity market was rewarded for the government's corporate governance reforms, which boosted foreign investment flows. In addition, third quarter GDP growth positively surprised at 1.2% QoQ (1.7% YoY) in its best quarter since Q2 2024. Stronger exports underpinned growth. China, Turkey, and Middle East markets (Saudi Arabia, Qatar and Kuwait) underperformed, the latter impacted by lower oil prices, which fell below \$60 per barrel. China's market saw weakness in technology and communication services sectors. Lacklustre economic data also weighed. Earlier in the quarter, sentiment dropped following President Trump's warning of higher tariffs on China following the Chinese government's announcement of export controls on rare earths and critical minerals. Although progress was made at the subsequent US-China summit meeting in South Korea, some viewed the concessions as modest.

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.

	Q4 2025	1 Year	3 Year	Since Inception
Gross	5.0	28.9	13.4	5.9
Net	4.9	28.4	13.0	5.4
MSCI Emerging Market Index	4.8	24.7	12.3	5.1
Excess returns (gross)	0.2	4.2	1.1	0.8
Excess returns (Net)	0.1	3.7	0.7	0.4

Inception Date: COB 20th October 2021

Source: Northern Trust as of 31 December 2025

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 slightly outperformed the benchmark return. Factor positioning was a small detractor. Exposure to the smallest stocks within the index was unrewarded as large cap value names led the market higher. At the country level, an overweight to and positive stock selection within the strong-performing South Korean market was rewarded. This included overweight exposure to technology names SK Hynix and Samsung Electro-Mechanics. Stock selection within Taiwan, India and Indonesia was positive. An underweight to Saudi Arabia – the weakest-performing country this period – was a further contributor. However, weak stock selection within Brazil weighed on performance. . Elsewhere, an overweight to and effective selection within materials was a further contributor, driven by off-benchmark exposure to mining names (Fresnillo, Barrick Mining). At the manager level, Barrow Hanley was the standout performer, benefitting from its value tilt and effective country allocation and stock selection (Korea, China). Sands' growth strategy was the weakest-performer this quarter, with negative stock selection the key driver of underperformance.

UK Market Commentary

UK equities outperformed the global index and all other markets except Canada, propelled higher by health care (AstraZeneca) and materials (Fresnillo) names. The UK market also benefitted from a lack of big technology companies amid growing concerns over high valuations and fears of an AI bubble. Shares fell mid-November, mirroring trends elsewhere, before regaining their positive momentum. Meanwhile, confusion over the November Budget weighed in response to apparent indecision within the government. The Budget itself prompted only a muted market response although participants welcomed a doubling of the fiscal headroom. It was largely a tax-raising affair that raised taxes by £26 billion partly via freezing personal income tax thresholds. In the economy, inflation encouraged, easing in November to 3.2% YoY from 3.6%, while core inflation slowed to 3.2% from 3.4%. PMIs also broadly improved although the construction sector faltered. In other signs of weakness, GDP unexpectedly fell by 0.1% MoM in October, partially impacted by a production shutdown at car maker Jaguar Land Rover in the late summer. The unemployment rate increased to 5.1% in the three months to October, up from 5.0% in the previous period and wage growth slowed. In addition, retail sales were weak as consumers held back spending ahead of the Budget.

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.

	Q4 2025	1 Year	3 Year	5 Years	Since Inception
Gross	4.7	19.5	14.0	9.5	7.6
Net	4.6	19.1	13.6	9.2	7.2
FTSE All Share	6.4	24.0	13.6	11.7	8.3
Excess returns (gross)	-1.7	-4.5	0.4	-2.2	-0.7
Excess returns (Net)	-1.8	-4.9	0.0	-2.5	-1.1

Inception Date: COB 23rd September 2019

Source: Northern Trust as of 31 December 2025

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 underperformed the positive benchmark return in the fourth quarter.

The Fund's tilt towards small capitalisation stocks detracted from relative returns in a period where large capitalisation value names led the market higher. Sector positioning and stock selection was negative. This included positioning and selection within financials (underweight), health care (underweight), materials (underweight) and communication services (overweight). An underweight to AstraZeneca and an overweight to AJ Bell and Auto Trader were key detractors at the stock level. However, effective stock selection within industrials and consumer discretionary limited additional underperformance. This was underpinned by underweights to BAE Systems and RELX. Aside from Fidelity, most underlying managers underperformed this quarter, with Baillie Gifford the weakest-performer.

Fixed Income Market Commentary

In the US, early in the quarter fears of a renewed trade war between the US and China, and the government shutdown weighed on sentiment. Uncertainty caused by the delays in economic data releases impacted the market's ability to judge the Fed's next move on interest rates. Following the Fed's rate cut in October, comments from Fed officials strengthened expectations of a December rate cut with concerns voiced over the strength of the labour market. Although the Fed cut rates as expected in December, the meeting was divisive, exposing opposing views over whether to prioritise tackling a weakening jobs market or high inflation. Delayed non-farm payrolls for October showed 105,000 jobs lost, much worse than the 25,000 decline expected, largely due to significant cuts to federal government jobs. Although 64,000 jobs were added in November, above the estimate, unemployment ticked up to 4.6% that month, the highest in over four years. Meanwhile, inflation eased in November to 2.7% YoY, well below the 3.1% forecast and September's 3.0% (no October data was available due to the government shutdown). Core inflation was 2.6% versus the 3.0% expectation. Over the quarter the yield on 10-year Treasuries rose two bps to 4.17%.

Credit markets were relatively benign over the quarter with spreads remaining tight. Hard currency emerging market debt (EMD) was the best performer with spreads tightening by 27 bps to 231. Generally high yield outperformed investment grade in a market that saw global high yield spreads narrow by 17 bps to 291. US and European high yield spreads were largely unchanged. In the investment grade market, European and UK spreads narrowed modestly (-3 bps to 66; -2 to bps to 68, respectively). US investment grade spreads widened by 3 bps to 73 while global investment grade spread widening was slight (1 bps to 72). Hard currency EMD, as measured by the JPM EMBI Global Index, rose by 3.0% while local currency EMD as measured by the JP Morgan GBI-EM Global Diversified Index increased by 3.3%.

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.

	Q4 2025	1 Year	3 Year	5 Year	Since Inception
Gross	0.6	5.9	3.7	-0.6	-0.3
Net	0.5	5.6	3.5	-0.8	-0.5
FTSE World Gvt Bond Index (GBP Hedged)	0.7	3.7	3.7	-1.2	-1.2
Excess returns (gross)	-0.1	2.2	0.0	0.6	0.9
Excess returns (Net)	-0.2	1.9	-0.2	0.4	0.7

Inception Date: COB 30th July 2020

Source: Northern Trust as of 31 December 2025

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 return.

Positioning to rates in Japan – particularly underweights to 5- and 10-year maturities – was a key contributor this quarter. The Japan government's stimulus package and an interest rate hike helped push yields to their highest since the late 1990s. Dynamic positioning towards core eurozone bonds and to UK gilts was rewarded. Exposure to smaller markets also contributed this quarter, including an overweight to rates in Poland and Indonesia and dynamic positioning in Colombia. An overweight to South African 10-year rates was a further contributor. An overweight to short-dated US T-bills and overweight to rates in Australia weighed on additional performance.

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.

	Q4 2025	1 Year	3 Year	5 Year	Since Inception
Gross	0.9	6.6	5.6	-0.3	0.2
Net	0.8	6.4	5.4	-0.4	0.0
Bloomberg Barclays Global Agg Credit Index (GBP Hedged)	0.9	6.7	5.8	-0.2	0.2
Excess returns (gross)	0.0	-0.1	-0.2	-0.1	0.0
Excess returns (Net)	-0.1	-0.2	-0.4	-0.2	-0.2

Inception Date: COB 27th July 2020

Source: Northern Trust as of 31 December 2025

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 underperformed the benchmark return over the fourth quarter.

