



Wales Pension Partnership

Joint Governance Committee – Q1 2025 Review

16th July 2025

Presented by James Zealander



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Corporate Update

Fit for the Future consultation

The Local Government Pension Scheme (LGPS) approved Wales Pension Partnership (WPP) in their response to the 'Fit for the future' consultation. WPP received government approval for its plans on 9 April. Government stated: "We have reviewed the WPP proposal and are supportive of you proceeding as set out in line with the March 2026 deadline".

We continue to work with the WPP to create a standalone investment company along with the necessary FCA authorisation for relevant permissions.

It is noted that Waystone's other LGPS client, ACCESS had their plan rejected and will continue to work with ACCESS to find an alternative solution.

We pleased to announce Andrew Smith has joined Waystone as Chief Technology and Information Security Officer (CTISO). Andrew will form part of our executive leadership based in the UK.

Andrew will lead our technology and information security strategy globally, playing a pivotal role in driving innovation and supporting our continued growth.

Andrew brings over 30 years of extensive technology experience, with more than two decades in leadership roles within financial services. His expertise in fintech, financial product development, and large-scale organisational transformation will be invaluable as we continue to grow and innovate.

Most recently, Andrew served as Chief Digital Officer at Nucleus Financial Group, where he also previously held the role of Chief Technology Officer. During his tenure, he led the Group's digital transformation, developed cutting-edge fintech and financial products, and defined long-term technology strategies.

A proven leader, Andrew has successfully driven change initiatives, managed global platforms, and operated investment management and equity trading systems. He has a strong track record of scaling operations from start-ups to enterprises, integrating financial software systems, and delivering mission-critical business solutions.

Waystone has been recognised at the HFM European Services Awards 2025 where we were successful in winning 'Best administrator – boutique and emerging managers', 'Best service provider – ESG' and just missed out on 'Best administrator – client service' but was Highly Commended on.

Waystone Administration Solutions has also been recognised by The Drawdown Awards 2025 in the following category, 'Fund Administration: \$50-500bn (total global private equity AUA)'. The awards ceremony take place on 12th June.

Compliance Updates

The table below details recent regulatory compliance developments that are relevant to WMUK. Featured items are gathered from a variety of sources including consultation papers, press releases and speeches.

A full regulatory update is issued to The Host Authority on monthly basis but can also be obtained by signing up to the Waystone Website. [UK/EU updates Archives - Waystone Compliance](#)

Title	Timing	WMUK Impact	WPP Impact	Status
FCA review of firms' treatment of vulnerable customers	Immediate	High	To Note	
FCA Publishes Multi-firm Review on Private Market Valuation Practices	Immediate	Medium	To Note	
FCA launches 5-year strategy to support growth and improve lives	Immediate	To Note	To Note	
FS25/2: Immediate areas for action and further plans for reviewing FCA requirements following introduction of the Consumer Duty	Immediate	To Note	To Note	

On 14 February 2025, the Financial Conduct Authority (FCA) published a document titled "Authorised Fund Applications – Our Expectations," detailing the requirements for firms seeking authorisation for collective investment schemes.

General Expectations:

- Self-Contained Applications: All necessary information must be included within the application, without referencing other documents.
- Fully Developed Strategies: Product and distribution strategies must be fully developed at the time of application.
- Capacity to Act: All parties involved should have the capacity to fulfil their proposed roles.
- Consistency: Information across all application documents must be consistent.
- Complete Documentation: A complete set of required documents must be submitted with the application.

Specific Application Areas:

- Fund Names: Must accurately reflect the fund's strategy and not be misleading.
- Investment Objectives: Should clearly state the fund's aims and how they will be achieved.
- Volatility Targets: If used, must be clearly explained and justified.
- Investment Strategies: Detailed explanation of how the fund will meet its objectives.
- Benchmarks: Proper use and disclosure of any benchmarks.
- ESG Strategies: Clear explanation of any environmental, social, or governance focus.
- Dealing Arrangements: Accurate description of subscription and redemption processes.

