



Cronfa Bensiwn
GWYNEDD
Pension Fund

ANNUAL **REPORT** **2024/25**

Contents

| | | |
|------------|--|-------------------------|
| 1. | Foreword | Page 3 |
| 2. | Management Structure | 4 |
| 3. | Annual Report of the Gwynedd Pensions Committee and Gwynedd Pension Board | 5-11 |
| 4. | Membership Summary | 12 |
| 5. | Pensions Administration | |
| | 5.1 Review of the Year | 13- 23 |
| | 5.2 Local Government Pension Scheme Regulations | 24-26 |
| 6. | Investments | |
| | 6.1 End of Year Position | 27-29 |
| | 6.2 Investment Performance | 29-30 |
| | 6.3 Administrative and Custody Arrangements | 30-31 |
| | 6.4 Investment Powers | 31 |
| | 6.5 Investment Management | 31 |
| | 6.6 Wales Pension Partnership Collaboration | 31-38 |
| | 6.7 Responsible Investing | 38-39 |
| 7. | Management and Financial Performance | |
| | 7.1 Managing Risk | 40-42 |
| | 7.2 Investment Strategy Statement | 42 |
| | 7.3 Funding Strategy Statement | 42 |
| | 7.4 Financial Performance | 43 |
| | 7.5 International Accounting Standard 19 (IAS19) and Financial Reporting Standard 102 (FRS102) | 44 |
| | 7.6 Final Accounts 2024/25 | 44 |
| | 7.7 Governance | 44 |
| | 7.8 Knowledge and Skills Framework | 44-45 |
| | 7.9 Investment Unit | 45 |
| 8. | Actuarial Report | 46-47 |
| 9. | The Accounts | o/s |
| 10. | Communication Policy Statement | o/s |
| 11. | Glossary | o/s |

I. Foreword

Welcome to the Gwynedd Pension Fund's annual report for the financial year that ended 31st of March 2025.

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 2024/2025 and we hope you find its content useful.

During the year, the value of the Pension Fund increased from £3.1 billion to £3.2 billion. The Fund saw positive returns of 5.1% over the year, against a benchmark of 6.9%. The average LGPS fund delivered a return of 3.4% for the year, and therefore the Fund return was significantly above the average for the year and ranked in the 7th percentile of the LGPS funds in Wales.

The Fund's target strategic allocation was updated at the end of 2023 to partially de- risk the Fund by reducing its equity allocation and invest in income generating assets. This has been actioned during the year and investments in infrastructure, private credit and equity will increase further as the investment capital is called.

The Fund continues to work as a committed member of the Wales Pension Partnership (WPP) to achieve efficiencies through pooling assets by combining assets in our investment management arrangements. Since October 2023, the Government has been reviewing the investment arrangements of LGPS funds in England and Wales under the 'LGPS Fit for the Future' consultation. Three key areas have been addressed: reforming the pool's operating model, promoting LGPS investment in their local areas and regions within the UK, and strengthening governance. The Government has expressed strong support for the WPP's proposal to advance to the next phase of investment pooling, and the goal is to ensure the long- term sustainability and effectiveness of the partnership.

Regular requests are received to set an ambitious timetable for total disinvestment of fossil fuels but as a pension fund, it is more responsible to us to plan properly, take real action, and influence where possible for the benefit of our environment. We continue to support our commitment to be net zero by 2050, supported by a commitment to assess the feasibility of the Fund reaching net zero 5, 10 or 20 years earlier. We ensure that we invest responsibly and consider the impact our actions will have on future generations and will continue to develop our responsible investment practices in the coming years.

From the point of view of administration, the Fund's staff have continued to ensure that we provide a high level of service in 2024/25. There have been great strides in developing electronic ways of working, with employers increasingly using the i-Connect system interface to provide data to the fund and a brand-new member self-service portal being developed to allow members to take control of their pension in an interactive way. We would also like to thank the Gwynedd pension administration staff and their colleagues in the investment team for their hard work over the past year.

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 2024/25, and we look forward to the fund's developments in 2025/26.



**Councillor
R Medwyn Hughes**
Pensions Committee
Chair 2024/25



**Dewi Morgan
s151**
Head of Finance

2. Management Structure

Administering Authority

Cyngor Gwynedd

Pensions Committee

Councillor R Medwyn Hughes (Chair)
Councillor Elin Hywel (Vice Chair)
Councillor Stephen Churchman
Councillor Ioan Thomas
Councillor John Pughe Roberts
Councillor John Brynmor Hughes
Councillor Iwan Huws
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)
Councillor Beca Roberts (Cyngor Gwynedd) until October 2024

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.gwyneddpensionfund.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 2024/25 (the year to 31 March 2025)

3(a) Annual Report of the Gwynedd Pensions Committee for 2024/25 (the year to 31 March 2025)

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 Northwest 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 2024/25

During 2024/25, the Pensions Committee met five times. Its work was shaped by both routine governance matters and evolving regulatory requirements. Key areas of focus included:

- **Investment Oversight**
 - Reviewed quarterly investment performance reports and received presentations from key fund managers.
 - Approved adjustments to asset allocations in line with market conditions and investment beliefs.
 - Continued transition of assets to the Wales Pension Partnership's pooled funds, including responsible investing-aligned equity and fixed income portfolios.
 - Challenge, encourage change, and seek assurance of quality in respect of investments to ensure alignment with strategic objectives and responsible stewardship.
- **Funding and Valuation**
 - Engaged in preparatory work for the 2025 actuarial valuation, including interim funding level monitoring and employer covenant assessments.
 - Approved updates to the Funding Strategy Statement reflecting changes in employer participation.
- **Governance and Risk Management**
 - Reviewed the Fund's Risk Register regularly, including specific attention to McCloud remedy implementation, cyber risk, and employer insolvency risk.
 - Ensured continued compliance with governance best practice and TPR expectations.
- **Responsible Investment**
 - Received updates on climate risk exposure, carbon intensity metrics, and TCFD alignment.
 - Approved ongoing collaboration with WPP to integrate responsible investing considerations into all asset classes.
- **McCloud and Regulatory Compliance**
 - Oversaw the Fund's compliance preparations for McCloud remedy implementation, including data processing and member communication.
 - Monitored progress toward the Fund's Pensions Dashboard Programme readiness.

4. Membership of the Committee (2024/25)

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 2024/25 year was as follows:

| Member Name | Representing | Role |
|--------------------|----------------|------------|
| Cllr Medwyn Hughes | Cyngor Gwynedd | Chair |
| Cllr Elin Hywel | Cyngor Gwynedd | Vice Chair |

| Member Name | Representing | Role |
|--------------------------|----------------|-----------------|
| Cllr Stephen Churchman | Cyngor Gwynedd | Member |
| Cllr Iwan Huws | Cyngor Gwynedd | Member |
| Cllr Ioan Thomas | Cyngor Gwynedd | Member |
| Cllr John Pughe Roberts | Cyngor Gwynedd | Member |
| Cllr John Brynmor Hughes | Cyngor Gwynedd | Member |
| Cllr Robin Williams | Anglesey CC | Co-opted Member |
| Cllr Goronwy Edwards | Conwy CBC | Co-opted Member |

5. Attendance

| | 17/06/2024 | 16/09/2024 | 25/11/2024 | 27/01/2025 | 17/03/2025 |
|--------------------------|------------|------------|------------|------------|------------|
| Cllr Medwyn Hughes | ✓ | ✓ | ✓ | ✓ | |
| Cllr Elin Hywel | ✓ | ✓ | ✓ | ✓ | ✓ |
| Cllr Stephen Churchman | ✓ | ✓ | ✓ | ✓ | ✓ |
| Cllr Iwan Huws | ✓ | | ✓ | ✓ | ✓ |
| Cllr Ioan Thomas | ✓ | ✓ | ✓ | ✓ | ✓ |
| Cllr John Pughe Roberts | ✓ | ✓ | | ✓ | |
| Cllr John Brynmor Hughes | ✓ | ✓ | ✓ | ✓ | ✓ |
| Cllr Robin Williams | ✓ | ✓ | ✓ | ✓ | |
| Cllr Goronwy Edwards | ✓ | | ✓ | ✓ | ✓ |

6. Work Plan and Priorities for 2025/26

The Committee has adopted a forward-looking work plan for 2025/26, focusing on:

- Completion of the **2025 Triennial Actuarial Valuation**
- Further transition and monitoring of pooled investments with WPP
- Oversight of the **McCloud remedy implementation**
- Continued development of **climate risk reporting** and compliance with TCFD
- Preparation for compliance with the **Pensions Dashboard**
- Ongoing review of the **Fund's governance framework** and policies

Regular reporting from the Fund's actuaries, investment consultants and officers will support effective oversight 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 2024/25 included:

- ESG and Responsible Investment Training
- Actuarial funding principles and employer covenant assessment
- The McCloud judgment and legislative reform updates
- Investment performance and risk management workshops
- Induction sessions for new members and refresher sessions for existing members

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 2024/25. 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 Medwyn Hughes
Pensions Committee Chair 2024/25

3(b) Annual Report of the Gwynedd Pension Board for 2024/25 (the year to 31 March 2025)

1. Background / Constitution

The Board was constituted under the Public Services Pensions Act 2013 and held its first meeting on 13th July 2015. The membership consists of three members representing scheme employers and three members representing scheme members (which include staff who contribute to the pension scheme and those who are retired and receiving a pension).