Credit markets were relatively benign over the quarter with spreads remaining tight. Generally high yield outperformed investment grade in a market that saw global high yield spreads narrow by double digits. Although the Fund benefitted from allocations in corporate credit this was offset by negative impacts elsewhere. In US credit, overweight exposure to high yield industrials was a notable positive contributor. In European credit, overweight exposure to high yield financials and industrials was effective while an overweight to investment grade utilities detracted. An underweight to UK investment grade financials was helpful. Offsetting these contributions were negative impacts from underweight exposure to hard currency emerging market debt in Latin America and underweight exposure to Spanish sovereign debt. Elsewhere, in US securitized credit an overweight to passthrough credit was modestly helpful.

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.

	Q4 2025	1 Year	3 Year	5 Year	Since Inception
Gross	1.3	9.9	9.9	3.6	4.5
Net	1.2	9.5	9.6	3.3	4.2
3 Month GBP SONIA + 4%	2.0	8.5	9.0	7.3	7.0
Excess returns (gross)	-0.7	1.4	0.9	-3.7	-2.5
Excess returns (Net)	-0.8	1.0	0.6	-4.0	-2.8
Strategic asset allocation benchmark	1.6	7.9	8.5	3.9	4.2

Inception Date: COB 27th July 2020

Source: Northern Trust as of 31 December 2025

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.

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

Overall Fund Commentary

The Fund recorded a positive return in the fourth quarter.

As in the previous quarter, both rates and credit positioning were rewarded while currency detracted. In rates, exposure to shorter term US Treasuries was particularly effective. Allocations to German bunds were also helpful. In credit, exposure to US and European high yield industrials was a notable positive contributor. Allocations to European high yield financials also helped. In UK credit, exposure to high yield financials and industrials was additive. Positioning in hard currency emerging market debt was effective with contributions from Latin America, Africa, the Middle East and to a lesser extent Europe while allocations to Asia detracted. Exposure to US securitised credit was rewarded with the biggest contribution from non-agency commercial mortgage-backed securities. Allocations to non-agency collateralised mortgage obligations, credit risk transfers and collateralised loan obligations were also positive. Elsewhere, exposure to shorter term bank loans contributed. In currencies, UK sterling had a notable negative impact. All the underlying managers recorded a positive return over the quarter.

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.

	Q4 2025	1 Year	3 Year	5 Year	Since Inception
Gross	1.1	5.0	6.5	4.5	4.5
Net	1.0	4.7	6.3	4.3	4.2
3 Month GBP SONIA + 2%	1.5	6.5	6.9	5.2	5.1
Excess returns (gross)	-0.4	-1.5	-0.4	-0.7	-0.6
Excess returns (Net)	-0.5	-1.8	-0.7	-0.9	-0.9

Inception Date: COB 30th September 2020

Source: Northern Trust as of 31 December 2025

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.

Exposure to convertible bonds was rewarded. Convertible bonds benefitted from their equity market sensitivity as global equities climbed higher, supported by healthy corporate earnings and accommodative monetary policy. In credit markets, tight spreads moved broadly sideways and the credit curve flattened further. This followed strong third-quarter performance. Exposure to European asset-backed securities remained positive within this environment. Exposure to high yield credit was a further contributor as it generally outperformed investment grade credit. Global macro specialist Wellington recorded a negative return to weigh on further performance. Wellington suffered from its preference for Portuguese duration at the expense of French duration. A tactical overweight to the Japanese yen was also unrewarded.

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.

	Q4 2025	1 Year	3 Year	5 Year	Since Inception
Gross	2.5	7.2	6.4	-0.3	0.3
Net	2.5	7.0	6.3	-0.4	0.2
ICE Bank of America Merrill Lynch Euro-Sterling Index	2.5	6.8	5.7	-1.2	-0.6
Excess returns (gross)	0.0	0.4	0.7	0.9	0.9
Excess returns (Net)	0.0	0.2	0.6	0.8	0.8

Inception Date: COB 27th July 2020

Source: Northern Trust as of 31 December 2025

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 marginally underperformed the index over the quarter. Term structure positioning held back returns, with unfavourable positioning across the sterling yield curve weighing on returns. In addition, the long position in Japanese yen duration detracted following a rate hike by the Bank of Japan, which pushed yields higher, while unfavourable positioning via quant model also weighed on returns. These losses were partially offset by the short position in euro duration, and favourable position across the US treasury curve which added value.

Credit positioning resulted in broadly flat relative returns, as modest contributions from beta, allocation and security selection largely offset one another. No single sector generated a material contribution to relative performance. At the issuer level, overweight positions in New York Life Insurance and BMW were modest contributors, while the underweight positions in E.ON and HSBC weighed slightly on returns. Fidelity's structural underweight in selected quasi/supranational issuers also weighed on returns.

MEETING: **PENSION BOARD**

DATE : **12 OCTOBER 2026**

TITLE: **PENSION FUND INVESTMENT PERFORMANCE UP TO 30 JUNE 2026**

PURPOSE: **TO PRESENT THE FUND'S INVESTMENT PERFORMANCE**

RECOMMENDATION: **TO ACCEPT THE INFORMATION**

AUTHOR: **DELYTH JONES-THOMAS, INVESTMENT MANAGER**

1. INTRODUCTION

The investment performance of individual asset managers is monitored by the Pensions Committee on a quarterly basis and this report provides an update for the Board.

Whilst quarterly and annual monitoring takes place, it should be noted that pension fund returns over the longer term are the aim, and there will inevitably be some fluctuations from year to year, and more volatile performance from quarter to quarter. Generally, individual asset managers' performance is assessed over the longer term.

2. INVESTMENT PERFORMANCE

The fund's performance against the benchmark is set out in the table below:

	3 Months %	1 Year %
Fund	6.9	15.4
Benchmark	7.5	16.2
Relative Performance	-0.6	-0.8

The Fund returned -0.6% over the quarter, which was less than the benchmark return. Total assets shown in this report increased by c.£291.4m to c.£3.967bn. Performance was primarily driven by strong returns in listed equities, as global equities returned 14.2% over the quarter.

2.1 Equity Investment Managers

The table below summarises the performance of the individual equity Investment Managers as at 30 June 2026:

	Market Value 30/06/26 £m	Performance 3 Months %	Performance 1 Year %
Black Rock Aquila Life UK Equity Fund	315.1	4.7	22.1
Benchmark		4.7	21.9
Relative Performance		0.0	0.2
Black Rock World ESG Equity Fund	225.1	13.3	n/a
Benchmark		13.0	n/a
Relative Performance		0.3	n/a
WPP Emerging Markets Fund	104.0	25.7	53.3
Benchmark		23.7	48.8
Relative Performance		2.0	4.5
WPP Global Growth Fund	444.0	14.0	23.7
Benchmark		14.2	27.7
Relative Performance		-0.2	-4.0
WPP Global Opportunities Fund	454.6	12.5	27.0
Benchmark		14.2	27.7
Relative Performance		-1.7	-0.7
WPP Sustainable Active Equity Fund	411.9	14.5	25.3
Benchmark		14.2	27.7
Relative Performance		0.3	-2.4

The Black Rock UK Equity fund delivered positive absolute returns in line with the benchmark, while the WPP Black Rock World ESG Equity fund delivered positive absolute returns marginally ahead of the benchmark. The WPP Global Growth and WPP Global Opportunities funds produced positive absolute performance but lagged their respective benchmarks over the quarter, while the WPP Sustainable Equity fund and the WPP Emerging Markets equity fund delivered positive absolute performance ahead of their respective benchmarks.

2.2 Fixed Income Managers

	Market Value 30/06/26 £m	Performance 3 Months %	Performance 1 Year %
WPP Multi Asset Credit Fund	267.0	2.9	7.9
Benchmark		1.9	8.1
Relative Performance		1.0	-0.2
WPP Absolute Return Bond Fund	564.3	1.8	4.8
Benchmark		1.5	6.1
Relative Performance		0.3	-1.3
WPP Global Credit Fund	353.9	1.7	4.2
Benchmark		1.8	4.3
Relative Performance		-0.1	-0.1

The WPP Multi Asset Credit Fund produced positive returns and outperformed its benchmark over the quarter. The WPP Absolute Return Bond fund delivered positive returns on an absolute basis and outperformed its benchmark over the quarter, but continues to lag its benchmark over longer time periods. The WPP Global Credit fund also produced positive absolute returns marginally behind its benchmark over the quarter as credit spreads narrowed further, and continued to underperform the benchmark over longer time periods.

