

Wales Pension Partnership  
Joint Governance Committee  
Q2 2023 review – 20 September 2023



# Market Updates

## Proposed Acquisition

As discussed since the last Joint Governance Committee on 19 July 2023;

Below is the update in relation to the progress of the sale of the Fund Solutions business (FS Business) and ongoing negotiations with the UK Financial Conduct Authority (FCA) to settle the FCA investigation against Link Fund Solutions Limited (LFSL).

Link Group announced on 3rd August 2023 (Sydney time) that counterparties to contracts representing the requisite threshold majority of revenue in respect of LFSL's ACD business and Link Fund Manager Solutions (Ireland) Limited's business have agreed to those contracts being transferred to the Waystone Group on completion of the FS Sale.

Satisfaction of the revenue and third-party consent conditions for the FS Sale remain subject to receiving certain regulatory approvals in the UK and Ireland.

Link Group has received clearance from the Competition and Consumer Protection Commission of Ireland in respect of the FS Sale. Link Group expects that the FS Sale will complete in October 2023, subject to remaining conditions being satisfied.

On 28 July 2023 LFSL informed the investors in the WEIF (WEIF Investors), that subject to the outcome of discussions with Link Group and the FCA, and the English High Court's availability, LFSL expects to issue a Practice Statement Letter in September 2023. The Practice Statement Letter will notify WEIF Investors of the formal launch of the Scheme and provide further details about the key terms of the Scheme and the first court hearing in relation to the Scheme.

The Settlement contemplated by the Scheme is conditional on the completion of the FS Sale. If the Scheme becomes effective, it will provide for monies, including a contribution of up to £60 million from Link Group to LFSL, to be made available to make payments to the WEIF Investors. In return for those payments to the WEIF investors, LFSL, Link Group, and their respective affiliates and officers will receive releases from liability relating to LFSL's role as ACD of the WEIF.

Link Group continues to be confident that, even if the Scheme was not approved and the Settlement was terminated, liabilities relating to the WEIF remain within LFSL and Link Group has no obligation to contribute to any of those WEIF related liabilities

The Sale is targeted to complete by October 2023 and is not contingent on the Scheme or the Settlement becoming unconditional.

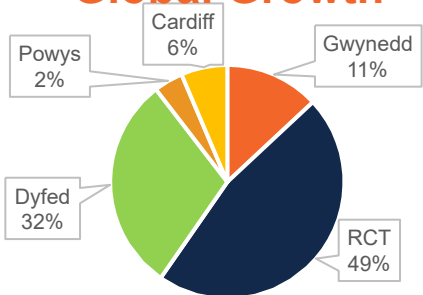
# June 2023 LF Wales PP Fund Summary AUM

Fund	AUM	Inception date
Global Growth	£3,152,544,871	6 <sup>th</sup> Feb 2019
Global Opportunities	£2,872,375,381	14 <sup>th</sup> Feb 2019
UK Opportunities	£760,439,759	10 <sup>th</sup> Oct 2019
Emerging Markets	£356,535,814	20 <sup>th</sup> Oct 2021
Sterling Credit	£505,218,736	19 <sup>th</sup> Aug 2020
Global Credit	£822,842,390	21 <sup>st</sup> Aug 2020
Multi Asset Credit	£677,453,841	12 <sup>th</sup> Aug 2020
Global Government Bond	£474,633,884	20 <sup>th</sup> Aug 2020
Absolute Return Bond	£562,410,324	30 <sup>th</sup> Sept 2020
Sustainable Active Equity Fund	£1,282,280,221	20 <sup>th</sup> June 2023
<b>Total Active Investments</b>	<b>£11,466,735,225</b>	
<b>Total Passive Investments</b>	<b>£4,738,457,626</b>	
<b>Total Pooled Assets</b>	<b>£16,205,192,851 as at 30 June 2023</b>	

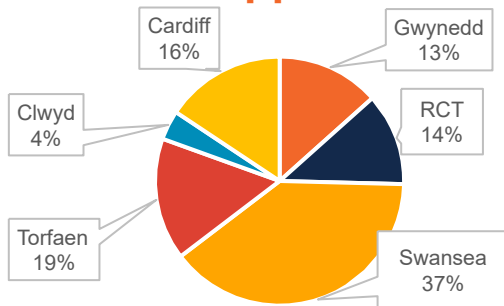
# June 2023 Fund Snapshot - Equities

- Key:
- Dyfed
  - Powys
  - Gwynedd
  - RCT
  - Torfaen
  - Clwyd
  - Swansea
  - Cardiff

