Wales Pension Partnership

Joint Governance Committee – Q2 2026 Review

22 September 2026

Presented by James Zealander

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Corporate Update

As we continue to work towards our vision to be the leading asset-servicing solutions provider for financial institutions, helping clients structure, operate and grow through our expertise, innovation and digitisation, we are pleased to share the following strategic leadership appointments, which are fundamental to strengthening our product capabilities and delivering on our priorities.

James Allis will assume the role of Head of RFS Product Management in addition to his existing role as Country Head - Ireland.

Rachel Wheeler has been appointed Head of Strategic Solutions and will lead a newly created Strategic Solutions function globally. Working closely with Business Development and Country Heads, the new function will identify, shape and deliver high-impact opportunities for Waystone with a particular focus on structuring solutions for strategic clients and deepening client relationships, primarily focusing on transition business from in-house ManCos and ACDs.

Nick Wheeler will step into the role of Chief Operations Officer for RFS to drive operational transformation and our change agenda. He will oversee the firm's operational framework for the UK ACD, Irish and Luxembourg ManCos and our Global Capability Centres in Mumbai and Cashel for RFS operations.

Nigel Pasea will take on the role of Head of Global Compliance Solutions in addition to his role as Country Head - Middle East.

Richard Larnder has joined Waystone as our new Chief Financial Officer in July.

Richard is a highly experienced finance leader with a strong track record across complex, international financial services organisations. He brings deep expertise in financial strategy, governance, capital management and M&A, with a particular focus on building scalable finance functions that support sustainable growth.

Compliance Update

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

Key Regulatory Changes & Updates (Q2 2026)

The Local Government Pension Scheme (LGPS) rolled out major changes that took effect over the second quarter of 2026. This includes a 3.8% pension increase and CARE revaluation, updated contribution bands to reflect that increase, and landmark "Access and Fairness" regulations expanding scheme eligibility and survivor benefits.

Key LGPS Q2 2026 updates include:

- Pensions Increase & Revaluation: Effective April 6, 2026, active pension accounts, deferred pensions, and pensions in payment increased by 3.8% in line with the Consumer Prices Index (CPI).
- Updated Contribution Bands: Following the 3.8% increase, revised salary bands —which determine the 5.5% to 12.5% contribution rates—came into effect from April 1, 2026.
- Fairer Survivor Benefits: As of April 1, 2026, survivor pensions are equalized, removing gender-based differences and backdating some calculations for eligible partners.
- New Leave Rules: Unpaid [authorised] absences lasting under 15 days automatically count as pensionable. For longer breaks, "Qualifying Additional Pension Arrangements" (QAPAs) are introduced to buy back lost pension.
- Access for Elected Members: In England, access to the LGPS was extended to mayors and councillors, with scheme provisions taking effect on May 11, 2026.
- "Fit for the Future" Reforms: The government issued formal responses and regulations outlining minimum pooling and governance standards across funds to improve long-term investment outcomes.

The landmark Pension Schemes Act recently became law, requiring schemes to prove Value for Money (VFM), enabling the consolidation of small dormant pension pots, and pushing for larger "megafunds". Alongside this, major regulatory shifts target Defined Benefit (DB) surplus flexibilities, stringent dashboard deadlines, and stronger SIPP consumer protection.

Defined Benefit (DB) & Pension Schemes Act Updates

- Surplus Rules: The government has issued draft regulations enabling sponsoring employers to flexibly access surplus funding in DB schemes, with full legislation expected to come into force on April 6, 2027. This allows surplus sharing while protecting member interests and maintaining strong funding levels.
- Value for Money (VFM): The new VFM framework requires scheme managers and trustees to offer clear retirement income options and consistently prove their fund performs well for savers.

Defined Contribution (DC) & Master Trusts

- Consolidation Push: Master trusts and DC schemes face massive consolidation pressure to achieve scale. The Pensions Regulator (TPR) has clearly signalled that smaller schemes must either meet higher legislative standards or consolidate into larger funds that can offer better governance and value.
- Artificial Intelligence Guidance: TPR has clarified expectations for the responsible and secure use of AI within workplace pension systems to protect member data.