2.3 Property Investment Managers

The table below summarises the performance of the individual Property Asset Managers:

	Market Value 30/06/26 £m	Performance 3 Months %	Performance 1 Year %
WPP Property Fund	311.7	n/a	n/a
Benchmark		0.5	3.3

During this quarter and last, the Fund moved all of its property holdings into the WPP Property fund managed by Schroders. The performance of this fund will be monitored in due course. The Lothbury fund, which was terminated on 30 May 2024, made its final distribution to investors on 30 April 2026.

2.4 Partners Group

Partners Group is responsible for managing the Fund's historical private equity investments and infrastructure.

	Market Value 30/06/26 £m
Partners Private Equity	128.0
Partners Infrastructure	64.6
Total	192.6

Monitoring the performance of private equity and infrastructure investments is much more difficult than traditional assets, such as quoted bonds and equities. Private equity funds have a fixed life span of about 10-15 years. Real profits / returns can only be confirmed when individual assets are sold, so actual performance cannot be assessed until the fund is closed. The Fund's programme for private equity and infrastructure investments is reviewed annually and will include the new WPP funds in the future.

2.5 Wales Pension Partnership Private Markets Managers

	Market Value 30/06/26 £m
WPP Private Equity	28.4
WPP Renewable Infrastructure	7.8
WPP Global Infrastructure	10.8
WPP Open Ended Infrastructure	128.3
WPP Private Credit	80.3
Total	255.6

These funds have been launched since 2023 with capital being called up regularly by the investment managers. Investments are expected to increase significantly over the upcoming years. Initial results have shown that the WPP funds are delivering positive returns.

2.6 Pension Fund historical performance

It is widely recognised that longer-term performance is a more valid performance indicator than a single year because strategies designed for long-term good performance can occasionally suffer short-term losses.

The performance of the fund's investments has been lower than the benchmark in the year and over 3 years, mainly due to the performance of some of the equity, fixed income and property funds, but since inception, the performance has been higher than the benchmark, as seen in the table below:

	1 Year %	3 Years % p.a.	Since inception % p.a.
Fund	15.4	10.9	8.1
Benchmark	16.2	11.8	7.9
Relative Performance	-0.8	-0.9	0.2

Even though the 3 year performance of the Fund has been behind benchmark, the performance was in the upper quartile of all LGPS funds. The benchmarks given are very challenging (i.e. MSCI AC World) and the fund is performing well in comparison to other LGPS funds.

3. STRATEGIC ASSET ALLOCATION

The Fund's proposed strategic asset allocation was approved in the November 2025 Pensions Committee, including a new allocation to natural capital and gilts.

Since then, the Fund reduced its overweight position to listed equities, reinvesting proceeds in protection assets. The Fund remains underweight to income assets, while existing commitments are drawn down- these will move towards target over time.

The WPP Investment Management Company has been established and it will be the company's responsibility to implement the strategic asset allocation by deciding on the tactical asset allocation, investment manager selection, stock selection, investment stewardship and cash management.

The WPP Investment Management Company will be reporting to the Committee on a regular basis.

4. RECOMMENDATION

The Board is asked to accept the information.

Meeting:	Pension Board
Date:	12/10/2026
Title:	Annual Benefit Statements 2025/26 (McCloud Remedy)
Author:	Meirion Jones, Pensions Manager
Purpose:	For information only

1. Purpose

To provide assurance to the Board following recent correspondence from The Pensions Regulator to Pension Board members regarding the inclusion of McCloud remedy information in Annual Benefit Statements (ABSs).

2. Background

The Pensions Regulator has reminded Pension Boards of the need to ensure that:

- Remediable service information is included within 2025/26 ABSs where applicable.
- Statements are issued by the statutory deadline of 31 August 2026.
- Any breaches are appropriately reported.
- Members receive clear communications.

3. Gwynedd Pension Fund Position

Officers can confirm that:

- All 2025/26 Annual Benefit Statements were issued by the statutory deadline of 31 August 2026.
- McCloud remedy information was included for all relevant members.
- Data validation and quality assurance checks were completed prior to issue.
- Appropriate member communications were provided.
- No material breaches arose in relation to the provision of remediable service information and therefore no breach report was required.

4. Conclusion

The Board can be assured that Gwynedd Pension Fund has complied with the statutory requirements relating to the inclusion of McCloud remedy information within Annual Benefit Statements for the 2025/26 scheme year and has met the expectations outlined by The Pensions Regulator.

5. Recommendation

The Board is requested to note the contents of this report.

From: The Pensions Regulator <thepensionsregulator@tpr.gov.uk>

To: "[REDACTED]"

Sent: Wednesday, 29 July 2026 at 14:00:56 BST

Subject: Reminder: McCloud remediable service information

Reminder of our expectations

[View in browser](#)



Reminder:

McCloud remediable service information – reminder of our expectations

Dear Pension Board Member,

We are writing to you as a member of the pension board of an LGPS administering authority.

Last year, we wrote to LGPS administering authorities following publication of our statement on delivering remediable service information to members of Local Government Pension Schemes to address the McCloud remedy. As implementation continues, we are writing to remind you of our expectations and the important role pension boards play in supporting effective governance and oversight.

Since our statement was published last year, we are aware that various LGPS administering authorities chose to exercise the discretion provided under legislation to delay the provision to some members of remediable service information in annual benefit statements (ABSs) until the ABSs due to be issued by 31 August 2026 for the 2025/26 scheme year.

As implementation progresses and becomes part of business as usual, it is important that pension boards continue to oversee progress and seek assurance that statutory requirements are being met.

Our expectations

Pension board members should seek assurance that scheme managers are:

- Ensuring that the 2025/26 ABSs include remediable service information for all members and that this information is provided through members' ABSs by the 31 August 2026 statutory deadline.
- Reporting any breaches to us, including where the statutory requirement is not met, or where underlying issues (for example, data quality, internal controls or record-keeping) may be contributing to delays.

- Communicating clearly with members by providing clear and timely information to affected members, particularly where remediable service information is delayed.

We also expect decisions to be clearly reasoned and supported by appropriate evidence. You can find further detail on our expectations in our statement on remediable service information delivery for LGPS [on our website](#).

Maintaining momentum on delivery remains essential to ensuring good outcomes for members.

Yours faithfully,

The Pensions Regulator



Meeting:	Pension Board
Date:	12/10/2026
Title:	Pension Administration Strategy
Author:	Meirion Jones, Pensions Manager
Purpose:	To present the revised Pension Administration Strategy to the Pension Board for review and scrutiny prior to consultation with participating employers and subsequent submission to the Pensions Committee for approval.
Recommendation:	The Pension Board is requested to review the revised Pension Administration Strategy, provide any comments or recommendations prior to employer consultation, note the intention for annual reviews going forward, and support the issue of the revised Strategy to participating employers before its submission to the Pensions Committee for approval.

1. Purpose of the Report

To present the revised Pension Administration Strategy to the Pension Board for review and scrutiny prior to consultation with participating employers and subsequent submission to the Pensions Committee for approval.

The revised Strategy is attached as **Appendix A**.

2. Background

The Pension Administration Strategy sets out the respective roles, responsibilities and performance standards of Gwynedd Pension Fund and participating employers in the administration of the Local Government Pension Scheme (LGPS).

The current Strategy was last subject to a comprehensive review in **2022**. Since that time there have been significant developments affecting pension administration, including:

- The implementation of the McCloud remedy.
- Preparations for Pensions Dashboards.
- The introduction of The Pensions Regulator's General Code.
- Increased focus on cyber security, data protection and operational resilience.
- Emerging LGPS Good Governance reforms.
- Changes to the Fund's administration processes and employer engagement arrangements.

To ensure the Strategy remains relevant and reflects current legislative, regulatory and operational requirements, officers have undertaken a comprehensive review and update of the document.