Over the period between 1st April 2024 and 31st March 2025, the Board has met virtually four times. Board members are invited as observers to meetings of the Pensions Committee and have agreed to take this role in turn in order to facilitate understanding as well as communication. This arrangement is reciprocated with the Chair of the Pensions Committee now attending Board meetings, where he is accountable, with officers for the governance and administration of the Fund. At times, the Board has asked for its views and recommendations to be submitted for consideration by the Committee.

2. Function of the Board

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

- i. ensure effective and efficient governance and administration of the LGPS, and
- ii. ensure compliance with relevant laws and regulation

Therefore, the Board is a monitoring, reviewing and assisting body, not a management or decision-making body. The Board operates under Terms of Reference agreed by Cyngor Gwynedd (in a meeting of the full Council on the 5th 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 the Fund's Pensions Manager.

3. The work of the Board

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

4. Attendance

Councillor Beca Roberts decided to step down from the Pension Board during 2024/25, and we would like to thank Beca for her contributions during her time on the Board.

| | 23/04/2024 | 08/07/2024 | 14/10/2024 | 04/02/2025 |
|--------------------|------------|------------|------------|------------|
| Anthony Deakin | | ✓ | ✓ | ✓ |
| H. Eifion Jones | ✓ | ✓ | ✓ | ✓ |
| Ned Michael | ✓ | ✓ | ✓ | ✓ |
| Sioned Evans Parry | ✓ | ✓ | ✓ | ✓ |
| Osian Richards | ✓ | ✓ | ✓ | |
| CLlr Beca Roberts | | ✓ | | |

5. Work Plan

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

- Pension Fund Budget
- Investment Consultant Objectives
- Pension Fund Investment Performance
- Pension Administration
- Pension Fund Annual Report
- Wales Pension Partnership
- Fund Accounts
- Audit Wales Report
- The Pensions Regulator's General Code of Practice
- Hymans Robertson National Knowledge Assessment
- Administrative Policies

During discussions, input and comments were provided by Board members, which supported the administering authority's officers in completing their work.

The work plan for 2025/26 includes:

- General Update on Pension Administration
- Pension Fund Discretionary Policies
- The Pensions Regulator's General Code of Practice
- Update on the Wales Pension Partnership
- Gwynedd Pension Fund Annual Report
- Gwynedd Pension Fund Investment Performance Update
- Final Accounts for the year ended 31 March 2025
- Risk Register
- 2026/27 Budget
- 2026/27 Business Plan
- 2026/27 Training Plan
- 2026/27 Work Programme
- 2025 Valuation

6. Training

During Board meetings all members of the Board were given details on the LGPS and its administration in Gwynedd through various presentations by the Head of Finance, Investment Manager and Pensions Manager.

Members of the Board have also attended a number of virtual meetings and presentations. These include:

LGC: Investment and Pensions Summit

LGC: Investment Seminar

WPP: Pooled Investments

WPP: Overview of cyber security and consideration for WPP

WPP: Policies – Responsible Investment Policy

WPP: Policies - Climate

WPP: Policies - Stewardship

WPP: Responsible Investment - Net Zero journey planning

WPP: Responsible Investment - Climate Metrics

WPP: Progress of other LGPS pools / collaboration opportunities

WPP: Any new regulatory / guidance developments

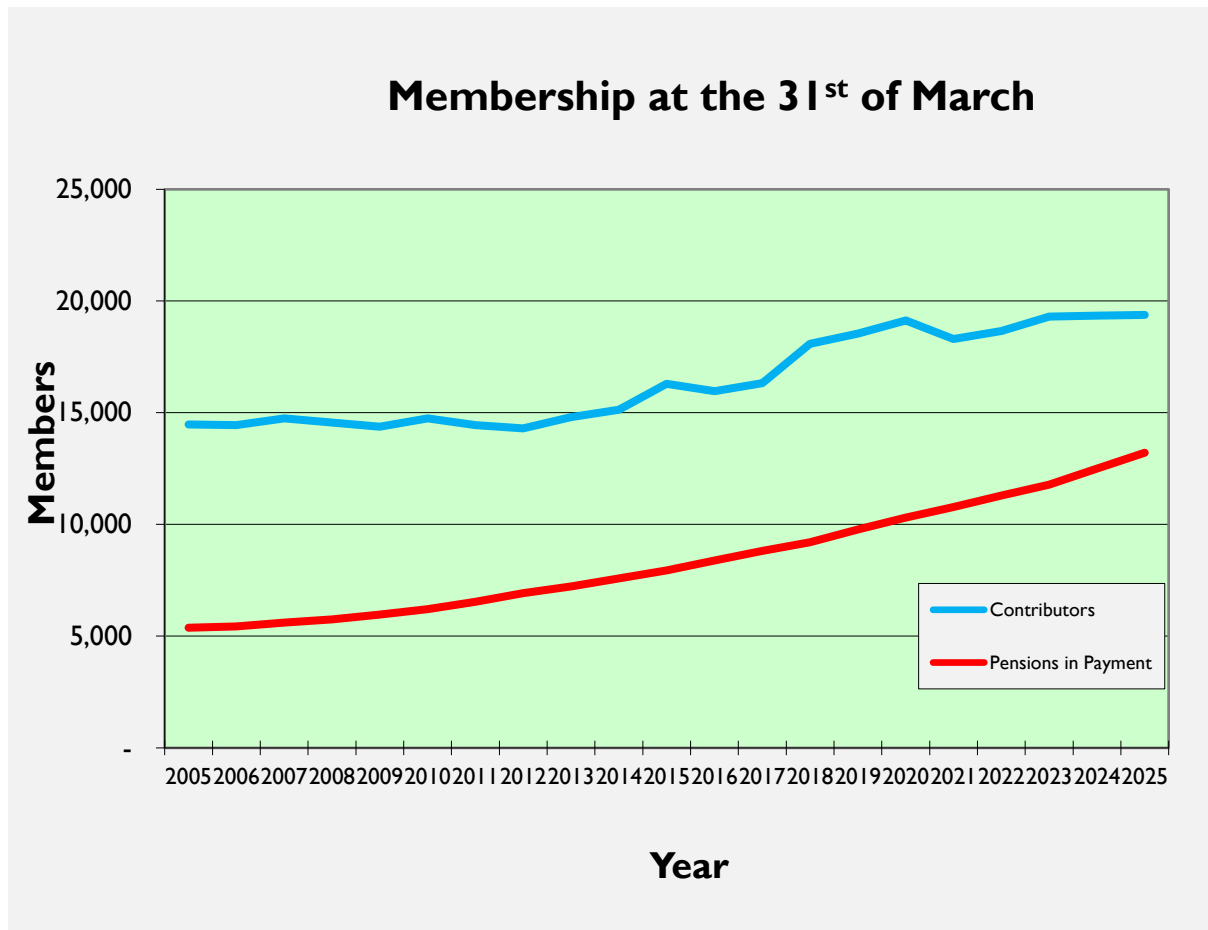
7. Thanks

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

Sioned Parry
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 5,379 in 2005 to 13,211 in 2025 and the number of active contributors has also increased from 14,481 in 2005 to 19,380 in 2025.



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

| 31 March 2024 | Description | 31 March 2025 |
|---------------|---------------------|---------------|
| 19,348 | Contributors | 19,380 |
| 12,504 | Pensions in Payment | 13,211 |
| 14,419 | Deferred Pensioners | 14,826 |
| 4,006 | Unclaimed Benefits | 4,683 |
| 3,038 | Undecided Leavers* | 1,792 |
| 53,315 | Total Membership | 53,892 |

*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

2024/25 has been another busy year for the Pension Fund. This report provides a general overview of pension administration over the past year. 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 | 10 | 488 | 498 | 402 |
| A2 | New survivor benefits | 0 | 38 | 38 | 24 |
| A3 | Deferred member retirements | 7 | 462 | 469 | 467 |
| A4 | Active member retirements | 33 | 560 | 593 | 490 |
| A5 | Deferred benefits | 2,493 | 966 | 3,459 | 4,978 |
| A6 | Transfers in (including interfunds in, club transfers) | 88 | 319 | 407 | 441 |
| A7 | Transfers out (including interfunds out, club transfers) | 11 | 129 | 140 | 116 |
| A8 | Refunds | 5 | 283 | 288 | 402 |
| A9 | Divorce quotations issued | 0 | 90 | 90 | 99 |
| A10 | Actual divorce cases | 0 | 0 | 0 | 2 |
| A11 | Member estimates requested either by scheme member or employer | 35 | 2,749 | 2,784 | 2,714 |
| A12 | New joiner notifications | 483 | 3,303 | 3,786 | 3,907 |
| A13 | Aggregation cases | 1,100 | 2,066 | 3,166 | 1,488 |
| A14 | Optants out received after 3 months membership | Not recorded | Not recorded | Not recorded | Not recorded |

During the reporting year, the administration team handled a wide range of casework activity. Death notifications rose slightly, with 498 cases completed compared to 402 the previous year. New survivor benefits remained steady at 38, up from 24. Retirement processing was consistent, with 469 deferred member retirements and 593 active member retirements completed — both showing a modest increase from the previous year.

