

MEETING	PENSIONS COMMITTEE
DATE	27 NOVEMBER 2023
TITLE	WALES PENSION PARTNERSHIP UPDATE
PURPOSE	To receive and note a quarterly update from Wales Pension Partnership
RECOMMENDATION	Receive and note the information
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1. INTRODUCTION

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

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

2. JGC QUARTERLY UPDATE

The WPP's decision making body, the Joint Governance Committee (JGC), last met formally on 20th September 2023. The host authority have provided a summary of the items discussed at that meeting which is attached as Appendix 1 to this report. The Business Plan for 2023/24 was reviewed and can be seen in Appendix 2.

3. OPERATOR UPDATE

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

The update provides a snapshot of the full range of WPP investment sub-funds as at 30th June 2023.

Gwynedd Pension Fund currently has exposure to eight of the eleven sub-funds and as of 30th June 2023 these were as follows:

- **Global Opportunities - £373.0m**
- **Global Growth- £364.8m**
- **Emerging Markets - £56.2m**
- **Global Passive - £522.8m**
- **Multi Asset Credit - £205.1m**
- **Absolute Return Bond- £388.4m**
- **Global Credit Fund - £133.9m**

- **Sustainable Equity Fund- £280.2m**

4. PERFORMANCE REPORTS AS AT 30TH JUNE 2023

The performance reports can be seen in Appendix 4.

Positive economic data and a resolution to the US debt ceiling talks helped propel equities higher in June following more muted performance in April and May. There was divergence across markets, with the US outpacing the global index and developed peers. Slow progress on controlling inflation and expectations of future rate hikes weighed on the UK and European markets. The US dollar gained versus the Japanese yen and most commodity-sensitive currencies but weakened against sterling and the euro. Oil prices fell as concerns about the global demand outlook persisted, in particular a sluggish post-Covid recovery in China. The Federal Reserve (Fed), European Central Bank (ECB) and the Bank of England (BoE) all raised rates over the quarter, by varying amounts.

The performance of the sub funds that Gwynedd Pension Fund invests in are monitored by officers, and as part of the quarterly investment review by Hymans Robertson and no concerns have been raised.

5. FUTURE DEVELOPMENTS

- On-boarding is continuing with the Open-ended Infrastructure sub-fund and Schroders Private equity mandate.
- Once the activity with these sub-funds is complete WPP attention will turn to the development of real estate solutions.

6. RECOMMENDATION

To receive and note the information.