It is proposed that, following approval of this revised Strategy, it will become subject to an **annual review process** to ensure it remains up to date and continues to reflect best practice, regulatory requirements and developments within the LGPS.

3. Key Changes

The principal changes incorporated within the revised Strategy include:

- Updating references to current LGPS regulations and regulatory requirements.
- Inclusion of references to The Pensions Regulator's General Code.
- Introduction of requirements relating to the McCloud remedy and employer data retention responsibilities.
- Addition of a dedicated section covering Pensions Dashboards responsibilities.
- Strengthening employer responsibilities regarding data quality, governance and internal controls.
- Inclusion of cyber security, data protection and operational resilience requirements.
- Updating employer performance standards and administration processes to reflect current working practices.
- Updating AVC processes following the Fund's move to Legal & General.
- Inclusion of references to Good Governance reforms and the future Senior LGPS Officer role.
- Clarification of the Fund's cost recovery arrangements under Regulations 59 and 70 of the LGPS Regulations 2013.
- Modernisation of communication, training and employer engagement provisions.

4. Consultation

Following consideration by the Pension Board, the revised Strategy will be issued to participating employers for consultation.

Any comments received will be considered by officers and, where appropriate, incorporated into the final version of the document before it is presented to the Pensions Committee for formal approval.

5. Recommendation

The Pension Board is requested to:

1. Review and scrutinise the revised Pension Administration Strategy.
2. Provide any comments or recommendations for consideration prior to employer consultation.
3. Note the intention to review the Strategy annually going forward.

4. Support the issue of the revised Strategy to participating employers for consultation prior to submission to the Pensions Committee for approval.

Pensions Administration Strategy

1. Introduction

This is the Pension Administration Strategy (PAS) of Gwynedd Pension Fund (the Fund) in relation to the Local Government Pension Scheme (LGPS), which is administered by Gwynedd Council (the Administering Authority).

The LGPS is a statutory scheme and governed by regulations. The current regulations relating to administration are The Local Government Pension Scheme Regulations 2013 (as amended). The following link to the Local Government Association's (LGA) "LGPS Regulations and Guidance" website provides an up to date version of the LGPS Regulations 2013, including changes made subsequently through amending statutory instruments:

<https://lgpsregs.org/legal/lgps-regulations/lgps-regulations-2013-regulations/>

The Administering Authority and the Fund's employers are required to comply with any relevant overriding legislation and follow any regulatory guidance or Code of Practice issued by The Pensions Regulator in discharging their roles and responsibilities under these regulations with regard to data quality, completeness and timeliness.

Good Governance Reforms

The Fund is committed to implementing the recommendations arising from the LGPS Good Governance Review and any subsequent statutory governance reforms. This includes maintaining appropriate levels of resourcing, ensuring clear accountability for pension administration, undertaking periodic assessments of governance effectiveness and supporting future independent governance reviews required under LGPS regulations.

2. Regulatory requirements

This Pension Administration Strategy has been prepared in accordance with **Regulation 59 of the Local Government Pension Scheme (LGPS) Regulations 2013**, which allows administering authorities to publish a Pension Administration Strategy setting out how pension administration responsibilities will be managed and delivered.

The purpose of the Strategy is to:

- Establish clear working arrangements between the Fund and participating employers.
- Set performance standards and service expectations.
- Promote effective communication and information sharing.
- Support compliance with LGPS legislation and regulatory requirements.
- Encourage continuous improvement in pension administration.
- Provide a framework for monitoring performance and resolving issues where standards are not met.

Under Regulation 59, the Strategy may include:

- Arrangements for communication and liaison between the Fund and employers.
- Performance standards and targets for both the Fund and employers.
- Procedures to ensure compliance with statutory obligations.
- Measures to improve the quality and timeliness of information exchanged between employers and the Fund.
- Circumstances in which costs may be recovered from employers where poor performance results in additional administration costs.
- Requirements for monitoring and reporting performance.

The Regulations also require the Fund to:

- Keep the Strategy under regular review.
- Consult employers and other relevant stakeholders before making significant changes.
- Publish the Strategy and any subsequent revisions.
- Provide a copy of the Strategy to all participating employers and the Secretary of State.
- Have regard to the Strategy when carrying out LGPS functions.

This Strategy sets out the standards of performance and good practice that both the Administering Authority and participating employers are expected to achieve when carrying out their responsibilities under the LGPS.

The Strategy is reviewed annually and may be updated to reflect:

- Changes to LGPS legislation or statutory guidance.
- New regulatory requirements.
- Changes to policies approved by the Administering Authority.
- Developments in administrative processes, systems and working practices.
- Changes in employer or member service expectations.

In addition to the requirements of the LGPS Regulations, the Fund recognises the increasing importance of **cyber security, data protection and operational resilience** in the delivery of pension

administration services. The Fund and participating employers are expected to maintain robust controls to protect member data, ensure the security of systems, and minimise the risk of service disruption.

To support this objective, the Fund will maintain and regularly review arrangements covering:

- Multi-factor authentication and secure access controls.
- Staff cyber awareness and information security training.
- Business continuity and service recovery arrangements.
- Disaster recovery testing and contingency planning.
- Oversight and monitoring of third-party suppliers and service providers.
- Cyber incident reporting and escalation procedures.
- Data breach management and regulatory reporting requirements.
- System security updates and vulnerability management.
- Compliance with the expectations of The Pensions Regulator and relevant data protection legislation.

Participating employers are expected to implement appropriate controls within their own organisations and notify the Fund promptly of any cyber incident, data breach or systems issue that may impact the administration of the LGPS or the security of member data.

In accordance with **Regulation 70 of the LGPS Regulations 2013**, this Strategy also sets out the circumstances in which the Fund may recover additional costs from an employer where those costs arise as a result of the employer's failure to meet its statutory or administrative responsibilities. Performance against the standards contained within this Strategy is monitored and reported regularly through:

- Pension Administration reports presented to the Pensions Committee.
- Reports submitted to the Local Pension Board.
- The Fund's Annual Report and Accounts.
- Ongoing employer performance monitoring.

Where an employer's performance falls below the standards set out in this Strategy and results in additional costs being incurred by the Fund, the Fund may seek to recover those costs under Regulation 70. Before doing so, the employer will be informed of the issue, the reasons for the Fund's concerns, and the basis for any costs being recovered. Such costs may include additional administration, actuarial, legal, communication or officer costs incurred as a result of employer non-compliance.

This Strategy has been approved by the Pensions Committee following consultation with participating employers and the Local Pension Board. It is published on the Fund's website at **www.gwynedd-pensionfund.wales**, and a copy will be provided to all participating employers and the Secretary of State in accordance with the requirements of Regulation 59.

3. Aims of the Strategy

The purpose of this Pension Administration Strategy is to establish a clear framework for the efficient and effective administration of the Local Government Pension Scheme (LGPS) and to promote a collaborative working relationship between the Fund and its participating employers.

The objectives of the Strategy are to:

- Deliver a high-quality, efficient and member-focused pension administration service.
- Clearly define the respective roles, responsibilities and expectations of the Administering Authority and participating employers.
- Support compliance with LGPS legislation, statutory guidance and the Pensions Regulator's General Code of Practice and any subsequent guidance or regulatory requirements.
- Establish clear service standards, performance targets and accountability measures.
- Promote accurate, timely, complete and secure exchange of information between the Fund and employers.
- Encourage continuous improvement in administration processes, data quality and service delivery.
- Strengthen partnership working between the Fund and employers for the benefit of members.
- Support effective governance, risk management and regulatory compliance.
- Provide a mechanism for recovering additional administration costs where material employer underperformance results in extra work or expense for the Fund.
- Support compliance with Pensions Dashboards requirements and the maintenance of high-quality member data.

The effective administration of the Scheme relies upon the timely, accurate and secure exchange of information between the Administering Authority and participating employers. High-quality data and efficient administrative processes are essential to ensure that members receive the correct benefits at the right time and that the Fund is able to meet its statutory obligations.

This Strategy therefore sets out the standards, responsibilities and performance expectations that apply to both the Fund and participating employers. It also establishes the arrangements for monitoring performance, reporting outcomes, supporting improvement and addressing instances where required standards are not met.