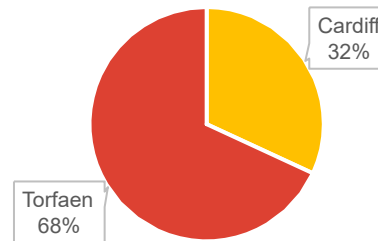
## Global Growth



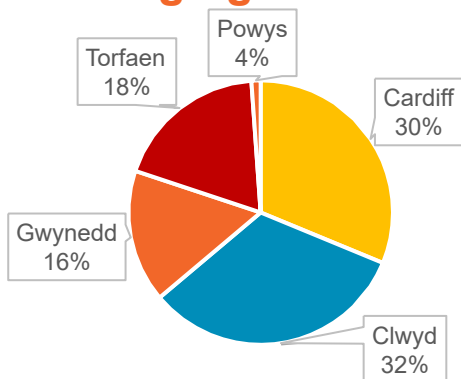
## Global Opportunities



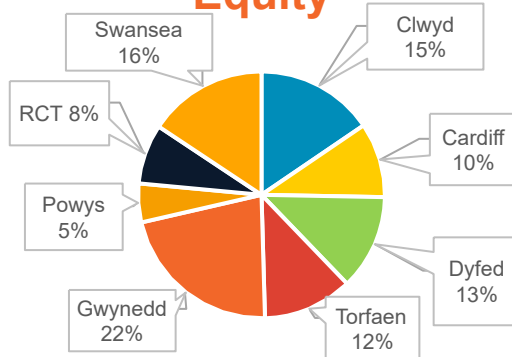
## UK Opportunities



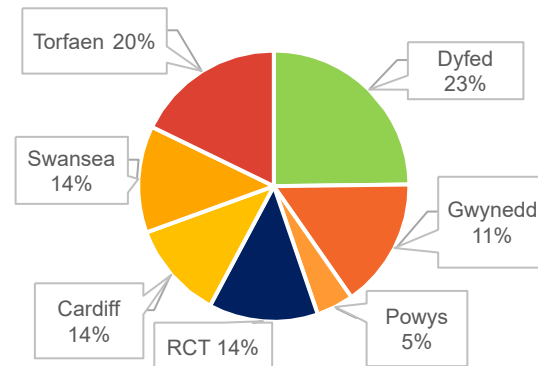
## Emerging Markets



## Sustainable Active Equity



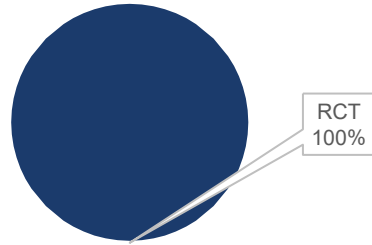
## Passive\*



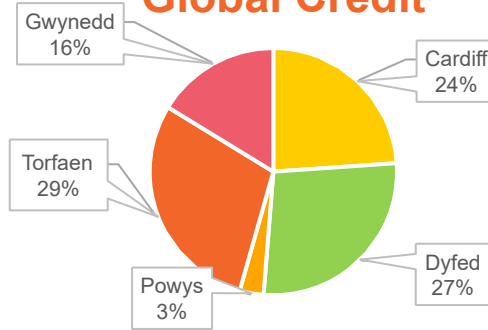
\* Assets with BlackRock <sup>4</sup>

# June 2023 Fund Snapshot - Fixed Income

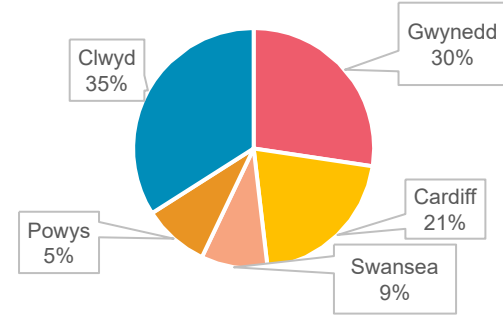
## Sterling Credit



## Global Credit



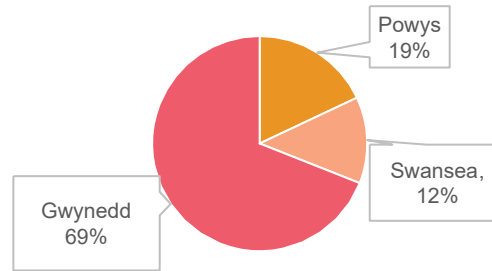
## Multi Asset Credit



## Global Gov. Bond






## Absolute Return Bond







- Key:
- Dyfed
  - Powys
  - Gwynedd
  - RCT
  - Torfaen
  - Clwyd
  - Swansea
  - Cardiff

