MEETING	**PENSIONS COMMITTEE**
DATE	**14 SEPTEMBER 2026**
TITLE	**WALES PENSION PARTNERSHIP UPDATE**
PURPOSE	**To receive and note a quarterly update from Wales Pension Partnership**
RECOMMENDATION	**RECEIVE AND NOTE THE INFORMATION**
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1. INTRODUCTION

This is a regular report which provides the members of the Pensions Committee with an update on the work undertaken by the Wales Pension Partnership (WPP) on behalf of the eight LGPS funds in Wales.

The WPP's decision making body, the Joint Governance Committee (JGC), last met formally on 15 July 2026.

2. JGC QUARTERLY UPDATE

The host authority has provided a summary of the items discussed at that meeting which is attached as Appendix 1 to this report. The items discussed included the following:

- Annual Return 2025/26
- Confirmation that the WPP IM Co had received the 'Minded to Approve' letter from the FCA
- Responsible Investment update
- Risk Policy and Risk Register review

The Business Plan for 2025/26 has been reviewed and can be found at Appendix 2.

3. OPERATOR UPDATE

A copy of the latest quarterly update from the operator is attached under Appendix 3.

The update provides a snapshot of the full range of WPP investment sub-funds as at 31st March 2026.

Gwynedd Pension Fund currently has exposure to seven of the ten sub-funds and as of 31st March 2026, the sub fund values and percentage were as follows:

- **Global Opportunities - £403.9m (11%)**
- **Global Growth- £389.5m (10%)**
- **Emerging Markets - £82.7m (23%)**
- **Multi Asset Credit - £259.4m (27%)**
- **Absolute Return Bond- £554.3m (68%)**
- **Global Credit Fund - £347.9m (26%)**

- **Sustainable Equity Fund- £359.7m (21%)**

4. PERFORMANCE REPORTS AS AT 31st MARCH 2026

The performance reports can be seen in Appendix 4.

The MSCI World Net Index fell 3.6% (USD) in a volatile quarter for equities. Positive momentum in January and February turned sharply negative in March following US military attacks on Iran, which prompted geopolitical developments to dictate market sentiment. The UK was the best-performing market followed by Japan and Canada. Asia and emerging markets also outperformed the global index. The US was the worst performer due to worries over capital spending on artificial intelligence (AI) related activities and their potential disruptive influence. Rising geopolitical tensions along with heightened uncertainty over US trade policy added to the market jitters and strengthened the "sell the US" mood. Oil prices steadily increased, later soaring after the US strikes on Iran. Conflicting headlines thereafter prompted volatility in crude prices and widespread concerns about the economic impact. Gold peaked in January, breaching the $5,000 per troy ounce barrier, but dropped sharply towards quarter-end as expectations of further rate cuts diminished. The Federal Reserve, European Central Bank, Bank of England, Bank of Canada and the Bank of Japan all left interest rates unchanged. The Reserve Bank of Australia increased rates for the first time in two years.

In the UK, gilt yield volatility was sparked by political uncertainty as speculation grew over a potential leadership challenge to Prime Minister Keir Starmer. Later, gilt yields climbed on expectations of interest rate rises as energy prices soared following the closure of the Strait of Hormuz. The impact was bigger than other developed markets as the BoE had been expected to lower rates more aggressively than other central banks. The 10-year UK gilt yield breached 5.0% later in March, reaching the highest since July 2008 as traders raised their bets on a series of rate increases, up to four, this year. Meanwhile, fresh data showed economic growth was flat in January versus the market forecast of 0.2% growth and December's 0.1% uptick. The outcome was largely due to subdued service sector activity. Headline inflation fell to 3.0% YoY in January (from 3.4%) and was unchanged in February. Elsewhere, although January and February PMIs strengthened indicating that clarity following the November Budget may have boosted business activity, preliminary data for March showed slowing growth in both manufacturing and services. Over the quarter the yield on 10-year gilts climbed 44 bps to 4.92%.

5. WPP IM Co Update

WPP IM Co is the investment management company for the Wales Pension Partnership and was established in August 2025, with Rob Lamb appointed as the CEO in September 2025.

Rob Lamb provided a progress update (Appendix 5) summarising what the company has achieved since September 2025 in relation to Governance, People and Operations.

6. RECOMMENDATION

To receive and note the information.