Deferred benefit cases saw a notable decrease, with 3,459 completed compared to 4,978 previously, despite starting the year with a high volume of 2,493 open cases. Transfers in and out were relatively stable, with 407 and 140 cases completed respectively. Refunds dropped significantly to 288 from 402, while divorce quotations remained similar at 90, and no actual divorce cases were processed this year.

Member estimate requests continued at a high level, with 2,784 completed, slightly up from 2,714. New joiner notifications remained consistent at 3,786, and aggregation cases saw a sharp increase to 3,166 from 1,488 the previous year. Data for opt-outs after three months of membership was not recorded.

Overall, the team maintained strong throughput across most categories, with some areas showing increased demand and others reflecting reduced volumes year-on-year.

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 | 18.7% | 19.5% | 2 months | 69.3% | 75.6% |
| B2 | Communication issued confirming the amount of dependents pension | 10 working day | 81.6% | 50% | 2 months | 97.4% | 75% |
| B3 | Communication issued to deferred member with pension and lump sum options (quotation) | 15 working day | 98.9% | 99.4% | 2 months | 99.9% | 99.9% |
| B4 | Communication issued to active member with pension and lump sum options (quotation) | 15 working day | 95.9% | 97.1% | 2 months | 97.7% | 99.7% |
| B5 | Communication issued to deferred member with confirmation of pension and lump sum options (actual) | 15 working day | 98.1% | 99.6% | 2 months | 99.4% | 100% |

| | | | | | | | |
|-----|--|----------------|--------------|--------------|--------------|--------------|--------------|
| B6 | Communication issued to active member with confirmation of pension and lump sum options (actual) | 15 working day | 60.6% | 85.1% | 2 months | 95.7% | 98.5% |
| B7 | Payment of lump sum (both actives and deferreds) | 15 working day | Not recorded | Not recorded | Not recorded | Not recorded | Not recorded |
| B8 | Communication issued with deferred benefit options | 30 working day | 5.0% | 4.9% | 2 months | 36.2% | 21.7% |
| B9 | Communication issued to scheme member with completion of transfer in | 10 working day | 2.2% | 4.8% | 2 months | 67.4% | 65.2% |
| B10 | Communication issued to scheme member with completion of transfer out | 10 working day | 87.3% | 64.8% | 2 months | 94% | 93.3% |
| B11 | Payment of refund | 10 working day | 96.4% | 98.5% | 2 months | 99.6% | 99.2% |
| B12 | Divorce quotation | 45 working day | 95.5% | 81.8% | 3 months | 100% | 99% |
| B13 | Communication issued following actual divorce proceedings i.e application of a Pension Sharing Order | 15 working day | None | 0% | 3 months | None | 100% |
| B14 | Communication issued to new starters | 40 working day | 0.8% | 8.3% | 2 months | 90.5% | 94.5% |
| B15 | Individual member estimates provided to scheme member or employer | 10 working day | 95.0% | 97.1% | 2 months | 99.7% | 97.7% |

This year, we have transitioned to a new method of reporting performance. We are still in the process of adjusting our tasks to comply with this new approach, and work is ongoing to improve the quality of the data. Further adjustments may be required as the process evolves.

Some areas have shown poor performance, but it is likely that the task itself needs further refinement, and actual performance may be better than reported. However, the statistics presented here reflect the current position as recorded in our system.

Communications acknowledging a member's death remain below the fund target, with only 18.7% completed within five working days, though 69.3% met the legal requirement of two months — a

slight decline from the previous year. Communications confirming dependent pension amounts showed significant improvement, with 81.6% meeting the fund target and 97.4% meeting the legal requirement, up from 50% and 75% respectively.

Retirement quotations and confirmations for deferred members performed consistently well, with nearly all cases meeting both fund and legal targets. Active member quotations also remained strong, though actual confirmations dropped to 60.6% against the fund target, despite maintaining 95.7% compliance with the legal requirement. Deferred benefit option communications continued to underperform, with only 5% meeting the fund target and 36.2% meeting the legal requirement — though both figures improved slightly year-on-year.

Transfer-in communications were particularly low, with just 2.2% meeting the fund target, although 67.4% met the legal requirement. Transfer-out communications showed marked improvement, with 87.3% meeting the fund target and 94% meeting the legal requirement. Refund payments and divorce quotations were processed efficiently, with over 95% meeting both fund and legal targets. However, no communications were issued following actual divorce proceedings, a drop from 100% compliance the previous year.

Communications to new starters remained very low at 0.8% against the fund target, though legal compliance stayed relatively high at 90.5%. Member estimate requests were handled well, with 95% meeting the fund target and 99.7% meeting the legal requirement. Data for lump sum payments was not recorded.

Note: The Fund does not operate to fixed performance targets. Instead, we are committed to continuous improvement, focusing on enhancing service quality and responsiveness over time. However, for the purposes of this report, performance has been assessed against suggested targets. These targets reflect nationally recommended benchmarks and are used here to provide context and comparison.

Administration KPI table C – Communications and engagement

| Digital engagement KPI | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|------------------------|---|--|-----------|--------------------------|-------------------------|-------|---------------|---------------|-------|---------------|---------------|-------|---------------|---------------|-------|---------------|---------------|-------|---------------|---------------|-------|---------------|---------------|-------|---------------|---------------|-------|---------------|---------------|-------|---------------|---------------|-------|---------------|---------------|-------|---------------|---------------|-------|---------------|---------------|-------|---------------|---------------|-------|---------------|---------------|---------|---------------|---------------|
| C1 | % of active members registered for self-service | 55.11% as at 31 March | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| C2 | % of deferred members registered for self-service | 43.46% as at 31 March | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| C3 | % of pensioner and survivor members registered for self-service | 39.80% as at 31 March | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| C4 | % total of all scheme members registered for self-service | 46.95% as at 31 March | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| C5 | Top 5 most frequently visited functions | <ol style="list-style-type: none"> Document and Uploads Benefit Calculators Latest Valuation Annual Benefit Statement Video Overview Manage Beneficiaries | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| C6 | Number of registered users by age | <table border="1"> <thead> <tr> <th>Age Group</th> <th>Orange Series (Count, %)</th> <th>Green Series (Count, %)</th> </tr> </thead> <tbody> <tr><td>21-25</td><td>1,137 (83.8%)</td><td>1,356 (83.8%)</td></tr> <tr><td>26-30</td><td>2,570 (75.7%)</td><td>3,395 (75.7%)</td></tr> <tr><td>31-35</td><td>3,188 (62.3%)</td><td>1,926 (37.7%)</td></tr> <tr><td>36-40</td><td>3,739 (53.6%)</td><td>3,233 (46.4%)</td></tr> <tr><td>41-45</td><td>3,657 (50.6%)</td><td>3,573 (49.4%)</td></tr> <tr><td>46-50</td><td>3,506 (47.4%)</td><td>3,884 (52.6%)</td></tr> <tr><td>51-55</td><td>3,216 (45.3%)</td><td>3,723 (53.7%)</td></tr> <tr><td>56-60</td><td>3,814 (43.9%)</td><td>4,875 (56.1%)</td></tr> <tr><td>61-65</td><td>3,923 (42.2%)</td><td>5,372 (57.8%)</td></tr> <tr><td>66-70</td><td>3,415 (41.2%)</td><td>4,869 (58.8%)</td></tr> <tr><td>71-75</td><td>3,208 (50.3%)</td><td>3,166 (49.7%)</td></tr> <tr><td>76-80</td><td>3,402 (75.6%)</td><td>1,185 (24.4%)</td></tr> <tr><td>81-85</td><td>3,099 (85.8%)</td><td>5,507 (85.8%)</td></tr> <tr><td>86-90</td><td>2,260 (97.5%)</td><td>2,407 (97.5%)</td></tr> <tr><td>Over 90</td><td>1,729 (97.5%)</td><td>1,774 (97.5%)</td></tr> </tbody> </table> | Age Group | Orange Series (Count, %) | Green Series (Count, %) | 21-25 | 1,137 (83.8%) | 1,356 (83.8%) | 26-30 | 2,570 (75.7%) | 3,395 (75.7%) | 31-35 | 3,188 (62.3%) | 1,926 (37.7%) | 36-40 | 3,739 (53.6%) | 3,233 (46.4%) | 41-45 | 3,657 (50.6%) | 3,573 (49.4%) | 46-50 | 3,506 (47.4%) | 3,884 (52.6%) | 51-55 | 3,216 (45.3%) | 3,723 (53.7%) | 56-60 | 3,814 (43.9%) | 4,875 (56.1%) | 61-65 | 3,923 (42.2%) | 5,372 (57.8%) | 66-70 | 3,415 (41.2%) | 4,869 (58.8%) | 71-75 | 3,208 (50.3%) | 3,166 (49.7%) | 76-80 | 3,402 (75.6%) | 1,185 (24.4%) | 81-85 | 3,099 (85.8%) | 5,507 (85.8%) | 86-90 | 2,260 (97.5%) | 2,407 (97.5%) | Over 90 | 1,729 (97.5%) | 1,774 (97.5%) |
| Age Group | Orange Series (Count, %) | Green Series (Count, %) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 21-25 | 1,137 (83.8%) | 1,356 (83.8%) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 26-30 | 2,570 (75.7%) | 3,395 (75.7%) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 31-35 | 3,188 (62.3%) | 1,926 (37.7%) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 36-40 | 3,739 (53.6%) | 3,233 (46.4%) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 41-45 | 3,657 (50.6%) | 3,573 (49.4%) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 46-50 | 3,506 (47.4%) | 3,884 (52.6%) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 51-55 | 3,216 (45.3%) | 3,723 (53.7%) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 56-60 | 3,814 (43.9%) | 4,875 (56.1%) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 61-65 | 3,923 (42.2%) | 5,372 (57.8%) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 66-70 | 3,415 (41.2%) | 4,869 (58.8%) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 71-75 | 3,208 (50.3%) | 3,166 (49.7%) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 76-80 | 3,402 (75.6%) | 1,185 (24.4%) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 81-85 | 3,099 (85.8%) | 5,507 (85.8%) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 86-90 | 2,260 (97.5%) | 2,407 (97.5%) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Over 90 | 1,729 (97.5%) | 1,774 (97.5%) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