Special Considerations:

- Long Term Asset Funds (LTAFs): Require additional details, including valuation processes and management expertise. The FCA emphasises that incomplete applications may not be subject to normal time limits and could be refused. This guidance aims to streamline the application process and ensure that all necessary information is provided upfront, allowing for more efficient review and authorisation of funds.

Relationship Overview

Relationship Overview

Client	Wales Pension Partnership	AUM (as at 31 March 2025)	£13,144,233,653	Product Suite	ACS – UK
Contract Start Date	December 2017	Contract Expiry	December 2029 (with further 2-year extension provision)	Tenure of Relationship	7 years, 3 months

Fund Range

Wales Pension Partnership Sub-Fund Range

Equities

WS WPP Global Growth Fund
WS WPP Global Opportunities Equities Fund
WS Wales PP UK Opportunities Fund
WS Wales PP Emerging Markets Equity Fund
WS Wales PP Sustainable Active Equity Fund

Fixed Income

WS Wales PP Multi Asset Credit Fund
WS Wales PP Global Credit Fund
WS Wales PP Global Government Bond Fund
WS Wales PP Absolute Return Bond Fund
WS Wales PP Sterling Credit Fund

WPP Sub Fund Values

AUM & Quarterly

Fund	AUM (£)*
Equities	
WS WPP Global Growth Fund	£3,541,081,959
WS WPP Global Opportunities Equities Fund	£3,402,306,986
WS Wales PP UK Opportunities Fund	£765,494,510
WS Wales PP Emerging Markets Equity Fund	£272,996,065
WS Wales PP Sustainable Active Equity Fund	£1,524,321,708
Fixed Income	
WS Wales PP Multi Asset Credit Fund	£848,801,549
WS Wales PP Global Credit Fund	£1,026,469,014
WS Wales PP Global Government Bond Fund	£503,405,966
WS Wales PP Absolute Return Bond Fund	£532,806,310
WS Wales PP Sterling Credit Fund	£726,549,586
Total	£13,144,233,653

* As at 31 March 2025

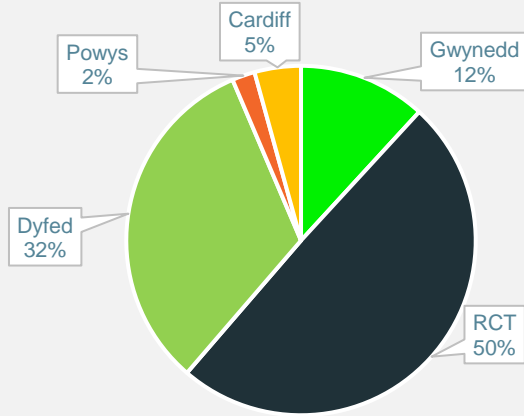
WPP Sub Fund Values & Percentage Ownership*

Fund name	Gwynedd	Powys	Clwyd	Swansea	Cardiff	Torfaen	RCT	Dyfed	Sub Fund Total
Equities									
WS WPP Global Growth Fund	£418,889,316 (12%)	£74,950,753 (2%)			£151,936,389 (4%)		£1,752,532,949 (50%)	£1,142,772,552 (32%)	£3,541,081,959 (100%)
WS WPP Global Opportunities Equities Fund	£460,604,014 (14%)			£1,181,516,220 (35%)	£567,284,914 (16%)	£685,233,031 (20%)	£507,668,807 (15%)		£ 3,402,306,986 (100%)
WS Wales PP UK Opportunities Fund					£158,178,394 (21%)	£607,316,116 (79%)			£765,494,510 (100%)
WS Wales PP Emerging Markets Equity Fund	£63,020,142 (23%)	£16,067,787 (6%)			£121,192,585 (44%)	£72,715,551 (27%)			£272,996,065 (100%)
WS Wales PP Sustainable Active Equity Fund	£317,663,995 (21%)	£74,029,248 (5%)	£364,403,494 (24%)	£159,201,546 (11%)	£142,360,840 (9%)	£170,851,465 (11%)	£113,896,342 (7%)	£181,914,778 (12%)	£1,524,321,708 (100%)
Fixed Income									
WS Wales PP Multi Asset Credit Fund	£241,850,969 (29%)	£35,364,960 (4%)	£334,244,087 (39%)	£71,218,915 (8%)	£166,122,618 (20%)				£848,801,549 (100%)
WS Wales PP Global Credit Fund	£233,430,540 (23%)	£28,279,694 (3%)			£161,462,026 (15%)	£266,284,241 (26%)		£337,012,513 (33%)	£1,026,469,014 (100%)
WS Wales PP Global Government Bond Fund					£241,346,135 (48%)	£262,059,831 (52%)			£503,405,966 (100%)
WS Wales PP Absolute Return Bond Fund	£403,241,482 (76%)	£75,512,582 (14%)		£54,052,246 (10%)					£532,806,310 (100%)
WS Wales PP Sterling Credit Fund							£726,549,586 (100%)		£726,549,586 (100%)
Constituent Authority Total	£2,138,700,458	£304,205,024	£698,647,581	£1,465,988,927	£1,709,883,901	£2,064,460,235	£3,100,647,684	£1,661,699,843	£13,144,233,653