# Sub-Funds Update



Fund Launches & Changes			
	Activity	Status	Commentary
<b>Completed Fund Launches &amp; Changes</b>	Establishment of a Sustainable Equities Fund		Fund Launched 20 June 2023, with handover to Russell Investments from Transition Manager due on 14 July 2023
<b>Ongoing Fund Launches &amp; Changes</b>	Addition of Robeco to the Global Credit fund, removal of T Rowe Price		New Investment Manager 'Robeco' to be implemented Q3 2023.
	Addition of New Investment Manager to the Global Growth Fund, as an addition to current Managers		Proposed addition new manager to be discussed with Host and Hymans before sharing with Constituent Authorities with rationale behind the change

## Status key:





	Completed or already in place
	On target;
	Delay Expected;
	Not Applicable

# Initiatives


## Business as Usual + Key Changes

	Activity	Status	Commentary
<b>Management Information</b>	Move to Quarterly Reporting cycle with changes to information captured		Quarterly Reporting cycle now implemented
<b>Class action reporting</b>	Rolled out class action reporting to the Host on quarterly basis		We have continued to provide the Class Action reporting to the Host Authority





### Status key:

	Completed or already in place
	On target;
	Delay Expected;
	Not Applicable

# Market Updates

Activity	Status	Commentary
<b>Russia / Ukraine</b>	Impact to ACS sub-funds holding Russian companies 	LFSL continue to monitor the situation and will advise Constituent Authorities of any developments. Our Fair Value Pricing Committee regularly discuss and assets are still priced accordingly.

**Status key:**

-  Completed or already in place
-  On target;
-  Delay Expected;
-  Not Applicable



# LFS Corporate Update & Engagement

## Key Q1 and future WPP Engagement

**Link attendance at OWG/JGC meetings in period:**

- OWG 23 May 2023

**Link attendance at OWG/JGC meetings in next quarter:**

- WPP JGC 19 July 2023
- OWG 24 October 2023
- WPP JGC 20 September 2023

**Link - Pension Committee attendance in period:**

- Clwyd – Pension committee 23 June 2023

**Link - Pension Committee attendance in next quarter:**

- Powys Pensions and Investment Committee meeting – 6 October 2023

**Other meetings in period**

- Host Authority update – occurs bi-weekly
- WPP briefing / training session – (First session)

**Other meetings in next quarter**

- Host Authority update – occurs bi-weekly
- Strategic Relationship Review – 20 September 2023
- Pension Board Chairs Engagement Meeting - 3 October 2023

# LFS Engagement Protocol – Business as Usual

<b>Strategic Relationship Review</b>		
	<b>Frequency</b>	<b>Objective</b>
	<ul style="list-style-type: none"> <li>▪ Bi-annual</li> </ul>	<ul style="list-style-type: none"> <li>▪ Ensure strategic alignment between Host Authority and Link</li> </ul>
<b>WPP Attendees</b>		<b>Link Attendees</b>
<ul style="list-style-type: none"> <li>▪ Chris Moore</li> <li>▪ Anthony Parnell</li> <li>▪ Two Section 151 / Deputy Section 151 officers</li> </ul>		<ul style="list-style-type: none"> <li>▪ Karl Midl, Managing Director</li> <li>▪ Richard Thornton, Head of Relationship Management, Asset Owners</li> </ul>
<b>JGC Engagement</b>		
	<b>Frequency</b>	<b>Objective</b>
	<ul style="list-style-type: none"> <li>▪ Quarterly</li> </ul>	<ul style="list-style-type: none"> <li>▪ Engage with JGC on pertinent matters and strategic deliverables</li> </ul>
<b>WPP Attendees</b>		<b>Link Attendees</b>
<ul style="list-style-type: none"> <li>▪ Joint Governance Committee (JGC)</li> </ul>		<ul style="list-style-type: none"> <li>▪ Karl Midl, Managing Director / Adam Tookey, Head of Product – as required</li> <li>▪ Richard Thornton, Head of Relationship Management, Asset Owners</li> <li>▪ James Zealander, Senior Relationship Manager</li> <li>▪ Russell Investments</li> </ul>
<b>OWG Engagement</b>		
	<b>Frequency</b>	<b>Objective</b>
	<ul style="list-style-type: none"> <li>▪ Quarterly</li> </ul>	<ul style="list-style-type: none"> <li>▪ Identify and deliver on opportunities to improve and expand the relationship</li> <li>▪ Provide update on open projects or issues</li> <li>▪ Monthly KPI Review (Data supplied monthly)</li> </ul>
<b>WPP Attendees</b>		<b>Link Attendees</b>
<ul style="list-style-type: none"> <li>▪ Officers Working Group (OWG)</li> </ul>		<ul style="list-style-type: none"> <li>▪ James Zealander, Senior Relationship Manager</li> <li>▪ Richard Thornton, Head of Relationship Management, Asset Owners</li> <li>▪ Heidi Robinson, Relationship Managers (as required)</li> <li>▪ Ad-hoc Link attendance from functional departments: Tax, Compliance, Product, etc.</li> <li>▪ Russell Investments</li> </ul>