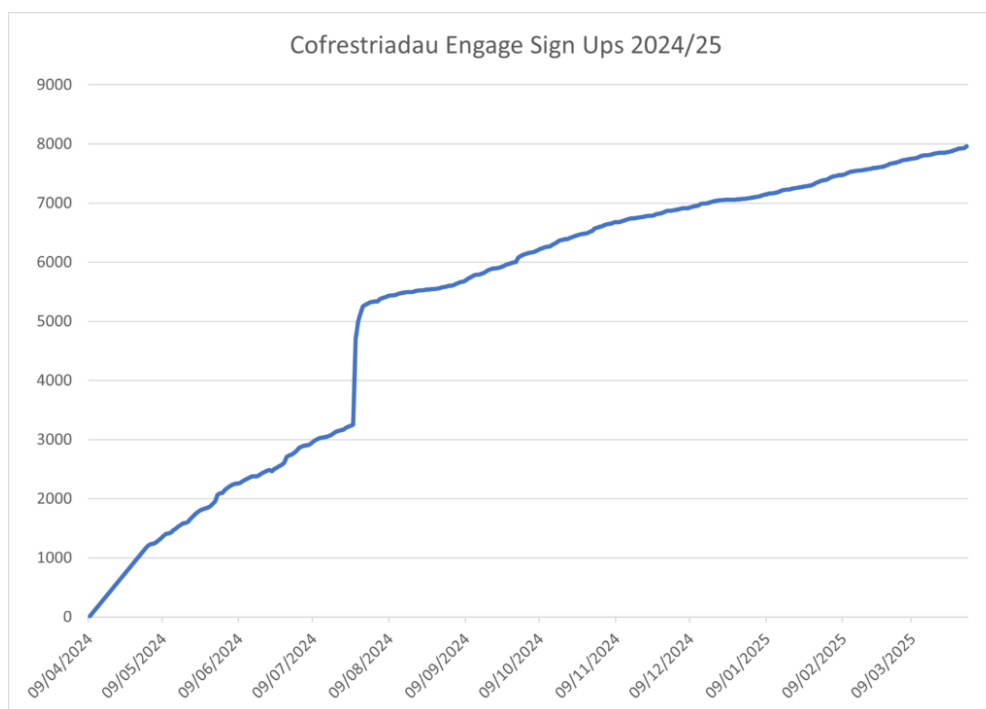
| | | |
|-------------------|---|---------------------------|
| C7 | % of all registered users that have logged onto the service in the last 12 months | 39.64% |
| Communication KPI | | |
| C8 | Total number of telephone calls received in year | Information not available |
| C9 | % of calls answered 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) | 12 |
| C13 | Number of employer engagement events held in year (in-person and online) | 22 |
| C14 | Number of active members who received a one-to-one (in-person and online) | 180 |
| 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 KPI (C1 – C7)

This section highlights how effectively members are engaging with the self-service portal and the features they find most valuable.

The 'My Pension Online' system continues to be a widely used and trusted resource, with high daily traffic from members seeking to manage their pension information. On 10 April 2024, a major upgrade to the portal was launched, requiring all existing users to re-register. The new platform introduced a modernised design and significantly enhanced functionality, underpinned by advanced technology. These improvements reflect an ongoing commitment to member-centric service, with further enhancements in development to deepen engagement and improve usability.

During the 2024–25 period, approximately 8,000 members successfully registered on the new portal, with numbers increasing steadily each month. The graph below illustrates the upward trend in member adoption over the past 12 months.



The upgraded system offers a wide range of features designed to support members in managing their pension benefits. These include the ability to view and update personal details and addresses, access benefit projections and retirement lump sum calculations, review service history, update nominated beneficiaries, and view Annual Benefit Statements and payslips (for pensioners). New features introduced with the upgrade include simplified login using email and password, enhanced security through two-factor authentication, improved navigation, a retirement planner tool, personalised explanatory videos for complex topics, and an electronic ID authentication system.

As of 31 March, registration rates across member categories show encouraging levels of participation. Active members lead with a registration rate of 55.11%, followed by deferred members at 43.46%, and pensioner and survivor members at 39.80%. Overall, 46.95% of all scheme members have registered, reflecting strong uptake and growing digital engagement.

Usage data reveals the most frequently accessed functions are document uploads, benefit calculators, latest valuation views, the Annual Benefit Statement video overview, and beneficiary management. These features align closely with members' practical needs in planning for retirement and maintaining accurate records.

Further analysis of user activity shows that 39.64% of registered users have logged into the portal within the past 12 months, indicating consistent and meaningful engagement. Age distribution data has also been collected to better understand usage patterns across different demographics.

Efforts are ongoing to increase member participation and ensure the portal continues to meet evolving user needs.

Communication KPI (C8-C15)

During the reporting year, member and employer engagement activities continued to play a vital role in supporting communication across the scheme. A total of 22 employer engagement events were held, both in-person and online, alongside dedicated scheme member sessions delivered by our Communication team. In addition, 180 active members received personalised one-to-one support, reflecting a strong commitment to direct and meaningful interaction. It is important to note, however, that a number of pensioners, deferred members, and family members of deceased members also received one-to-one support during the year. While these groups fall outside the scope of formal reporting, their inclusion would significantly increase the total number of individuals

supported.

Unfortunately, it was not possible to report on several key communication metrics this year due to changes in the telephone system, which affected data collection. As a result, figures relating to call volumes, first contact resolution rates, email and online queries, and average wait times were unavailable. Work is underway to address these limitations, and we aim to include comprehensive data for these areas in future reporting cycles.

Administration KPI table D – Administration staff as at 31 March

| Staff KPI | | |
|-----------|---|-------------------|
| D1 | Total number of all administration staff (FTE) | 23.6 |
| D2 | Average service length of all administration staff | 10 years 229 days |
| D3 | Number of administration staff vacancies occurred in the year | 3 |
| D4 | Number of the vacancies filled as at 31 March | 3 |
| D5 | Ratio of all administration staff to total number of scheme members (all staff including management) | 1:2278 |
| D6 | Ratio of administration staff (all processing staff and excluding management) to total number of scheme members | 1:2610 |
| D7 | Average number of all cases (open and closed) completed per member of staff involved in administration duties. | 666 |

The administration team consists of 23.6 full-time equivalent staff, with an average service length of 10 years and 229 days. During the year, three vacancies arose, all of which were successfully filled by 31 March. The ratio of total administration staff (including management) to scheme members stands at 1:2278, while the ratio for processing staff only (excluding management) is 1:2610. Based on the tasks listed in Table A above, the average number of cases completed per member of staff involved in administrative duties is 666.

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 | 97.5% | 98% |
| E5 | Scheme specific data | 99.1% | 99.33% |

| 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 | Not recorded | 1.59% |
| E7 | % of active, deferred and pensioner members with an email address held on file (with and without a record home address) | Not recorded | 61.91% |

Annual Benefit Statements KPI (E1–E3)

We must produce an Annual Benefit Statement for each member of the scheme by the end of August each year. This statement provides members with details of the benefits accrued up to the end of the previous financial year and predicts the benefits payable at their Normal Pension Age. The statement also includes pay details and explanatory notes about how the benefits are calculated.

Since 2018, these statements have been available electronically on our website's Member Self Service section. 2023/24 statements were uploaded to the system for active and deferred members on 25/07/2024.

1,070 members have written in to confirm that they want to continue receiving a paper copy of their statements. These statements were sent at the end of August 2024.

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.

