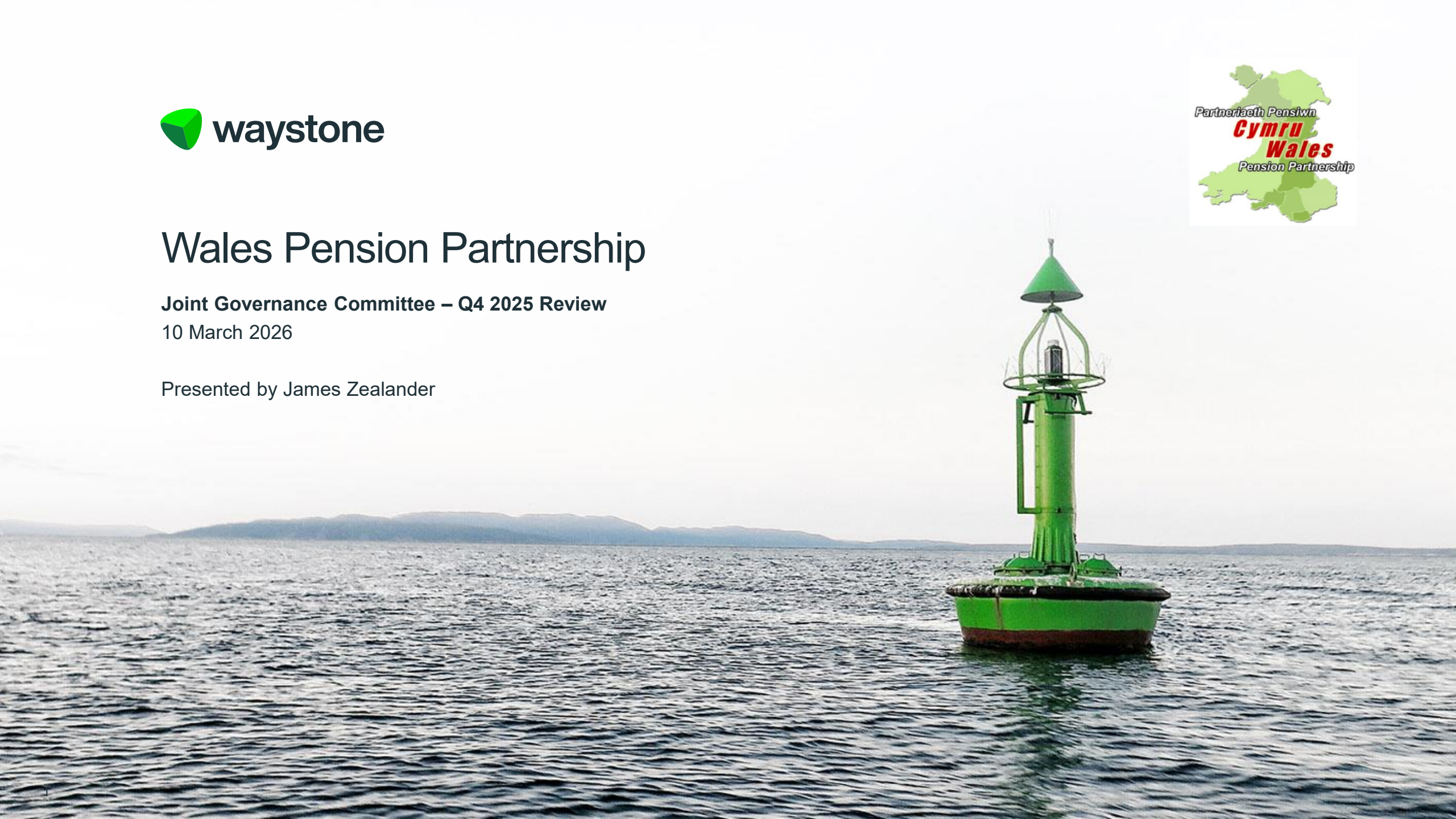
Wales Pension Partnership

Joint Governance Committee – Q4 2025 Review

10 March 2026

Presented by James Zealander



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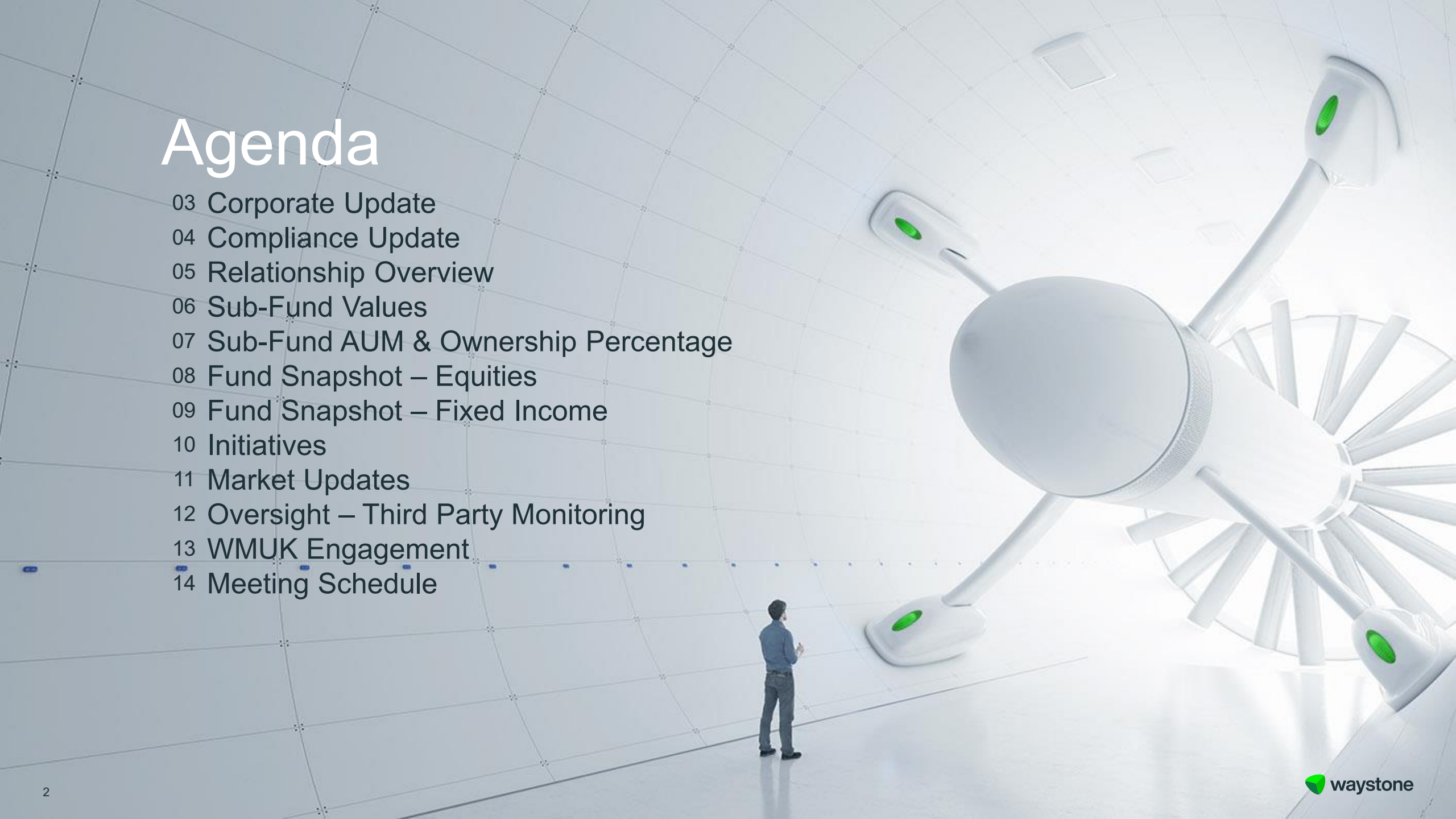

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Corporate Update

- Waystone continue to support WPP for the creation of the new Investment Company as part of the Government's “Fit for the Future” consultation. As the IMCo awaits their FCA approval, we continue to assist Mirador Solutions, the project lead, to ensure all aspects of the project are met and implemented, including any changes relating to the operation of the WPP ACS.