Pensions Dashboards & Data Readiness

- Implementation Delays: The Pensions Dashboards Programme (PDP) extended the mandatory implementation deadline to March 1, 2027 . However, schemes are urged to act immediately to get their data ready, and parties should aim to support daily automated reporting by late 2026.

Consumer Protection & Advice

- SIPP Due Diligence: The Financial Conduct Authority (FCA) is consulting on new rules (CP26/20) for Self-Invested Personal Pensions (SIPPs) to strengthen fraud due diligence and improve protection for assets utilizing unauthorized trustees.
- Scam Crackdowns: TPR is urging trustees and savers to remain highly vigilant against impersonation fraud, a growing issue targeting retirement funds.

Inheritance Tax & State Pensions

- Unused Pots: The Finance Act 2026 brings most unused pension pots and certain death benefits into the scope for inheritance tax, taking effect for deaths on or after April 6, 2027.
- State Pension Age: The government is currently undergoing its third State Pension age review, considering the latest life expectancy and demographic data.

Relationship Overview

Client: Wales Pension Partnership

Contract Start Date: December 2017

Contract Renewal: December 2024

Contract Expiry: December 2029 (with further 2-year extension provision)

Tenure of Relationship: 8.5 years

AUM (as at 30 June 2026): £16,302,170,374

Product Suite: ACS – UK

Wales Pension Partnership Sub-Fund Range

Equities

WS WPP Global Growth Fund

WS WPP Global Opportunities Equities Fund

WS Wales PP UK Opportunities Fund

WS Wales PP Emerging Markets Equity Fund

WS Wales PP Sustainable Active Equity Fund

Fixed Income

WS Wales PP Multi Asset Credit Fund

WS Wales PP Global Credit Fund

WS Wales PP Global Government Bond Fund

WS Wales PP Absolute Return Bond Fund

WS Wales PP Sterling Credit Fund

WPP Sub Fund Values*

Fund	**AUM (£)***
Equities	
WS WPP Global Growth Fund	£4,272,307,438
WS WPP Global Opportunities Equities Fund	£3,957,090,215
WS Wales PP UK Opportunities Fund	£962,809,075
WS Wales PP Emerging Markets Equity Fund	£450,482,210
WS Wales PP Sustainable Active Equity Fund	£1,961,410,581
Fixed Income	
WS Wales PP Multi Asset Credit Fund	£998,744,473
WS Wales PP Global Credit Fund	£1,368,112,884
WS Wales PP Global Government Bond Fund	£520,362,255
WS Wales PP Absolute Return Bond Fund	£821,486,839
WS Wales PP Sterling Credit Fund	£989,364,403
Total	**£16,302,170,374**

* As at 30 June 2026

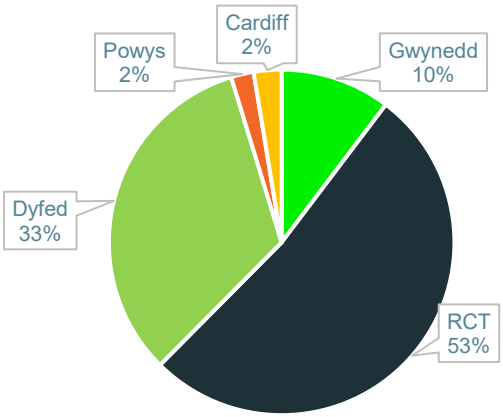
WPP Sub Fund Values & Percentage Ownership*

