Cronfa Bensiwn
GWYNEDD
Pension Fund

ANNUAL REPORT 2025/26

Contents

1. Foreword

Welcome to the Gwynedd Pension Fund's annual report for the financial year ending 31 March 2026.

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 2025/26 and we hope you find its content useful.

During the year, the value of the Pension Fund increased from £3.2 billion to £3.6 billion. The Fund saw positive returns of 10.9% over the year, against a benchmark of 11.5%. The average LGPS fund delivered a return of 9.6% for the year, and therefore the Fund return was significantly above the average for the year. Performance in the latest year was driven by the strong results delivered by equities and property delivered a second year of modest results.

The Fund has continued to work as a committed member of the Wales Pension Partnership (WPP) to achieve efficiencies through pooling assets in our investment management arrangements. Following the 2024 Fit for the Future Consultation, the Government has approved WPP's business case to remain a stand- alone investment pool for Wales. This creates a unique opportunity to establish a material centre of excellence in LGPS investment in Wales, creating valuable career opportunities while enhancing the Welsh financial services sector. Progressing the implementation of the business case has been a key focus for WPP over the last twelve months. The Wales Pension Partnership Investment Management Company (WPP IM Co) was established in August 2025. The company is ready to operate as soon as FCA approval is received.

The 2025 actuarial valuation demonstrated once again that the Fund has a strong funding level and therefore a review of the investment strategy was undertaken in November 2025. The review confirmed that the Fund should continue to de-risk by reducing its equity allocation and invest in income generating assets, which includes natural capital for the first time. This will be actioned as investments in infrastructure and private credit is called, and the Fund will work closely with the WPP IM Co in order to invest in property and natural capital assets.

From an administration perspective, Fund staff have continued to ensure that we provide a high standard of service to members and employers throughout 2025/26. During the year, further progress was made in developing digital and electronic ways of working, with a continued focus on improving process efficiency and the overall member experience. The Fund has also continued its preparations for national initiatives such as the Pensions Dashboards Programme, strengthening the quality and accuracy of member data and ensuring that we are well placed to meet future requirements.

The member self-service portal has continued to be an important resource for members, providing secure and convenient access to pension information and enabling greater digital interaction with the Fund. Throughout the year, the team has also continued to implement and manage key legislative and administrative changes, ensuring that members' benefits are administered accurately and efficiently.

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 2025/26, and we look forward to the Fund's developments in 2026/27.

Councillor
Elin Hywel

Pensions Committee

Chair 2025/26

Dewi Morgan
s151

Head of Finance

2. Management Structure

Administering Authority
Cyngor Gwynedd

Pensions Committee
Councillor Elin Hywel (Chair)
Councillor John Pughe Roberts (Vice Chair)
Councillor Stephen Churchman
Councillor Ioan Thomas
Councillor John Brynmor Hughes
Councillor R Medwyn Hughes (until February 2026)
Councillor Iwan Huws (until September 2025)
Councillor Geraint Parry (from November 2025)
Councill Gwynfor Owen (from March 2026)
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)
Mr Roland Thomas (Cyngor Gwynedd)

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 2025/26 (the year to 31 March 2026)

3(a) Annual Report of the Gwynedd Pensions Committee for 2025/26 (the year to 31 March 2026)

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 north-west 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 2025/26

The Committee's work focused on maintaining strong governance, overseeing investment performance, preparing for key regulatory changes, and ensuring the long-term sustainability of the Fund.

Investment Oversight

The Committee maintained regular oversight of the Fund's investment strategy and performance by:

- Reviewing quarterly investment performance reports and receiving presentations from the Fund's investment managers and advisers.
- Monitoring the Fund's overall funding and investment position in light of changing economic and market conditions.
- Approving strategic investment decisions and asset allocation changes where appropriate.
- Overseeing the continued transition of assets into the Wales Pension Partnership (WPP) pooled investment arrangements.
- Receiving updates on the development of WPP investment sub-funds, including responsible investment-focused equity and fixed income mandates.
- Challenging investment managers and advisers where necessary and seeking assurance that investment decisions remained aligned with the Fund's long-term objectives and stewardship responsibilities.

Funding and Actuarial Matters

The Committee continued to monitor the Fund's financial strength and funding arrangements through:

- Reviewing funding level updates and actuarial monitoring reports.
- Considering preparatory work for the 2025 actuarial valuation, including discussions on employer covenant assessments and funding assumptions.
- Approving amendments to the Funding Strategy Statement to reflect changes in employer participation and emerging regulatory requirements.
- Monitoring employer contribution arrangements and the impact of changes within the Fund's employer base.

Governance and Administration

Significant attention was given to governance, compliance, and the effective administration of the Fund, including:

- Reviewing and monitoring the Fund's Risk Register throughout the year.
- Considering key risks relating to cyber security, employer insolvency, business continuity, data quality, and pension administration performance.
- Receiving updates on administration performance, member engagement, and service delivery standards.
- Monitoring progress against the Fund's Governance Compliance Statement and governance improvement programme.
- Ensuring that committee members received appropriate training and development to support effective decision-making.

Responsible Investment and Climate Risk

The Committee continued to strengthen its approach to responsible investment and stewardship by:

- Reviewing reports on climate-related risks, carbon emissions, and portfolio carbon intensity measures.
- Monitoring progress against the Fund's climate and responsible investment objectives.
- Supporting collaborative engagement activities undertaken through the Wales Pension Partnership and other stewardship organisations.
- Considering developments in Environmental, Social and Governance (ESG) regulation and best practice.
- Ensuring responsible investment considerations were integrated across all relevant asset classes and investment decisions.

Regulatory Compliance and Pension Reform

The Committee oversaw the Fund's response to significant regulatory developments, including:

- Monitoring implementation of the McCloud remedy and receiving updates on data collection, benefit calculations, and member communications.
- Reviewing progress towards compliance with The Pensions Regulator's General Code of Practice.
- Monitoring preparations for connection to the Pensions Dashboards Programme, including data quality and systems readiness.
- Receiving updates on legislative and regulatory changes affecting the Local Government Pension Scheme (LGPS) and considering their implications for the Fund.

Wales Pension Partnership

As a participating authority within the Wales Pension Partnership, the Committee:

- Received regular reports on WPP governance, investment performance, responsible investment activity, and pooling progress.
- Considered business plans, budgets, and strategic developments relating to the Partnership.
- Supported the continued expansion and development of pooled investment arrangements for the benefit of participating funds.

Through these activities, the Committee continued to promote effective governance, safeguard members' benefits, and support the long-term financial sustainability of the Gwynedd Pension Fund.

4. Membership of the Committee (2025/26)

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 2025/26 year was as follows:

Member Name	Representing	Role
Cllr Elin Hywel	Cyngor Gwynedd	Chair
Cllr John Pughe Roberts	Cyngor Gwynedd	Vice Chair
Cllr Stephen Churchman	Cyngor Gwynedd	Member

Member Name	Representing	Role
Cllr John Brynmor Hughes	Cyngor Gwynedd	Member
Cllr Ioan Thomas	Cyngor Gwynedd	Member
Cllr Iwan Huws*	Cyngor Gwynedd	Member
Cllr Richard Medwyn Hughes*	Cyngor Gwynedd	Member
Cllr Geraint Wyn Parry*	Cyngor Gwynedd	Member
Cllr Gwynfor Owen*	Cyngor Gwynedd	Member
Cllr Robin Williams	Anglesey CC	Co-opted Member
Cllr Goronwy Edwards	Conwy CBC	Co-opted Member

*Cllr Geraint Wyn Parry replaced Cllr Iwan Huws towards the end of 2025, and Cllr Gwynfor Owen replaced Cllr R Medwyn Hughes early 2026.

5. Attendance

	12/06/25	07/07/25	15/09/25	24/11/25	09/02/26	26/02/26	16/03/26
Cllr Elin Hywel		✓	✓	✓	✓	✓	
Cllr John Pughe Roberts	✓	✓	✓	✓	✓	✓	
Cllr Stephen Churchman		✓	✓	✓	✓	✓	✓
Cllr John Brynmor Hughes		✓	✓	✓			✓
Cllr Ioan Thomas	✓	✓	✓	✓	✓	✓	✓
Cllr Iwan Huws	✓	✓					
Cllr Medwyn Hughes	✓	✓	✓				
Cllr Geraint Wyn Parry				✓		✓	✓
Cllr Gwynfor Owen							✓
Cllr Robin Williams	✓	✓	✓	✓	✓		✓
Cllr Goronwy Edwards	✓	✓	✓	✓	✓		✓

6. Work Plan and Priorities for 2026/27

The Committee has adopted a forward-looking work plan for **2026/27**, focusing on:

- Monitoring investment performance and the continued development of pooled investments through the **Wales Pension Partnership (WPP)** and **WPP IM Co.**
- Reviewing the Fund's **Investment Strategy Statement** and responsible investment priorities.
- Enhancing the Fund's approach to **climate risk management** and stewardship activities.
- Completing outstanding work relating to the **McCloud remedy**.
- Ensuring compliance with **The Pensions Regulator's General Code of Practice** and other regulatory requirements.
- Supporting the delivery of the **Pensions Dashboards Programme**.
- Continuing to review the Fund's **governance, risk management, and administration arrangements**.
- Supporting ongoing **training and development** for Committee and Local Pension Board members.

Regular reports from the Fund's actuary, investment advisers, Wales Pension Partnership representatives, and officers will support effective oversight and informed decision-making 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 2025/26 included:

Provider	Subject
Wales Pension Partnership	Private Markets Product Knowledge
Wales Pension Partnership	Local/ Impact Investments within Private Markets Asset Classes
Wales Pension Partnership	Voting and Engagement
Wales Pension Partnership	Stewardship Code and Reporting Requirements
Wales Pension Partnership	Responsible Investing
Wales Pension Partnership	Biodiversity and Natural Capital
Wales Pension Partnership	Climate Scenarios and Fiduciary Duty
D G Publishing	LGPS Pooling Symposium
Local Government Chronicle	Investment Seminar
LAPFF	LAPFF Annual Conference
Local Government Association	Governance Conference
Various	Investment in Wales Conference
Hymans Robertson	LGPS Actuarial Valuation

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 2025/26. 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 Elin Hywel
Pensions Committee Chair 2025/26

3(b) Annual Report of the Gwynedd Pension Board for 2025/26 (the year to 31 March 2026)

1. Background / Composition

The Board was constituted under the Public Service Pensions Act 2013, and its first meeting was held on 13 July 2015. The membership consists of three members who represent the scheme's employers and three members who represent the scheme members (namely staff who contribute towards the pension scheme and those who are retired and in receipt of a pension).

Over the period from 1 April 2025 to 31 March 2026, the Board has met virtually four times. Board members are invited as observers to the meetings of the Pensions Committee and have agreed to take this role in turn in order to promote understanding as well as communication. This arrangement is balanced with the Chair of the Pensions Committee now attending Board meetings, where she is accountable, with officers for the governance and administration of the Fund. On occasion, the Board has asked for its views and recommendations to be formally submitted for consideration by the Committee.

2. Role of the Board

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

i. ensuring effective and efficient governance and administration of the LGPS, and
ii. ensure compliance with relevant legislation and regulations

Therefore, the Board is a monitoring, reviewing and assisting body, not a body that manages and makes decisions. The Board operates under a Terms of Reference agreed by Cyngor Gwynedd (at a meeting of the full Council on the 5th of 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 Pensions Manager of the Fund.

3. Work of the Board

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

4. Attendance

	07/04/2025	11/07/2025	03/11/2025	09/02/2026
Anthony Deakin	✓	✓	✓	✓
H. Eifion Jones	✓	✓	✓	✓
Ned Michael	✓			✓
Sioned Evans Parry	✓		✓	✓
Osian Richards	✓	✓	✓	✓
Roland Thomas		✓	✓	✓

5. Work Plan

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

- **Monitoring progress against the training plan -** The Board reviewed the progress made against the training plan to ensure that Board members maintain the necessary knowledge and skills to carry out their duties effectively.

- **Updates on the work of the Wales Pension Partnership -** The Board received regular reports on the activities and developments of the Wales Pension Partnership, including investment and governance issues affecting the Fund.

- **2025 Actuarial Valuation -** The assumptions used for the 2025 Actuarial Valuation have been reviewed to ensure that they are appropriate and reflect the circumstances of the Fund.

- **Gender Pension Gap -** Information and analysis relating to the Gender Pension Gap was discussed to understand any inequalities and their potential impact on scheme members.

- **Connecting to the Pensions Dashboard -** Progress and preparations for connecting with the Pensions Dashboard have been considered, ensuring that the Fund complies with national requirements.

