MEETING	**PENSIONS COMMITTEE**
DATE	**23 NOVEMBER 2026**
TITLE	**WALES PENSION PARTNERSHIP UPDATE**
PURPOSE	**To receive and note a quarterly update from Wales Pension Partnership**
RECOMMENDATION	**RECEIVE AND NOTE THE INFORMATION**
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1. INTRODUCTION

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

The WPP's decision making body, the Joint Governance Committee (JGC), last met formally on 22 September 2026.

2. JGC QUARTERLY UPDATE

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

- 2026/27 Business Plan (Appendix 2)
- Responsible Investment update
- Risk Register review
- Review of the Complaints and Whistleblowing policy

3. OPERATOR UPDATE

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

The update provides a snapshot of the full range of WPP investment sub-funds as at 30 June 2026.

Gwynedd Pension Fund currently has exposure to seven of the ten sub-funds and as of 30 June 2026, the sub fund values and percentage were as follows:

- **Global Opportunities - £454.6m (11%)**
- **Global Growth- £44.0m (10%)**
- **Emerging Markets - £104.0m (23%)**
- **Multi Asset Credit - £267.0m (27%)**
- **Absolute Return Bond- £564.3m (68%)**
- **Global Credit Fund - £353.9m (26%)**
- **Sustainable Equity Fund- £411.9m (21%)**

4. PERFORMANCE REPORTS AS AT 30 JUNE 2026

The performance reports can be seen in Appendix 4.

The MSCI World Net Index climbed 13.8% (USD), its best quarterly performance in six years. All markets made gains though there was wide variation in performance. Asia ex Japan was the best-performing region propelled by artificial intelligence (AI)-related stocks, particularly chipmakers. At the other end of the spectrum the UK and Canada underperformed. Meanwhile, emerging markets were strong. Continuing enthusiasm for AI names, growing optimism over US-Iran peace talks and solid corporate earnings results contributed to the positive market sentiment, which helped to push the global index to new highs. Oil peaked at over $110 per barrel in early April but fell sharply in June following reports of a US-Iran interim deal. Markets recalibrated interest rate expectations amid growing fears of inflation, while central banks adopted a wait and see approach. The European Central Bank (ECB) was the first major central bank to increase rates in response to the energy shock. The Bank of Japan (BoJ) also raised rates, to a 31-year high, in June.

In the UK, gilt yields rose on strengthening expectations that the Bank of England (BoE) would be forced to raise interest rates to combat the inflationary impact of soaring energy prices. Speculation over the prime minister's future added to the cautious mood as markets were wary of a change in leadership due to concerns that it may lead to higher fiscal spending. 10-year gilt yields rose above 5.0% early in May, reaching the highest since the summer 2008. Longer dated gilt yields hit levels last seen in 1998. 10-year yields later pulled back amid plummeting oil prices and growing optimism over an imminent US-Iran peace deal. Weaker than expected inflation, soft PMI data and subdued retail sales also contributed to a fall in yields with market expectations for rate hikes scaled back. The BoE left rates unchanged at its April and June policy meetings against the backdrop of sluggish economic growth and a cooling labour market. Market reaction to the prime minister's resignation in June was muted as investor focus turned to the fiscal policy plans of his likely successor, Andy Burnham. Over the quarter the yield on 10-year gilts fell by 16 bps to 4.76%.

5. WPP IM Co Update

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

6. RECOMMENDATION

To receive and note the information.