Fund name	Gwynedd	Powys	Clwyd	Swansea	Cardiff	Torfaen	RCT	Dyfed	Sub Fund Total
Equities									
WS WPP Global Growth Fund	£443,967,894 (10%)	£91,292,086 (2%)			£85,968,372 (2%)		£2,237,196,665 (53%)	£1,413,882,421 (33%)	£4,272,307,438 (100%)
WS WPP Global Opportunities Fund	£454,553,846 (11%)			£1,200,558,433 (30%)	£746,259,744 (19%)	£901,419,739 (23%)	£654,298,453 (17%)		£3,957,090,215 (100%)
WS WPP UK Opportunities Fund					£198,950,603 (21%)	£763,858,472 (79%)			£962,809,075 (100%)
WS WPP Emerging Markets Equity Fund	£103,992,172 (23%)	£26,514,126 (6%)			£199,984,945 (44%)	£119,990,967 (27%)			£450,482,210 (100%)
WS WPP Sustainable Active Equity Fund	£411,924,076 (21%)	£89,902,156 (5%)	£463,404,817 (24%)	£206,441,243 (11%)	£184,603,422 (9%)	£221,548,030 (11%)	£147,692,682 (7%)	£235,894,156 (12%)	£1,961,410,581 (100%)
Fixed Income									
WS WPP Multi Asset Credit Fund	£266,971,039 (27%)	£39,703,634 (4%)	£430,076,571 (43%)	£78,616,131 (8%)	£183,377,098 (18%)				£998,744,473 (100%)
WS WPP Global Credit Fund	£353,905,984 (26%)	£18,245,317 (1%)		£158,257,996 (12%)	£154,858,127 (11%)	£282,401,686 (21%)		£400,443,774 (29%)	£1,368,112,884 (100%)
WS WPP Global Government Bond Fund					£249,475,430 (48%)	£270,886,825 (52%)			£520,362,255 (100%)
WS WPP Absolute Return Bond Fund	£564,271,444 (68%)	£19,649,316 (3%)		£237,566,079 (29%)					£821,486,839 (100%)
WS WPP Sterling Credit Fund			£160,333,214 (16%)				£829,031,189 (84%)		£989,364,403 (100%)
Constituent Authority Total	£2,599,586,455	£285,306,635	£1,053,814,602	£1,881,439,882	£2,003,477,741	£2,560,105,719	£3,868,218,989	£2,050,220,351	**£16,302,170,374**

