



Wales Pension Partnership  
Joint Governance Committee  
Q3 2024 review – 10 December 2024



# Corporate Updates

As discussed, following the last Joint Governance Meeting on 18 September 2024;

WMUK marks the one year anniversary since the completion of the acquisition of the Link Fund Solutions (LFS) businesses when we welcomed over 600 new colleagues to Waystone. Today also marks the successful exit from the Transitional Service Agreement (TSA) with Link Group and have completed the final transition phase, and we reflect on the journey that brought us here.

One year ago, Waystone embarked on its largest and most complex acquisition to date. The integration of LFS was a significant undertaking for the Group - one that demanded collaboration across teams and an unwavering commitment to success.

Over the past year, we migrated 636 users into the Waystone technology environment, transitioned 168 applications, and exited 100% of the TSA services. The TSA was instrumental in ensuring business continuity during this period, and we are proud to say we exit on time and within budget.

Our presence in the UK has solidified, our offering in Ireland extended and an expanded footprint globally with the establishment of our new office in India. This office is not just a new location, it is a symbol of our future growth, our global reach, and our enhanced capabilities.





Our dedication has positioned Waystone for the next phase of its growth and opportunity. As we look ahead, we are confident that this acquisition, along with the successful completion of the TSA exit, will signal as a milestone in Waystone's continued evolution.

# FCA Updates





FCA business plan is looking at key items. Full regulatory update is issued to Host on monthly basis but can be obtained by signing up to on the Waystone Website. [UK/EU updates Archives - Waystone Compliance](#)

Title	Timing	WMUK Impact	WPP Impact
FCA sets out temporary measures for firms on 'naming and marketing' sustainability rules	Immediate	Medium	Medium
SDR: FCA response to IA questions on temporary flexibility	Immediate	To note	To note
FCA: Sustainability disclosure and labelling regime – downloadable labels	Immediate	Medium	Medium
IA SDR Briefing Note 4 - Unlabelled funds	Immediate	To note	To note

## Oversight of Third Parties Q3-24

Activity	Status	Commentary
Transfer Agency – Northern Trust		Transfer Agency inc. Consumer Duty review to commence in Q4 2024. Review to undertake all dealing and processing functions by NT. (Fieldwork planned for November 2024 as merged with another review) date to be confirmed.
Fund Administration – Northern Trust		Fund Administration review completed in Q1 2024. Final Report contained 2 High, 8 Medium and 1 Low rated findings. No findings specific to WPP. Note: WMUK do not share the detail of the findings outside of WMUK.
Due Diligence Visits - Northern Trust		No planned scheduled visits in this Quarter. Final Report Issued in Q2-24, with two Medium rated findings that are not specific WPP. Findings to be issued with quarterly management information.
Due Diligence Visits - Russell Investments		No planned scheduled visits in this Quarter.

**Status key:**

-  Completed or already in place
-  On target;
-  Delay Expected;
-  Not Applicable

# WPP SUB FUND VALUES AS AT 30 SEPTEMBER 2024

<b>Equities</b>	
<b>Fund</b>	<b>AUM</b>
Global Growth	£3,574,932,571
Global Opportunities	£3,371,982,493
UK Opportunities	£756,679,466
Emerging Markets	£272,530,311
Sustainable Active Equity Fund	£1,629,982,561
<b>Sub-Total</b>	<b>£9,606,107,402</b>

<b>Fixed Income</b>	
<b>Fund</b>	<b>AUM</b>
Multi Asset Credit	£849,991,039
Global Credit	£1,055,250,188
Global Government Bond	£508,977,752
Absolute Return Bond	£552,082,493
Sterling Credit	£724,312,494
<b>Sub-Total</b>	<b>£3,690,613,966</b>

<b>Total Active Investments</b>	<b>£13,296,721,368 as at 30 September 2024</b>
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## WPP SUB FUND VALUES & PERCENTAGE OWNERSHIP AS AT 30 SEPTEMBER 2024

