

Consultant's Objectives	Progress report during 2023
<p>1. Advise on a suitable investment strategy, and amendments to the strategy, to deliver the required investment returns from the Fund's investments to support progress towards a long-term steady state of funding.</p>	<p>Advice was given on the investment strategy during 2022, and was updated in 2023 to reflect changes in market conditions and improvement in the funding position.</p> <p>The Fund also made commitments to a new WPP private equity allocation in order to maintain the target allocation to diversifying private market assets.</p> <p>The Fund redeemed its allocation to the Lothbury property fund and continues to take advice on possible fund merger.</p>
<p>2. Deliver an investment approach that reflects the Fund's cashflow position, and likely evolution, and minimises the risk of forced disinvestment.</p>	<p>Advice was provided on a cashflow waterfall to ensure there is sufficient liquidity to meet private market commitments. A framework has been agreed and will be monitored and updated based on the managers' capital call projections.</p> <p>The 2022 actuarial valuation indicated the Fund is expected to be cashflow positive (annual income exceeds annual outgo) for a number of years. This will be reviewed at the 2025 actuarial valuation.</p>
<p>3. Advise on the cost efficient implementation of the Fund's investment strategy as required, taking into account the evolution of the Wales Pension Partnership.</p>	<p>WPP develops investment mandates, and the Fund takes advice from its investment consultant on their use in the Fund's investment strategy, though the Fund may consider non-pool investment mandates.</p> <p>In 2023, the Fund made commitments to the new WPP Private Equity fund, and commitments to other private market mandates will be drawn down over time.</p>
<p>4. Ensure advice complies with relevant pensions regulations, legislation and supporting guidance.</p>	<p>All arrangements remain compliant.</p> <p>There have been no recent regulatory changes that the Fund needed to be aware of, although</p>

	the Fund continues to monitor expected legislative changes (TCFD and asset pooling).
5. Develop the Committee's policies and beliefs, including those in relation to Responsible Investment.	<p>The Fund has developed a Responsible Investment policy during 2022 which was reviewed by Hymans.</p> <p>The Fund has used this over 2023 to guide its investment decision-making and will build upon this as appropriate.</p>
6. Ensure our advice reflects the Committee's own policies and beliefs, including those in relation to Responsible Investment considerations.	Advice has been provided on new investments, to ensure these are consistent with the Fund's investment strategy and RI policy.
7. Provide relevant and timely advice.	Timely advice and regular updates are given, including quarterly performance monitoring, advice on rebalancing, and support on asset transitions.
8. Help the Committee develop knowledge and understanding of investment matters.	<p>Hymans have not provided any direct training on new asset classes but have done through WPP. Hymans keep the Committee updated on market developments via presentation of the quarterly performance reports.</p> <p>Hymans support as required in relation to pooling, following government consultation on the LGPS.</p>
9. Develop the Committee's knowledge on ESG and climate risk.	<p>Hymans continue to incorporate ESG and climate risk considerations in its advice. Over the period this has included follow-up discussions relating to climate risk modelling and the evolution of modelling across the industry, inclusion of ESG related metrics in property manager briefing papers, and advice in relation to the WPP Sustainable Equity fund and the BlackRock Low Carbon fund.</p> <p>The Fund continues to monitor the requirements relating to TCFD, measurement of carbon emissions for the portfolio and net zero targets.</p>

<p>10. The investment consultant's services to support the Fund's ongoing governance shall be proportionate and competitive in terms of costs relative to their peer group.</p>	<p>Hymans' fees are in line with peer group, with fixed fees for certain core tasks, and time-cost fees for additional tasks.</p>
<p>11. The investment consultant works within agreed budgets and is transparent with regard to advisory costs, itemising additional work with fees in advance.</p>	<p>Hymans' fees are in line with peer group, with fixed fees for certain core tasks, and time-cost fees for additional tasks. Large project fees are agreed in advance.</p> <p>Hymans provide annual scope plans, use pre-agreed budgets where possible and itemise items. Hymans will work with the Fund to establish a scope and plan for 2024.</p>
<p>12. The investment consultant works collaboratively with the Fund's actuary, asset managers, and custodian, as well as with other third parties including the pool's operator and advisors.</p>	<p>Hymans work with the Fund's actuary (also Hymans) as appropriate. Over the year this has included identifying an improvement in the Fund's funding level and following up with investment advice. Hymans work with investment managers where relevant for performance reporting, and also projection of private market commitments to support efficient cashflow management.</p>

Conflicts of interest – disclosure

As part of this review, we would also like to bring to your attention how Hymans Robertson LLP address the potential for conflicts of interest when providing advice on manager selection exercises. We would be happy to discuss the statement below with you to address any questions you may have.

Please note that Hymans Robertson LLP and our group companies have a wide range of clients, some of which are fund managers, who may be parties in our recommendations to you in various circumstances including but not limited to manager selection, moving money to or from a manager or supporting retention of or disinvestment from a manager. We have a research team that advises on shortlisting fund managers in manager selection exercises and forming views on managers, which is separate from our client and other relationships with fund managers - therefore we do not believe there will be a conflict that would influence the advice given.

In some cases, we have commercial business arrangements/agreements with clients within the financial sector where we provide services. These services are entirely separate from any advice that we may provide in recommending products to our advisory clients. Our recommendations are provided as a result of clients' needs and

based upon our independent research. Where there is a perceived or potential conflict, alternative recommendations can be made available.