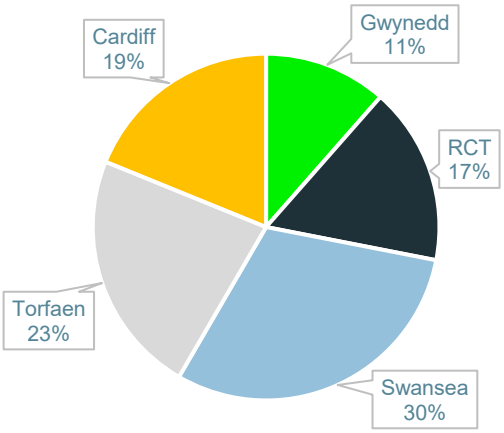
*As at 30 June 2026

Fund Snapshot* - Equities

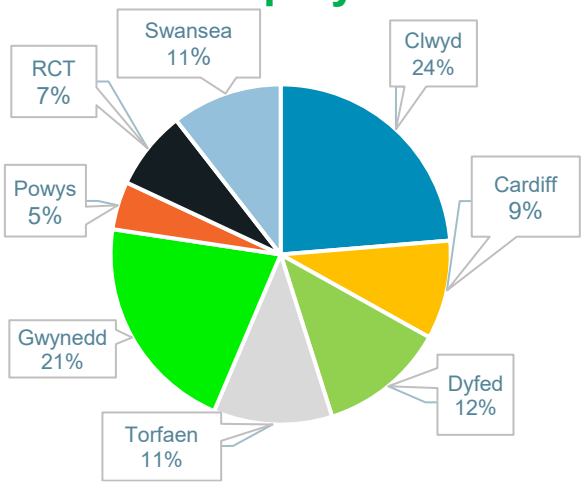
Global Growth



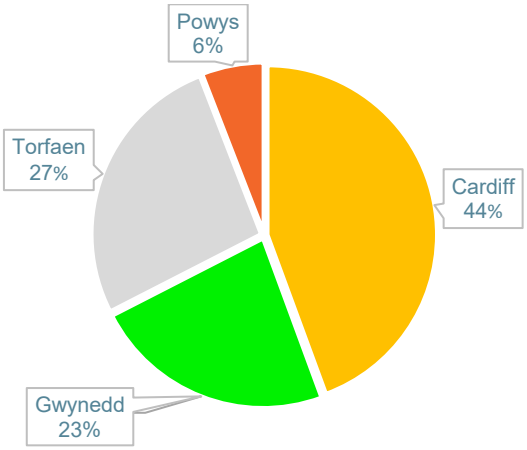
Global Opportunities



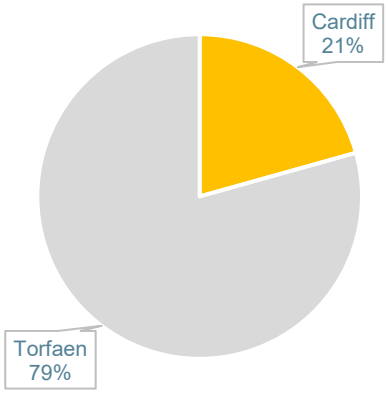
Sustainable Active Equity



Emerging Markets

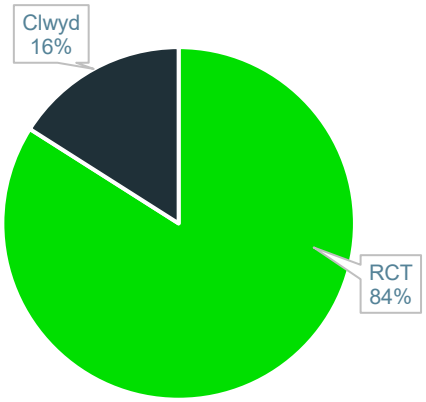


UK Opportunities

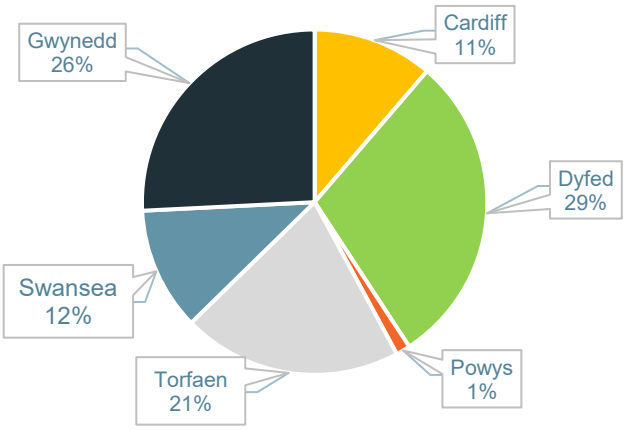


Fund Snapshot* - Fixed Income

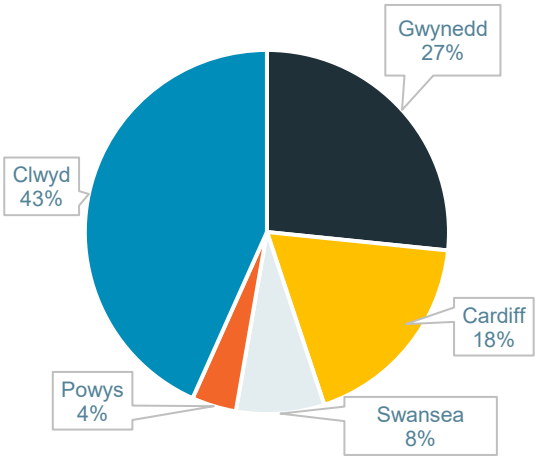
Sterling Credit



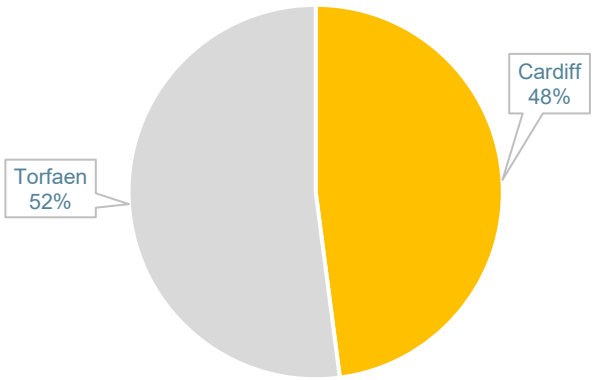
Global Credit



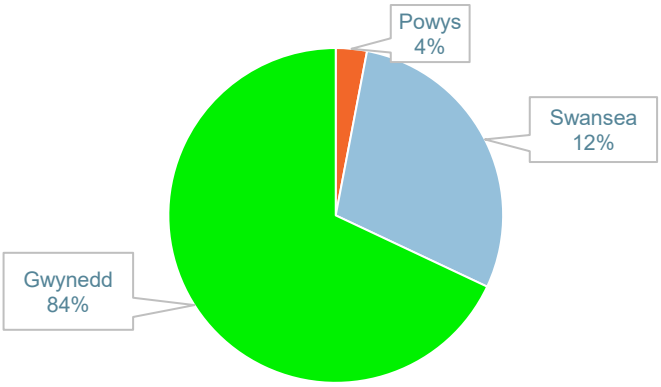
Multi Asset Credit



Global Gov. Bond



Absolute Return Bond



Initiatives

Key Achievements & Updates

Exclusion Policy to be added to Prospectus and IMD with Russell Investments

Market Updates

	Activity	Status	Commentary
Russia / Ukraine	Impact to ACS sub-funds holding Russian companies	Ongoing	WMUK continue to monitor the situation and will advise Constituent Authorities of any developments. WMUK's Fair Value Pricing Committee regularly discuss this, and assets are still priced accordingly. There are no Russian holdings in any of the WPP funds.
	Activity	**Status**	**Commentary**
Middle East	Impact to ACS sub-funds holding Israeli companies	Ongoing	Currently 4 securities held in direct Israeli companies across two sub funds; Global Opportunities Fund - 3 companies with 0.30% exposure across the total AUM. Global Growth Fund – 1 company with 0.02% exposure across the total Sub fund AUM. BANK HAPOALIM BANK LEUMI ELBIT SYSTEMS LTD SHUFERSAL LTD One Bond held in the Global Government Bond Fund – Holding being a de minims position Total value of approx. £12.58m. Situation currently being monitored as part of the BAU oversight process. • Figures from end of 30 June 2026.

Oversight – Third Party Monitoring

2026 Plan

Third Party Provider	Reporting Period	Sub Fund	Location	Status
Northern Trust				
