

WPP Annual Update – 2024/2025

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 2025, the pool has increased its proportion of assets under pool management to c75%. No new sub-funds were launched in 2024/25, however the procurement exercise to identify partners to address the Constituent Authorities Real Estate requirements was completed. Schroders and CBRE have been appointed to deliver Real Estate investment solutions across Core UK property, Global property, and Local / Impact in Wales. The Real Estate Investment programme is due to be launched in 2025/26 and will conclude the current Private Market offerings.



Through the Private Market programmes, the WPP has been able to facilitate investments in local investment opportunities in Wales and is keen to develop this further. Some local investment examples include a battery storage facility in Uskmouth, support for affordable housing in Llanarth, Ceredigion, natural capital investment in the Brycheiniog forestry and renewable infrastructure across Wales. These investments have brought various community benefits, including the creation of numerous jobs. The WPP was thrilled to participate in the recent successful and first "Invest in Wales Conference", in Cardiff which was hosted by Schroders and the Development Bank of Wales.

The 2024/25 training plan was successfully completed with four virtual training sessions being held. Training is an important focus for the WPP and we would like to thank all the presenters and attendees for their time and contributions. Officers and JGC members also attended the annual Equity / Fixed Income manager day in London and preparations are underway to host the first WPP Private Markets manager day, which will be held in Cardiff in June 2025.

In November 2024, the WPP was delighted to be awarded the ESG innovation award at the LGC Investment Awards ceremony. This award reflects the critical importance that the WPP and its constituent authorities continues to place on sustainability issues and recognises the success of its Sustainable Active Equity Fund, which has grown to become one of the largest sustainable investment funds of its type in the UK. This area remains a focus for the WPP, with work now ongoing to improve the sustainability characteristics of existing investments, considering how to evolve the Passive and Fixed Income sub-funds to become more sustainable.

WPP have made a number of re-appointments during the year, including Waystone as the operator, Hymans Robertson as the Oversight Advisor and Robeco UK as the Voting and Engagement provider. Russell Investments continue as WPP's Investment Management Solutions Provider. All appointments followed comprehensive procurement exercises.

The Government launched its Local Government Pension Scheme Fit for The Future Consultation on 14th November 2024, outlining a range of proposals to strengthen the management of LGPS investments. As part of the consultation, the government asked each pool to consider and provide submissions to demonstrate a clear path to meeting the requirements outlined in the consultation document. The WPP business case proposal was approved by the WPP Joint Governance Committee on 12 March 2025 and submitted to government. This proposal sets out the compelling business case for the WPP to retain a stand-alone investment pool for Wales and proceed with building the proposed new Government requirements for the pool operating model. We are delighted that the government has approved WPP's business case and work is now underway to deliver, within the required timescale.

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 Global Opportunities fund, all other funds were behind benchmark or target. The OWG and JGC receive quarterly updates of all ACS sub funds, with detailed explanations in relation to relative performances.

	WPP 12-month performance to 31 March 2025 (Net of Fees)				
	Inception Date	AUM (£'000)	Fund %	Benchmark %	Relative %
Equity sub-funds					
Global Growth	February 2019	3,542,478	0.86	3.10	(2.24)
Global Opportunities	February 2019	3,404,414	6.02	4.87	1.15
UK Opportunities	October 2019	765,816	6.66	10.46	(3.80)
Emerging Markets	October 2021	273,326	5.21	7.37	(2.16)
Sustainable Active	June 2023	1,525,044	0.21	4.87	(4.66)
Fixed Income sub-funds					
UK Credit	August 2020	726,742	2.63	3.09	(0.46)
Global Government Bond	August 2020	503,590	3.01	3.38	(0.37)
Global Credit	August 2020	1,026,803	4.72	4.84	(0.12)
Multi-Asset Credit Fund	August 2020	849,467	7.07	9.28^	
Absolute Return Bond	September 2020	533,201	7.65	7.19^	

Source: Northern Trust report as at 31 March 2025

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

During 2024/25, the WPP submitted its fourth annual Stewardship Report and was successful in retaining its signatory status to the UK Stewardship Code. The WPP also completed its first Pool-level annual climate report, as well as an updated analysis of deforestation exposure within its listed-equity Sub-Funds. Over the year, the WPP progressed a number of recommendations from the all-Wales Climate Report (published February 2024), including developing the Climate Framework and climate-focus list, as well as progressing the evolution of WPP's investment offerings. These reports, as well as WPP's other policies and plans can be found on the WPP website – [Wales Pension Fund | Publications](#).

On stewardship, WPP played an active role in both of Robeco's client panels during the year, with a number of engagement areas actively discussed, including engagement in conflict-affected and high-risk areas, biodiversity (including the interlink between climate and nature), sovereign engagement (including policy engagement) and climate change. Summaries of the Voting & Engagement activity carried out by Robeco on WPP's behalf over the last 12 months are shown below:

Proposals voted	16,406	Number of meetings	1,364
For	14,278 (87%)	With management	14,029 (85%)
Against	1,812 (11%)	Against management	1,910 (12%)
Other	316 (2%)	Not applicable	467 (3%)
Total	16,406	Total	16,406

	Total
Environment	184
Social	76
Governance	67
SDGs	187
Global Controversy	63
Voting related	14
Total	591

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 will evolve and as always, are grateful for the continued support and contribution of all eight Constituent Authorities.