Member Satisfaction Survey

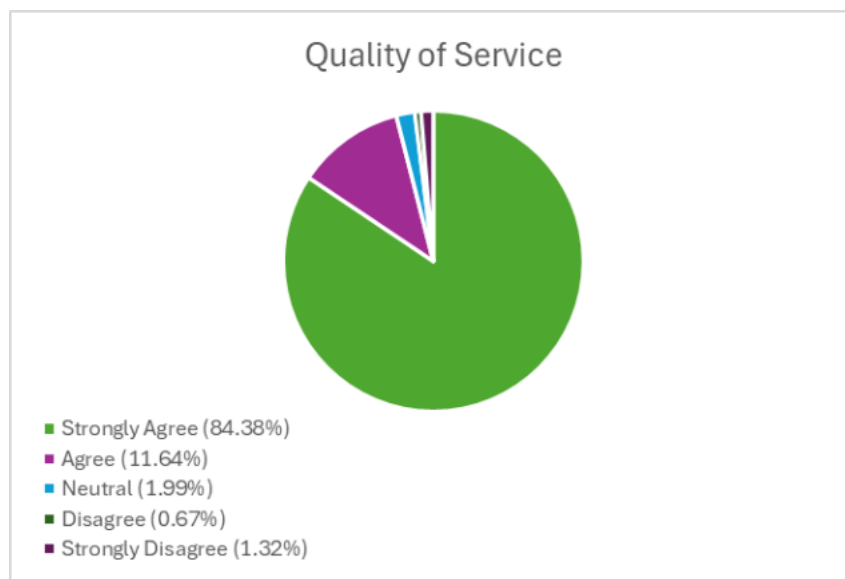
To ensure that we offer the best possible service to our members, a Member Satisfaction Survey is sent at the end of each process, e.g. retirements and payment of refunds for the members to give their opinion on the quality of the service received and their opinion about the service provided by the staff.

76 Members took part in this survey.

Here is a summary of the 2024/25 results:

Quality of Service

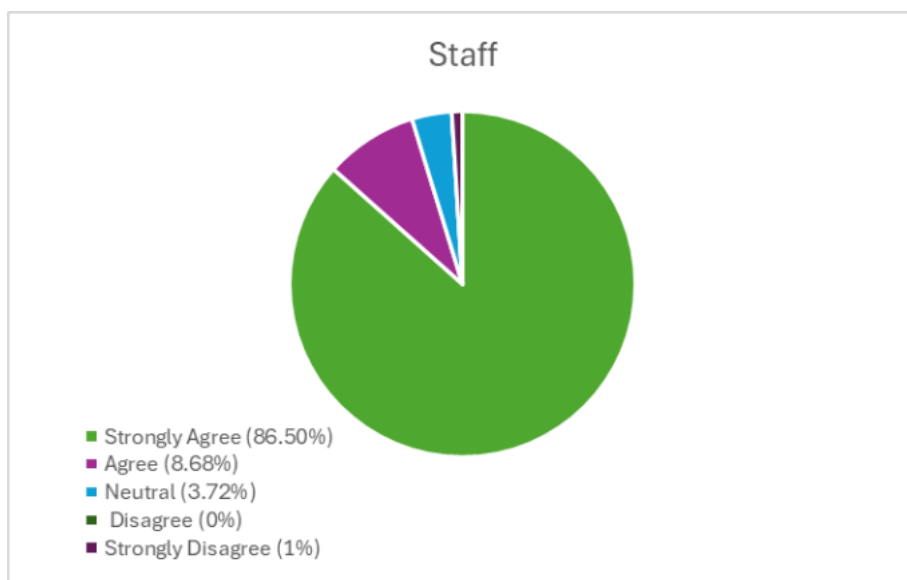
The chart below shows the percentage of users who are satisfied with four aspects of the service's performance based on: i) Service as a whole; ii) Clear information; iii) Quality of service; iv) Time to deal with the enquiry.



As can be seen, **96%** of the users strongly agree or agree that the quality of the service provided is of a high standard. The percentage for 2023/24 was **99%**.

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 (**95%**) 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 **99%**.

Although the score is slightly lower than in 2023/24, we remain confident that our performance in 2024/25 has been consistent. The minor dip reflects feedback from a single dissatisfied member whose concerns related to an issue beyond our control.

Work to do

There are a number of tasks and projects requiring attention during the next year. These include:

- Website: Continue to update and expand the website.
- Continue to develop process automation and improve our correspondence.
- Scanning the paper files in the office in order to be a paperless office.
- McCloud: Update records for undertaking the McCloud project.
- Reduce the number of 'undecided leavers' records, which are members who have left the scheme but their record has not been closed.

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 | 5 |
| Admitted bodies: | 18 | 26 |
| Total: | 47 | 31 |

Scheme membership

| | 31/03/2020 | 31/03/2021 | 31/03/2022 | 31/03/2023 | 31/03/2024 | 31/03/2025 |
|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Active | 18,582 | 18,295 | 18,657 | 19,304 | 19,348 | 19,380 |
| Deferred | 12,605 | 12,431 | 12,540 | 13,160 | 14,419 | 14,826 |
| Pensioners | 10,329 | 10,780 | 11,298 | 11,780 | 12,504 | 13,211 |
| Undecided | 6,441 | 8,133 | 8,617 | 7,966 | 7,044 | 6,475 |
| Total: | 47,957 | 49,639 | 51,112 | 52,210 | 53,315 | 53,892 |

Retirements during 2024/25

This table provides a summary of the number of retirements within the Fund during 2024/2025.

| Reason for leaver | Number of pensioners |
|--------------------------|-----------------------------|
| Early/Normal Retirement | 533 |
| Redundancy/ Efficiency | 69 |
| Ill Health | 43 |

| | |
|---------------------|------------|
| Late Retirement | 132 |
| Flexible Retirement | 57 |
| Total | 834 |

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 |
|--|----------------|----------------|----------------|----------------|----------------|
| Number of full-time equivalent Pension Fund staff | 18.10 | 19.16 | 20.16 | 22.6 | 23.6 |
| Total fund membership (Does not include undecided members) | 41,506 | 42,495 | 44,244 | 46,271 | 47,417 |
| Number of fund members to one member of administration staff | 2,293 | 2,218 | 2,195 | 2,047 | 2,009 |

Unit cost per member

| Investment Management Expenses | 2022/23 | 2023/24 | 2024/25 |
|--|----------------|----------------|----------------|
| Total Costs | £10,593,000 | £12,866,000 | £15,738,000 |
| Total Membership Numbers (Does not include unclaimed benefits and undecided members) | 44,244 | 46,271 | 47,417 |
| Cost per member | £239.42 | £278.06 | £331.91 |
| Administration Expenses | | | |
| Total Costs | £1,588,000 | £1,720,000 | £1,988,000 |
| Total Membership Numbers (Does not include unclaimed benefits and undecided members) | 44,244 | 46,271 | 47,417 |
| Cost per member | £35.89 | £37.17 | £41.93 |
| Oversight and Governance Expenses | | | |
| Total Costs | £548,000 | £456,000 | £556,000 |
| Total Membership Numbers (Does not include unclaimed benefits and undecided members) | 44,244 | 46,271 | 47,417 |
| Cost per member | £12.39 | £9.85 | £11.73 |
| Total cost | £287.70 | £325.08 | £385.57 |

Acknowledgments

Overall, 2024/25 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 Hymans 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 46 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 2024– March 2025 are shown in the table below:

| Pay Bands | Contribution Rates main scheme | Contribution Rates 50/50 scheme |
|---------------------|-----------------------------------|------------------------------------|
| Up to £17,600 | 5.5% | 2.75% |
| £17,601 - £27,600 | 5.8% | 2.9% |
| £27,601 - £44,900 | 6.5% | 3.25% |
| £44,901 - £56,800 | 6.8% | 3.4% |
| £56,801 - £79,700 | 8.5% | 4.25% |
| £79,701 - £112,900 | 9.9% | 4.95% |
| £112,901 - £133,100 | 10.5% | 5.25% |
| £133,101 - £199,700 | 11.4% | 5.7% |
| More than £199,701 | 12.5% | 6.25% |

Employers contribute to the fund 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

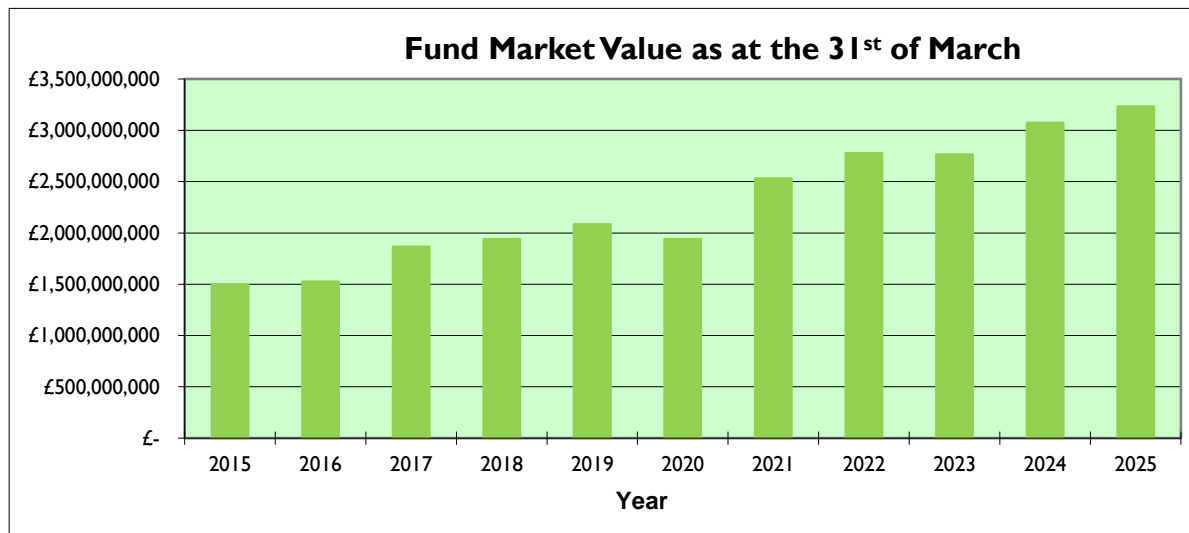
If a member dies after drawing their LGPS pension and before reaching age 75, a death grant may be payable. Generally speaking, the death grant is equal to 10 times (or 5 times if they left the LGPS before 1 April 2008) the pension less the amount already paid. If the member left after 31/03/2014 then 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 the 31st of March 2025, the Pension Fund's value has increased to £3.2 billion.



