

**WPP Investment Management Company Limited**

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February 2026

**To Shareholders**

**Re:** Initial Business Plan FY2026/27

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Dear Shareholders,

We are on the threshold of FCA authorisation. Within weeks, WPP Investment Management Company Limited (WPP IM Co) will hold full responsibility for investment advice and investment implementation across more than £25 billion of assets on behalf of the eight Welsh LGPS. This letter, and the Initial Business Plan it accompanies, are our first formal account to you as we cross it.

**Our mandate**

The primary purpose of this company is to safeguard the pensions of more than 420,000 members of Welsh LGPS funds. That obligation is the standard against which every decision this company makes will be judged. Within those boundaries, the company carries a genuine additional mandate: both central and local government have directed it to allocate an increasing proportion of capital towards investments that deliver measurable outcomes for Wales. We take that mandate seriously and will pursue it where it is consistent with fiduciary duty.

Canada offers the most frequently cited example of a fund management system where both objectives coexist in practice: a pension system that invests meaningfully in its domestic economy while remaining among the most respected in the world. The reason it works is that it has never confused the two, or the order in which they operate. That is the model we intend to follow.

**What we have done**

I was appointed Chief Executive Officer in September 2025 with a clear remit: deliver the company to FCA authorisation, on time, ready to operate.

The FCA application was submitted in November 2025, on plan, and all required Senior Management Functions have been appointed. In parallel, we have worked with pension committees and officers across all eight constituent authorities to progress the legal framework from term sheets to long-form documents. Office space has been secured in Cardiff. Throughout, day-to-day investment management and fiduciary responsibilities have continued unchanged; there has been no disruption to members or employers.

Since the beginning of January, the focus has narrowed to the transition itself: completing the governance framework, bringing the remaining senior appointments across the line, and preparing to assume responsibility for Partner Fund assets on 31 March.

## The financial picture

The Fit for the Future Business Case submitted to the UK Government in February 2025, and the Regulatory Business Plan submitted to the FCA, set out cost projections at a formative stage. The picture has evolved, and I want to be direct about that.

The Business Case planned for 16 people from Day 1, with the team expected to grow to around 30 over two to three years. We go live on 31 March with 12 employees and 6 board directors; by the end of 2026, that number is expected to be 24. Some of those additional roles were not anticipated in the Business Case but have proven necessary to build a functioning regulated institution; others were planned for Year 2 or 3 and have been brought forward. The result is a Year 1 staffing cost that is higher than the Business Case projected for this stage but in line with expectations for years 2-3. The full picture on costs is set out in the Financial Summary.

Investment advice is among the services this company will provide to each of the eight Partner Funds. Before we can commit fully to the scope and cost of that service, we need to understand what each Partner Fund currently spends on it; that is the baseline against which our commitment is calibrated. We are working through that with each authority now.

Those costs will not be carried indefinitely in their current form. As the company's internal advisory capability develops, the cost model will change. A clearer view of the consolidated annual cost picture will follow within 12 months.

## What comes next

Preparing for Day 1 has been about one thing: assuming responsibility for Partner Fund assets so that the safeguarding of pensions continues without delay or detriment. That is the non-negotiable condition of a successful transition.

Year 1 is different in character. Once the operational foundation is secure, the focus shifts to building the company that the original Business Case described: a centre of excellence in investment management, with a genuinely Welsh purpose and genuinely global standards. The Five-Year Business Plan, which will be submitted for Shareholder approval before 1 April 2027, will set out that ambition in full. This Initial Business Plan is the starting point.

Yours sincerely,



## Rob Lamb

Chief Executive Officer

WPP Investment Management Company Limited