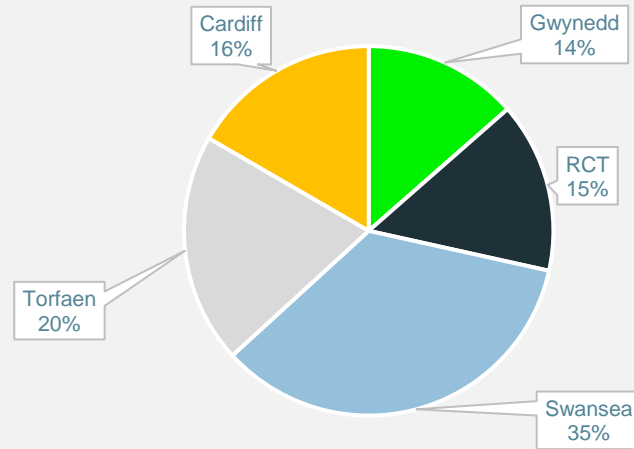
* As at 31 March 2025

Fund Snapshot* – Equities

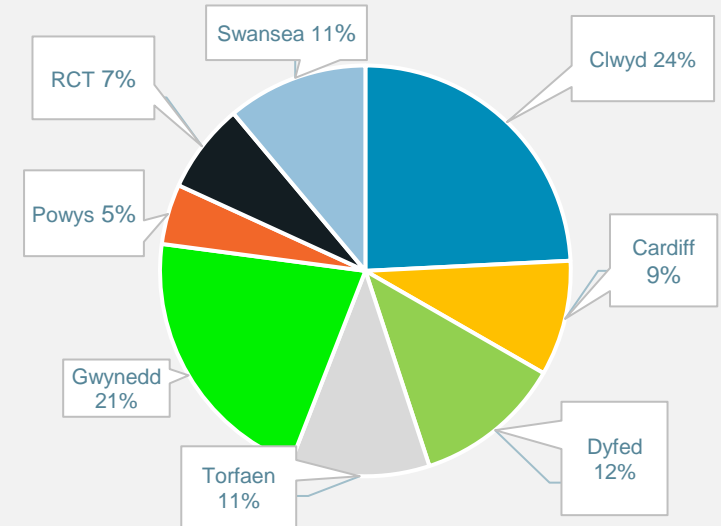
Global Growth



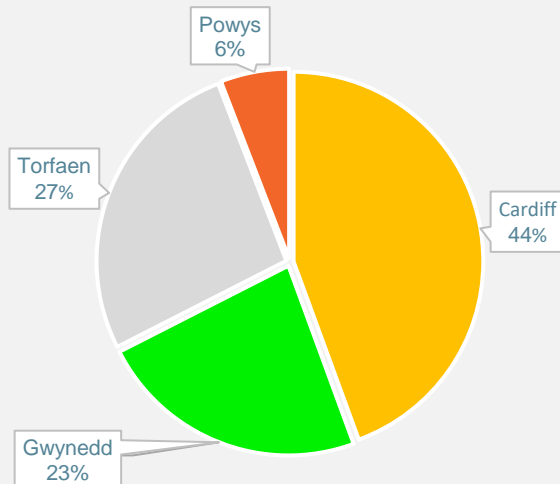
Global Opportunities



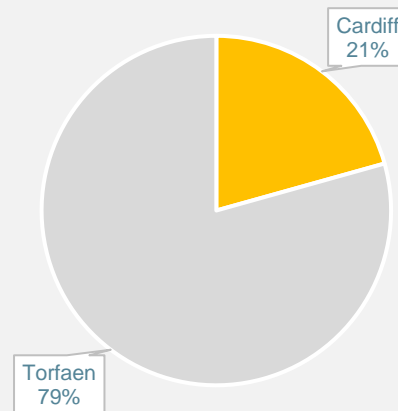
Sustainable Active Equity



Emerging Markets

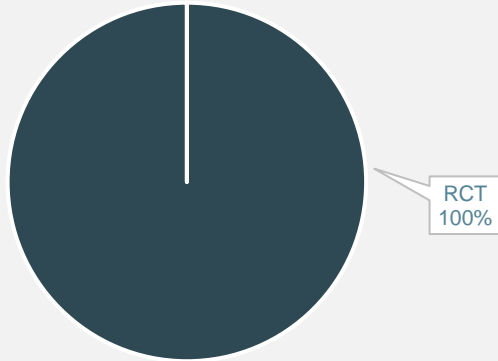


UK Opportunities

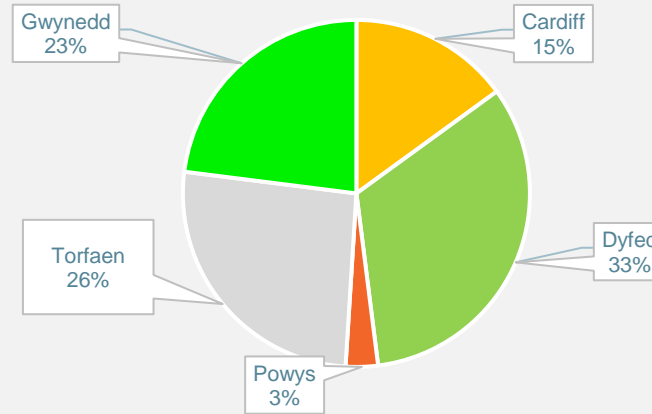


Fund Snapshot* - Fixed Income

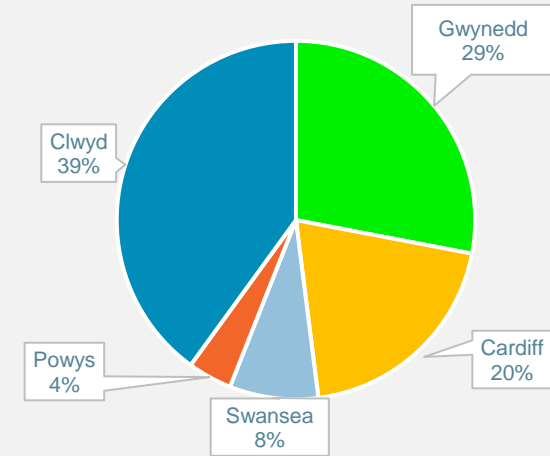
Sterling Credit



Global Credit



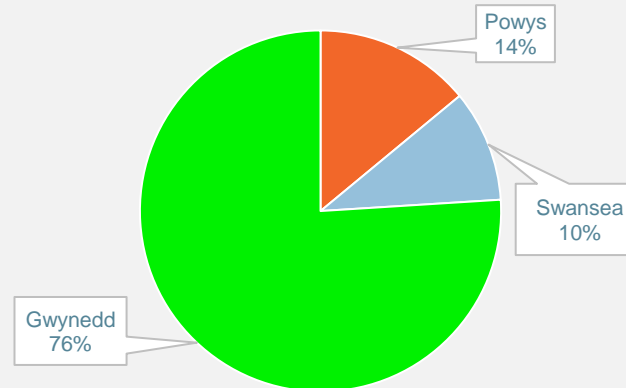
Multi Asset Credit



Global Gov. Bond



Absolute Return Bond



* As at 31 March 2025

Initiatives

Key Achievements & Updates

Fund Launches/Wind ups & Changes				
	Overview	Status	Details	Owner
Sub Fund Manager Update	WS Wales PP Global Credit Fund - Change of Sub Manager, removing Western, replacing with Coolabah	Ongoing	<ul style="list-style-type: none"> Western's weight reduced to about 1% of the sub-fund and proceeds moved 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 RI's continuous manager review process in which they were already working towards replacement options for Western. The recent events with SEC have sped up this process. Change delayed due to Depositary requiring additional due diligence on RI's selection of Coolabah. Expected approval, February 2025. Live date due April / May 2025, due to Coolabah awaiting on JP Morgan derivatives clearer needing to resolve a legal question which we expect to be resolved through April. Issues resolved with JP Morgan with investment to occur 29 May. 	RI/WMUK