Asset Allocation

The main determinant of the Fund's long-term performance is the strategic allocation of assets. The following table shows the Fund's actual asset allocation against its target strategic allocation at 31.03.25.

| Type of asset | Actual % | Target % | Difference % |
|-------------------------|--------------|--------------|-----------------|
| UK Equity | 9.2 | 8.0 | +1.2 |
| Global Equity | 42.5 | 34.5 | +8.0 |
| Emerging Markets Equity | 2.0 | 2.5 | -0.5 |
| Private Equity | 5.1 | 5.0 | +0.1 |
| Total Growth | 58.8 | 50.0 | +8.8 |
| Property | 5.6 | 10.0 | -4.4 |
| Infrastructure | 5.8 | 7.5 | -1.7 |
| Multi Asset Credit | 7.5 | 7.5 | 0.0 |
| Private Credit | 1.6 | 5.0 | -3.4 |
| Total Income | 20.5 | 30.0 | -9.5 |
| Absolute Return Bond | 12.5 | 12.5 | 0.0 |
| Corporate Bonds | 7.2 | 7.5 | -0.3 |
| Total Defensive | 19.7 | 20.0 | -0.3 |
| Cash | 1.0 | 0.0 | +1.0 |
| Total | 100.0 | 100.0 | +0.0 |

The target strategic allocations were updated at the end of 2023 following an improvement in the Fund's funding position. It was agreed by the Pensions Committee to partially de-risk the Fund by reducing its equity allocation and invest in income generating assets. This has been actioned during the year and investments in infrastructure and private credit will increase further as capital is called. The Fund is underweight to property as we await the launch of the WPP property funds.

Investments by investment manager

Over the period of this report, there were 3 Investment Managers as follows: Wales Pension Partnership, BlackRock and Partners. The fund also made direct investments to property with the Lothbury, Threadneedle and UBS funds.

| Manager | Fund | Asset Class | 31 March 2024 £000 | 31 March 2025 £000 |
|------------------------------------|--|--------------------|--------------------------|--------------------------|
| Pooled | | | | |
| Wales Pension Partnership | Global Opportunities | Global Equity | 434,566 | 460,613 |
| Wales Pension Partnership | Global Growth | Global Equity | 415,429 | 418,895 |
| Wales Pension Partnership | Emerging Markets | Global Equity | 59,884 | 63,023 |
| Wales Pension Partnership | Sustainable Active Equity | Global Equity | 317,063 | 317,658 |
| Wales Pension Partnership | Absolute Return Bond | Bonds | 412,216 | 403,247 |
| Wales Pension Partnership | Multi Asset Credit | Multi-Credit Asset | 226,013 | 241,859 |
| Wales Pension Partnership | Global Credit | Bonds | 223,004 | 233,417 |
| Wales Pension Partnership | Russell Investments Global Private Credit | Private Credit | 10,235 | 50,748 |
| Wales Pension Partnership | GCM WPP Global Infrastructure | Infrastructure | 3,621 | 8,048 |
| Wales Pension Partnership | Capital Dynamics CEI | Infrastructure | 2,977 | 4,131 |
| Wales Pension Partnership | Octopus Renewables Infrastructure | Infrastructure | 9,868 | 35,101 |
| Wales Pension Partnership | IFM Global Infrastructure | Infrastructure | 0 | 60,918 |
| Wales Pension Partnership | CBRE Global Infrastructure | Infrastructure | 0 | 14,683 |
| Wales Pension Partnership | Schroders Capital WPP Global Private Equity I | Private Equity | 3,865 | 6,022 |
| Wales Pension Partnership | Schroders Capital WPP Global Private Equity II | Private Equity | 0 | 7,165 |
| Total Pooled | | | 2,118,741 | 2,325,528 |
| Under pool management | | | | |
| Black Rock | Aquila Life UK Equity Index | UK Equity | 267,131 | 294,958 |
| Black Rock | ACS World Low Carbon Equity | Global Equity | 203,363 | 170,002 |
| Total Under pool management | | | 470,494 | 464,960 |
| Not pooled | | | | |
| Black Rock | Property | Property | 53,144 | 56,246 |
| Lothbury | Property | Property | 50,779 | 6,263 |
| UBS | Property Global Ast Triton | Property | 72,160 | 76,742 |
| Threadneedle | Property TPEN | Property | 32,217 | 34,116 |
| Threadneedle | Property TPUT | Property | 2,050 | 2,221 |
| Partners | Private Equity | Private Equity | 163,163 | 149,330 |
| Partners | Infrastructure | Infrastructure | 73,516 | 76,836 |
| Total Not pooled | | | 447,029 | 401,754 |
| Total | | | 3,036,264 | 3,192,242 |

Assets within the UK

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

| £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. A quarterly meeting with the Investment Managers is rotated. The Investment Managers submit quarterly reports to the Pensions Committee, relevant officers and the Fund's adviser.

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 | Barclays 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 ACS World Low Carbon Equity Tracker | MSCI World Low Carbon Index | Track the benchmark |
| All Property | UK All Balanced Property Fund Index | Outperform the index |
| Partners Private Equity | MSCI AC World (net) | MSCI AC World (net) |
| 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 | 6.0 | 4.9 | 8.2 | 7.6 | 11.8 | 11.0 |
| WPP Global Growth | 0.9 | 4.9 | 5.0 | 7.6 | 9.0 | 11.0 |
| WPP Emerging Markets | 5.2 | 5.8 | 4.3 | 2.5 | (0.9) | (0.4) |
| WPP Sustainable Active Equity | 0.2 | 4.9 | n/a | n/a | 8.3 | 13.4 |
| WPP Absolute Return Bond | 7.6 | 7.2 | 5.5 | 6.2 | 4.2 | 4.8 |
| WPP Multi Asset Credit | 7.1 | 9.3 | 3.4 | 8.3 | 3.2 | 6.8 |
| WPP Global Credit | 4.7 | 4.8 | n/a | n/a | (1.0) | (0.8) |
| WPP Private Credit | n/a | n/a | n/a | n/a | n/a | n/a |
| WPP Global Infrastructure | 5.1 | 8.0 | n/a | n/a | 6.3 | 8.0 |
| WPP Wales Renewable Infrastructure | 6.9 | 8.0 | n/a | n/a | 3.5 | 8.0 |
| WPP Open Ended Infrastructure | n/a | n/a | n/a | n/a | 1.4 | 8.0 |
| WPP Private Equity | 7.8 | 15.0 | n/a | n/a | 17.4 | 15.0 |
| Local Funds | | | | | | |
| Black Rock Aquila Life UK Equity Index | 10.4 | 10.5 | 7.2 | 7.2 | 7.4 | 7.4 |
| Black Rock ACS World Low Carbon Equity Tracker | 4.4 | 4.6 | 7.6 | 7.4 | 10.4 | 10.1 |
| BlackRock Property | 5.3 | 6.3 | (4.9) | (3.3) | 4.8 | 5.5 |
| Lothbury Property | n/a | n/a | n/a | n/a | n/a | n/a |
| Threadneedle TPEN Property | 5.9 | 6.3 | (2.8) | (3.3) | 3.2 | 3.1 |
| Threadneedle TPUT Property | 8.7 | 6.3 | (2.0) | (3.3) | 2.6 | 2.2 |
| UBS Property | 6.4 | 6.4 | (4.0) | (3.3) | 2.2 | 3.3 |
| Partners Group Private Equity | 3.8 | 20.1 | 2.0 | 8.7 | 9.1 | 11.1 |
| Partners Group Infrastructure | 12.5 | 8.0 | 12.2 | 8.0 | 11.8 | 8.0 |
| Whole Fund | 5.1 | 6.9 | 4.8 | 5.8 | 7.6 | 7.4 |

The Fund saw positive returns over 1 year, 3 years and since inception. The average LGPS fund delivered a return of 3.4% 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. This has been largely due to the failure of active equity managers to add value in the LGPS sector as a whole.

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 quartile of all LGPS and was ranked 10th out of all LGPS funds. The benchmarks given are very challenging and the fund is performing well in comparison to other LGPS funds. The fund was ranked 5th (5 years return) and 7th (10 years return) and therefore the recent strategy has had a very positive impact on the Fund's position and the longer-term results remain well ahead of inflation and the funds' actuarial assumptions.