- **Governance Policy Statement -** The Governance Policy Statement has been revised to ensure that the Fund's governance arrangements remain fit and effective.

- **Funding Strategy Statement -** The content and implementation of the Funding Strategy Statement, which sets out the approach to managing the Fund's long-term accountability and funding, has been covered.

- **Pensions Regulator Governance Survey Results -** The survey results were discussed to identify strengths and any areas where governance arrangements could be improved.

- **Pensions administration updates -** The Board scrutinised the day-to-day performance and operation of the pension administration service, monitoring service and performance standards.

- **Data improvement plan -** The progress of the data improvement plan has been reviewed to ensure that the Fund's data is accurate, complete and meets the required regulatory standards.

- **Pension Fund Administrative Policies -** A number of administrative policies have been considered and reviewed to ensure that they remain current and support the effective operation of the Fund.

- **Gwynedd Pension Fund Draft Accounts (31 March 2025)** - The draft accounts were reviewed to ensure that the Fund's financial position was presented accurately and transparently.

- **Draft Annual Report 2024/25 -** The content of the Annual Report has been considered to ensure that it provides a comprehensive overview of the Fund's activities and performance.

- **Risk Register -** The key risks facing the Fund and the measures in place to manage and mitigate them have been reviewed.

- **The Fund's investment performance -** The performance of the investment portfolio was regularly monitored in order to assess whether the Fund was achieving its investment objectives.

- **Investment advisors' strategic objectives -** The investment advisers' performance and strategic objectives were reviewed to ensure they continued to support the Fund's aims.

- **Budget 2026/27 -** The proposed budget for 2026/27 has been considered and challenged to ensure that adequate resources are available to sustain the Fund's operations and priorities.

During discussions, input was provided and a number of comments were made by Board members who have assisted the administration authority officers in completing their work.

The work plan for 2026/27 covers the following areas:

- **Update on regulatory changes** – receive updates on any new legislative changes, guidance or regulatory requirements that affect the Local Government Pension Scheme and the work of the Fund.

- **Issues arising from the Pensions Committee** – considering relevant decisions, discussions and issues referred by the Pensions Committee to ensure an overview and effective governance.

- **Review of the Scheme Advisory Board (SAB) meetings** – receive a summary of key messages, guidance and best practice arising from SAB meetings and consider their relevance to the Fund.

- **Breach of law** – monitoring any breaches of legal or regulatory requirements and ensuring that appropriate action has been taken to minimise risks and comply with the rules.

- **Updates to the Risk Register** – regularly review the risk register to monitor the Fund's key risks and ensure that appropriate mitigation measures are in place.

- **General update on the Administration of Pensions** – receive information on administrative performance, workload, processing schedules and relevant operational developments.

- **Update on the Wales Pension Partnership (IM Co) Investment Management Company** – consider the investment firm's progress, operational developments and governance issues relating to its activities.

- **Pension Fund Discretion Policies** – reviewing and monitoring the Fund's discretionary policies to ensure they are current, consistent and compliant with statutory requirements.

- **Pension Board Report for the Annual Report 2025/26** – prepare and agree the Board's contribution to the Fund's Annual Report, summarising its activities and findings during the year.

- **Cyber security update** – monitoring the Fund's cyber security arrangements, including emerging risks, protection measures and incident response plans.

- **Pensions Dashboard – increased preparedness and response** – receive updates on the Fund's preparatory work for the Pensions Dashboard Programme, including data quality, testing and compliance.

- **Gwynedd Pension Fund Annual Report 2025/26** – review the annual report prior to publication and ensure that it gives a complete picture of the Fund's activities and performance.

- **Investment performance update** – monitoring the performance of the Fund's investments against relevant benchmarks and targets, taking into account market trends and factors.

- **The Fund's Final Accounts for the year ended 31 March 2026** – review of the final accounts and financial results to ensure appropriate transparency and scrutiny.

- **Update on climate-related reporting (TCFD)** – monitoring the progress of the Fund's work in relation to climate-related disclosures and reporting in line with TCFD principles.

- **Budget 2027/28** – consider the proposed budget and the resources needed to support the effective operation of the Fund during the next financial year.

- **Business Plan 2027/28** – review the Fund's strategic priorities, objectives and key activities for the year ahead.

- **Training Plan 2027/28** – ensure that an appropriate training programme is in place to support the knowledge and skills development of Board members.

- **Work Plan 2027/28** – discuss and agree the Board's work programme for the following year to ensure that all relevant issues are addressed.

- **Data quality review (including common and scheme-specific data scores)** – monitoring the quality and accuracy of the Fund's data, reviewing data scores and identifying areas where further improvements are needed.

6. Training

During the Board meetings each Board member was briefed on the LGPS and its administration in Gwynedd in various presentations by the Head of Finance, Investment Manager and Pensions Manager. Board members have also attended a number of virtual meetings and presentations. These include:

Provider	Subject
Wales Pension Partnership	Private Markets Product Knowledge
Wales Pension Partnership	Local/ Impact Investments within Private Markets Asset Classes
Wales Pension Partnership	Voting and Engagement
Wales Pension Partnership	Stewardship Code and Reporting Requirements
Wales Pension Partnership	Responsible Investing
Wales Pension Partnership	Biodiversity and Natural Capital
Wales Pension Partnership	Climate Scenarios and Fiduciary Duty
D G Publishing	LGPS Pooling Symposium
Local Government Chronicle	Investment and Pensions Conference

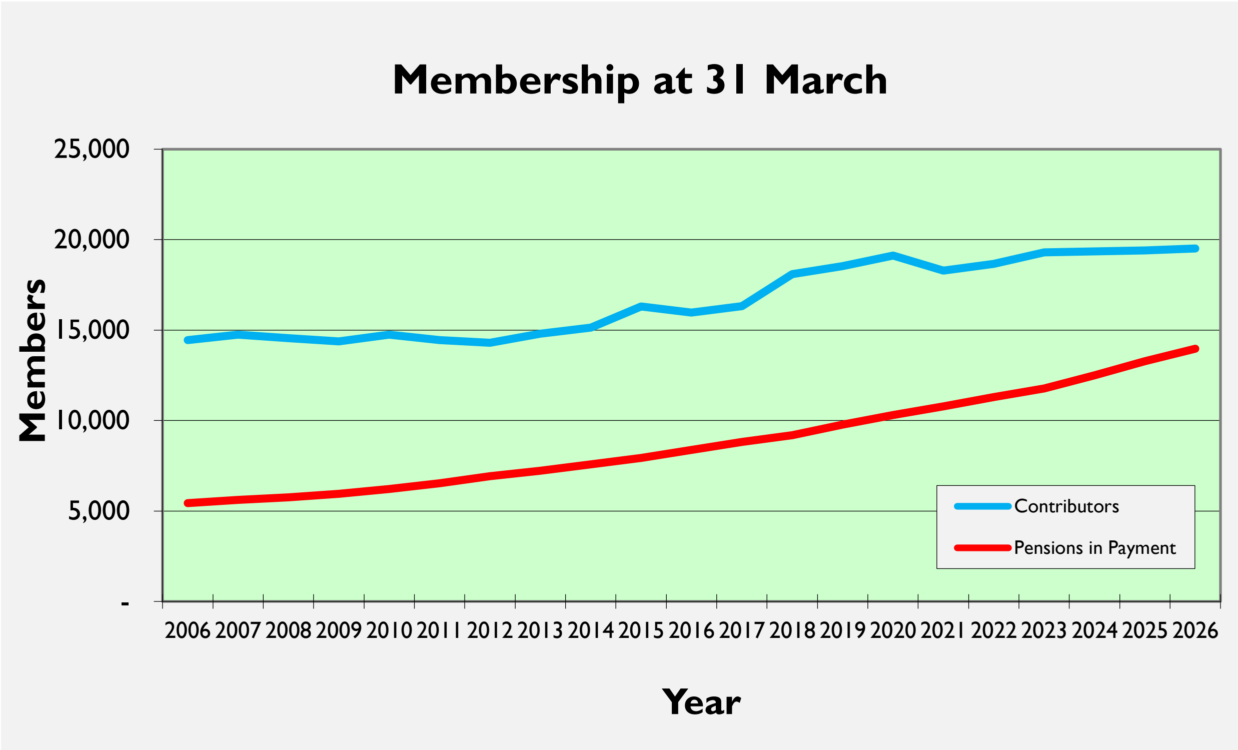
7. Thank you

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

Sioned Parry
Pension Board 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 5,437 in 2006 to 13,972 in 2026 and the number of active contributors has also increased from 14,455 in 2006 to 19,512 in 2026.



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

31 March 2025	Description	31 March 2026
19,412	Contributors	19,512
13,276	Pensions in Payment	13,972
14,846	Deferred Pensioners	15,191
4,683	Unclaimed Benefits	4,780
1,792	Undecided Leavers*	1,540
54,009	**Total Membership**	**54,995**

*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

2025/26 has been another busy year for the Pension Fund. This report provides a general overview of pension administration over the past year and includes the Fund's Key Performance Indicators (KPI). 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	8	476	476	498
A2	New survivor benefits	0	128	128	38
A3	Deferred member retirements	7	464	462	469
A4	Active member retirements	40	536	531	593
A5	Deferred benefits	1,735	953	1,591	3,459
A6	Transfers in (including interfunds in, club transfers)	78	213	240	407
A7	Transfers out (including interfunds out, club transfers)	5	124	126	140
A8	Refunds	14	466	464	288
A9	Divorce quotations issued	2	77	79	90
A10	Actual divorce cases	0	6	5	0
A11	Member estimates requested either by scheme member or employer	38	2,637	2,646	2,784
A12	New joiner notifications	388	3,456	3,442	3,786
A13	Aggregation cases	1,304	1,635	1,167	3,166
A14	Optants out received after 3 months membership	Not recorded	Not recorded	Not recorded	Not recorded

During 2025/26, strong performance was achieved across most of the Fund's administration activities, with a high volume of cases completed and backlogs reduced in a number of key areas.

The total number of recorded death cases (A1) matched exactly the number of new cases received, with 476 cases completed, ensuring that there was no backlog at the end of the year. Similarly, all 128 new survivor benefit cases (A2) received during the year were completed.

The team performed well in processing retirements. A total of 462 deferred member retirements (A3) were completed compared with 464 new cases received, leaving only a very small backlog. For active member retirements (A4), 531 of the 536 new cases received were completed, reducing the outstanding workload carried forward into the following year.

Significant progress was made in reducing the backlog of deferred benefits cases (A5). While 953 new cases were received, 1,591 cases were completed, reducing the number of open cases from 1,735 to 1,097. This reflects a clear focus on addressing historic work backlogs.

Transfer activity also performed well. For transfers in (A6), 240 cases were completed compared with 213 new requests received, reducing the backlog from 78 to 51 cases. Similarly, more transfers out (A7) were completed than received (126 completed compared with 124 received), reducing the number of open cases from 5 to 3.

In the area of refunds (A8), 464 of the 466 new applications received were completed, maintaining a very low level of outstanding cases. More divorce quotations (A9) were also completed than received, eliminating the backlog entirely, while almost all actual divorce cases (A10) were processed during the year.

The team continued to respond effectively to requests from members and employers, completing 2,646 member estimates (A11) compared with 2,637 new requests received. In addition, 3,442 new joiner notifications (A12) were completed, keeping the backlog at a relatively low and stable level.

The most significant challenge related to aggregation cases (A13). Although the team completed 1,167 cases, 1,635 new cases were received during the year, resulting in the backlog increasing from 1,304 to 1,772. This was the only area where a significant increase in outstanding cases was recorded.

