

MEETING: **PENSIONS COMMITTEE**

DATE : **23 JULY 2020**

TITLE: **WALES PENSION PARTNERSHIP UPDATE**

PURPOSE: **TO INFORM THE COMMITTEE OF THE WALES PENSION PARTNERSHIP**

RECOMMENDATION: **NOTE THE INFORMATION**

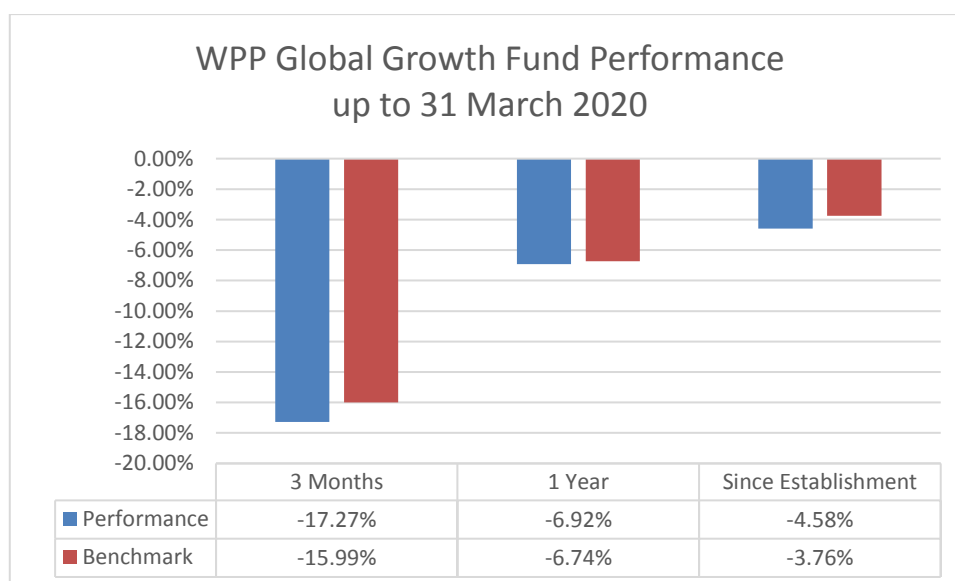
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1. Introduction

The collaboration has been going from strength to strength since its establishment in 2017 with officers meeting frequently. Performance has been at a high standard and a number of developments are underway and therefore, this paper updates the Committee on the situation.

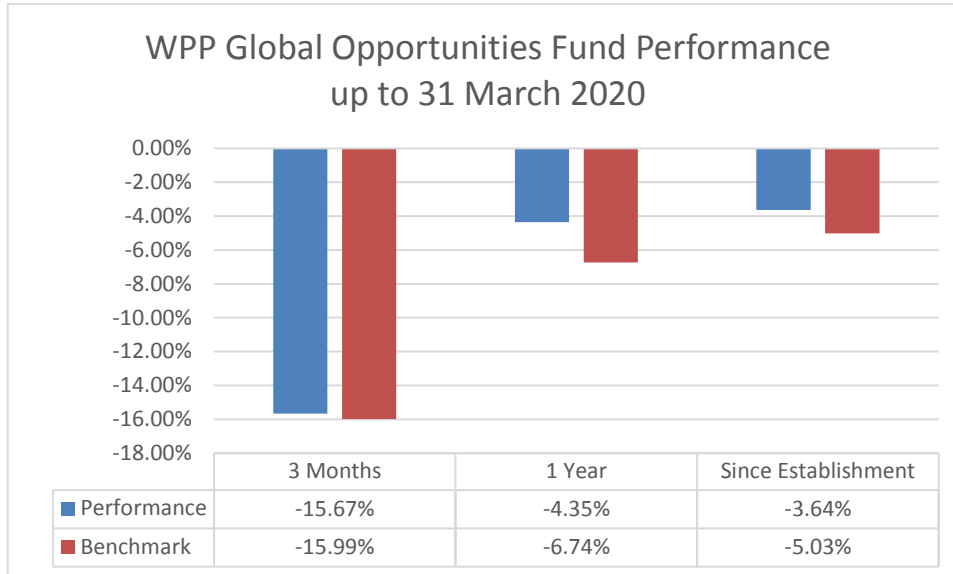
2. Performance

Global Growth Fund



Before the pandemic, the performance of this fund has been higher than the benchmark with a strong performance from Baillie Gifford and Veritas. The portfolio does have some 'deep value' holdings, and due to the effect of the pandemic, the overall performance has now fallen behind benchmark. The traditional sector such as oils and financials have performed poorly and sectors such as technology have help up relatively well.

Global Opportunities Fund



Performance is 1.39% higher than the benchmark since establishment with a strong performance from Morgan Stanley, Jacobs Levy and SW Mitchell in particular.

3. Fixed Income Transfer

In the March 2020 Committee, it was reported that the fixed income transfer was due to take place in April 2020. Unfortunately due to the pandemic, this did not take place and this transition is now scheduled for 27th July 2020.

Our current investment with Fidelity (Global equity) and Insight (Bonds) will be transferred to the following two Fixed Income fund:

- **Multi Asset Credit Fund**

£137.1M (value as at 31/03/20) from Fidelity will be transferred to this fund

- **Absolute Return Fund**

£281.6M (value as at 31/03/20) from Insight will be transferred to this fund

4. Developments

4.1 Emerging Markets

Following the Fixed Income transfer in July, the next transfer that will take place is Emerging Markets- work is underway at the moment to determine the ideal investment management structure for this new fund.

The Gwynedd fund will move our Emerging Markets share from Fidelity to this fund.

4.2 Private Markets

A group has been established that looks at the options of pooling assets into this category. The group has not met during the pandemic, but Russell Investments have been actively looking at options available with current portfolio, and the development and management of future WPP funds.

4.3 Publications

The WPP have a number of publications that have been developed in recent months. These include:

- Training Plan
- Governance Matrix
- Risk Register
- Annual Update
- Communication Plan
- Responsible Investment Policy

Further details can be found on the WPP website: www.walespensionpartnership.org

4.4 Joint Governance Committee

The Joint Governance Committee is to be held virtually on 17th July. The Head of Finance and Committee Chairman/ Vice Chairman will provide an update of what was discussed at the meeting.

5. Recommendation

The Committee is asked to note the information.