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 joins the Pensions Committee in monitoring the Investment Managers. An advisor from Hymans Robertson is always present at the quarterly meetings with 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.

Lothbury, Threadneedle and UBS, with whom the Fund has direct investments, have Northern Trust as their custodians.

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 Council, 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 the majority of the Fund is invested in equities.

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

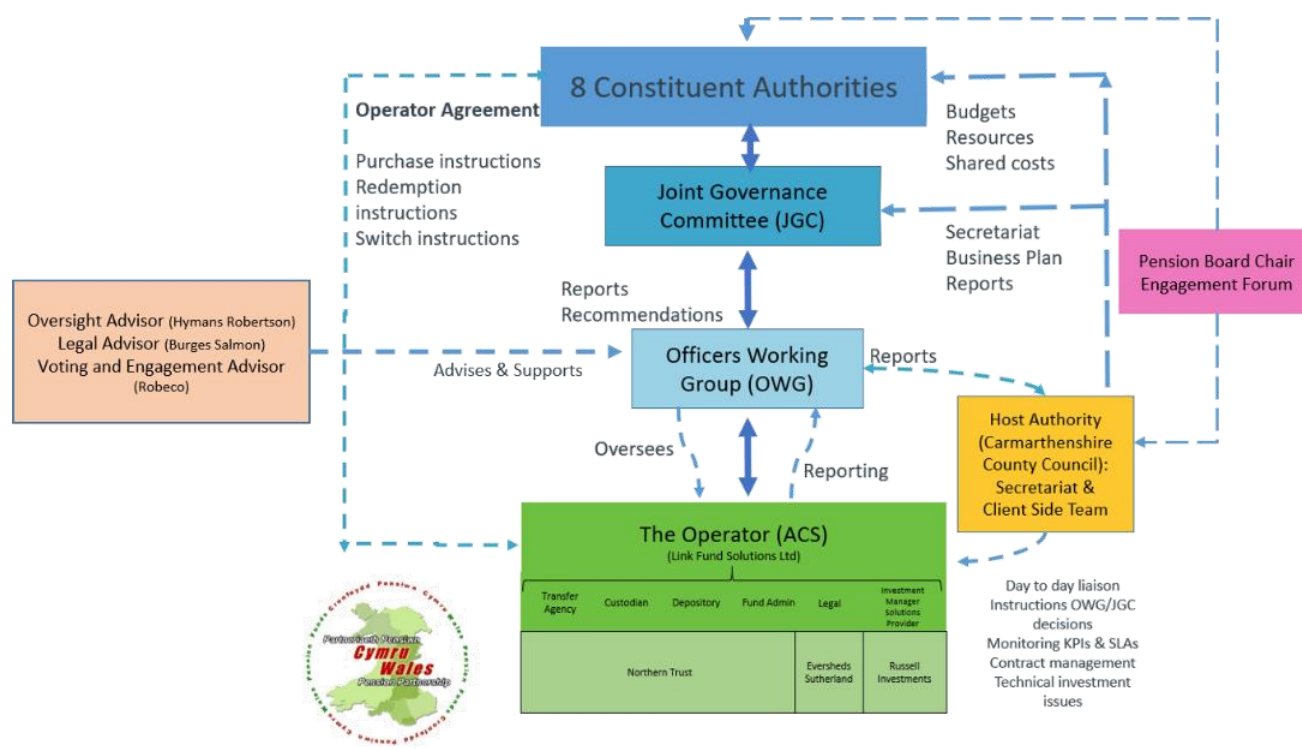
The WPP is one of the eight Local Government Pension pools nationally and is a collaboration of the eight LGPS funds in Wales. The eight funds have a long, successful history of collaboration including a collaborative tender for a single passive equity provider for the Welsh funds pre-dating the Government's 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 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 that the WPP now has 75% of assets under pool management.

As of the 31st of March 2025, WPP has total assets worth £25.8bn, £19.4bn of which sits within the pool, see breakdown below:

| Fund | Managed by | Launch Date | 31 March 2025 £000 | % |
|---|--|----------------|-----------------------|------------|
| Global Growth Equity | Russell Investments | February 2019 | 3,541,082 | 13.7 |
| Global Opportunities Equity | Russell Investments | February 2019 | 3,402,307 | 13.2 |
| UK Opportunities Equity | Russell Investments | September 2019 | 765,495 | 3.0 |
| Emerging Markets Equity | Russell Investments | October 2021 | 272,996 | 1.0 |
| Sustainable Active Equity | Russell Investments | June 2023 | 1,524,322 | 5.9 |
| Global Credit | Russell Investments | July 2020 | 1,026,469 | 4.0 |
| Global Government Bond | Russell Investments | July 2020 | 503,406 | 2.0 |
| UK Credit | Waystone Management (UK) Limited | July 2020 | 726,549 | 2.8 |
| Multi-Asset Credit | Russell Investments | July 2020 | 848,802 | 3.3 |
| Absolute Return Bond | Russell Investments | September 2020 | 532,806 | 2.1 |
| Infrastructure | GCM Grosvenor, IFM, CBRE and Octopus, Capital Dynamics | Various | 726,427 | 2.8 |
| Private Credit | Russell Investments | April 2023 | 320,921 | 1.2 |
| Private Equity | Schroders Capital | October 2023 | 124,883 | 0.5 |
| Passive Investments | BlackRock | March 2016 | 5,065,251 | 19.6 |
| Investment not pooled | | | 6,424,700 | 24.9 |
| Total Investments across all 8 Pension Funds | | | 25,806,416 | 100 |

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

| Fund | 31 March 2025 £000 | % |
|--------------------------------|-------------------------------|------------|
| Global Opportunities | 460,613 | 14.4 |
| Global Growth | 418,895 | 13.1 |
| Emerging Markets | 63,023 | 2.0 |
| Sustainable Active Equity | 317,658 | 9.9 |
| Global Credit | 233,417 | 7.3 |
| Multi Asset Credit | 241,859 | 7.6 |
| Absolute Return Bond | 403,247 | 12.6 |
| Private Markets | 186,816 | 5.9 |
| Passive Equity | 464,960 | 14.6 |
| Investment not pooled | 401,755 | 12.6 |
| Total Investment Assets | 3,192,243 | 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 the 31st of March 2025.

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 31st of March 2025 was £241k 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 2024/25.

| | | Direct | Indirect | Total |
|--------------------------|-----------------|---------------|-----------------|---------------|
| | | £000 | £000 | £000 |
| Management Fees | Pool Assets | 5,624 | 4,125 | 9,749 |
| | Non-Pool Assets | 8,608 | 455 | 9,063 |
| Transaction Costs | Pool Assets | 1,175 | 0 | 1,175 |
| | Non-Pool Assets | 0 | 2,705 | 2,705 |
| Custody Costs | Pool Assets | 331 | 0 | 331 |
| | Non-Pool Assets | 0 | 0 | 0 |
| Whole Fund Total | | 15,738 | 7,285 | 23,023 |

2025/26 Objectives

The WPP continues to evolve its private market offerings with the Real Estate Investment programme due to be launched in 2025/26. Through the Private Market programmes, the WPP has been able to facilitate investments in local investment opportunities in Wales and is keen to develop this further.

In November 2024, the WPP was delighted to be awarded the ESG innovation award at the LGC Investment Awards ceremony. This award reflects the critical importance that the WPP and its constituent authorities continues to place on sustainability issues and recognises the success of its Sustainable Active Equity Fund, which has grown to become one of the largest sustainable investment funds of its type in the UK. This area remains a focus for the WPP, with work now ongoing to improve the sustainability characteristics of existing investments, considering how to evolve the Passive and Fixed Income sub-funds to become more sustainable.

During 2024/25, the WPP submitted its fourth annual Stewardship Report and was successful in retaining its signatory status to the UK Stewardship Code. The WPP also completed its first Pool-level annual climate report, as well as an updated analysis of deforestation exposure within its listed-equity Sub-Funds. In 2025/26, the WPP will be publishing its next All Wales Climate Report.

The WPP have made a number of re-appointments during 2024/25, including Waystone as the operator, Hymans Robertson as the Oversight Advisor and Robeco UK as the Voting and Engagement provider. Russell Investments continue as WPP's Investment Management Solutions Provider. All appointments followed comprehensive procurement exercises. WPP's existing Legal Services provider contract comes to an end on 31 December 2025 and work is underway with this contract re-tender process.

The Government launched its Local Government Pension Scheme Fit for The Future Consultation on the 14th of November 2024, outlining a range of proposals to strengthen the management of LGPS investments. As part of the consultation, the government asked each pool to consider and provide submissions to demonstrate a clear path to meeting the requirements outlined in the consultation document. The WPP business case proposal was approved by the WPP Joint Governance Committee on 12 March 2025 and submitted to government. This proposal sets out the compelling business case for the WPP to retain a stand-alone investment pool for Wales and proceed with building the proposed new Government requirements for the pool operating model. We are delighted that the government has approved WPP's business case and work is now underway to deliver, within the required timescale.

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 2024/25 was £987,820 (gross) / £839,712 (net) with £382,587,801 out on loan as of the 31st of March 2025.