This Strategy replaces the previous Pension Administration Strategy adopted on 1 January 2022 and has been reviewed following consultation with participating employers.

In its statutory role of assisting the Administering Authority in securing the effective governance and administration of the LGPS, the Gwynedd Pension Board will monitor the operation of this Strategy, review performance against its objectives and support the continuous improvement of pension administration across the Fund.

4. Record Keeping

Effective record keeping is fundamental to the successful administration of the LGPS. Both the Fund and its scheme employers have statutory responsibilities to collect, maintain, and retain accurate member data.

Gwynedd Pension Fund is required to maintain complete, accurate, and up-to-date records in accordance with data protection legislation to ensure the effective governance and administration of the Scheme.

Scheme employers are responsible for providing the data required by the Fund. They must ensure that data is accurate, complete, and submitted within required timescales in order to meet their legal obligations and support the efficient administration of the Scheme.

The Fund has a legal duty to provide members with accurate and timely information regarding their pension benefits. The delivery of this obligation is dependent on the receipt of high-quality data from scheme employers.

5. Development of the Fund's administration

i-Connect

The Fund has been using **i-Connect**, the secure data interface within the Heywood pension administration system, since 2019. i-Connect enables participating employers to submit pension data electronically each month from their payroll system directly into the Fund's administration platform (Altair).

All participating employers now use i-Connect as the primary method for submitting pension data to the Fund. This has significantly improved the quality, timeliness and consistency of information received and represents a key component of the Fund's digital administration strategy.

The use of i-Connect provides a number of important benefits, including:

- Reducing manual data input and the associated risk of errors.
- Providing ongoing data validation and enabling issues to be identified and resolved promptly.
- Improving the accuracy and completeness of member records throughout the year.
- Reducing the administrative burden associated with year-end returns and reconciliations.
- Supporting compliance with statutory data and reporting requirements.
- Improving data quality for Pension Dashboards and other regulatory initiatives.
- Enabling the Fund to maintain an accurate and up-to-date member database.
- Reducing the risk of regulatory intervention or financial penalties resulting from poor data quality.

Accurate and timely member data is essential to the efficient administration of the LGPS. By receiving data monthly, the Fund is able to maintain high-quality records, improve service delivery to members and employers, support the accurate calculation of benefits, and ensure employer contribution rates are based on reliable information.

Employers are expected to ensure that i-Connect submissions are completed accurately and within the timescales specified in this Strategy. The Fund will continue to work closely with employers to support data quality improvements and to maximise the benefits delivered through the system.

Member Self Service: My Pension Online

The Fund provides a secure online Member Self Service (MSS) facility known as **My Pension Online**, which forms a central part of the Fund's approach to digital service delivery and member engagement.

The portal is available to active, deferred and pensioner members, providing secure access to pension information at any time and from any location. It enables members to manage many aspects of their pension online without the need to contact the Fund directly.

Through My Pension Online, members can:

- View pension records and membership history.

- Access Annual Benefit Statements and other pension documents.
- View the interactive Video Annual Benefit Statement (Video ABS), which helps explain pension benefits in a more engaging and accessible format.
- Update personal details, including address and contact information.
- Nominate or amend death grant beneficiaries.
- Use the retirement modeller to estimate future pension benefits under different retirement scenarios.
- View pension payslips and P60s (for pensioner members).
- Access secure communications and documents issued by the Fund.
- Complete online transactions and forms as these become available.

To protect member information and minimise the risk of unauthorised access, My Pension Online incorporates multi-factor authentication, providing an additional layer of security beyond traditional username and password controls.

The Fund is continuing to invest in the development of the portal and is introducing a range of digital forms and automated workflows. These enhancements will allow members to complete transactions electronically, reducing reliance on paper forms and manual processing.

The expansion of digital services will:

- Improve accessibility and convenience for members.
- Reduce processing times and administrative delays.
- Improve data quality by reducing manual intervention.
- Support more efficient and streamlined administration.
- Reduce printing, postage and environmental impacts.
- Improve the member experience through faster and more transparent service delivery.

The Fund intends for My Pension Online to become the primary communication channel for members wherever appropriate. Scheme employers play an important role in supporting this objective and are encouraged to actively promote the portal and encourage employees to register and use the service.

The continued development and uptake of My Pension Online supports industry best practice, improves member engagement, enhances data quality and helps ensure that the Fund can meet the increasing digital expectations of members and regulators.

Welsh Language Standards

The Fund is fully committed to complying with the **Welsh Language Standards** and to ensuring that members can access pension information and services in Welsh or English according to their preference.

Key member communications, publications and digital services are provided bilingually, including:

- My Pension Online.
- Annual Benefit Statements.
- Video Annual Benefit Statements.
- Member guides and factsheets.
- Letters and forms.
- The Fund's website and online resources.

The Fund will continue to develop its digital services in both Welsh and English to ensure that Welsh-speaking members can access information and transact with the Fund through the medium of Welsh.

Participating employers are expected to support these objectives by complying with their own Welsh language responsibilities and ensuring that pension-related information provided to employees is available bilingually where required. This collaborative approach helps ensure that all members can access pension information and services in the language of their choice.

6. Roles and responsibilities

The aims of this Strategy will be achieved through:

- Clearly defining the respective roles and responsibilities of scheme employers and the Administering Authority
- Establishing clear, measurable, and achievable service standards for all administrative functions
- Providing robust procedural guidance to support the secure, accurate, and timely exchange of information
- Actively monitoring service delivery, identifying areas of underperformance, and implementing appropriate support, intervention, and corrective actions where required
- Maintaining appropriate governance, oversight, and escalation processes where agreed standards are not met

To support these principles, the key responsibilities of the Administering Authority and scheme employers are set out below, with further detail provided in Sections 7 and 8.

Function	Gwynedd Pension Fund	Scheme Employers
Scheme Governance & Compliance	Ensure the Scheme is administered in accordance with LGPS Regulations and The Pensions Regulator's General Code of Practice	Comply with LGPS Regulations and statutory responsibilities as a scheme employer
Data Management	Maintain accurate and up-to-date member records within the pension administration system	Provide accurate, complete, and timely data in line with Fund requirements and statutory deadlines
Data Submission (i-Connect)	Maintain and support the i-Connect interface and monitor data submissions	Submit monthly data via i-Connect in accordance with agreed standards and deadlines
Benefit Administration	Calculate, process, and pay pension benefits accurately and on time	Provide all necessary information to enable benefit calculations, including leaver and retirement data
Member Communication	Issue statutory communications (e.g. Annual Benefit Statements, retirement information) and maintain Member Self Service facilities	Support member engagement by promoting Fund communications and tools (e.g. My Pension Online)
Contributions	Monitor receipt of employee and employer contributions and reconcile records	Deduct and pay over correct pension contributions within statutory timescales
Year-End Processes	Manage and reconcile year-end data and produce Annual Benefit Statements	Ensure all required data is submitted accurately and on time to support year-end processes
Performance Monitoring	Monitor employer performance against agreed standards and report breaches where necessary	Meet agreed service standards and respond promptly to queries and data validation requests
Issue Resolution	Provide support, guidance, and escalation where performance issues are identified	Engage positively with the Fund to resolve queries and address any areas of underperformance
Cost Recovery	Apply the administration strategy to recover additional costs arising from significant employer underperformance where appropriate	Bear additional costs arising from failure to meet agreed standards where applicable
Training and Guidance	Provide guidance, training, and support materials to assist employers in fulfilling their responsibilities	Ensure relevant staff are adequately trained and aware of pension administration requirements

Systems and Processes	Maintain efficient administration systems and continuously improve processes	Ensure payroll and HR systems support accurate and timely data provision
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7. Employer roles and responsibilities

The primary responsibilities of scheme employers are to:

- Promote and communicate the LGPS to eligible employees.
- Apply the Scheme correctly, including the accurate calculation, collection, and payment of pension contributions.
- Provide timely, accurate, and complete information to the Pension Fund in accordance with this Strategy.