Fund name	Gwynedd	Powys	Clwyd	Swansea	Cardiff	Torfaen	RCT	Dyfed	Sub Fund Total
WS WPP Global Growth Fund	£419,035,900	£74,976,989			£175,130,370		£1,762,616,858	£1,143,172,454	£3,574,932,571
WS WPP Global Opportunities Equities Fund	£446,579,764			£1,215,648,110	£550,012,494	£664,369,403	£495,372,722		£3,371,982,493
WS Wales PP UK Opportunities Fund					£156,356,893	£600,322,573			£756,679,466
WS Wales PP Emerging Markets Equity Fund	£62,912,625	£16,040,374			£120,985,820	£72,591,492			£272,530,311
WS Wales PP Sustainable Active Equity Fund	£324,603,056	£75,646,350	£374,655,501	£232,750,703	£145,470,581	£174,583,553	£116,384,292	£185,888,525	£1,629,982,561
WS Wales PP Multi Asset Credit Fund	£240,283,695	£35,135,782	£338,768,077	£70,757,393	£165,046,092				£849,991,039
WS Wales PP Global Credit Fund	£233,326,728	£28,267,124			£190,627,886	£266,165,818		£336,862,632	£1,055,250,188
WS Wales PP Global Government Bond Fund					£244,017,397	£264,960,355			£508,977,752
WS Wales PP Absolute Return Bond Fund	£412,246,010	£67,312,973		£72,523,510					£552,082,493
WS Wales PP Sterling Credit Fund							£724,312,494		£724,312,494
Constituent Authority Total	£2,138,987,778	£297,379,592	£713,423,578	£1,591,679,716	£1,747,647,533	£2,042,993,194	£3,098,686,366	£1,665,923,611	£13,296,721,368

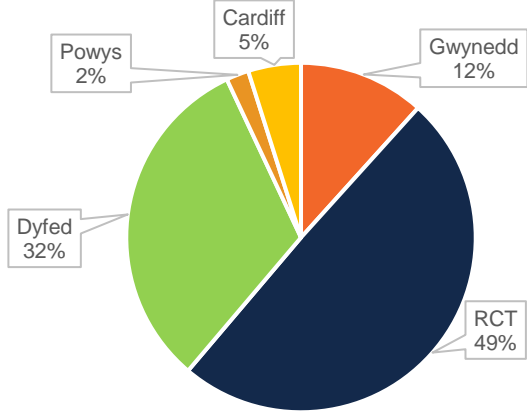
Fund name	Gwynedd	Powys	Clwyd	Swansea	Cardiff	Torfaen	RCT	Dyfed
WS WPP Global Growth Fund	12%	2%			5%		49%	32%
WS WPP Global Opportunities Equities Fund	13%			36%	16%	20%	15%	
WS Wales PP UK Opportunities Fund					21%	79%		
WS Wales PP Multi Asset Credit Fund	28%	4%	40%	8%	20%			
WS Wales PP Emerging Markets Equity Fund	23%	6%			44%	27%		
WS Wales PP Global Credit Fund	22%	3%			18%	25%		32%
WS Wales PP Global Government Bond Fund					48%	52%		
WS Wales PP Absolute Return Bond Fund	75%	12%		13%				
WS Wales PP Sterling Credit Fund							100%	
WS Wales PP Sustainable Active Equity Fund	20%	5%	23%	14%	9%	11%	7%	11%



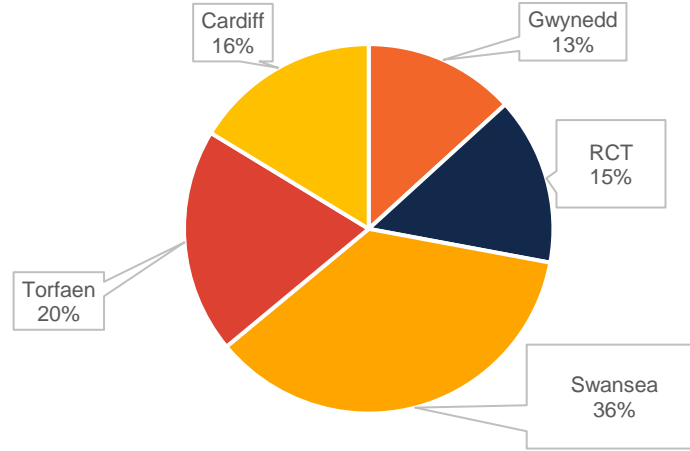
# September 2024 Fund Snapshot - Equities

- Key:
- Dyfed
  - Powys
  - Gwynedd
  - RCT
  - Torfaen
  - Clwyd
  - Swansea
  - Cardiff