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	35.60%	19.80%	2 months	87.00%	69.3%
B2	Communication issued confirming the amount of dependents pension	10 working day	91.00%	91.00%	2 months	99.20%	97.4%
B3	Communication issued to deferred member with pension and	15 working day	98.90%	99.30%	2 months	99.80%	99.9%

	lump sum options (quotation)						
B4	Communication issued to active member with pension and lump sum options (quotation)	15 working day	95.20%	97.40%	2 months	99.70%	97.7%
B5	Communication issued to deferred member with confirmation of pension and lump sum options (actual)	15 working day	97.20%	97.80%	2 months	98.90%	99.4%
B6	Communication issued to active member with confirmation of pension and lump sum options (actual)	15 working day	57.10%	66.50%	2 months	94.70%	95.7%
B7	Payment of lump sum (both actives and deferreds)	15 working day	Not reported	Not reported	Not reported	Not reported	Not reported
B8	Communication issued with deferred benefit options	30 working day	4.20%	16.80%	2 months	35.30%	36.2%
B9	Communication issued to scheme member with completion of transfer in	10 working day	3.30%	3.30%	2 months	65.80%	67.4%
B10	Communication issued to scheme member with completion of transfer out	10 working day	87.30%	87.30%	2 months	98.40%	94%
B11	Payment of refund	10 working day	97.60%	97.60%	2 months	99.80%	99.6%
B12	Divorce quotation	45 working day	93.70%	94.90%	3 months	98.70%	100%
B13	Communication issued following actual divorce proceedings i.e application of a Pension Sharing Order	15 working day	80.00%	100.00%	3 months	100.00%	Dim
B14	Communication issued to new starters	40 working day	2.30%	71.90%	2 months	94.00%	90.5%

B15	Individual member estimates provided to scheme member or employer	10 working day	95.20%	95.20%	2 months	99.70%	99.7%

The results for 2025/26 present a mixed picture. While the Fund continued to achieve a very high level of compliance with statutory requirements across most areas, performance against the Fund's internal service targets was more varied, with some categories performing exceptionally well and others facing significant challenges.

In the area of survivor benefits (B2), performance was very strong, with 91% of cases completed within the Fund's target and 99.2% completed within the statutory target. Similarly, deferred member retirement quotations (B3) and active member retirement quotations (B4) continued to achieve a high standard, with more than 95% of cases processed within the Fund's target and almost all cases meeting statutory requirements.

For actual deferred retirements (B5), performance remained strong, with 97.2% of cases completed within the Fund's target and 98.9% within the statutory target. However, actual active member retirements (B6) continued to be a challenging area, with only 57.1% completed within the Fund's target, although 94.7% were still completed within the statutory deadline.

Transfer activity produced mixed results. Transfers out (B10) performed well, with 87.3% meeting the Fund's target and 98.4% complying with the statutory target. However, transfers in (B9) remained a weaker area, with only 3.3% of cases completed within the Fund's target and 65.8% within the statutory target.

Refunds (B11) performed exceptionally well, with 97.6% paid within the Fund's target and 99.8% within the statutory deadline. Strong performance was also achieved for divorce quotations (B12) and individual member estimates (B15), where both internal and statutory targets were met at very high levels.

The main areas of concern continue to be deferred benefit communications (B8) and new joiner communications (B14). Only 4.2% of deferred benefit communications and 2.3% of new joiner notifications were completed within the Fund's internal targets. Nevertheless, performance against statutory targets was significantly better, at 35.3% and 94.0% respectively. These results suggest that while the Fund is generally meeting its statutory obligations, it continues to face challenges in achieving its more ambitious internal service standards in some areas.

The processing of death notifications (B1) showed a significant improvement compared with the previous year. Although only 35.6% of cases were completed within the Fund's internal target, this represents a notable increase from 19.8% in 2024/25. In addition, compliance with the statutory target improved from 69.3% to 87.0%.

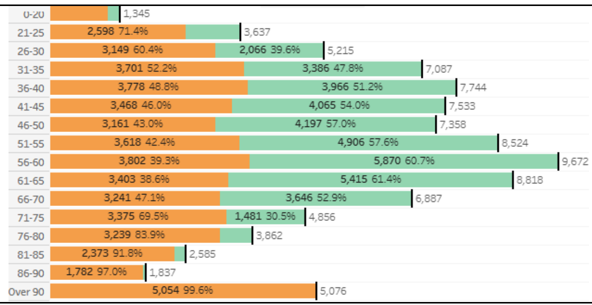
Conclusion

Overall, the 2025/26 results demonstrate that the Fund maintained a high level of compliance with statutory requirements, with the vast majority of processes completed within the relevant legislative timescales. Performance against internal targets remained strong in areas such as survivor benefits, deferred retirements, refunds, divorce quotations and member estimates.

However, challenges remain in certain complex and resource-intensive activities, particularly deferred benefits, transfers in, actual active member retirements and new joiner cases. Despite these areas of concern, overall performance indicates that the administration service has continued to operate effectively and has maintained a high standard of regulatory compliance throughout the year.

Note: The Fund does not operate against fixed performance targets. Instead, it is committed to a philosophy of continuous improvement, with a focus on enhancing service quality and responsiveness over time. For the purposes of this report, performance has been assessed against suggested targets, which reflect nationally recognised benchmarks and provide useful context for comparison.

Administration KPI table C – Communications and engagement

<table>
<tr><td colspan="3">Digital engagement KPI</td></tr>
<tr><td>C1</td><td>% of active members registered for self-service</td><td>59.09% as at 31 March</td></tr>
<tr><td>C2</td><td>% of deferred members registered for self-service</td><td>46.13% as at 31 March</td></tr>
<tr><td>C3</td><td>% of pensioner and survivor members registered for self-service</td><td>43.20% as at 31 March</td></tr>
<tr><td>C4</td><td>% total of all scheme members registered for self-service</td><td>49.56% as at 31 March</td></tr>
<tr><td>C5</td><td>Top 5 most frequently visited functions</td><td>1. Document and Uploads
2. Benefit Calculators
3. Latest Valuation
4. Annual Benefit Statement Video Overview
5. Manage Beneficiaries</td></tr>
<tr><td>C6</td><td>Number of registered users by age</td><td>


</td></tr>
<tr><td>C7</td><td>% of all registered users that have logged onto the service in the last 12 months</td><td>62.30%</td></tr>
<tr><td colspan="3">Communication KPI</td></tr>
<tr><td>C8</td><td>Total number of telephone calls received in year</td><td>Information not available</td></tr>
<tr><td>C9</td><td>% of calls answered at first point of contact</td><td>Information not available</td></tr>
<tr><td>C10</td><td>Total number of email and online channel queries received</td><td>Information not available</td></tr>
<tr><td>C11</td><td>Average wait time to speak to a member of the administration team</td><td>Information not available</td></tr>
<tr><td>C12</td><td>Number of scheme member events held in year (total of in-person and online)</td><td>17</td></tr>
<tr><td>C13</td><td>Number of employer engagement events held in year (in-person and online)</td><td>23</td></tr>
</table>

C14	Number of active members who received a one-to-one (in-person and online)	176
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 KPIs (C1-C7)

The digital engagement indicators demonstrate positive progress in the use of the self-service portal, with almost half of all scheme members registered by the end of the year. This reflects the Fund's continued success in encouraging members to use digital services to access their pension information.

The highest registration rate was among active members, with 59.09% registered for self-service (C1). Registration levels were also strong among deferred members (46.13%) (C2) and pensioner and survivor members (43.20%) (C3). Overall, 49.56% of all scheme members were registered for the service (C4), demonstrating that the portal is widely used across all categories of membership.

Portal usage data shows that members primarily use the service to access information relating to their pension benefits. The five most frequently visited functions were (C5):

- Uploaded Documents and Files
- Benefit Calculators
- Latest Valuation
- Annual Benefit Statement Video
- Beneficiary Management

These functions suggest that members value the ability to view personal information, model their retirement benefits and manage important details online.

Although detailed age profile data (C6) has not been included within the figures provided, the overall registration levels indicate that the portal continues to attract users from across a broad range of member groups.

Ongoing engagement with the service remained encouraging, with 62.3% of all registered users having logged into the portal during the previous 12 months (C7). This demonstrates that members are not only registering for the service but are actively using it to access their records and pension information.

Conclusion

The 2025/26 results demonstrate that the Fund has continued to make good progress in developing and promoting digital services. Strong registration rates, particularly among active members, together with healthy levels of ongoing usage by registered users, indicate that the self-service portal is becoming an increasingly important channel for delivering information and support to scheme members.

Communication KPIs (C8-C15)

Although data was not available for the number of telephone calls received, the percentage of calls resolved at the first point of contact, the number of email enquiries received or average call waiting times, the available indicators demonstrate a high level of engagement activity with both scheme members and employers throughout the year.

During 2025/26, the Fund delivered 17 member engagement events, both in person and online. These events provided members with the opportunity to learn more about their pension benefits, improve their understanding of the Scheme and ask questions directly to Fund officers. This engagement programme included attendance at major events, including a joint stand at the National Eisteddfod in Wrexham, delivered in partnership with the Clwyd Pension Fund, helping to raise awareness of the Local Government Pension Scheme among both existing and prospective members.

The Fund also continued to maintain strong relationships with employers through 23 employer engagement events, providing guidance, regulatory updates and support on pension administration matters.

In addition to group events, 176 active members received one-to-one meetings, either face-to-face or virtually. These sessions provided personalised support to members considering their pension options and planning for retirement.

Regular written communications also continued throughout the year with the publication of:

- 1 newsletter for active members
- 1 newsletter for deferred members
- 1 newsletter for pensioners

Whilst it was not possible to report on the telephone-related indicators during 2025/26, work is continuing with the Council's ICT Service to develop the necessary management information. During the year, ICT resources were heavily focused on a major corporate project to migrate the Council onto a new telephony system. As a result, the technical support required to extract and validate the call data for 2025/26 was not available. The Fund will continue to work with ICT colleagues to ensure that these performance measures can be reported in future years.

Conclusion

The results demonstrate the Fund's continued commitment to communicating and engaging proactively with both scheme members and employers. Through a combination of member events, employer events, one-to-one meetings and regular communications, the Fund successfully delivered support and information to a wide range of stakeholders. The Fund's presence at the National Eisteddfod in Wrexham, in partnership with Clwyd Pension Fund, was a particular highlight of the engagement programme, helping to promote awareness and understanding of pensions among both scheme members and the wider public.

Although some communication performance indicators were unavailable this year, work is underway to ensure that this information can be captured and reported in future performance reports.

<u>Administration KPI table D – Administration staff as at 31 March</u>

Staff KPI		
D1	Total number of all administration staff (FTE)	22.16
D2	Average service length of all administration staff	11 years 185 days
D3	Number of administration staff vacancies occurred in the year	3
D4	Number of the vacancies filled as at 31 March	2
D5	Ratio of all administration staff to total number of scheme members (all staff including management)	1:2473

D6	Ratio of administration staff (all processing staff and excluding management) to total number of scheme members	1:3018
D7	Average number of all cases (open and closed) completed per member of staff involved in administration duties.	836

The staffing indicators for 2025/26 demonstrate that the Fund has continued to operate with a stable and experienced administration team, maintaining a strong level of expertise and capability despite some staff turnover during the year.

As at 31 March 2026, the Fund employed 22.16 full-time equivalent (FTE) staff within the administration team (D1). The team possessed a significant level of experience, with an average length of service of 11 years and 185 days (D2). This reflects a stable workforce with a strong understanding of the administration and management of the Local Government Pension Scheme.

During the year, there were 3 vacancies within the service (D3), of which 2 had been filled by 31 March 2026 (D4). Although some staff turnover occurred during the year, the majority of vacant posts were successfully recruited to, helping to maintain the operational capacity of the team.

Staffing ratios continue to demonstrate the scale of membership administered by the Fund. The ratio of total administration staff to total scheme membership was 1:2,473 (D5), while the ratio of processing staff, excluding managers, to total scheme membership was 1:3,018 (D6). These figures highlight the significant workload managed by the administration team.

This is also reflected in service productivity levels. During the year, an average of 836 cases per member of staff involved in administration duties were completed (D7). This figure demonstrates a significant level of activity and reflects the contribution made by the team in processing a wide range of cases and services on behalf of scheme members.

Conclusion

The staffing indicators for 2025/26 demonstrate that the Fund continues to benefit from an experienced and stable workforce that has maintained an effective service despite some changes in staffing during the year. With a high average length of service and a significant volume of cases being handled by each member of staff, the results reflect the commitment, expertise and productivity of the administration team in supporting the needs of both scheme members and participating employers.

<u>Administration KPI table E – Data Quality</u>

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	98%	98.2%
E5	Scheme specific data	99.33%	99.39%
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	1.59%	1.41%
E7	% of active, deferred and pensioner members with an email address held on file (with and without a record home address)	61.91%	68.32%

Annual Benefit Statements KPI (E1–E3)

A total of 100% of Annual Benefit Statements were issued by the statutory deadline of 31 August, matching the performance achieved in 2024/25. This demonstrates that the Fund continues to meet its legal obligations in full and has ensured that members received timely information regarding their pension benefits.

As the issuance rate was 100%, no further commentary is required in relation to any failure to meet the target.

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.

Data quality continues to remain very strong across the Fund, with further improvements achieved during 2025/26 in relation to both common data and scheme-specific data. This reflects the Fund's ongoing focus on maintaining complete and accurate member records, which are essential for ensuring accurate benefit calculations and the efficient delivery of services to members.