Note: Meetings may be conducted remotely and/or amalgamated where required.

# Link Engagement Protocol continued...

Host Authority Update	Frequency	Objective
	<ul style="list-style-type: none"> <li>▪ Bi-Weekly</li> </ul>	<ul style="list-style-type: none"> <li>▪ Regular Host Authority – LFS to discuss deliverables and business updates</li> </ul>
<b>WPP Attendees</b> <ul style="list-style-type: none"> <li>▪ Anthony Parnell</li> <li>▪ Tracey Williams</li> </ul>		<ul style="list-style-type: none"> <li>▪ Richard Thornton, Head of Relationship Management, Asset Owners</li> <li>▪ James Zealander, Senior Relationship Manager</li> <li>▪ Heidi Robinson, Relationship Managers (as required)</li> <li>▪ Clair Baguley, Client Service Manager (as required)</li> </ul>
Pension Fund Committees	Frequency	Objective
	<ul style="list-style-type: none"> <li>▪ Annual</li> </ul>	<ul style="list-style-type: none"> <li>▪ General update on the ACS and planned initiatives</li> </ul>
<ul style="list-style-type: none"> <li>▪ Individual Pension Fund Committee meetings</li> </ul>		<ul style="list-style-type: none"> <li>▪ Richard Thornton, Head of Relationship Management, Asset Owners</li> <li>▪ James Zealander, Senior Relationship Manager</li> <li>▪ Heidi Robinson, Relationship Managers (as required)</li> <li>▪ Russell Investments</li> </ul>
Manager Engagement Days		Objective
	<ul style="list-style-type: none"> <li>▪ Annual</li> </ul>	<ul style="list-style-type: none"> <li>▪ Open day for presentations on strategy and performance (with IM)</li> </ul>
<ul style="list-style-type: none"> <li>▪ Open to all involved parties</li> </ul>		<ul style="list-style-type: none"> <li>▪ Link Client Team</li> <li>▪ Northern Trust</li> <li>▪ Russell Investments and other Investment Managers</li> <li>▪ Other consultants as required (e.g. bFinance)</li> </ul>
Pension Board Engagement	Frequency	Objective
	<ul style="list-style-type: none"> <li>▪ Bi-Annual</li> </ul>	<ul style="list-style-type: none"> <li>▪ General update on the ACS and planned initiatives</li> </ul>
<b>WPP Attendees</b> <ul style="list-style-type: none"> <li>▪ Chairpersons of the Constituent Authorities</li> <li>▪ Host Authority</li> </ul>		<ul style="list-style-type: none"> <li>▪ Link Client Team</li> <li>▪ Russell Investments</li> </ul>

### ***Relationship Managers***

**Name: James Zealander**

Role: Senior Relationship Manager

Number: +44 (0)20 7954 9727

Email: [James.Zealander@linkgroup.co.uk](mailto:James.Zealander@linkgroup.co.uk)

**Heidi Robinson**

Relationship Manager

+44 (0) 7843 804917

[Heidi.Robinson@linkgroup.co.uk](mailto:Heidi.Robinson@linkgroup.co.uk)

### ***Head of Client Relations***

**Name: Richard Thornton**

Role: Head of Relationship Management – Asset Owners

Number: +44 (0)20 7954 9806

Email: [Richard.Thornton@linkgroup.co.uk](mailto:Richard.Thornton@linkgroup.co.uk)

### ***Executive Contact***

**Name: Karl Midl**

Role: CEO & Managing Director

Number: +44 (0)7951 266225

Email: [karl.midl@linkgroup.co.uk](mailto:karl.midl@linkgroup.co.uk)

### **Disclaimer**

This document is issued by Link Fund Solutions Limited. The information provided is for guidance and information purposes only and should not be regarded as a substitute for taking legal advice. Link Fund Solutions Limited, 6th Floor, 65 Gresham Street, London EC2V 7NQ. Authorised and Regulated by the Financial Conduct Authority