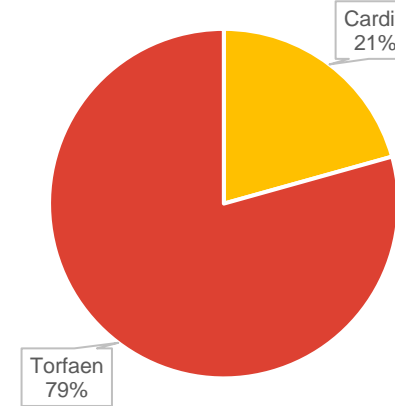
## Global Growth



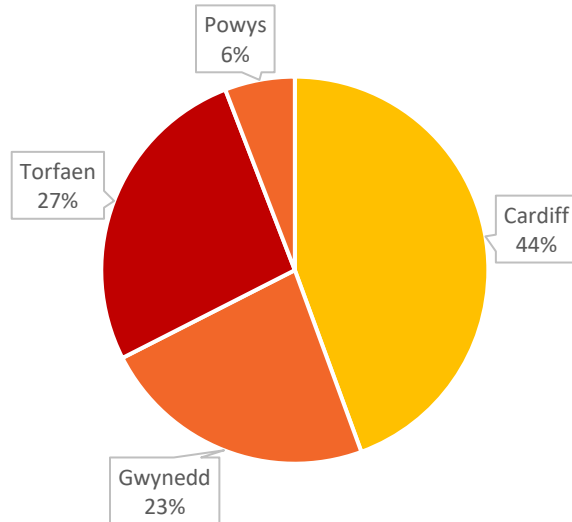
## Global Opportunities



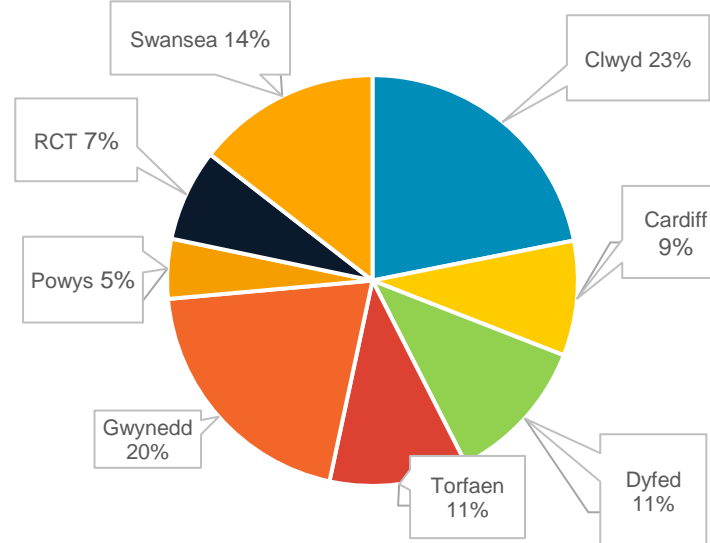
## UK Opportunities



## Emerging Markets

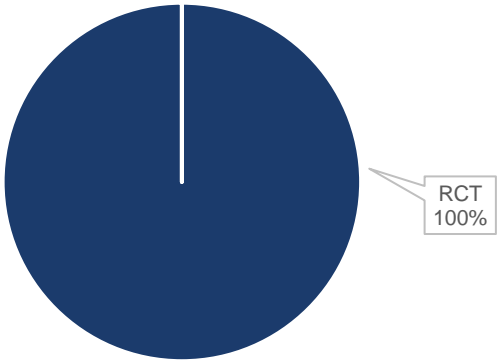


## Sustainable Active Equity

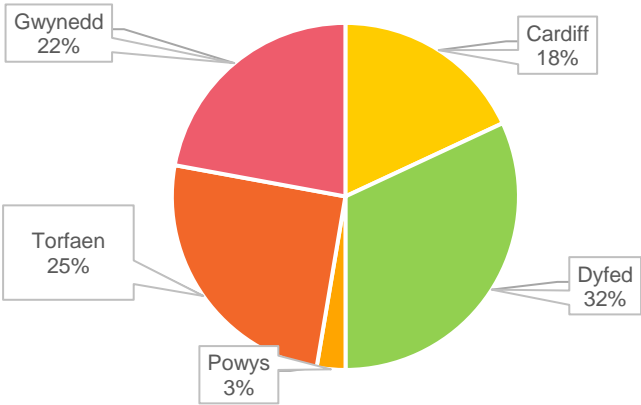


# September 2024 Fund Snapshot - Fixed Income

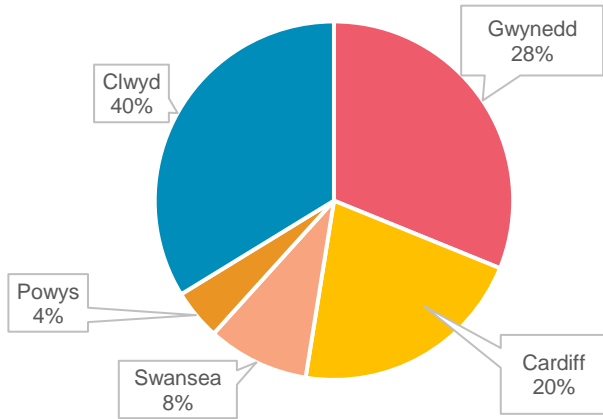
**Sterling Credit**



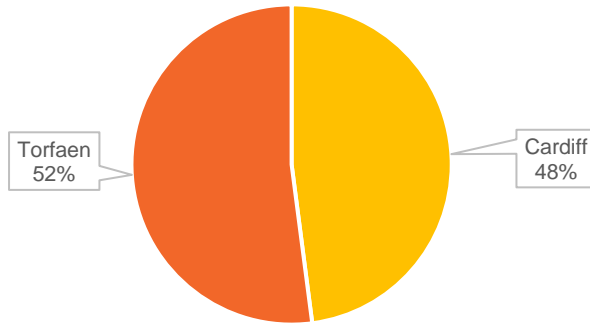
**Global Credit**



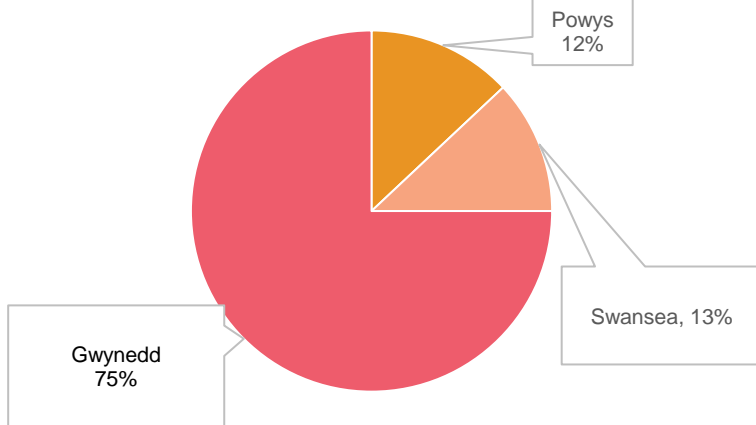
**Multi Asset Credit**



**Global Gov. Bond**



**Absolute Return Bond**



- Key:
- Dyfed
  - Powys
  - Gwynedd
  - RCT
  - Torfaen
  - Clwyd
  - Swansea
  - Cardiff



# Sub-Funds Update

## Fund Launches & Changes

	Activity	Status	Commentary
<b>Completed Fund Launches &amp; Changes</b>	N/a		N/a
	Change of Investment Manager for the Global Growth Fund, from Waystone to Russell Investment	✓	Investment Manager change from Waystone to Russell Investment on the Global Growth fund, approved by the WPP Pool at the last OWG in July 2024. WMUK Governance and Depositary work commenced immediately after the July meeting with group meetings with WMUK, RI and NT set up. Full timeline provided to Host with Nov 4 <sup>th</sup> live date. Currently on target with FCA approval granted.
	Removal of Artemis from Sustainable Active Equity Fund	✓	Artemis has announced the departure of the current portfolio management team. This strategy accounted for £118m (or 8.8%) of the WS Wales PP Sustainable Active Equity Fund, as at 29 Dec 2023. RI to wind down exposure across the mandate as soon as possible. RI plan to re-allocate proceeds equally to two other growth-oriented strategies, Mirova and Neuberger Berman.  This has gone through WMUK Governance and Depositary, with the change approved. The removal to take effect from 11 July 2024. Investor notice issued on 4 July 2024 to all Constituent Authorities.