Sub Fund Manager Update	Addition of Investment Manager for the WS Wales PP Emerging Markets Equity Fund	Ongoing	<ul style="list-style-type: none"> Proposed Manager change, in relation to the WS Wales PP Emerging Markets Equity Fund. This would be an addition to the current line up as opposed to a swap to add Sands Capital at a 6% strategic target weight. A high conviction in this strategy, RI believe it will diversify the growth exposure in the fund. This would also modestly reduce the weight to the incumbent managers, and RI believe it will improve the risk/return profile of the fund. WPP have approved the change and WMUK have taken this through Governance for approval. Expected live date to be end of May 2025. Date of 21 May has been provided as live date. 	RI/WMUK

Market Updates

	Activity	Status	Commentary
Russia / Ukraine	Impact to ACS sub-funds holding Russian companies	Ongoing	WMUK continue to monitor the situation and will advise Constituent Authorities of any developments. WMUK's Fair Value Pricing Committee regularly discuss this, and assets are still priced accordingly. There are no Russian holdings in any of the WPP funds.
	Activity	Status	Commentary
Middle East	Impact to ACS sub-funds holding Israeli companies	Ongoing	<p>Currently 4 securities held in direct Israeli companies across two sub funds; Global Opportunities Fund - 3 companies with 0.10% exposure across the total AUM. Global Government Bond Fund – 1 company with holding being a de minimis position.</p> <p>Total value of approx. £13.7m.</p> <p>Situation currently being monitored as part of the BAU oversight process.</p> <ul style="list-style-type: none"> Figures from end of March 2025.

Oversight – Third Party Monitoring

2025 Plan

Third Party Provider	Reporting Period	Sub Fund	Location	Status