The common data quality score (E4) increased to 98.2% at the year end, compared with 98.0% in the previous year. This result demonstrates that the Fund has continued to maintain a very high standard of accuracy and completeness for the key data items required to administer the Scheme effectively.

The Fund also performed particularly well in relation to scheme-specific data (E5), with the score increasing from 99.33% to 99.39%. This high level of accuracy demonstrates that the detailed information relating to members' pension benefits is being maintained to an excellent standard.

Address and Email Data KPIs (E6-E7)

These indicators show a further improvement in the quality of the Fund's member contact information during 2025/26. Maintaining accurate addresses and contact details is essential to ensuring that members receive important pension information in a timely and efficient manner.

The percentage of active, deferred and pensioner members recorded as "gone away" without a valid home address, or with an address known to be out of date (E6), reduced to 1.41%, compared with 1.59% in the previous year. This reduction demonstrates an improvement in the quality of the Fund's address records and reduces the risk of members not receiving important communications.

The Fund has continued to invest time and resources in improving the quality of its contact data, including the use of member tracing services where appropriate to locate members who have changed address without notifying the Fund. This work has helped reduce the number of "gone away" records held by the Fund and has contributed to the improvement seen during the year.

A more significant improvement was achieved in relation to email addresses held on file. The percentage of active, deferred and pensioner members with a recorded email address (E7) increased from 61.91% in the previous year to 68.32% in 2025/26. This represents an increase of more than six percentage points in a single year.

This improvement reflects the ongoing efforts made by the Fund over a number of years to collect and maintain as many member email addresses as possible. The Fund seeks to communicate electronically with members wherever practical, as this enables faster, more efficient and more cost-effective communication. It also supports the Fund's wider objectives of increasing digital engagement and promoting the use of the self-service portal.

Member Satisfaction Survey

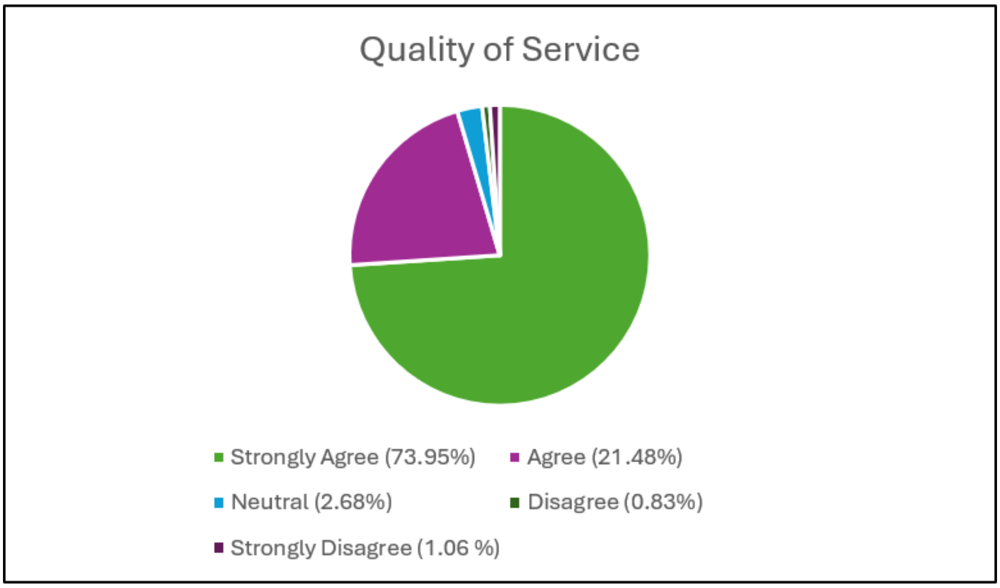
To ensure that we offer the best possible service to our members, a Member Satisfaction Survey is sent at the end of each process, e.g. retirements and payment of refunds for the members to give their opinion on the quality of the service received and their opinion about the service provided by the staff.

89 Members took part in this survey.

Here is a summary of the 2025/26 results:

Quality of Service

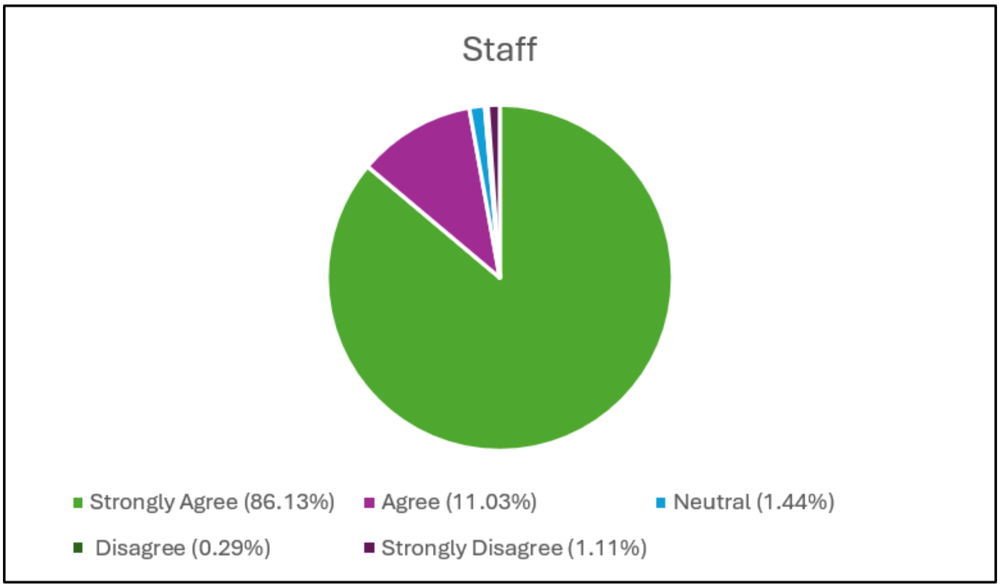
The chart below shows the percentage of users who are satisfied with four aspects of the service's performance based on: i) Service as a whole; ii) Clear information; iii) Quality of service; iv) Time to deal with the enquiry.



As can be seen, **95.5%** of the users strongly agree or agree that the quality of the service provided is of a high standard. The percentage for 2024/25 was **96%.**

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 **(97%)** 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 **95%.**

Work to do

A number of key tasks and projects have been planned for 2026/27 to further improve the service provided to the Fund's members and employers. These include:

- **Website and Digital Services:** Continuing to develop, update and expand website content to ensure that clear, up-to-date and accessible information is available to members and employers.

- **Online Forms:** Developing a wider range of digital forms to enable members to submit information and applications electronically, reducing paper-based processes and improving efficiency.
- **Digital Communications and Engagement:** Continuing to develop more interactive and engaging video content to help members understand their pension benefits, retirement options and regulatory changes. This will build on the successful use of video content in recent years.
- **Process Automation:** Continuing to develop system automation and improve workflows and correspondence processes, increasing efficiency and reducing processing times where possible.
- **Paperless Office:** Continuing the scanning and digitisation of historical paper files to reduce reliance on paper records and improve accessibility to information.
- **McCloud Project:** Continuing to complete the work associated with the McCloud project, ensuring that member records are accurate and that any remaining obligations are implemented in a timely manner.
- **Appointment of a New Additional Voluntary Contributions (AVC) Provider:** Following a review of the Fund's AVC arrangements, the Fund undertook will undertake a procurement process to appoint a new AVC provider. The review concluded that the current provider, Clerical Medical no longer fulfils the Fund's requirements and does not meet the expectations of either scheme members or the Administering Authority. This reflects the significant service issues experienced over the past two years, including delays and service standards falling below the Fund's expectations. The selection process will seek to ensure that members have access to a modern, competitive and sustainable AVC arrangement that delivers an enhanced member experience and improved service quality.
- **Undecided Leaver Records:** Continuing work to reduce the number of cases where members have left employment but their pension benefits have not yet been finalised or settled.
- **Pensions Dashboard Preparation:** Continuing to review and improve the Fund's data quality, processes and systems to ensure readiness for connection to the Pensions Dashboard Programme and compliance with the associated requirements as they are implemented.

These projects will support the Fund's objectives of improving service quality, increasing digital engagement, enhancing data quality, improving the member experience and ensuring compliance with legislative requirements and best practice within the pensions sector.

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	6
Admitted bodies:	16	28
Total:	**45**	**34**

Scheme membership

	31/03/2021	31/03/2022	31/03/2023	31/03/2024	31/03/2025	31/03/2026
Active	18,295	18,657	19,304	19,348	19,412	19,512
Deferred	12,431	12,540	13,160	14,419	14,846	15,191
Pensioners	10,780	11,298	11,780	12,504	13,276	13,972
Undecided	8,133	8,617	7,966	7,044	6,475	6,320
Total:	**49,639**	**51,112**	**52,210**	**53,315**	**54,009**	**54,995**

Retirements during 2025/26

This table provides a summary of the number of retirements within the Fund during 2025/2026.

Reason for leaver	Number of pensioners
Early/Normal Retirement	706
Redundancy/ Efficiency	45
Ill Health	39
Late Retirement	169
Flexible Retirement	31
Total	**990**

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	2021/222	2022/23	2023/24	2024/25	2025/26
Number of full-time equivalent Pension Fund staff	18.10	19.16	20.16	22.6	23.6	22.16
Total fund membership (Does not include undecided members)	41,506	42,495	44,244	46,271	47,534	48,675
Number of fund members to one member of administration staff	2,293	2,218	2,195	2,047	2,014	2,196

Unit cost per member

Investment Management Expenses	**2023/24**	**2024/25**	**2025/26**
Total Costs	£12,866,000	£15,738,000	£10,885,000
Total Membership Numbers (Does not include unclaimed benefits and undecided members)	46,271	47,534	48,675
Cost per member	£278.06	£331.08	£223.63
Administration Expenses			
Total Costs	£1,720,000	£1,988,000	£2,145,000
Total Membership Numbers (Does not include unclaimed benefits and undecided members)	46,271	47,534	48,675
Cost per member	£37.17	£41.82	£44.07
Oversight and Governance Expenses			
Total Costs	£456,000	£556,000	£642,000
Total Membership Numbers (Does not include unclaimed benefits and undecided members)	46,271	47,534	48,675
Cost per member	£9.85	£11.69	£13.19
Total cost	**£325.08**	**£384.59**	**£280.89**

Acknowledgments

Overall, 2025/26 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 44 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 2025– March 2026 are shown in the table below:

Pay Bands	Contribution Rates main scheme	Contribution Rates 50/50 scheme
Up to £17,800	5.5%	2.75%
£17,801 - £28,000	5.8%	2.9%
£28,001 - £45,600	6.5%	3.25%
£45,601 - £57,700	6.8%	3.4%
£57,701 - £81,000	8.5%	4.25%
£81,001 - £114,800	9.9%	4.95%
£114,801 - £135,300	10.5%	5.25%
£135,301 - £203,000	11.4%	5.7%
More than £203,001	12.5%	6.25%

Employers contribute to the scheme 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.

Ill-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.

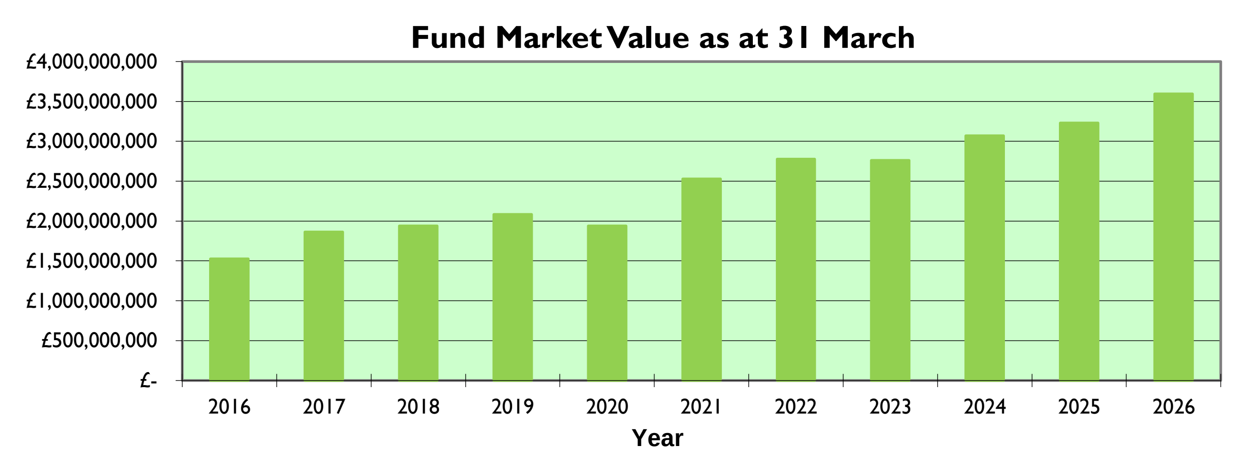
Death after Retirement
If a member dies after drawing their LGPS pension and before reaching age 75, a death grant may be payable. Generally speaking, the death grant is equal to 10 times (or 5 times if they left the LGPS before 1 April 2008) the pension less the amount already paid. If the member left 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 31 March 2026, the Pension Fund's value has increased to £3.6 billion.