Transfer Agency inc. Client Money Review	2026	All	Onsite, London – May 2026	Planning – ToR with Northern Trust. Fieldwork to be completed 7th July 2026 in London
Fund Administration & Financial Reporting	2026	All	Onsite, London – November 2026	Fieldwork to be completed 10th & 11 November in London
Price Analysis	2026	All	Onsite, Limerick – 2026	Not started
Other 'Party' Questionnaire	2026	All	Questionnaire – March 2026	Questionnaire Issued
IT Security Questionnaire	2026	All	Questionnaire – September 2026	Not started
Annual Due Diligence	2026	All	Questionnaire – Date to be agreed	Not started
Russell Investments				
Annual Due Diligence	2026	All	Portal – March 2026	Questionnaire completed and returned to WMUK. No concerns raised following responses. Meeting with Investment team to be scheduled for Q3/Q4 - 2026.

Meeting / Engagement Schedule

	Frequency	Objectives
Executive Review	Semi-annual	– Ensure strategic alignment – Mutual review of business and strategic goals, priorities and objectives
Joint Governance Committee Meetings	Quarterly	– Key metrics – Pertinent matters – Strategic deliverables
Officers Working Group Meetings	Quarterly	– Identify and deliver on opportunities to improve and expand the relationship – Provide update on open projects or issues – Monthly KPI Review (Data supplied quarterly)
Host Authority Update	Fortnightly	– Regular Host Authority – WMUK to discuss deliverables and business updates
Pension Committee Meetings	Annual	– General update on the ACS and planned initiatives
Pension Board Chairs Engagement	Semi- annual	– General update on the ACS and planned initiatives
Manager Engagement Days	Annual	– Open day for presentations on strategy and performance (with IM)

Attendance this quarter:

- OWG 9 June 2026
- JGC 15 July 2026
- Host Authority bi-weekly

Attendance next quarter:

- OWG 21 July 2026 - Virtual
- JGC 22 Sept 2026 - County Hall, Carmarthen

Thank you

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