Northern Trust				
Transfer Agency	2025	All	Onsite, London – September 2025	N/A
Fund Administration	2025	All	Onsite, London – May 2025	Fieldwork to be completed 7th May 2025
Price Analysis	2025	All	Onsite, Limerick – May 2025	At planning stage
Other 'Party' Questionnaire	2025	All	Questionnaire – February 2025	Questionnaire completed by NT and being reviewed by WMUK
IT Security Questionnaire	2025	All	Questionnaire – March 2025	Questionnaire template being reviewed by Waystone Group IT to ensure it reflects current best practice and security protocols
Annual Due Diligence	2025	All	Questionnaire – June 2025	N/A
Russell Investments				
Annual Due Diligence	2025	All	Onsite, London - 3 February 2025	Completed – Follow up session to be conducted in late spring 2025

WMUK Engagement

Key Q1 and future WPP Engagement

Waystone attendance at OWG/JGC meetings in period:

- OWG 12 February 2025
- JGC 12 March 2025

Waystone attendance at OWG/JGC meetings in next quarter:

- OWG 20 May 2025
- WPP JGC 16 July 2025

Waystone attendance at Strategic Relationship Review:

- 18 July 2025

Waystone - Pension Committee attendance in period:

- Rhonda Pension Meeting 26 March 2025

Waystone - Pension Committee attendance in next quarter :

- None planned at present

WPP Pension Board Chairs Engagement meeting

- 30 April 2025

Other meetings in period

- Host Authority update – occurs bi-weekly
- LGC Investment Seminar, Carden Park - March 2025

Other meetings in next quarter

- Host Authority update – occurs bi-weekly
- Invest in Wales Conference, Cardiff – April 2025
- DG Publishing Pooling Symposium, Belfry - May 2025
- LGC Pooling Symposium, Stratford upon Avon - July 2025