- Waystone has been named the UK’s largest independent ManCo/ACD in Monterey Insight’s 8th annual UK Fund Report. Retaining the top position in the industry's leading independent review of the UK-regulated fund market reflects the trust our investment managers and sponsors place in us, and the dedication of our expert team to delivering exceptional governance and oversight solutions. Waystone ranks first by both total assets under management, overseeing $145bn, and by number of sub-funds, with 226 UK sub-funds under its governance (as of 31 December 2025).

  The Monterey Insight report is the industry’s leading independent review of the UK-regulated fund market, providing the most comprehensive assessment of ManCo/AIFM providers operating in the UK. The latest findings confirm that Waystone continues to lead the independent sector.

  This position reflects a period of significant growth for Waystone’s UK operations. During the timeframe covered by Monterey Insight’s analysis, the firm surpassed £100bn in UK AUM and became the first independent Authorised Corporate Director (ACD) to secure FCA approval for a Long-Term Asset Fund (LTAF).

- Wahed, the world’s leading Islamic fintech and investment manager, announced the launch of two UCITS ETFs that integrate Shariah compliance with an additional humanitarian and human rights screen. This dual framework is the first of its kind in the European ETF market, setting a new ethical standard for responsible investing. The funds, listed on the London Stock Exchange, have been launched via Waystone’s white label ETF platform and are domiciled in Ireland.

Compliance Updates

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

1. FCA authorised status of LGPS asset pools

The Government published the LGPS "Fit for the Future" technical consultation in November 2025, confirming the expectation that LGPS asset pools operate as FCA authorised and regulated investment management companies.
This embeds the FCA as the primary conduct and prudential regulator of LGPS pools, alongside scheme specific oversight arrangements.

Implications for LGPS

Pools must fully comply with FCA governance, capital adequacy, conflicts, systems and controls requirements.
Administering authorities must ensure delegation and oversight arrangements reflect FCA regulatory expectations, not solely LGPS scheme regulations.

2. FCA Regulatory Initiatives Grid – December 2025

The FCA published the 9th edition of the Regulatory Initiatives Grid in December 2025, setting out the regulatory pipeline for pensions, asset management and investment governance over the next 24 months.
The Grid confirms no withdrawal from pensions oversight despite a wider government focus on economic growth and regulatory simplification.

LGPS relevant FCA initiatives include

- Continued supervision of Consumer Duty in asset management
- The Advice–Guidance Boundary Review (joint FCA, DWP and HMT initiative)
- Ongoing data collection reform and reporting simplification
- Increased coordination via the Pensions Reform Steering Group (FCA, TPR, DWP, HMT)

3. Consumer Duty – impact on LGPS pools and managers

By late 2025, FCA supervision shifted from Consumer Duty implementation to testing and evidencing fair value and outcomes across authorised firms.
While LGPS DB schemes are outside the Consumer Duty regime, LGPS asset pools and external managers are within scope.

Practical impact - Increased scrutiny of:

- Fee levels and value for money assessments
- Performance reporting net of costs
- Cross subsidisation risks between LGPS and non LGPS mandates
- Higher expectations for clear, auditable explanations of investment outcomes.

4. FCA pensions consultation CP25/39 (issued December 2025)

The FCA launched CP25/39: Adapting our requirements for a changing pensions market in December 2025.
The consultation primarily addresses DC pensions and digital engagement but demonstrates the FCA's expanding role in shaping pensions regulation.

Relevance for LGPS:

- Signals future regulatory focus on: Clear member communications, Digital tools and data integrity, Alignment across FCA and TPR pension regimes.