Asset Allocation
The strategic asset allocation is one of the most important decision for any pension fund, and is the main determinant of the Fund's long-term performance. The following table shows the Fund's actual asset allocation against its target strategic allocation at 31.03.26.

Type of asset	Actual %	Target %	Difference %
UK Equity	8.5	6.0	+2.5
Global Equity	38.2	27.0	+11.2
Emerging Markets Equity	2.3	2.0	+0.3
Private Equity	4.4	5.0	-0.6
Total Growth	**53.4**	**40.0**	**+13.4**
Property	5.8	10.0	-4.2
Infrastructure	6.0	7.5	-1.5
Multi Asset Credit	7.3	7.5	-0.2
Private Credit	1.8	7.5	-5.7
Natural Capital	0.0	5.0	-5.0
Total Income	**20.9**	**37.5**	**-16.6**
Absolute Return Bond	15.7	12.5	+3.2
Corporate Bonds	9.8	10.0	-0.2
Total Defensive	**25.5**	**22.5**	**+3.0**
Cash	**0.2**	**0.0**	**+0.2**
Total	**100.0**	**100.0**	**+0.0**

The 2025 actuarial valuation demonstrated again that the Fund has a strong funding level and therefore a further review of the investment strategy was undertaken by the Fund in November 2025. It was agreed by the Pensions Committee to continue to de-risk the Fund by reducing its equity allocation and invest in income generating assets, which includes an allocation to natural capital for the first time.

This new strategy will be actioned as investments in infrastructure and private credit will increase as capital is called, and the Fund will work closely with WPP IM Co in order to invest in property and natural capital.

Investments by investment fund manager

Manager	Fund	Asset Class	31 March 2025 £000	31 March 2026 £000
Pooled				
Wales Pension Partnership	Global Opportunities	Global Equity	460,613	403,967
Wales Pension Partnership	Global Growth	Global Equity	418,895	389,529
Wales Pension Partnership	Emerging Markets	Global Equity	63,023	82,721
Wales Pension Partnership	Sustainable Active Equity	Global Equity	317,658	359,705
Wales Pension Partnership	Absolute Return Bond	Bonds	403,247	554,275
Wales Pension Partnership	Multi Asset Credit	Multi-Credit Asset	241,859	259,418
Wales Pension Partnership	Global Credit	Bonds	233,417	347,858
Wales Pension Partnership	Russell Investments Global Private Credit	Private Credit	50,748	63,291
Wales Pension Partnership	GCM WPP Global Infrastructure I	Infrastructure	8,048	10,857
Wales Pension Partnership	GCM WPP Global Infrastructure II	Infrastructure	0	1,712
Wales Pension Partnership	Capital Dynamics CEI	Infrastructure	4,131	6,809
Wales Pension Partnership	Octopus Renewables Infrastructure	Infrastructure	35,101	37,299
Wales Pension Partnership	IFM Global Infrastructure	Infrastructure	60,918	65,990
Wales Pension Partnership	CBRE Global Infrastructure	Infrastructure	14,683	25,287
Wales Pension Partnership	Schroders Capital WPP Global Private Equity I	Private Equity	6,022	8,605
Wales Pension Partnership	Schroders Capital WPP Global Private Equity II	Private Equity	7,165	11,007
Wales Pension Partnership	Schroders Capital WPP Global Private Equity III	Private Equity	0	9,036
Wales Pension Partnership	Schroders Real Estate	Property	0	168,275
		Total Pooled	**2,325,528**	**2,805,641**
Under pool management				
Black Rock	Aquila Life UK Equity Index	UK Equity	294,958	301,088
Black Rock	ACS World Low Carbon Equity	Global Equity	170,002	0
Black Rock	Aquila Life ESG Equity	Global Equity	0	198,675
		Total Under pool management	**464,960**	**499,763**
Not pooled				
Black Rock	Property	Property	56,246	0
Lothbury	Property	Property	6,263	0
UBS	Property Global Ast Triton	Property	76,742	0
Threadneedle	Property TPEN	Property	34,116	35,344
Threadneedle	Property TPUT	Property	2,221	0
Partners	Private Equity	Private Equity	149,330	128,011
Partners	Infrastructure	Infrastructure	76,836	64,546
		Total Not pooled	401,754	227,901
		Total	**3,192,242**	**3,533,305**

Assets within the UK

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

£m Asset values as at 31 March 2026	Pooled	Under Pool Management	Not pooled	Total
UK Listed Equities	40.1	277.9	0	318.0
UK Government Bonds	37.6	0	0	37.6
UK Infrastructure	33.6	0	8.6	42.2
UK Private Equity	4.5	0	11.4	15.9

£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. Investment Managers submit quarterly reports to the Pensions Committee, relevant officers and the Fund's adviser, and these are scrutinised in the Pensions Committee meetings.

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	Bloomberg 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 ESG World Equity (WPP)	MSCI World	Track the benchmark
All Property	UK All Balanced Property Fund Index	Outperform the index
Partners Private Equity	MSCI All Country World Index	MSCI All Country World Index
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	17.0	17.5	14.2	14.1	12.5	11.9
WPP Global Growth	13.9	17.5	10.0	14.1	9.7	11.9
WPP Emerging Markets	31.4	27.2	10.2	10.0	5.6	6.8
WPP Sustainable Active Equity	13.3	17.5	n/a	n/a	10.1	14.8
WPP Absolute Return Bond	4.2	6.2	5.7	6.9	4.2	5.1
WPP Multi Asset Credit	7.3	8.3	8.2	9.0	3.9	7.0
WPP Global Credit	4.3	4.4	n/a	n/a	-0.1	0.1
WPP Private Credit*	n/a	n/a	n/a	n/a	n/a	n/a
WPP Global Infrastructure	5.4	8.0	n/a	n/a	5.7	8.0
WPP Wales Renewable Infrastructure	8.5	8.0	n/a	n/a	2.6	8.0
WPP Open Ended Infrastructure	10.8	8.0	n/a	n/a	7.8	8.0
WPP Private Equity	19.7	15.0	n/a	n/a	19.0	15.0
Local Funds						
Black Rock Aquila Life UK Equity Index	21.7	21.5	13.4	13.3	7.8	7.8
Black Rock ACS World Low Carbon Equity Tracker	n/a	n/a	n/a	n/a	-2.0	-1.3
BlackRock Property	4.0	4.3	1.9	3.3	4.7	5.4
Threadneedle TPEN Property	3.5	4.3	3.3	3.3	3.3	3.2
UBS Property	4.0	4.3	2.6	3.3	2.3	3.3
Partners Group Private Equity	-4.2	18.0	0.6	16.3	8.9	11.4
Partners Group Infrastructure	4.2	8.0	8.2	8.0	11.7	8.0
Whole Fund	**10.9**	**11.5**	**9.0**	**9.8**	**7.8**	**7.6**

*results not yet available for WPP Private Credit

The Fund saw positive returns over 1 year, 3 years and since inception. The average LGPS fund delivered a return of 9.6% 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. Performance in the latest year was driven by the strong results delivered by equities and property delivered a second year of modest results.

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 half of all LGPS and was ranked 38th out of all LGPS funds. The benchmarks given are very challenging and the Fund is performing well and is in front of its benchmark since inception.

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 monitor 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.

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 Fund, 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 a high proportion of the Fund is invested in equities. However, the Committee have recognised that the triennial valuation demonstrated a healthy level of surplus and therefore has decreased its equity allocation as seen in 6.1 in order to de-risk the Fund.

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

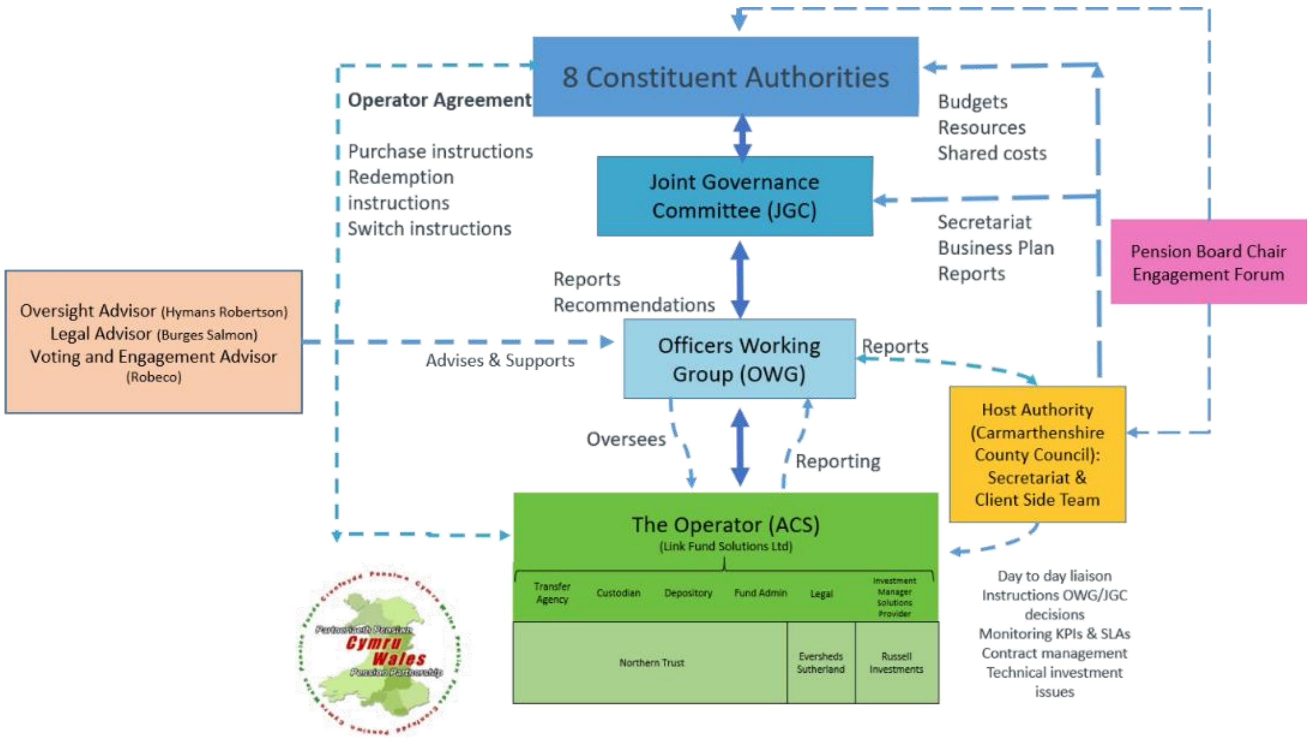
The WPP is one of the eight Local Government Pension pools nationally and is a collaboration of the eight LGPS funds in Wales. The eight funds have a long, successful history of collaboration including a collaborative tender for a single passive equity provider for the Welsh funds pre-dating the Government's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

<u>Governance</u>

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 at 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.