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://www.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 2025/26 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. | <ul style="list-style-type: none">• 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. | <ul style="list-style-type: none">• Triennial actuarial valuations provide periodic indications of the growth in assets against liabilities.• Employer contribution rates are set in response to this. The 2022 valuation showed that there is a funding provision of 120% 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. |

| | |
|---|---|
| | <ul style="list-style-type: none"> • As a result of the 2022 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. • Fund managers are thoroughly vetted prior to appointment and performance is reviewed regularly against the benchmark and performance objectives by the Investment Panel. • The Fund/ WPP replaces underperforming investment managers. |
| <p>Market risk - Market crash leading to failure to reduce the deficit resulting in:</p> <ul style="list-style-type: none"> • Financial loss • Increased employer contribution costs. | <ul style="list-style-type: none"> • 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. |
| <p>The Fund fails to adequately account for climate change, climate risk and environmental, social and governance (ESG) factors.</p> | <ul style="list-style-type: none"> • 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, PPC 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 | |
| <p>Failure of custodian leading to losses which results in:</p> <ul style="list-style-type: none"> • Failure to reduce the deficit • Financial loss | <ul style="list-style-type: none"> • 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 | |
| <p>Cyber Attack</p> <ul style="list-style-type: none"> • Loss of sensitive data. • Systems damaged or destroyed. • Reputation risk. <p>Financial loss arising from legal action.</p> | <ul style="list-style-type: none"> • Firewall in operation. • Software regularly updated with latest security features. • The system is backed up daily. • Password access is required. |
| Uncontrollable External Factors | |
| <p>Normal operations disrupted by uncontrollable external factors.</p> | <ul style="list-style-type: none"> • Working from home is happening with many of the staff now working hybrid. • Disaster Recovery Plan for pension system. |

| | |
|--|--|
| <p>Service delivery threats from fire, bomb, extreme weather, electrical faults, sickness, epidemic, pandemic etc.</p> <p>Insufficient daily back up, disaster recovery, and IT cover to support systems.</p> <p>Temporary loss of ability to provide service to stakeholders.</p> | <ul style="list-style-type: none"> • Business Continuity / Disaster. • Recovery Plan for the Authority with IT firewalls. |
| Response to 'Fit for the Future' | |
| <p>Risk that the WPP IM Co fails to obtain FCA authorisation in time for April 2026 go-live.</p> <p>Without FCA authorisation, the WPP IM Co cannot legally operate, causing major operational disruption.</p> | <ul style="list-style-type: none"> • Early and ongoing engagement with FCA. • Rigorous preparation of the FCA application and compliance documentation. • Engage external regulatory advisors to ensure application completeness. • Develop contingency plans for delayed authorisation scenarios. |

7.2 Investment Strategy Statement

The Pensions Committee approved the Investment Strategy Statement in March 2023 following the 2022 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/Gwynedd-Pension-Fund-Investment-Strategy-Statement-March-2023.pdf>

7.3 Funding Strategy Statement

Local Government Pension Scheme (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 2022/23 to reflect the Actuarial Valuation on the 31st of March 2022. It includes all employer contribution rates from the 1st of April 2023 onwards.

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

<https://www.gwyneddpensionfund.wales/en/Investments/Gwynedd-FFS-2023-Saesneg.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 2023/24 £000 | Actual 2024/25 £000 |
|--------------------------------|------------------------------------|------------------------------------|
| Employee/ Member contributions | 23,500 | 24,831 |
| Employer contributions | 70,778 | 76,929 |
| Transfer in | 8,575 | 9,156 |
| Investment Income | 47,956 | 65,847 |
| Other Income | 3 | 3 |
| Total Income | 150,812 | 176,766 |

There was an increase across all categories of income 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 funds, and these investments have generated significant interest income. These investments follow the pattern of interest rates and therefore it is reasonable that the income level has increased.

Expenditure

| | Actual 2023/24 £000 | Actual 2024/25 £000 |
|--------------------------|------------------------------------|------------------------------------|
| Benefits payable | (82,931) | (94,520) |
| Payments to leavers | (5,068) | (7,870) |
| Management expenses | (15,042) | (18,282) |
| Total Expenditure | (103,041) | (120,672) |

There was an increase in the amount of benefits paid after the benefits increased with CPI, and there was an increase in management costs due to the introduction of different asset classes and therefore difference fee charges.

Net Assets

| | Actual 2023/24 £'000 | Actual 2024/25 £'000 |
|---|-------------------------------------|-------------------------------------|
| Profit and losses on disposal of investments and changes in the market value of investments | 308,051 | 171,473 |
| Net Increase/ (Decrease) in the Net Assets available for benefits during the year | 307,866 | 161,720 |

The value of investments on the market has increased steadily during the year with modest returns across the asset classes.

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, Snowdonia National Park Authority, the Police and Crime Commissioner for North Wales and Careers Wales Northwest. 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 31/03/2025

In March 2025 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 31/03/2025

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 2024/25

The Final Accounts were audited by Audit Wales, and the final version in Section 9 was presented to the Pensions Committee on 24th November 2025.

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 states 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.

All 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.

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

| | |
|---------------------------|---|
| Wales Pension Partnership | WPP Pooled Investments |
| Wales Pension Partnership | Overview of Cyber Security and considerations for WPP |
| Wales Pension Partnership | Policies: Responsible Investment, Climate and Stewardship |
| Wales Pension Partnership | Responsible Investment – Climate metrics |
| Wales Pension Partnership | Progress of other LGPS pools/ collaboration opportunities |
| Wales Pension Partnership | Any new regulatory/ guidance developments |
| Wales Pension Partnership | Project Snowdon |

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 Wales funds 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 31st March 2022 (previously 31st March 2019), and the new rates were effective from 1 April 2023. The next valuation will be at 31 March 2025 and any changes to employers' contributions will be effective from 1 April 2026 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 | 4.1% |
| Salary Increases | 3.2% |
| Benefit increases and CARE revaluation (CPI) | 2.7% |

2022 Valuation Results

The triennial actuarial valuation as at 31 March 2022 was completed during 2022/23. The funding position for the whole Fund improved from 108% at 31 March 2019 to 120% at 31 March 2022, mainly due to strong investment performance over the period.

| Valuation Date | 31 March 2022 | 31 March 2019 |
|---------------------------------|---------------|---------------|
| Past Service Liabilities | (£m) | (£m) |
| Employees | 1,042 | 855 |
| Deferred Pensioners | 392 | 321 |
| Pensioners | 874 | 750 |
| Total Liabilities | 2,308 | 1,925 |
| Assets | 2,776 | 2,081 |
| Surplus/(Deficit) | 468 | 156 |
| Funding Level | 120% | 108% |

The funding position has increased from a surplus of £156m to a surplus of £468m. See the movements in the table below:

| Change in the surplus/deficit position | Assets (£m) | Liabilities (£m) | Surplus / (Deficit) (£m) |
|--|--------------|------------------|--------------------------|
| Last valuation at 31 March 2019 | 2,081 | 1,925 | 156 |
| Cashflows | | | |
| Employer contributions paid in | 179 | 0 | 179 |
| Employee contributions paid in | 56 | 0 | 56 |
| Benefits paid out | (192) | (192) | 0 |
| Net transfers into / out of the Fund* | | | |
| Other cashflows (e.g. Fund expenses) | (5) | 0 | (5) |
| Expected changes in membership | | | |
| Interest on benefits already accrued | 0 | 238 | (238) |
| Accrual of new benefits | 0 | 255 | (255) |
| Expected investment returns | 249 | 0 | 249 |
| Membership experience vs expectations | | | |

| | | | |
|---|--------------|--------------|------------|
| Salary increases greater than expected | 0 | 17 | (17) |
| Benefit increases greater than expected | 0 | (26) | 26 |
| Early retirement strain (and contributions) | 0 | 4 | (4) |
| Ill health retirement strain | 0 | (3) | 3 |
| Early leavers less than expected | 0 | (2) | 2 |
| Pensions ceasing less than expected | 0 | 0 | 0 |
| Commutation less than expected | 0 | 0 | 0 |
| McCloud remedy | 0 | 7 | (7) |
| Other membership experience | 0 | 20 | (20) |
| Changes in market conditions | | | |
| Investment returns on the Fund's assets | 407 | 0 | 407 |
| Changes in future inflation expectations | 0 | 175 | (175) |
| Changes in actuarial assumptions | | | |
| Change in demographic assumptions (excl. longevity) | 0 | (30) | 30 |
| Change in longevity assumptions | 0 | 6 | (6) |
| Change in salary increase assumption | 0 | 7 | (7) |
| Change in discount rate | 0 | (92) | 92 |
| This valuation at 31 March 2022 | 2,775 | 2,309 | 468 |

The actuary produced a provisional report for each individual employer. A forum was held for all employers in October 2022, 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 2022 Actuarial Valuation Report was produced in March 2023 and is available on the Fund's website at:

<https://www.cronfabensiwnngwynedd.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 £ | | |
|-------------------------|------------------|-------------|-------------|
| | 2023/24 | 2024/25 | 2025/26 |
| 21.8% | -£8,746,000 | -£9,021,000 | -£9,303,000 |

The next triennial valuation will be at 31 March 2025.

9. Statement of Accounts 2024/2025