Meeting Schedule

Executive Review	Frequency <ul style="list-style-type: none"> - Semi-annual - Next: 18 July 2025 	Objective <ul style="list-style-type: none"> - Ensure strategic alignment - Mutual review of business and strategic goals, priorities and objectives
Attendees		
WPP		Waystone Management (UK) Limited
<ul style="list-style-type: none"> ▪ Chris Moore, Anthony Parnell & Two Section 151 / Deputy Section 151 officers 		<ul style="list-style-type: none"> - Karl Midl, Country Head, UK and CEO, Waystone Management UK - Rachel Wheeler, Global Product Head – Regulated Fund Solutions
Joint Governance Committee Meetings	Frequency <ul style="list-style-type: none"> - Quarterly - Next: 16 July 2025 	Objective <ul style="list-style-type: none"> - Key metrics - Pertinent matters - Strategic deliverables
Attendees		
WPP		Waystone Management (UK) Limited
<ul style="list-style-type: none"> ▪ Joint Governance Committee (JGC) 		<ul style="list-style-type: none"> - Karl Midl, Country Head, UK and CEO, Waystone Management UK - Richard Thornton, Head of Relationship Management, Asset Owners - James Zealander, Senior Relationship Manager - Russell Investments
Officers Working Group Meetings	Frequency <ul style="list-style-type: none"> - Quarterly - Next: 20 May 2025 	Objective <ul style="list-style-type: none"> - Identify and deliver on opportunities to improve and expand the relationship - Provide update on open projects or issues - Monthly KPI Review (Data supplied quarterly)
Attendees		
WPP		Waystone Management (UK) Limited
<ul style="list-style-type: none"> • Officers Working Group (OWG) 		<ul style="list-style-type: none"> - James Zealander, Senior Relationship Manager - Richard Thornton, Head of Relationship Management, Asset Owners - Heidi Robinson, Relationship Manager - Ad-hoc Waystone attendance from functional departments (as required): <ul style="list-style-type: none"> - CIO Investment Management Supervision - Head of Product - Head of Compliance - Head of Oversight - Russell Investment

Meeting Schedule continued

Host Authority Update	Frequency	Objective
	– Semi-weekly	– Regular Host Authority – WMUK to discuss deliverables and business updates
Attendees		
WPP		Waystone Management (UK) Limited
<ul style="list-style-type: none"> ▪ Anthony Parnell ▪ Tracey Williams 		<ul style="list-style-type: none"> – Richard Thornton, Head of Relationship Management, Asset Owners – James Zealander, Senior Relationship Manager – Heidi Robinson, Relationship Manager – Client Service Manager (as required)
Chairpersons of the Pension Board Committees	Frequency	Objective
	– Annual	– General update on the ACS and planned initiatives
Attendees		
WPP		Waystone Management (UK) Limited
<ul style="list-style-type: none"> ▪ Individual Pension Fund Committee meetings 		<ul style="list-style-type: none"> – Richard Thornton, Head of Relationship Management, Asset Owners – James Zealander, Senior Relationship Manager – Heidi Robinson, Relationship Manager – Russell Investments
Pension Board Engagement	Frequency	Objective
	<ul style="list-style-type: none"> – Semi-Annual – 30 April 2025 	– General update on the ACS and planned initiatives
Attendees		
WPP		Waystone Management (UK) Limited
<ul style="list-style-type: none"> • Chairpersons of the Constituent Authorities • Host Authority 		<ul style="list-style-type: none"> – Waystone Relationship Team – Russell Investment
Manager Engagement Days	Frequency	Objective
	<ul style="list-style-type: none"> – Annual – 15 / 16 October 2025 	– Open day for presentations on strategy and performance (with IM)
Attendees		
WPP		Waystone Management (UK) Limited
<ul style="list-style-type: none"> ▪ Open to all involved parties with WPP 		<ul style="list-style-type: none"> – Waystone Client Team including Exec Team – Northern Trust – Russell Investments and other Investment Managers – Other consultants as required (e.g. bFinance/Hymans)

Thank you

Relationship Team

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