

## WPP Annual Update – 2025/2026

Welcome to the Wales Pension Partnership ('WPP') annual update which provides you with a snapshot of the work that the WPP has undertaken over the past twelve months.

As of 31 March 2026, the pool has increased its proportion of assets under pool management to 82%, with the first Real Estate investment programmes being launched during the year.

In June 2025, the first WPP Private Markets manager day was held in Cardiff where GCM Grosvenor, Russell Investments and Schroders Capital presented to officers and JGC members on the investment portfolios of WPP's private market mandates. During the event, all three provided details of the local investments within each portfolio, including an affordable-housing programme across Wales.

As mentioned in last year's update, 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 the 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 Constituent Authorities. The company is ready to operate as soon as FCA approval is received.

We are delighted to announce that WPP have 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.

Responsible investment remains a key focus. Following submission of its fifth annual Stewardship Report, WPP was once again successful in retaining its signatory status to the FRC 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 BlackRock. The WPP is also in the process of completing its first all-Wales Impact Report, which will be available on the WPP website shortly.

On stewardship, WPP has reviewed its investment framework and has worked in conjunction with its service providers to embed its escalation principles, as well as finalising work on an exclusions and divestment framework, with the aim of excluding investment across certain areas of activity. WPP's updated Responsible Investment Policy can be found on the WPP website, together with WPP's other policies and publications:

[Wales Pension Fund | Publications](#).



The table below shows the performance of the equity and fixed income sub-funds over the last 12 months. All markets provided positive returns over the year; however, apart from the Emerging Markets sub-fund, the sub-funds were behind benchmark or target. The OWG and JGC receive quarterly updates on all of the sub-funds, with detailed explanations in relation to relative performance.

	WPP 12-month performance to 31 March 2026 (Net of Fees)				
	Inception Date	AUM (£'000)	Fund %	Benchmark %	Relative %
Equity sub-funds					
Global Growth	February 2019	3,777,538	13.91	17.47	(3.56)
Global Opportunities	February 2019	3,518,894	16.99	17.47	(0.48)
UK Opportunities	October 2019	898,662	17.55	21.54	(3.99)
Emerging Markets	October 2021	358,345	31.45	28.67	2.78
Sustainable Active	June 2023	1,714,186	13.29	17.47	(4.18)
Fixed Income sub-funds					
UK Credit	August 2020	888,276	4.19	4.97	(0.78)
Global Government Bond	August 2020	515,955	2.52	2.58	(0.06)
Global Credit	August 2020	1,348,780	4.28	4.45	(0.17)
Multi-Asset Credit Fund	August 2020	974,694	7.29	8.30^	
Absolute Return Bond	September 2020	812,857	4.17	6.23^	

Source: Northern Trust report as at 31 March 2026

^ These represent the performance targets of the Multi-Asset Credit and Absolute Return Bond Funds

WPP continues to work closely with its Voting & Engagement Provider, Robeco, and attends both of its annual client panels. At this year's meetings, a number of engagement areas were actively discussed, including: engagement in conflict-affected and high-risk areas; biodiversity and climate change; as well as stewardship in the US. Three of the proposed five themes to be launched in 2026 were actively supported by WPP, with two specifically put forward by WPP for consideration: Responsible AI; Physical (Climate) Resilience. During 2025/26, WPP collaborated with other investors, including another LGPS pool, to co-file a shareholder resolution at BP's 2026 annual general meeting.

Summaries of the voting & engagement activity carried out by Robeco on WPP's behalf over the last 12 months are shown below:

Proposals voted	17,904	Number of meetings	1,461
For	15,917 (89%)	With management	15,689 (88%)
Against	1,852 (10%)	Against management	1,868 (10%)
Abstain/ Withhold/ Do not vote	123 (0.7%)	Not applicable	347 (2%)
Other	12 (0.1%)		
<b>Total</b>	<b>17,904</b>	<b>Total</b>	<b>17,904</b>

	<b>Total</b>
Environment	203
Social	61
Governance	90
SDGs	228
Voting related	22
Enhanced	48
<b>Total</b>	<b>652</b>

Source: Robeco; % of totals have been rounded to the nearest whole number.

As a pool, we are excited to see how the future of WPP IM Co will evolve and, as always, are grateful for the continued support and contribution of all eight Constituent Authorities and our external service providers.