Relationship Overview

Relationship Overview

Client	Wales Pension Partnership	**AUM** (as at 31 December 2025)	**£14,842,356,465**	**Product Suite**	ACS – UK
Contract Start Date	December 2017	**Contract Expiry**	December 2029 (with further 2-year extension provision)	**Tenure of Relationship**	8 years
Contract Renewal	December 2024				

Fund Range

Wales Pension Partnership Sub-Fund Range

Equities

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

Fixed Income

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

WPP Sub Fund Values

AUM & Quarterly

Fund	AUM (£)*
Equities	
WS WPP Global Growth Fund	£3,972,435,128
WS WPP Global Opportunities Equities Fund	£3,878,801,273
WS Wales PP UK Opportunities Fund	£ 902,105,052
WS Wales PP Emerging Markets Equity Fund	£ 351,022,816
WS Wales PP Sustainable Active Equity Fund	£ 1,744,934,599
Fixed Income	
WS Wales PP Multi Asset Credit Fund	£ 899,199,595
WS Wales PP Global Credit Fund	£ 1,150,905,649
WS Wales PP Global Government Bond Fund	£ 520,321,823
WS Wales PP Absolute Return Bond Fund	£ 652,843,553
WS Wales PP Sterling Credit Fund	£ 769,786,977
Total	£14,842,356,465

* As at 31 December 2025

WPP Sub Fund Values & Percentage Ownership*

Fund name	Gwynedd	Powys	Clwyd	Swansea	Cardiff	Torfaen	RCT	Dyfed	Sub Fund Total
Equities									
WS WPP Global Growth Fund	£397,243,513 (10%)	£79,448,703 (2%)			£119,173,054 (3%)		£2,025,941,915 (51%)	£1,350,627,943 (34%)	**£3,972,435,128 (100%)**
WS WPP Global Opportunities Equities Fund	£426,668,140 (11%)			£1,396,368,458 (36%)	£659,396,216 (17%)	£814,548,267 (21%)	£581,820,192 (15%)		**£3,878,801,273 (100%)**
WS Wales PP UK Opportunities Fund					£189,442,061 (21%)	£712,662,991 (79%)			**£ 902,105,052 (100%)**
WS Wales PP Emerging Markets Equity Fund	£80,735,248 (23%)	£21,061,369 (6%)			£154,450,039 (44%)	£94,776,160 (27%)			**£ 351,022,816 (100%)**
WS Wales PP Sustainable Active Equity Fund	£366,436,266 (21%)	£87,246,730 (5%)	£418,784,303 (24%)	£191,942,806 (11%)	£157,044,114 (9%)	£191,942,806 (11%)	£122,145,422 (7%)	£209,392,152 (12%)	**£ 1,744,934,599 (100%)**
Fixed Income									
WS Wales PP Multi Asset Credit Fund	£260,767,883 (29%)	£35,967,983 (4%)	£341,695,846 (38%)	£80,927,964 (9%)	£179,839,919 (20%)				**£ 899,199,595 (100%)**
WS Wales PP Global Credit Fund	£356,780,751 (31%)	£23,018,113 (2%)			£149,617,734 (13%)	£276,217,356 (24%)		£345,271,695 (30%)	**£ 1,150,905,649 (100%)**
WS Wales PP Global Government Bond Fund					£249,754,475 (48%)	£270,567,348 (52%)			**£ 520,321,823 (100%)**
WS Wales PP Absolute Return Bond Fund	£548,388,585 (84%)	£26,113,742 (4%)		£78,341,226 (12%)					**£ 652,843,553 (100%)**
WS Wales PP Sterling Credit Fund							£769,786,977 (100%)		**£ 769,786,977 (100%)**
Constituent Authority Total	£2,437,020,386	£272,856,640	£760,480,149	£1,747,580,454	£1,858,717,612	£2,360,714,928	£3,499,694,506	£1,905,291,790	**£14,842,356,465**