Status key:

- Completed or already in place
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- Delay Expected;
- Not Applicable

# Sub-Funds Update continued.....

## Fund Launches & Changes

	Activity	Status	Commentary
<b>Completed Fund Launches &amp; Changes</b>	N/a	N/a	N/a
	WS Wales PP Global Credit Fund - Change of Sub Manager, removing Western for Coolabah	✓	Western's weight reduced to about 1% of the sub-fund and proceeds moving to the other managers in the sub-fund, Fidelity, MetLife and Robeco, as well as lesser allocations to the sub-fund's liquidity reserve. This event is the culmination of RIs continuous manager review process in which they were already working towards replacement options for Western. The recent events with SEC has sped up this process. Change is to go through WMUK Governance and Constituent Authorities and Host for approval in October. Once approved, to move forward with depository and then FCA filing for approval. Looking at December for implementation.
	WS Wales PP Absolute Return Bond Fund - Change of Sub Manager, removing Insight for Oaktree and DNCA.	✓	RI decision to replace Insight in the Absolute Return Bond fund follows an extensive review of Insight's strategy and the broader manager universe. With Oaktree and DNCA identified due their higher conviction, more specialised focus in credit and rates/fx markets respectively. Introducing Oaktree at a 15% weight and DNCA at a 24% weight into the fund. This would also reduce the weight to the incumbent managers, Aegon and Wellington, whom the sub-fund became more concentrated towards following Putnam's removal in 2023.





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# Market Updates

Market Updates			
	Activity	Status	Commentary
<b>Russia / Ukraine</b>	Impact to ACS sub-funds holding Russian companies	✓	WMUK continue to monitor the situation and will advise Constituent Authorities of any developments. Our Fair Value Pricing Committee regularly discuss, and assets are still priced accordingly. All WPP Funds holding no Russian companies.
<b>Middle East</b>	Impact to ACS sub-funds holding Israeli companies	✓	<p>Currently 4 securities held in Israeli companies across two sub funds; Global Opportunities Fund - 3 companies with 0.27% exposure. Global Growth Fund – 1 company with 0.08%.</p> <p>Total value of approx. £12.4m. (0.09% total exposure)</p> <p>Situation currently being monitored as part of the BAU oversight process.</p> <p>Figures from end of September 2024.</p>

## Status key:

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	On target;
	Delay Expected;
	Not Applicable

# WMUK Corporate Update & Engagement

## Key Q3 and future WPP Engagement

**Waystone attendance at OWG/JGC meetings in period:**

- OWG 22 July 2024WPP
- JGC 17 July 2024
- JGC 18 September 2024

**Waystone attendance at OWG/JGC meetings in next quarter:**

- OWG 5 November 2024
- JGC 10 December 2024

**Waystone attendance at Strategic Relationship Review:**

- 29 November 2024

**Waystone - Pension Committee attendance in period:**

- None attended

**Waystone - Pension Committee attendance in next quarter :**

- None at Present

**WPP Pension Board Chairs Engagement meeting**

- None attended

**Other meetings in period**

- Host Authority update – occurs bi-weekly
- LGPS – Levelling Up round table – 18 Sept 2024

**Other meetings in next quarter**

- Host Authority update – occurs bi-weekly
- WPP briefing / training session – (Policies) 18 October 2024
- WPP Manager Day – 15/16 October 2024