The delivery of an efficient and cost-effective pension administration service depends on a strong and effective working partnership between the Pension Fund and key individuals within, or acting on behalf of, each scheme employer.

To support this partnership, each employer is required to nominate a primary contact to liaise with the Fund on all matters relating to their responsibilities under the Scheme.

Employers are responsible for ensuring that the service standards set out in this Administration Strategy are met and that all regulatory requirements are complied with. This section provides a summary of key employer responsibilities, supported by more detailed requirements and performance standards set out elsewhere in this Strategy.

Summary of Key Employer Responsibilities

Employers are required to:

- Ensure compliance with all applicable LGPS Regulations and The Pensions Regulator's General Code of Practice.
- Ensure appropriate internal controls are in place to support the effective administration of the Scheme, including maintaining clear audit trails and records
- Ensure that data provided to the Fund is accurate, complete, and submitted within required timescales.

Core Administration Responsibilities

- Monthly payment and reconciliation of employee and employer pension contributions
- Monthly submission of accurate i-Connect data in line with Fund requirements, including prompt correction of any errors identified
- Submission of accurate year-end data where required
- Notification of:
 - New starters / joiners
 - Changes to personal details
 - Changes to employment or contractual details
 - Periods of unpaid absence
 - Leavers
- Provision of all necessary supporting documentation for pension-related decisions, including:
 - Ill-health retirements
 - Flexible retirements
 - Redundancies
 - Early release of deferred benefits on compassionate or ill-health grounds

Governance and Communication

- Ensure appropriate internal communication of LGPS responsibilities to relevant teams (e.g. HR, Payroll, Finance)
- Distribute LGPS-related communications to members as required
- Support the Fund's communication strategy, including promoting the use of "My Pension Online"

Change Management

- Inform the Fund at the earliest opportunity of:
 - Outsourcing arrangements involving TUPE transfers of LGPS-eligible staff
 - Changes to payroll providers or HR systems
 - Any material changes impacting pension administration

Compliance and Risk Management

- Comply with data protection legislation and ensure the secure handling and transmission of member data.
- Promptly identify, investigate, and report any breaches of law in accordance with The Pensions Regulator's requirements.
- Fully cooperate with the Fund in resolving data queries, errors, and compliance issues.
- Maintain appropriate cyber security and information security controls to protect member data.
- Notify the Fund promptly of any actual or suspected data breach, cyber incident or security event that may affect scheme data.

Capability and Training

- Ensure that staff involved in LGPS administration are appropriately trained and have sufficient knowledge to fulfil their responsibilities.

Employer responsibilities – Roles, Functions and Performance Targets

The following tables provide detailed information on the roles and responsibilities of scheme employers in relation to the administration of the Scheme.

The performance standards outlined represent the expected level of service under normal circumstances. It is acknowledged that, on occasion, exceptional situations may arise where these standards cannot be fully achieved. In such instances, a pragmatic and proportionate approach will be taken, subject to employers demonstrating that all reasonable efforts have been made to comply with the required standards.

Employer Role and Responsibility

Function/Task	Performance Target
Employer Contacts	
Designate and confirm nominated representative(s) (Payroll, HR, Finance) to act on behalf of the employer in respect of administering the LGPS.	Within 1 month of becoming a scheme employer or within 1 month of a change in nominated representative(s). Details to be submitted via email to pensions@gwynedd.llyw.cymru

Appoint a person (the adjudicator) to consider disputes under stage 1 of the pension internal dispute resolution process (IDRP) and provide full up to date contact details to the Fund	Notify the Fund within 30 days of becoming a scheme employer or following the resignation of the current adjudicator
Appoint an Independent Registered Medical Practitioner(s) (IRMP) qualified in occupational health medicine, or arrange with a third party, and seek approval of the appointment from the Fund, for the consideration of all ill-health retirement applications from active and deferred members.	Within 1 month of becoming a scheme employer or within 1 month of a change in IRMP(s).
Employer Discretions Policy	
Formulate and publish policies in relation to all areas where the employer may exercise a discretion within the LGPS (including providing a copy of the policy document to the Fund).	Policies to be kept under review and a revised statement published within 1 month of any changes and no later than 6 months after being informed by the Fund of any relevant change in regulations
New Starters	
To ensure that pensions information is included as part of any new employment induction process, including in contracts of employment and appointment letters including signposting to LGPS guide on the Fund's website: www.gwyneddpcensionfund.wales	As part of standard contract/appointment templates
Ensure that the correct contribution percentage and banding for member's LGPS contributions is applied to their payroll record and notify the member of initial contribution rate and any subsequent changes. The notification must also notify the employee of the right to appeal, including the processes and timescales involved.	From date of commencement or joining the scheme.
Notify the Fund of new scheme joiners via the monthly i-Connect submission	Within 1 month of member's entry into the scheme via contractual enrolment, auto-enrolment, re-enrolment date or election to join.
Where the member has more than one employment with the same Employer, each membership shall be maintained and reported upon separately (via i-Connect)	From date of commencement or joining the LGPS or starting or ceasing additional employments.
Advise the Fund of any opt outs that take place within first three months (when contributions are refunded through payroll)	As part of next i-Connect submission following receipt of the opting out notification
Appeals	
The Employer's Adjudicator to notify the Fund of the receipt of a Stage 1 appeal	Within 2 weeks of receipt of the appeal.
The Employer's Adjudicator to notify the Fund of the decision in respect of a Stage 1 appeal	Within 1 week of the decision.
The Employer's Adjudicator to provide the Fund with all documentation considered in the determination of the Stage 1 appeal for consideration in the adjudication of the appeal at Stage 2	Within 1 week of the receipt of the request from the Fund.
Changes in Circumstances	

Provide the Fund with the following member information: • new joiners • changes in member's circumstances which may impact pension benefits (eg, movement in and out of the 50/50 scheme, relationship information, maternity, paternity, career break, etc.) • correction of date of birth / NI Number • employee and employer contributions and earnings • hours • Unpaid absence not covered by Assumed Pensionable Pay (APP)	To ensure that the Fund is informed of any relevant changes in the circumstances of members via i-Connect within four weeks of the event
Ensure members are notified of the option to pay Additional Pension Contributions following applicable unpaid absences.	Within 2 weeks of the return to work
Ensure the correct application of Assumed Pensionable Pay (APP) during periods of reduced or nil pay in accordance with the LGA's HR and Payroll Guides. Information available at https://www.lgpsregs.org/employer-resources/index.php	Review of eligibility for APP immediately upon a member moving to reduced / nil pay.
In light of the implementation of the LGPS McCloud remedy regulations, employers are required to maintain comprehensive and accurate service records covering all periods of membership, including service from 1 April 2014 onwards. The required service details include: • Contractual hours • Variable hours • Remuneration changes • Contribution rate • Employee number and/or post number • Absence information, including maternity, paternity, adoption leave, unpaid leave, and industrial action Employers must ensure that this information is retained and can be provided to the Fund promptly upon request. This is essential to enable the Fund to comply with its statutory obligations and accurately calculate and review member benefits in accordance with the McCloud remedy requirements.	As part of Employer data retention policy
Contributions	
Remit employer and employee contributions to the Pension Fund Bank Accounts – monitored by the Fund	By 19th of the following month following deduction