* As at 31 December 2025

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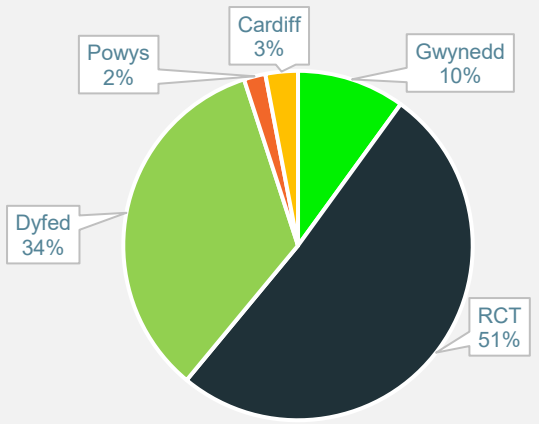
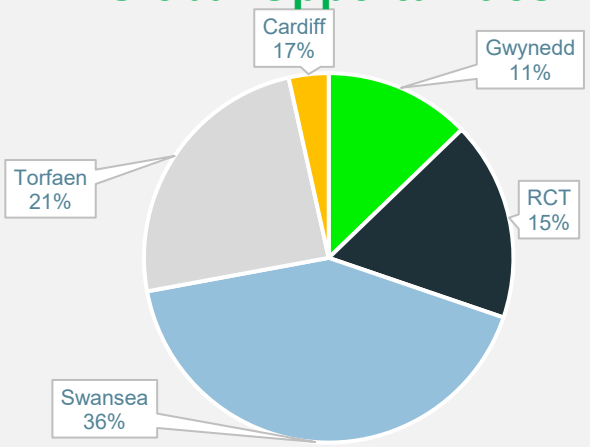
Fund Snapshot* – Equities