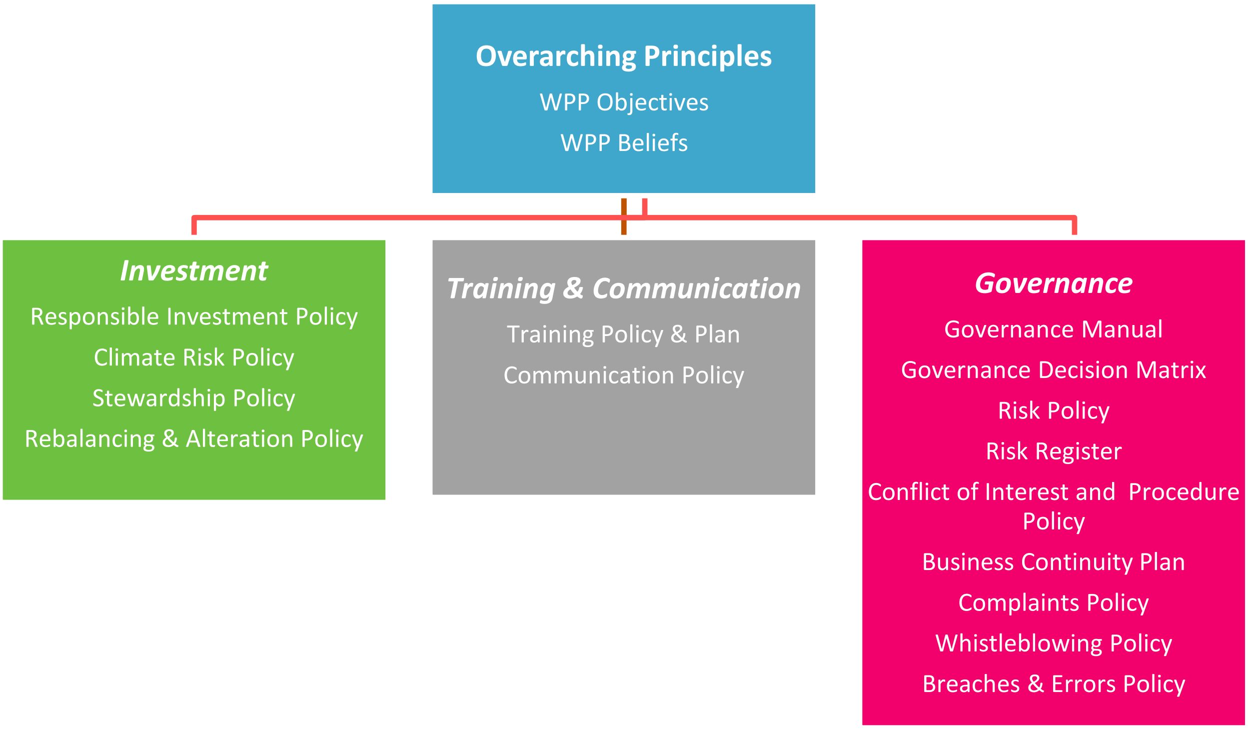
Northern Trust is the Depository for the WPP ACS vehicle and provides numerous services including securities lending, fund administration, compliance monitoring and reporting.

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 81% of assets under pool management.

As of 31 March 2026, WPP has total assets worth £28.8bn, £23.5bn of which sits within the pool, see breakdown below:

Fund	Managed by	Launch Date	31 March 2026 £000	%
Global Growth Equity	Russell Investments	February 2019	3,777,538	13.1
Global Opportunities Equity	Russell Investments	February 2019	3,518,894	12.2
UK Opportunities Equity	Russell Investments	September 2019	898,662	3.1
Emerging Markets Equity	Russell Investments	October 2021	358,345	1.2
Sustainable Active Equity	Russell Investments	June 2023	1,714,186	6.0
Global Credit	Russell Investments	July 2020	1,348,780	4.7
Global Government Bond	Russell Investments	July 2020	515,955	1.8
UK Credit	Waystone Management (UK) Limited	July 2020	888,276	3.1
Multi-Asset Credit	Russell Investments	July 2020	974,694	3.4
Absolute Return Bond	Russell Investments	September 2020	812,857	2.8
Infrastructure	GCM Grosvenor, IFM, CBRE and Octopus, Capital Dynamics	Various	926,220	3.2
Private Credit	Russell Investments	April 2023	424,331	1.5
Private Equity	Schroders Capital	October 2023	245,641	0.9
Real Estate	Schroders, CBRE	February 2026	1,181,140	4.1
Passive Investments	BlackRock	March 2016	5,881,749	20.5
Investment not pooled			5,278,710	18.4
Total Investments across all 8 Pension Funds			**28,745,978**	**100**

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

Fund	31 March 2026 £000	%
Global Opportunities	403,967	11.4
Global Growth	389,529	11.0
Emerging Markets	82,721	2.3
Sustainable Active Equity	359,705	10.2
Global Credit	347,858	9.9
Multi Asset Credit	259,418	7.3
Absolute Return Bond	554,275	15.7
Private Markets	408,168	11.6
Passive Equity	499,763	14.1
Investment not pooled	227,901	6.5
Total Investment Assets	**3,533,305**	**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 31 March 2026.

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 31 March 2026 was £272k 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 2025/26.

		Direct £000	Indirect £000	Total £000
Management Fees	Pool Assets	4,808	4,885	9,693
	Non-Pool Assets	4,436	515	4,951
Transaction Costs	Pool Assets	1,270	0	1,270
	Non-Pool Assets	6	2,415	2,421
Custody Costs	Pool Assets	365	0	365
	Non-Pool Assets	0	0	0
Whole Fund Total		**10,885**	**7,815**	**18,700**

2026/27 Objectives

During 2025/26, the WPP submitted its fifth annual Stewardship Report and was successful in retaining its signatory status to the UK Stewardship Code. WPP published its second all- Wales Climate Report (AWCR) and, building on the recommendations of the first AWCR, launched its own bespoke global passive- equity fund with Black Rock as well as launching the first Real Estate investment programmes. The WPP is also in the process of completing its first all-Wales Impact Report, which it will complete during 2026/27.

WPP won both the LGC and LAPF Investment Innovation awards this year, in recognition of WPP's locally focused approach to local impact investing in Wales- stimulating economic growth, supporting SMEs and creating long- term employment opportunities. Excellent feedback was received from both judging panels, with one quoting, "Our winner provided a best-in-class example of concrete, innovative, place-based investing with rigour and keen focus on returns required to meet fiduciary requirements" and the other praising WPP's creativity in connecting institutional investment with the real economy, describing it as a scalable model that could inspire similar initiatives elsewhere, a standout example of innovation with tangible social and economic outcomes. Local impact investing continues to be a key objective for WPP in 2026/27.

Following the 2024 Fit for the Future Consultation, the Government has approved WPP's business case to remain a stand- alone investment pool for Wales. This creates a unique opportunity to establish a material centre of excellence in LGPS investment in Wales, creating valuable career opportunities while enhancing the Welsh financial services sector. Progressing the implementation of the business case has been a key focus for WPP over the last twelve months. The Wales Pension Partnership Investment Management Company (WPP IM Co) was established in August 2025, with Rob Lamb appointed as CEO in September 2025. The FCA application was submitted in November 2025 and all required Senior Management Functions have been appointed. The initial WPP IM Co business plan for financial year 2026/27 was presented at the 10 March JGC meeting, and has subsequently been approved by all the Constituent Authorities. The company is ready to operate as soon as FCA approval is received.

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 2025/26 was £2,017,927 (gross) / £1,715,305 (net) with £415,345,172 out on loan as of 31 March 2026.

More detailed information can be found in WPP's Annual Return which is published on the WPP website - Wales Pension Fund | Home (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 2026/27 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.	• 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.	• Triennial actuarial valuations provide periodic indications of the growth in assets against liabilities. • Employer contribution rates are set in response to this. • The 2025 valuation showed that there is a funding provision of 166% 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.

	• As a result of the 2025 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. • The Fund/ WPP replaces underperforming investment managers.
Market risk - Market crash leading to failure to reduce the deficit resulting in: • Financial loss • Increased employer contribution costs.	• 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.
The Fund fails to adequately account for climate change, climate risk and environmental, social and governance (ESG) factors.	• 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, WPP are 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	
Failure of custodian leading to losses which results in: • Failure to reduce the deficit • Financial loss	• 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	
Cyber Attack • Loss of sensitive data. • Systems damaged or destroyed. • Reputation risk. Financial loss arising from legal action.	• Firewall in operation. • Software regularly updated with latest security features. • The system is backed up daily. • Password access is required.
Uncontrollable External Factors	
Normal operations disrupted by uncontrollable external factors. Service delivery threats from fire, bomb, extreme weather, electrical faults, sickness, epidemic, pandemic etc. Insufficient daily back up, disaster recovery, and IT cover to support systems. Temporary loss of ability to provide service to stakeholders.	• Working from home is happening with many of the staff now working hybrid. • Disaster Recovery Plan for pension system. • Business Continuity / Disaster. • Recovery Plan for the Authority with IT firewalls.

7.2 Investment Strategy Statement

The Pensions Committee approved the Investment Strategy Statement in March 2026 following the 2025 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/Investment-Strategy-Statement-March-2026.pdf

7.3 Funding Strategy Statement

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 statue 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 2025/26 to reflect the Actuarial Valuation on 31 March 2025. It includes all employer contribution rates from the 1 April 206 onwards.

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

https://www.gwyneddpensionfund.wales/en/Investments/Funding-Strategy-Statement-Gwynedd-Pension-Fund-March-2026.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 2024/25 £000	Actual 2025/26 £000
Employee/ Member contributions	24,831	26,040
Employer contributions	76,929	75,455
Transfer in	9,156	9,378
Investment Income	65,847	84,845
Other Income	3	5
Total Income	**176,766**	**195,723**

There was a general increase 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 and infrastructure funds, and these investments have generated significant interest income.

Expenditure

	Actual 2024/25 £000	Actual 2025/26 £000
Benefits payable	(94,520)	(95,546)
Payments to leavers	(7,870)	(8,147)
Management expenses	(18,282)	(13,672)
Total Expenditure	**(120,672)**	**(117,365)**

There was a decrease in the management expenses figures due to a decrease in the management expenses for legacy private market managers.

Net Assets

	Actual 2024/25 £'000	Actual 2025/26 £'000
Profit and losses on disposal of investments and changes in the market value of investments	105,626	283,936
Net Increase/ (Decrease) in the Net Assets available for benefits during the year	**161,720**	**362,294**

The value of investments on the market has increased steadily during the year in line with market movements.

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, Eryri National Park Authority, the Police and Crime Commissioner for North Wales and Careers Wales North West. 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 31/03/2026

In March 2026 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 31/03/2026

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 2025/26

The Final Accounts were audited by Audit Wales, and the final version in Section 9 was presented to the Pensions Committee on 23 November 2026.

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 state 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.

Most of the 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. Members which have recently joined the Committee will complete this training in the Autumn.

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

Wales Pension Partnership	Private Markets Product Knowledge
Wales Pension Partnership	Local/ Impact Investments within Private Markets Asset Classes
Wales Pension Partnership	Voting and Engagement
Wales Pension Partnership	Stewardship Code and Reporting Requirements
Wales Pension Partnership	Responsible Investing
Wales Pension Partnership	Biodiversity and Natural Capital
Wales Pension Partnership	Climate Scenarios and Fiduciary Duty

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 funds in Wales and Wales Pension Partnership 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 31 March 2025 (previously 31 March 2022), and the new rates will be effective from 1 April 2026. The next valuation will be at 31 March 2028 and any changes to employers' contributions will be effective from 1 April 2029 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:

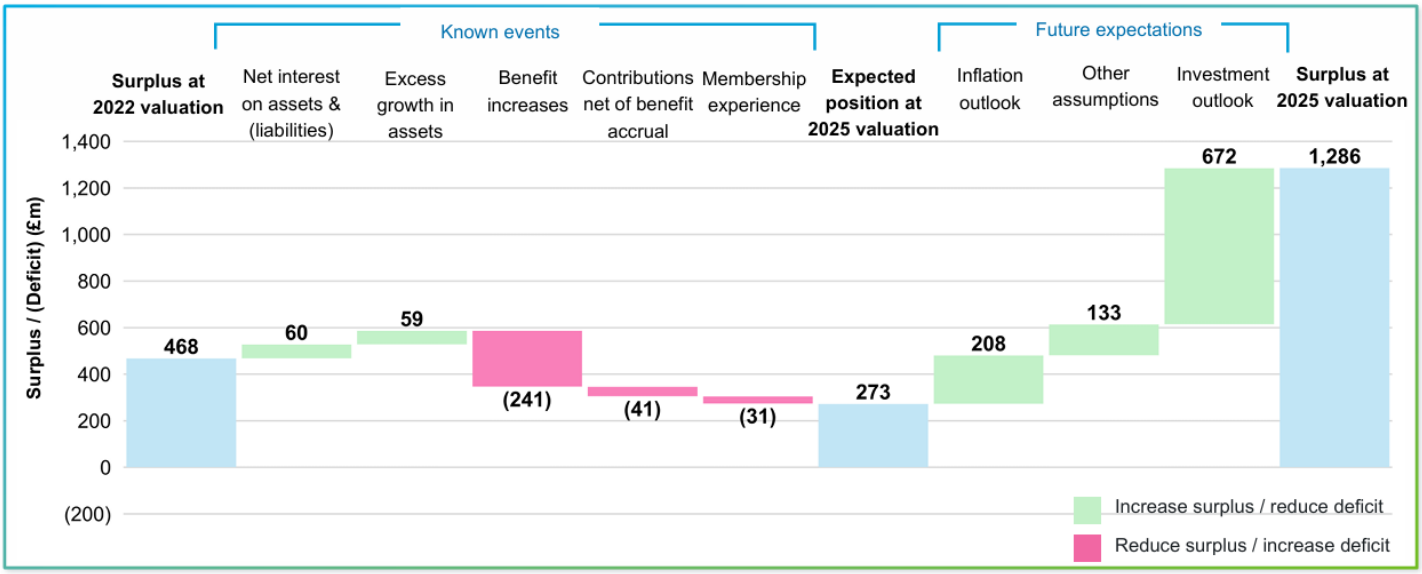
	% per annum
Discount Rate	5.9%
Salary Increases	2.8%
Benefit increases and CARE revaluation (CPI)	2.3%

2025 Valuation Results

The triennial actuarial valuation as at 31 March 2025 was completed during 2025/26. The funding position for the whole Fund improved from 120% at 31 March 2022 to 166% at 31 March 2025, mainly due to strong investment performance over the period and a decrease in its liabilities.