# WMUK Engagement Protocol – Business as Usual

Strategic Relationship Review	Frequency	Objective
	<ul style="list-style-type: none"> <li>▪ Bi-annual</li> </ul>	<ul style="list-style-type: none"> <li>▪ Ensure strategic alignment between Host Authority and WMUK</li> </ul>
<b>WPP Attendees</b> <ul style="list-style-type: none"> <li>▪ Chris Moore</li> <li>▪ Anthony Parnell</li> <li>▪ Two Section 151 / Deputy Section 151 officers</li> </ul>		<b>Waystone Attendees</b> <ul style="list-style-type: none"> <li>▪ Karl Midl, Country Head, UK and CEO</li> <li>▪ Rachel Wheeler, Product Head – Regulated Fund Solutions</li> <li>▪ Richard Thornton, Head of Relationship Management, Asset Owners</li> </ul>
JGC Engagement	Frequency	Objective
	<ul style="list-style-type: none"> <li>▪ Quarterly</li> </ul>	<ul style="list-style-type: none"> <li>▪ Engage with JGC on pertinent matters and strategic deliverables</li> </ul>
<b>WPP Attendees</b> <ul style="list-style-type: none"> <li>▪ Joint Governance Committee (JGC)</li> </ul>		<b>Waystone Attendees</b> <ul style="list-style-type: none"> <li>▪ Karl Midl, Country Head, UK and CEO / Peter Ritchie, Head of Investment Management required</li> <li>▪ Richard Thornton, Head of Relationship Management, Asset Owners</li> <li>▪ James Zealander, Senior Relationship Manager</li> <li>▪ Russell Investments</li> </ul>
OWG Engagement	Frequency	Objective
	<ul style="list-style-type: none"> <li>▪ Quarterly</li> </ul>	<ul style="list-style-type: none"> <li>▪ Identify and deliver on opportunities to improve and expand the relationship</li> <li>▪ Provide update on open projects or issues</li> <li>▪ Monthly KPI Review (Data supplied quarterly)</li> </ul>
<b>WPP Attendees</b> <ul style="list-style-type: none"> <li>▪ Officers Working Group (OWG)</li> </ul>		<b>Waystone Attendees</b> <ul style="list-style-type: none"> <li>▪ James Zealander, Senior Relationship Manager</li> <li>▪ Richard Thornton, Head of Relationship Management, Asset Owners</li> <li>▪ Peter Ritchie, Head of Investment Management Oversight</li> <li>▪ Heidi Robinson, Relationship Manager (as required)</li> <li>▪ Ad-hoc Link attendance from functional departments: Tax, Compliance, Product, etc.</li> <li>▪ Russell Investments</li> </ul>

Note: Meetings may be conducted remotely and/or amalgamated where required.

# WMUK Engagement Protocol continued...

Host Authority Update		
Host Authority Update	Frequency	Objective
	<ul style="list-style-type: none"> <li>▪ Bi-Weekly</li> </ul>	<ul style="list-style-type: none"> <li>▪ Regular Host Authority – WMUK to discuss deliverables and business updates</li> </ul>
<b>WPP Attendees</b> <ul style="list-style-type: none"> <li>▪ Anthony Parnell</li> <li>▪ Tracey Williams</li> </ul>		<ul style="list-style-type: none"> <li>▪ Richard Thornton, Head of Relationship Management, Asset Owners</li> <li>▪ James Zealander, Senior Relationship Manager</li> <li>▪ Heidi Robinson, Relationship Manager</li> <li>▪ Clair Baguley, Client Service Manager (as required)</li> </ul>
Pension Fund Committees		
Pension Fund Committees	Frequency	Objective
	<ul style="list-style-type: none"> <li>▪ Annual</li> </ul>	<ul style="list-style-type: none"> <li>▪ General update on the ACS and planned initiatives</li> </ul>
<ul style="list-style-type: none"> <li>▪ Individual Pension Fund Committee meetings</li> </ul>		<ul style="list-style-type: none"> <li>▪ Richard Thornton, Head of Relationship Management, Asset Owners</li> <li>▪ James Zealander, Senior Relationship Manager</li> <li>▪ Heidi Robinson, Relationship Manager (as required)</li> <li>▪ Russell Investments</li> </ul>
Manager Engagement Days		
Manager Engagement Days	Frequency	Objective
	<ul style="list-style-type: none"> <li>▪ Annual</li> </ul>	<ul style="list-style-type: none"> <li>▪ Open day for presentations on strategy and performance (with IM)</li> </ul>
<ul style="list-style-type: none"> <li>▪ Open to all involved parties</li> </ul>		<ul style="list-style-type: none"> <li>▪ Waystone Client Team</li> <li>▪ Northern Trust</li> <li>▪ Russell Investments and other Investment Managers</li> <li>▪ Other consultants as required (e.g. bFinance)</li> </ul>
Pension Board Engagement		
Pension Board Engagement	Frequency	Objective
	<ul style="list-style-type: none"> <li>▪ Bi-Annual</li> </ul>	<ul style="list-style-type: none"> <li>▪ General update on the ACS and planned initiatives</li> </ul>
<b>WPP Attendees</b> <ul style="list-style-type: none"> <li>▪ Chairpersons of the Individual Pension Boards</li> <li>▪ Host Authority</li> </ul>		<ul style="list-style-type: none"> <li>▪ Waystone Client Team</li> <li>▪ Russell Investments</li> </ul>

# Thank you

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## Executive Contact

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