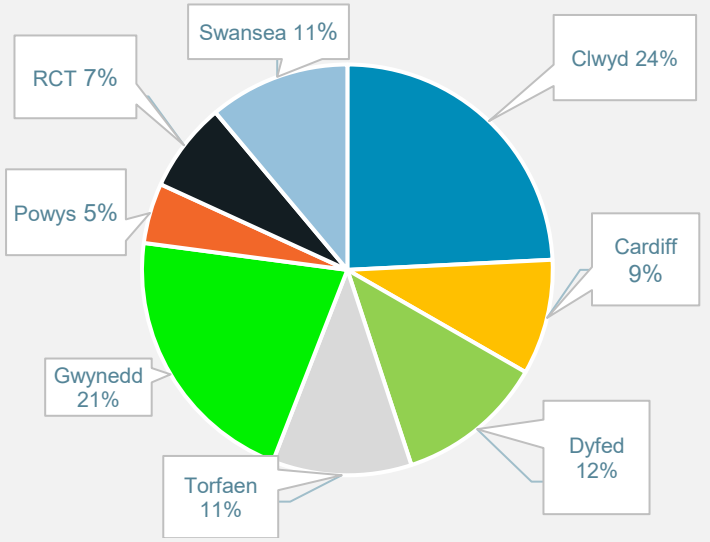
Global Growth



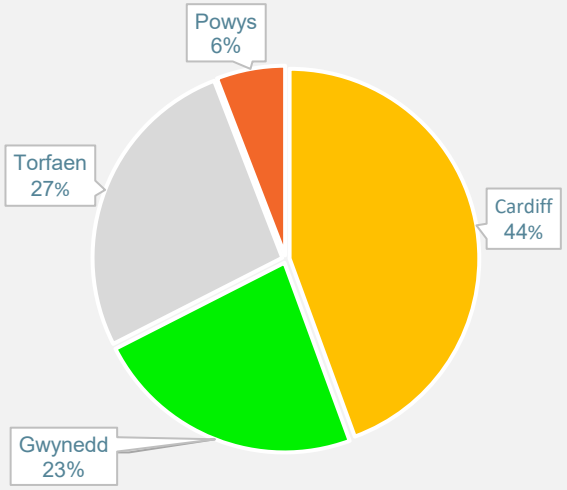
Global Opportunities



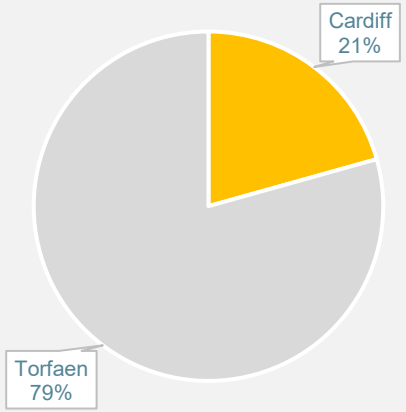
Sustainable Active Equity



Emerging Markets



UK Opportunities



* As at 31 December 2025

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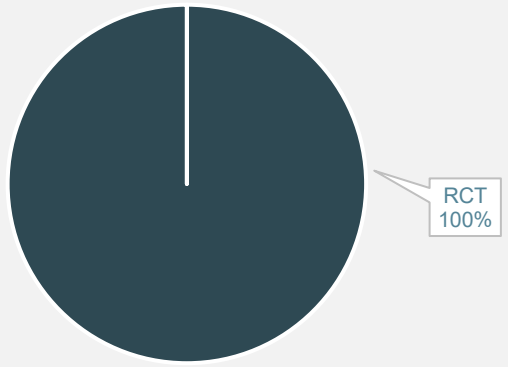
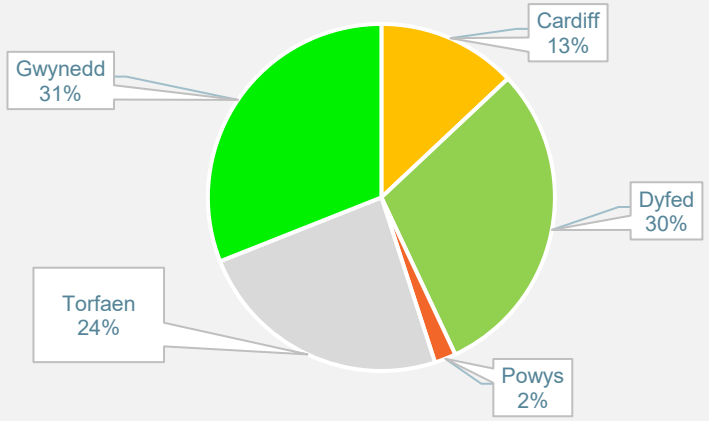
Fund Snapshot* - Fixed Income