Valuation date		31 March 2025	31 March 2022
Assets		3,232	2,776
Liabilities	Actives (£m)	794	1,042
	Deferreds (£m)	268	392
	Pensioners (£m)	884	874
Surplus / (Deficit) (£m)		1,286	468
Funding Level		166%	120%

The funding position has increased from a surplus of £468m to a surplus of £1,286m. See the movements in the chart below:



The actuary produced a report for each individual employer. A forum was held for all employers in

October 2025, 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 2025 Actuarial Valuation Report was produced in March 2026 and is available on the Fund's website at:

https://www.cronfabensiwngwynedd.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 (%)		
1 April 2026 – 31 March 2029	2026/27	2027/28	2028/29
16.2%	-0.3%	-0.3%	-0.3%

The next triennual valuation will be at 31 March 2028.

9. Statement of Accounts 2025/26

To be included after audit.

10. Communication Policy Statement

Introduction

Regulation 61 of the Local Government Pension Scheme (LGPS) 2013 Regulations stipulates that all administering authorities are required to publish a statement of policy regarding communication with key stakeholders.

Cygnor Gwynedd is the administering authority for the Gwynedd Pension Fund and the Fund's key stakeholders include:

1. **Scheme members:**
   - 1.1 Active Scheme Members
   - 1.2 Deferred members
   - 1.3 Pensioner members
   - 1.4 Prospective members

2. **Scheme Employers**

3. **Other bodies:**
   - 3.1 Pension Committee and Pension Board
   - 3.2 Fund Staff
   - 3.3 Other Bodies

This communication statement sets out the policy for the provision of information and how the Fund intends to publicise, promote and develop the Scheme to each stakeholder group. It will be kept under review and amended when there is a material change in the policy.

The Fund's aim is to provide a high quality and consistent service to their stakeholders in the most efficient and cost-effective manner.

The intention is that all communications are as timely as possible, factual and in plain language, and presented in a manner appropriate to the receiver. Where individuals have specific needs in relation to the format of information, steps are taken to ensure that the required format is available, such as Braille, Audio, and Large Print.

All Gwynedd Pension Fund's publications are bilingual, in line with Cyngor Gwynedd's Language Policy. Information in other languages may be available on request.

Where legislative Scheme changes are known in advance, procedures will be put in place to implement the changes in the most effective manner.

1.1 Communicating with Active Members

Active Members (including Councillor Members) are those who are contributing into the LGPS through one of the Gwynedd Pension Fund Scheme Employers. The methods of communication with these members are described below.

- Website - The Gwynedd Pension Fund website contains a section dedicated to Active Members. It provides general information about the LGPS including, Transfers, Improving Benefits, Retirement, Divorce, Death Benefits, Tax Allowances and Frequently Asked Questions. News items are added when required to notify members of any Scheme changes. There is a separate section dedicated to the pension benefits for Councillor Members.
- Member Self Service - The member self-service web portal on the Gwynedd Pension Fund website allows members to view and update their pension data securely online, such as death grant expression of wish, contact details, annual benefit statements and letters. The planning tools allow members to perform benefit calculations and prepare for retirement.

- Employer Events – The Gwynedd Pension Fund is available to attend employer events on request and provide a pension stand where members can discuss any pension issues with the pension fund staff and provide relevant scheme literature.
- Presentations – The Gwynedd Pension Fund is always available to offer presentations on the scheme. Presentations are also held when needed to inform Active Members of major changes to scheme regulations. Specialist information sessions can also be held at the request of the employer for members who are affected by the bulk transfer of pensions from the LGPS to other pension providers.
- Pre-Retirement Courses – A program of six courses are held by Chadwicks IFA, a firm of financial advisors' form Chester each year. The Gwynedd and Flintshire Pension Funds provide alternate LGPS presentations at these events.
- Consultation Sessions – The Gwynedd Pension Fund Communications Officers can hold individual consultation session for scheme members at the request of scheme employers. Consultations are usually held at the employees worksites and they offer the opportunity for scheme members to receive general and specific information about the LGPS and ask any question they may have relating to their LGPS pension.
- Individual Appointments - Active Members can arrange an appointment with a member of the Gwynedd Pension Fund staff at the Pension office in Caernarfon.

  In some cases (e.g terminal illness) a representative from the Gwynedd Pension Fund will visit a member at their home at the request of their employer.
- Scheme Literature –
  - Pension Starter Pack. Issued when a Scheme Employer notifies us of a new Active Member. This includes a Short Guide to the LGPS, a New Starter Form, Death Grant Expression of Wish form and a Statutory Notification of entry into the scheme.
  - Short Scheme Guide. The short scheme guide provides general information on the LGPS and is issued to all new employees and to existing members on request. Copies of the scheme guide in Braille, large print and audio can be provided on request.
  - Retirement Guide. The Retirement Guide outlines the arrangements for the payment of pension benefits and sets out the benefits payable to survivors in the event of the member's death and the other most important things to note.
  - Factsheets. A range of factsheets have been produced for scheme members which give information specific topics relating to the LGPS.
- Newsletters - We issue periodic newsletters to Active Members to update them of changes in the scheme regulations.
- Annual Benefit Statements - Each year we issue a statement to each member showing the pension they have built up to the previous 31 March and forecasts the benefits payable at State Pension Age. They are uploaded automatically to a member's Member Self Service Online portal or sent directly to their home address if they have chosen not to register.
- Annual Report and Accounts - An electronic copy of the Fund's Annual Report and Accounts is available to all Scheme members on the website. Hard copies are also available upon request.
- Correspondence - The Fund uses both paper mail and e-mail to receive and send correspondence. Response will be made in the individuals preferred language of choice.
- Statutory Notification - Members are notified when any change occurs to their pension record, thus affecting their pension benefits.
- Pensions Helpline – A single helpline number is available for all pension enquiries and a dedicated e-mail address is available for enquiries by e-mail.
- Poster Campaign – A poster campaign will be implemented when major scheme changes need to be communicated to Active Scheme members. They will be distributed to employers so that they can be displayed at employees work sites.
- Internal Dispute Resolution Procedure (IDRP) leaflet – A document covering stage 1 of the IDRP is available on request.

1.2 Communicating with Deferred Members

Deferred Members (including Councillor Members) are those who have left their employment with a scheme employer and who have preserved benefits within the fund. The methods of communication with these members are described below.

- Website - The Gwynedd Pension Fund website contains a section dedicated to Deferred Members. It provides general information about the LGPS including, Transfers Out, Retirement, Divorce, Death Benefits and Frequently Asked Questions. News items are added when required to notify members of any Scheme changes. There is a separate section dedicated to the pension benefits for Councillor Members leaving before retirement.
- Member Self Service - The member self-service web portal on the Gwynedd Pension Fund website allows members to view and update their pension data securely online, such as death grant expression of wish, contact details, annual benefit statements and letters. The planning tools allow members to perform benefit calculations and prepare for retirement.
- Individual Appointments - Deferred Members can arrange an appointment with a member of the Gwynedd Pension Fund staff at the Pension office in Caernarfon.

  In some cases (e.g terminal illness) a representative from the Gwynedd Pension Fund will visit a member at their home at the request of their old employer, the individual or individual's representative.
- Scheme Literature –
  - Retirement Guide. The Retirement Guide outlines the arrangements for the payment of pension benefits and sets out the benefits payable to survivors in the event of the member's death and the other most important things to note.
  - Factsheets. A range of factsheets have been produced for scheme members which give information specific topics relating to the LGPS.
- Newsletters - we issue periodic newsletters to Deferred Members to update them of changes in the scheme regulations.
- Deferred Benefit Statements - Each year we issue a statement to each deferred member showing the up to date value of their pension benefits. They are uploaded automatically to the member's Member Self Service online portal or sent directly to their home address if they have chosen not to register.
- Annual Report and Accounts - An electronic copy of the Fund's Annual Report and Accounts is available to all Scheme members on the website. Hard copies are also available upon request.
- Correspondence - The Fund uses both paper mail and e-mail to receive and send correspondence. Response will be made in the individuals preferred language of choice.
- Pensions Helpline – A single helpline number is available for all pension enquiries and a dedicated e-mail address is available for enquiries by e-mail.
- Internal Dispute Resolution Procedure (IDRP) leaflet – A document covering stage 1 of the IDRP is available on request.

1.3 Communicating with Pensioners

Pensioners include retired members and the dependants of deceased members. The methods of communication with pensioners are described below.

- Website - The Gwynedd Pension Fund website contains a section dedicated to Pensioners. It provides general information about the LGPS including, Divorce, Death Benefits, Payment Dates, Living Abroad, Pensions Increases and Frequently Asked Questions. News items are added when required to notify pensioners of any Scheme changes.
- Member Self Service - The member self-service web portal on the Gwynedd Pension Fund website allows pensioners to view and update their pension data securely online, such as death grant expression of wish, contact details and letters.
- Individual Appointments - Pensioners can arrange an appointment with a member of the Gwynedd Pension Fund staff at the Pension office in Caernarfon.

- Payslips and P60 – A payslip is sent to Pensioner when there is a change of £5 or more in their next payment as compared with the previous month. All pensioners receive a combined P60 and payslip at the end of each tax year.
- Notice of Pensions Increase – Each April, pensioners receive a notice informing them of the Pensions Increase which is to be applied on their pension (if applicable) and they also receive confirmation of the pay dates for the next 12 months.

- Annual Report and Accounts - An electronic copy of the Fund's Annual Report and Accounts is available to all Scheme members on the website. Hard copies are also available upon request.
- Correspondence - The Fund uses both paper mail and e-mail to receive and send correspondence. Response will be made in the individuals preferred language of choice.
- Pensions Helpline – A single helpline number is available for all pension enquiries and a dedicated e-mail address is available for enquiries by e-mail.
- Birthday Congratulations – Pensioners, including those receiving dependents benefits, celebrating their 100th birthday will receive a birthday card from the Gwynedd Pension Fund.
- Internal Dispute Resolution Procedure (IDRP) leaflet – A document covering stage 1 of the IDRP is available on request.

1.4 Communicating with Prospective Members

Prospective Members are employees who are eligible to join the LGPS with one of the Gwynedd Pension Fund Scheme Employers but have decided not to. The methods of communication with prospective members are described below.

- Website - The Gwynedd Pension Fund website contains a section dedicated to Prospective Members. It provides general information about the LGPS including, Reasons for Joining, Transfers, Contribution Rates, Retirement, Opting Out and Frequently Asked Questions. News items are added when required to notify members of any Scheme changes. There is a separate section dedicated to the pension benefits for Councillor Members.
- Employer Events – The Gwynedd Pension Fund is available to attend employer events on request and provide a pension stand where prospective members can discuss any pension issues with the pension fund staff and provide relevant scheme literature and forms.

  The Gwynedd Pension Fund encourages employers to include pensions as part of staff induction events and will provide scheme literature and forms. The communications team could attend upon request.
- Consultation Sessions – The Gwynedd Pension Fund Communications Officers can hold individual consultation session for scheme members and prospective members at the request of scheme employers. Consultations are usually held at the employees worksites and they offer the opportunity for scheme members to receive general and specific information about the LGPS and ask any question they may have about joining the LGPS.
- Individual Appointments - Prospective Members can arrange an appointment with a member of the Gwynedd Pension Fund staff at the Pension office in Caernarfon.