Implement changes to employer contribution rates as the instructed by the Fund from the date specified by the Fund's actuary	In line with the Rates Adjustment Certificate issued by the Fund's actuary, following each triennial valuation or other relevant event as notified in writing
Additional Voluntary Contributions (AVCs) Employers must: • Process AVC applications promptly. • Create member records on the Legal & General employer portal where required. • Deduct AVC contributions accurately through payroll. • Notify Legal & General of any changes to AVC contributions. • Submit AVC schedules in accordance with provider requirements. • Notify the Fund of any issues affecting AVC deductions.	Submit AVC schedules by the 10th of the following month at the latest.
Make additional fund payments in relation to early payment of benefits from flexible retirement, redundancy or business efficiency retirement or where a member receives benefits early with Employer's consent and a funding strain cost arises	Within 30 days of receipt of invoice from the Fund
Monthly i-Connect Returns	
To provide a monthly return in accordance with the Fund's specification that reconciles the employee, employer and any additional contributions paid to the Fund.	Via the i-Connect submission no later than the 19th of the month following that in which the contributions were deducted.
To ensure optimum accuracy of monthly i-Connect files received.	Less than 5% of the active member count as at 1 April to error on import into the pension administration system
The rectification of an accurate monthly data file where it has been necessary to return the file due to data inaccuracies	Within 15 days of receipt of file
Members Leaving Employment – Early leavers	
To notify the Fund of the member's leaving date and reason for cessation of membership and all other relevant information via the Leavers Form. To ensure that all i-Connect submissions are up to date.	Within 20 days of leaving date. The leaver event is also to be reported via the iConnect submission by the 19th of the following month. The i-Connect submission must clearly state the reason for leaving.
Death in Service and Terminal Illness	
To inform the Fund immediately of the death of a member via the Leavers Form, or when a member is suffering from a potentially terminal illness and to provide details of the next of kin.	Within 1 working day of becoming aware of the member's death.
Actual Retirement	
To submit the appropriate leavers form to the Fund.	At least one month before retirement where possible but in all cases no later than 15 working days after retirement date.
Ill Health Retirement	

To determine based on medical evidence and the advice of one of the Administering Authorities approved IRMP (Independent Registered Medical Practitioner) whether an ill health award is to be made and determine which tier 1, 2 or 3	Submit the appropriate form to the Fund at least one month before retirement where possible but in all cases no later than 15 working days after retirement date.
To keep a record of all Tier 3 ill health retirements, particularly in regard to the 18 month review of their scope for gainful employment and any subsequent appointment with an IRMP for a further medical certificate. To inform the Fund if and when the pension should cease.	As soon as a decision is made.
Contracting out of services and functions	
Notify the Fund of the contracting out of services which will involve a TUPE transfer of staff to another organisation	Inform the Fund within five working days of the decision to contract out a service or function.
Ensure that bidders have access to relevant guidance including but not limited to the PLSA guidance "Navigating entry into the LGPS: For Local Government Contractors" available from the Pensions and Lifetime Savings Association website: www.plsa.co.uk	At the point of decision to contract out.
Notify the Fund of lead strategic and operational officers in respect of outsourcing of service provision where a prospective contractor may request to join the Fund as a result of re-organisation or TUPE transfer.	At determination of successful tender.
Work with Fund Officers to arrange for the Admission Agreement to be completed before the commencement date of the contract.	A minimum of 2 months in advance of the date of contract.
Notify the Fund of changes / extension / cessation of arrangements with a contractor.	As soon as decision is agreed.
Assist the Fund in ensuring that the terms of the contractor's admission as a scheme employer (Admission Agreement) are complied with.	Notify the Pension Fund if the terms of the Admission Agreement have been breached.
Change of payroll provider	
To confirm the decision to change to a new payroll provider along with the contact details of the new provider.	As soon as possible and no later than 6 weeks prior to the transfer of duties and functions
Ensure that a new payroll contract requires the provider to supply data via i-Connect. Ensure that all i-Connect submissions up to the transfer of responsibilities are made by the outgoing provider in accordance with the PAS. Ensure that the new supplier provides payroll references (specific to post) to the Fund	As soon as possible but no later than 20 working days before the first i-Connect submission.
Communication	
Ensure content approved by the Fund is included in all contract / appointment / adjustment communications for LGPS-eligible positions including direction to gwyneddpenionfund.wales	Review LGPS content annually or within 2 weeks of receipt of information about adjustment to Fund approved wording.

Distribute any information provided by the Fund to scheme members / potential scheme members. Refer new or prospective scheme members to the Fund's website: gwyneddpensionfund.wales	Within 2 weeks of its receipt. Within 2 weeks of commencement of employment or change in contractual conditions.
Respond to queries from the Fund	Within 10 working days from receipt of enquiry unless stated otherwise.
Pensions Dashboards	
Employers must: • Maintain accurate and complete member data to support Dashboard requirements. • Respond to data-matching and data-cleansing exercises. • Assist in the correction of member records. • Support Dashboard data quality improvement projects. • Ensure dashboard matching data, including name, date of birth and National Insurance number, is maintained accurately. • Ensure personal and employment changes are notified promptly.	Response to Dashboard-related queries within 10 working days.
Miscellaneous	
Payments in respect of FRS102 and IAS19 work carried out on behalf of Employers by the Fund and the Fund Actuary.	In accordance with the payment terms stated on the invoice.
Payments in respect of all other work carried out on behalf of the Employer by the Fund's Actuary and connected data quality assurance undertaken by the Fund.	In accordance with the payment terms stated on the invoice.
Prompt payment of invoices issued by the Fund for specific services provided.	In accordance with the payment terms stated on the invoice.
Respond to non-standard enquiries from the Fund.	Within 10 working days from receipt of enquiry unless stated otherwise.
Make payment of additional costs to the Fund associated with non-compliance with performance standards of the scheme employer.	In accordance with the payment terms stated on the invoice.
Respond to enquiries from the Fund relating to Breaches of the Law.	Within 1 week of the request.

8. The Pension Fund's Roles and Responsibilities

What are the Pension Fund's main responsibilities?

The Pension Fund's main responsibility is to calculate and pay benefits in line with LGPS regulations.

Other key responsibilities include:

- keeping accurate pension records and data.
- providing annual benefit statements to all contributing and deferred members.
- providing P60s to pensioner members.
- providing pension savings statements to those members who exceed the annual allowance limit.
- preparing and publishing a discretions policy and keeping it up to date.
- appointing a nominated adjudicator for stage 1 and stage 2 appeals made under the IDRP.

To do these successfully, the Administering Authority expects to:

- Provide employers with a clear and accessible point of contact within the Fund for all LGPS administration matters.
- keep employers informed of any matters that might affect them through its communication methods and strategy.
- provide or facilitate training to all new employers or those authorised officers that are new to the LGPS or Gwynedd Pension Fund.
- maintain a section of the Gwynedd Pension Fund website that contains information to support employers.
- hold an annual update meeting where employers can find out about Gwynedd Pension Fund's performance and learn about work being undertaken.
- issue regular surveys and hold feedback sessions to get employer views and make improvements.
- let employers know if there are any proposed scheme changes, administration challenges or anything similar that they may need to be aware of.
- carry out certain tasks on an employers' behalf where it is reasonable and acceptable to do so.
- audit employers from time to time, carrying out spot checks and asking for evidence to support effective pension administration.

Who manages the Gwynedd Pension Fund and how?

The Senior LGPS Officer will be responsible for overseeing the delivery of the Fund's pension administration service and ensuring compliance with statutory and regulatory requirements. The Senior LGPS Officer will provide regular performance reports to the Pension Committee and Local Pension Board.

Gwynedd Pension Fund's Committee is responsible for ensuring the Fund complies with its statutory responsibilities. It also sets expectations regarding administration performance. The Local Pension Board carries out a scrutiny role and reviews compliance with the rules.

When assessing administration performance, the committee will consider:

- performance against statutory targets and key service delivery indicators.
- the cost of administration.

- benchmarking reports to assess the Fund's performance compared to that of other pension funds.
- ability to recruit to key posts.
- the numbers of complaints and formal disputes received and their outcomes
- audit outcomes.
- ability to deliver projects on time and to budget.
- feedback received from stakeholders through surveys, the website and other channels.
- feedback received from staff.

The key performance indicators are used to help measure service delivery.

The LGPS regulations and other overriding pension legislation contain statutory targets that the Fund must meet. Additionally, the Fund's Committee has set some performance standards based on the level of service that it expects to be delivered to members.

Details of these standards and our performance against them are published in the annual report.

How is the performance monitored?

The Fund's Committee will monitor the Fund's performance and that of its employers in the following ways:

- Through regular reports to the Pension Committee, relevant Working Groups and the Local Pension Board.
- Through reporting and general day to day monitoring by the Fund's managers and officers.
- Through reports provided to employers highlighting performance levels.
- By using the Internal Audit team to review processes and controls.
- By comparing performance against other LGPS pension funds, benchmarking key data and workloads.
- By following escalation procedures where there is non-compliance.
- By reviewing the Fund's breaches of the law log each quarter.
- By holding focus groups and forums when appropriate.