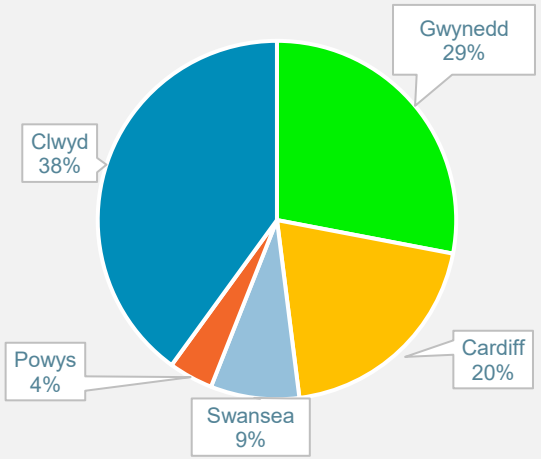
Sterling Credit



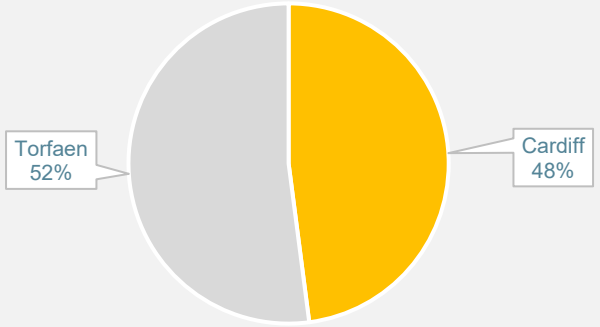
Global Credit



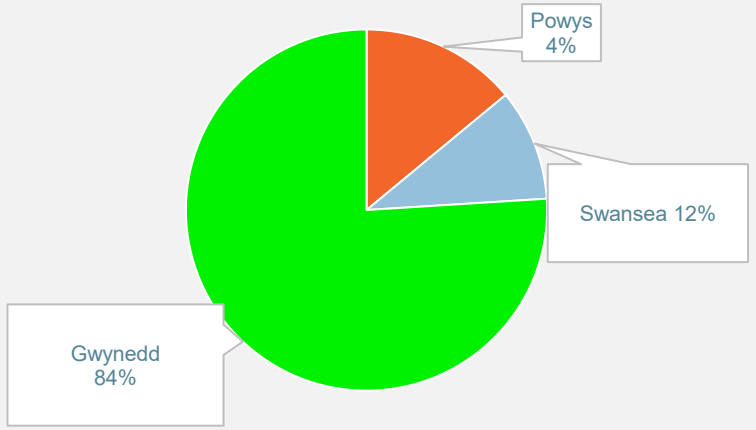
Multi Asset Credit



Global Gov. Bond



Absolute Return Bond



* As at 31 December 2025

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Initiatives

Key Achievements & Updates

Fund Launches/Wind ups & Changes

	Overview	Status	Details	Owner
Sub Fund Manager Update	WS Wales PP Global Sustainable Active Equity Fund Change of Sub Manager, removing Neuberger Berman replacing with Lazard.	Ongoing	Introducing a new manager, Lazard, at an initial 21% strategic target weight, terminating Neuberger Berman and re-weighting existing strategies. Lazard's Climate Advantage Plus strategy is a multifactor quantitative strategy deploying both traditional and innovative signals to generate a consistent alpha profile over a market cycle. The strategy is expected to add a new, stable, diversifying alpha driver to the existing line-up. Looking at mid to late February for a live date.	RI/WMUK
Sub Fund Manager Update	WS Wales PP Multi Asset Credit Fund Change of Sub Manager, removing Voya replacing with Aegon and Invesco.	Ongoing	Introducing a new manager, Aegon Asset Management (Aegon) at a 15% strategic target weight, terminating Voya from the portfolio, and introducing an enhanced cash sleeve allocation with the Invesco US CLO AAA ETF at a 2.5% strategic target weight. Aegon's ABS Opportunity strategy provides access to higher-yielding European securitised credit, offering a broader opportunity set than the existing US securitized allocation. Invesco US CLO AAA ETF provides a high-quality securitised credit allocation that boosts portfolio yield as an enhanced cash sleeve while preserving the portfolio's strong credit rating profile. The change improves the portfolio's securitised exposure by moving from the constrained US market to a more resilient European one. Looking at mid to late February for a live date.	RI/WMUK
Sub Fund Manager Update	WS Wales PP Global Opportunity Equity Fund Change of Sub Manager, removing Nissay replacing with Lazard.	Ongoing	Introducing a new manager Lazard at an initial 8% strategic target weight and terminating Nissay in the Japanese equity space. Lazard's Strategic Japan Equities strategy follows a contrarian approach and seeks to identify undervalued stocks that offer meaningful mid to long term upside which may be overlooked by the market. The strategy will help retain the value exposure in Japan lost through termination of Nissay. Looking at mid to late February for a live date.	RI/WMUK

Market Updates

	Activity	Status	Commentary
Russia / Ukraine	Impact to ACS sub-funds holding Russian companies	Ongoing	WMUK continue to monitor the situation and will advise Constituent Authorities of any developments. WMUK's Fair Value Pricing Committee regularly discuss this, and assets are still priced accordingly. There are no Russian holdings in any of the WPP funds.
	Activity	**Status**	**Commentary**
Middle East	Impact to ACS sub-funds holding Israeli companies	Ongoing	Currently 5 securities held in direct Israeli companies across two sub funds; Global Opportunities Fund - 5 companies with 0.47% exposure across the total AUM. Global Growth Fund – 2 companies with 0.09% exposure across the total AUM. BANK HAPOALIM BANK LEUMI ELBIT SYSTEMS LTD PHOENIX FINANCE LTD SHUFERSAL LTD One Bond held in the Global Government Bond Fund – Holding being a de minims position Total value of approx. £21.8m. Situation currently being monitored as part of the BAU oversight process. • Figures from end of December 2025.