- Scheme Literature –
  - Short Scheme Guide. The short scheme guide provides general information on the LGPS and is issued to all new employees and on request. Copies of the scheme guide in Braille, large print and audio can be provided on request.
  - Factsheets. A range of factsheets have been produced for scheme members which give information specific topics relating to the LGPS
- Correspondence - The Fund uses both paper mail and e-mail to receive and send correspondence. Response will be made in the individuals preferred language of choice.
- Pensions Helpline – A single helpline number is available for all pension enquiries and a dedicated e-mail address is available for enquiries by e-mail.
- Poster Campaign – A poster campaign is periodically implemented which highlights the benefits of joining the LGPS. They will be distributed to employers so that they can be displayed at employees work sites.

2 Communicating with Scheme Employers

For Cyngor Gwynedd as Administering Authority to efficiently run the scheme it is essential that the flow of accurate, timely and clear information between Scheme Employers and the Fund is maintained through effective communication.

The methods of communication with Scheme Employers are described below.

- Website - Our website is under review to develop a section dedicated to Scheme Employers. The Website also contains all the Pension Fund Governance Documents, for example the Actuarial Valuation Report, Policy Documents and the Annual Report and Accounts. There are also links to sources of further information such as the Local Government Association's (LGA's) dedicated LGPS website.
- i-Connect - i-Connect is a secure online portal that takes data directly from the payroll system and feeds it directly into the pension system on a monthly basis. It automatically identifies and processes new joiners, opt-outs and leavers and enables the employer to check and cleanse the data before submission.
- Contact Database - Regulatory and administrative updates are frequently issued to all employers listed on the contact database via e-mail or letter. The employer Contact database is amended as necessary following updates from the Employers.
- Annual General Meetings - The Annual General Meeting is held specifically for Employers and Union Representatives to discuss the Annual Report and Accounts. Representatives from various professional advisory bodies, such as the Fund Actuary and Fund Managers also attend in order to answer on Funding, Investment Performance and Valuations.
- Employer meetings - As required to discuss topical issues, significant legislation changes, pre and post actuarial valuation and provide information and discuss improvements in the flow of information.
- Individual Employer meetings - Meetings with individual employers can be arranged to discuss matters specific to their participation in the Pension Fund. or to provide advice and guidance on specific issues.
- Individual Employer Training meetings - These can be arranged to resolve any administrative training issues identified by either the employer, or the Fund. These sessions are held at employer venues, with development being monitored and reviewed periodically thereafter.
- Employer Guide - The new Employer Guide is in the process of being completed and will be circulated electronically to all Employing Bodies and uploaded onto our website.
- Service Level Agreements - To improve the standard of service to members we aim to establish Service Level Agreements with Employers. The agreements will provide guidance on statutory obligations and responsibilities and set targets for both Employers and the Administering Authority–
    - To provide correct information
    - To act on, and respond to that information within a given timescale

  Any targets for the Service Level Agreements will be agreed beforehand.

3.1 Communicating with the Pensions Committee and Local Pension Board

As the Gwynedd Pension Fund's administering authority, Cyngor Gwynedd has formed a Pensions Committee and a Pensions Board which meets quarterly to discharge the duties of the Council regarding the governance and administration of the Fund.

The Pensions Committee is responsible for approving the pension fund governance documents, including the Annual Report and Accounts and the Pension Fund Policies. It is also responsible for setting the Pension Fund Investment Strategy and the appointment of Investment Managers. The Pensions Committee is made up of nine elected Councillors.

The Pension Board is responsible for overseeing the work of the Pensions Committee and assists the Pension Fund in complying with all the legislative requirements making sure the scheme is being effectively and efficiently governed and managed. The Pension Board has three scheme member representatives and three employer representatives, one of which is elected as chair.

To facilitate the work of both the Pension Committee and Pension Board they are provided with access to all the Pension Fund Documents including the Annual Report and Accounts, the Actuarial Report, Policy Documents, Pensions Committee reports and decisions and Pension Board reports.

The methods of communication with Pension Committee and Board members are described below.

- E-mails - E-mail is the preferred method of communication for general messages.
- Reports – The Committee and Board members are provided with the following Reports:
    - Annual Reports and Accounts - The key publication on investment and administration.
    - Actuarial Report – Following the Fund's triennial valuation
    - Specialised Reports – Produced by the Gwynedd Pension Fund for their consideration.
- Pension Fund Policies – The committee have access to all the Gwynedd Pension Fund policies for consideration and approval
- Presentations – Committee and Board members are invited to presentations by The Gwynedd Pension Fund and advisers on investment, actuarial, and administration matters.
- Training - Committee members and Pension Board Members are required to undertake relevant training to enable them to carry out their roles effectively. Training can be done in-house, by LGA, the Pension Fund Investment Managers and advisors or the Pension Fund Actuary.
- Agenda and Minutes – The agenda and minutes for each meeting are published on the Cyngor Gwynedd website.

3.2 Communicating with Pension Fund Staff

Effective communication with Pension Fund Staff is an important part of daily operations and enables the Gwynedd Pension Fund to deliver a quality and accurate service to our key stakeholders.

The methods of communication with Pension Fund Staff are described below.

- Induction – All new members of staff undergo an induction program.
- E-mails - E-mail is the preferred method of communication for general messages within the unit. Where necessary, this will be followed up with individual or team training.
- WhatsApp Group Chat – During emergencies when e-mail is not available general messages will be shared on WhatsApp.
- In-house Training – General and pension-specific training on matters arising with regards to regulatory or procedural changes is given as a necessary as part of the unit's commitment to continuous improvement.
- External Training – Professional qualifications can only improve the knowledge and confidence of the team in their communication with stakeholders. All new and existing members of staff are therefore encouraged to study for professional qualifications in pension administration with the Chartered Institute of Payroll Professionals (CIPP). Staff also attend LGA and Heywood training as appropriate
- Staff Meetings – Staff Meetings are held bi-monthly to discuss any developments in legislation, changes to working procedures and operational matters. Staff are encouraged to participate in these meetings and influence the decisions that affect the whole Unit.

    The operational plan, including Key Performance Indicators is also discussed on a regular basis to ensure that the members of the team are aware of and are meeting their targets.
- Staff Appraisals - Fund staff of all levels have an appraisal each year to discuss work issues, monitor performance and areas for development.
- Continuous Monitoring – Service Standards are monitored regularly to ensure staff are aware of their responsibilities in relation to the Scheme. On a daily basis communication is encouraged between members of staff and the Management team and an open door policy is in place.
- Internet - All staff have access to the Internet to ensure timely access to LGPS information. They also have access to Member Self Service to assist them in carrying out their roles.

3.3 Communication with Other Bodies

To facilitate the administration of the Gwynedd Pension Fund we must communicate with the following bodies:

- Member Representatives - These can include any individual or group, such as solicitors, Trade Unions or other Pension Providers, requesting information on behalf of a Scheme Member. This is only provided with the member's authority, in compliance with the Data Protection Act 2018 and GDPR. All Scheme Literature is available on request.
- Wales Pension Partnership - The Wales Pension Partnership (WPP) was established in 2017. The WPP is a combination of eight Local Government Pension Scheme (Constituent Authorities) funds across Wales and one of eight national funds for Local Government Pension Scheme.
- Shrewsbury Pensions Officers Group - Senior Pensions Officers form the Gwynedd Pension Fund meet representatives from other Local Authority Funds in the West Pennines area on a quarterly basis to share information, discuss questions on legislation and prevailing regulations as well as any technical or procedural issues.
- All Wales Group - Senior Pensions Officers form the Gwynedd Pension Fund meet representatives from other Local Authority Funds in Wales on a quarterly basis to share information, discuss questions on legislation and prevailing regulations as well as any technical or procedural issues.
- All Wales Communication Group - The Group meets as and when required, with a view of formalising and unifying approach to communications within the Welsh Local Government Authorities. The Group have collectively produced:
  - Uniform Annual Benefit Statement for both active and deferred members
  - A Short Scheme Guide
  - A Retirement Guide
  - Death Grant Expression of Wish Forms
  - Ill Health Certificates
  - Pension Fact Sheets on various topics which can be distributed to members.
- Scheme Actuary – Regarding Funding Levels, the Triennial Valuation, FRS17, TUPE and all funding issues.
- HMRC – With regards to tax issues for Scheme members.
- Additional Voluntary Contributions – Officers of the Pension fund have regular contact with the Fund's AVC providers regarding the funds of individual Scheme members.
- Fund Managers – Regarding investment and Fund performance.
- LGA – The Local Government Association (The Pensions Team) provides technical advice to Pension Fund Administering Authorities and to employers on the LGPS.

11.Glossary

Active Equity Management - A hands-on investment strategy where professional managers buy and sell individual stocks to beat a market index.

Actuary - An independent consultant who advises on the viability of the Fund. Every three years the actuary review the assets and liabilities of the Fund and reports to the Council as Administering Authority on the financial position and the recommended employers contribution rates. This is known as the actuarial valuation.

Active Member - Current employee who is contributing to a pension scheme.

Administering Authority - The Council with a statutory responsibility for running the Fund and that is responsible for all aspects of its management and operation.

Admitted Body - An organisation whose staff can become members of the Fund by virtue of an admission agreement between the Council and the organisation. It enables contractors who take on the Council's services with employees transferring, to offer those staff continued membership of the Fund.

Asset Allocation - Apportionment of investment funds among categories of assets, such as bonds, equities, cash, property and private equity. Asset allocation affects both risk and return.

Asset Class - A specific area/ type of investment e.g. overseas equities, fixed income, cash, property.

Benchmark Return- The benchmark return is the return that would be achieved if the Fund Manager had not deviated from the weightings of each asset class given to them by the Investment Panel, and had achieved returns in each of these asset classes consistent with the average return of all Local Authority Funds for that class. The benchmark weightings of asset classes are outlined within the Investment Strategy Statement.

Corporate Governance - Issues relating to the way in which a company ensures that it is attaching maximum importance to the interests of its shareholders and how shareholders can influence management.

Custodian - Bank or other financial institution that keeps custody of stock certificates and other assets of a client, collects dividends and tax refunds due, and settles purchases and sales.

Deferred pensioner - A member who has stopped paying into the scheme but is not yet retired.

Emerging markets - Relatively new and immature stock markets for equities and bonds. Settlement and liquidity can be less reliable than in the more established 'developed' markets, and they tend to be more volatile.

Employer contributions rates - The percentage of the salary of employees that employers pay as a contributions towards the employees' pension.

Equities - Ordinary shares in UK and overseas companies traded on a recognised Stock Exchange. Shareholders have an interest in the profits of the company and are normally entitled to vote at shareholders meetings.

Fair value - The price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Fixed interest securities/ bonds - Investments, especially in government stocks, with a guaranteed rate of interest. Conventional bonds have fixed rates, whilst index linked vary with inflation. They represent loans repayable at a stated future date, and which can be traded on a Stock Exchange in the meantime.

Fund Manager - A person or company to whom the investment of the whole, or part of the assets of a fund is delegated by the trustees.

Investment - An asset acquired for the purpose of producing income and capital gain for its owner.

Market value - The price at which an investment can be sold at a given date.

Passive - A style of investment management which aims to construct a portfolio in such a way as to provide the same return as to that of a chosen index.

Pensioner - A scheme member who receives a pension from the Fund.

Performance - A measure, usually expressed in percentage terms, of how well a fund has done over a particular time period - either in absolute terms or as measured against the average fund or a particular benchmark.

Pooled funds - Pooled investment vehicles issue units to a range of investors. Unit prices move in response to changes in the value of the underlying portfolio, and investors do not own directly the assets in the fund.

Portfolio - A collective term for all investments held in a fund, market or sector.

Private equity - Investments made by specialist managers in all types of unlisted companies rather than through publicly tradable shares.

Resolution body - Bodies that have a right to allow some or all their staff to become members of the LGPS, subject to the resolution body meeting the requirements of the LGPS regulations.

Return - The total gain from holding an investment over a given period, including income and increase/ (decrease) in market value.

Risk - Generally taken to mean the variability of returns. Investments with greater risk must usually promise higher returns than more 'stable' investments before investors will buy them.

Scheme employers - Local authorities and bodies specified in the LGPS regulations, whose employees are entitled automatically to be members of the Fund, and Admission bodies including voluntary, charitable and similar bodies, carrying out work of public nature, whose staff can become members of the Fund by virtue of an admission agreement with the Council.

Scheduled body - An organisation that has the right to become a member of the Local Government Pension Scheme under the scheme regulations. Such an organisation does not need to be admitted as its right to membership is automatic.

Transfer value - Payments made between funds when contributors leave service with one employer and decide to take the value of their contributions to the new fund.

Unrealised increase/ (decrease) in market value - The change in market value, since the purchase date, of those investments held at year end.