The Fund will monitor employer performance across the following key areas:

- The submission of monthly data returns.
- The payment of contributions and other payments due.
- The number of queries, along with the rate and quality of responses.
- The number of complaints received and IDRPs upheld against the employer.
- Whether or not the Fund has received a copy of the employer's current discretions policy.
- Whether or not an employer has failed to notify the Fund of key changes or events within a reasonable timeframe.

This table sets out the Administering Authority's roles and responsibilities:

Function/Task	Performance Target
Governance	
Regularly review the PAS and consult with all scheme employers	Annual review the PAS and in addition review it following any material changes in service delivery or regulations relating to the PAS and consult with all Employers on any changes
The Fund will review their Funding Strategy Statements at each valuation (or material	Publish by 31 March following the valuation date, or as required

event), following consultation with Employers and their Fund Actuary	
Review the Fund's Communications Policy	Annually review and publish within 30 days of any revision to the policy being agreed by the Pension Fund Committee
Review the Fund's Governance Strategy and related governance policies	Annually review and publish within 30 days of any revision to the policy being agreed by the Pension Fund Committee
The Fund should formulate and publish policies in relation to all areas where the Administering Authority may exercise a discretion within the LGPS	Annually review and publish within 30 days of any revision to the policy being agreed by the Pension Fund Committee
Notify the Employer of issues relating to the Employer's unsatisfactory performance	If no response to Gwynedd Pension Fund's request for action is received within 10 days; second request marked "escalation" to be issued; if no response within 10 days matter referred for cost recovery
Notify the Employer in writing of decision to recover additional costs associated with the Employer's unsatisfactory performance	After 10 working days of second request for action and continued failure to improve performance as requested
Member Information/Data Quality and General Administration	
Provide support for Employers through a dedicated page on the website; regular newsletters; employer forums; engagement meetings; training sessions as required; and ad hoc bulletins and alerts.	Information given on a regular basis to nominated representative
Notify Employers and members of changes to LGPS regulations	Within 90 days of regulatory change
Produce Annual Benefit Statements (ABS) including remediable service information where applicable, to active and deferred Scheme Members as at 31 March each year.	By 31 August following end of year (Statutory deadline)
Produce and issue Pension Saving Statements (PSS) to members who have exceeded their annual allowance	By 6 October following end of year (subject to receipt of all relevant information from the Employer) (Statutory deadline)
Pensions Dashboard	Secure and maintain the connection to the national Pensions Dashboards ecosystem; manage data matching and response protocols to ensure members can view their information.
Key Performance Indicators	
To accurately create member records on the pensions administration system following notification from an employer of a new entrant to the LGPS.	Within 30 days of the i-Connect notification
Gwynedd Pension Fund will contact all new members, providing them with an activation key for 'Member Self Service' and respond to member requests for an activation key.	Within 30 days of the i-Connect notification of a new starter / member's request
Initial letter/acknowledgement of death of active/deferred/pensioner member	Within 10 days of notification
Deaths – Letter notifying amount of dependant's benefit	Within 10 days of completed forms and documents
Retirements – Letter notifying estimate of retirement benefits	Within 10 days of request (where practicable the Gwynedd Pension Fund will deliver

	immediate retirement estimates to members via Member Self Service)
Retirements – Letter notifying actual retirement benefits	Within 10 days of (the latest of) the member's retirement date or the Gwynedd Pension Fund receiving all completed forms/documents
Retirements – process and pay lump sum retirement grant	Within 10 days of (the latest of) either receipt completed forms and documents or the retirement date
Deferment – Calculate and notify deferred benefits	Within 10 days of date of Employer Notification
Transfer out – Letter detailing transfer out quote	Within 10 days of completed request form
Transfer in – Letter detailing transfer in quote	Within 10 days of receiving transfer details from sending scheme
Refund – Process and pay a refund	Within 10 days of (latest of) either completed forms/documents or payable date
Divorce quote – Letter detailing cash equivalent value and other benefits	Within 3 months of request
Divorce Settlement – Letter detailing implementation of cash equivalent value and application of pension sharing order	Within 3 months of receipt of pension sharing order
Provide an acknowledgement and answer to scheme members/Employers/personal representatives/dependents and other authorised persons	Answer non-complex enquiries within 5 working days from receipt and for complex enquiries: acknowledge within 5 working days of receipt and reply substantively within 10 working days.

The timescales for completing the tasks above are measured from the date the Gwynedd Pension Fund is in receipt of all the relevant information required to complete the task and is expressed in “working days”.

Meeting:	Pension Board
Date:	12/10/2026
Title:	Governance Strategy for Gwynedd Pension Fund
Author:	Meirion Jones, Pensions Manager
Purpose:	To present the draft Governance Strategy for Gwynedd Pension Fund to the Pension Board for review and scrutiny prior to its submission to the Pensions Committee for formal approval.
Reccomendation:	The Pension Board is requested to: 1. Review and scrutinise the draft Governance Strategy. 2. Provide any comments or recommendations for consideration by officers. 3. Note that further minor amendments may be required following the appointment of the Senior LGPS Officer. 4. Support the submission of the revised Governance Strategy to the Pensions Committee for formal approval.

1. Purpose of the Report

To present the draft Governance Strategy for Gwynedd Pension Fund to the Pension Board for review and scrutiny prior to its submission to the Pensions Committee for formal approval. The draft strategy is contained in **Appendix A**.

2. Background

Good governance principles within the LGPS require administering authorities to maintain clear governance arrangements and to document how the Fund is governed, managed and monitored. The draft Governance Strategy has therefore been developed to bring together the Fund's governance framework, responsibilities, policies and oversight arrangements into a single document. Gwynedd Pension Fund Governance Strategy 2026 sets out the Fund's governance objectives, governance structure, roles and responsibilities, training requirements, risk management arrangements and continuous improvement framework.

The Strategy has been developed having regard to existing 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 draft of the Governance Strategy and officers are seeking the views of the Pension Board before presenting the document to the Pensions Committee for approval.

Board members are invited to review the document and provide any comments, observations or suggested amendments to ensure that the Strategy appropriately reflects the Fund's governance arrangements and supports effective governance and oversight.

Members will note that the section relating to the role and responsibilities of the Senior LGPS Officer has intentionally been left high-level at this stage. The Fund is currently awaiting the appointment of the Senior LGPS Officer, and it is anticipated that minor amendments to the Strategy may be required once the appointment has been made and the detailed responsibilities of the role have been confirmed. Gwynedd Pension Fund Governance Strategy 2026 specifically notes that this section will require updating following the appointment of the Senior LGPS Officer.

Officers do not anticipate any significant changes to the overall document, but some refinements may be required before the final version is presented to the Pensions Committee.

4. Recommendation

The Pension Board is requested to:

5. Review and scrutinise the draft Governance Strategy.
6. Provide any comments or recommendations for consideration by officers.
7. Note that further minor amendments may be required following the appointment of the Senior LGPS Officer.
8. Support the submission of the revised Governance Strategy to the Pensions Committee for formal approval.



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.

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.

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.

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,
- Investment Manager.
- Pensions Manager.
- Monitoring Officer.
- Professional Advisers.
- Investment Managers.
- 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.
- Monitor investment managers.
- Receive 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.

The governance arrangements distinguish between responsibilities retained locally and those delegated through pooling arrangements.

Matters Retained by Gwynedd Pension Fund

The Committee retains responsibility for:

- Investment Strategy Statement.
- Funding Strategy Statement.
- Strategic asset allocation.
- Responsible investment policies.
- Employer funding matters.
- Stewardship policies.

Pool Responsibilities

The Wales Pension Partnership is responsible for:

- Pool implementation.
- Operator oversight.
- Investment vehicle management.
- Achievement of pooling objectives.
- Portfolio implementation.

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 investment managers and advisers.
- Supporting Wales Pension Partnership activities.
- Oversight of responsible investment activities.
- Supporting 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.
- Independent Investment Adviser.
- 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.

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.