Oversight – Third Party Monitoring

2026 Plan

Third Party Provider	Reporting Period	Sub Fund	Location	Status
Northern Trust				
Transfer Agency	2026	All	Onsite, London – May 2026	N/a.
Fund Administration	2026	All	Onsite, London – November 2026	N/a
Price Analysis	2026	All	Onsite, Limerick – May 2026	N/a
Other 'Party' Questionnaire	2026	All	Questionnaire – March 2026	N/a
IT Security Questionnaire	2026	All	Questionnaire – September 2026	N/a
Annual Due Diligence	2026	All	Questionnaire – Date to be agreed	N/a
Russell Investments				
Annual Due Diligence	2026	All	Portal – February 2026 (date to be agreed)	N/a

WMUK Engagement

Key Q4 and future WPP Engagement

Waystone attendance at OWG/JGC meetings in period:

- OWG 22 October 2025
- JGC 8 December 2025

Waystone attendance at OWG/JGC meetings in next quarter:

- OWG 2 February 2026
- JGC 10 March 2026

Waystone attendance at Strategic Relationship Review:

- 10 March 2026

Waystone - Pension Committee attendance in period:

- Powys Pension Committee – Nov 2025.

Waystone - Pension Committee attendance in next quarter :

- None planned for this period

WPP Pension Board Chairs Engagement meeting

- None planned for this period

Other meetings in period

- Host Authority update – occurs bi-weekly

Other meetings in next quarter

- LGC Investment Seminar, Carden Park - March 2026

Meeting Schedule

Executive Review

Frequency
- Semi-annual
- Next: 10 March 2026

Objective
- Ensure strategic alignment
- Mutual review of business and strategic goals, priorities and objectives

Attendees

WPP
- Chris Moore, Anthony Parnell & Two Section 151 / Deputy Section 151 officers

Waystone Management (UK) Limited
- Karl Midl, Country Head, UK and CEO, Waystone Management UK
- Rachel Wheeler, Global Product Head – Regulated Fund Solutions

Joint Governance Committee Meetings

Frequency
- Quarterly

Objective
- Key metrics
- Pertinent matters
- Strategic deliverables

Attendees

WPP
- Joint Governance Committee (JGC)

Waystone Management (UK) Limited
- Karl Midl, Country Head, UK and CEO, Waystone Management UK
- Richard Thornton, Head of Relationship Management, Asset Owners
- James Zealander, Senior Relationship Manager
- Russell Investments

Officers Working Group Meetings

Frequency
- Quarterly

Objective
- Identify and deliver on opportunities to improve and expand the relationship
- Provide update on open projects or issues
- Monthly KPI Review (Data supplied quarterly)

Attendees

WPP
- Officers Working Group (OWG)

Waystone Management (UK) Limited
- James Zealander, Senior Relationship Manager
- Richard Thornton, Head of Relationship Management, Asset Owners
- Heidi Robinson, Relationship Manager
- Ad-hoc Waystone attendance from functional departments (as required):
  - CIO Investment Management Supervision
  - Head of Product
  - Head of Compliance
  - Head of Oversight
- Russell Investment

Meeting Schedule continued

Host Authority Update	Frequency	Objective
	– Semi-weekly	– Regular Host Authority – WMUK to discuss deliverables and business updates

Attendees	
WPP	Waystone Management (UK) Limited
▪ Anthony Parnell ▪ Tracey Williams	– Richard Thornton, Head of Relationship Management, Asset Owners – James Zealander, Senior Relationship Manager – Heidi Robinson, Relationship Manager – Client Service Manager (as required)

Pension Committee Meetings	Frequency	Objective
	– Annual	– General update on the ACS and planned initiatives

Attendees	
WPP	Waystone Management (UK) Limited
▪ Individual Pension Fund Committee members	– Richard Thornton, Head of Relationship Management, Asset Owners – James Zealander, Senior Relationship Manager – Heidi Robinson, Relationship Manager – Russell Investments

Pension Board Chairs Engagement	Frequency	Objective
	– Semi-Annual	– General update on the ACS and planned initiatives

Attendees	
WPP	Waystone Management (UK) Limited
• Pension Board Chairs of the Constituent Authorities • Host Authority	– Waystone Relationship Team – Russell Investments

Manager Engagement Days	Frequency	Objective
	– Annual	– Open day for presentations on strategy and performance (with IM)

Attendees	
WPP	Waystone Management (UK) Limited
▪ Open to all involved parties with WPP	– Waystone Client Team including Exec Team – Northern Trust – Russell Investments and other Investment Managers – Other consultants as required (e.g. bFinance/Hymans)

Thank you

Relationship Team

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