Wales Pension Partnership Annual Report 2024/2025

Contents

Introduction

Firstly, please allow me to take this opportunity to thank you for taking the time to read our Annual Report. The report is a useful way of keeping the Wales Pension Partnership ("WPP") stakeholders, and all other interested parties, up-to-date and informed on the work and activities undertaken by the WPP over the past twelve months.

Before handing over to the 2024/25 Chair of the Joint Governance Committee ("JGC"), Councillor Elwyn Williams, who will be providing you with an overview of some of WPP's highlights over the past year and plans for the year ahead, I wanted to provide a brief explanation as to what the WPP is, what it does and the Government's plan for the future of pooling.

The WPP was formally established in 2017 and is one of eight Local Government Pension Scheme ("LGPS") Investment Pools. Since establishment, the WPP has enabled the Constituent Authorities to pool around 75% of their assets, delivering cost savings and other efficiencies. The WPP focuses on delivering an investment framework that achieves the best outcomes for its stakeholders, which are ultimately the Constituent Authorities and the underlying members of their pension funds.

Carmarthenshire County Council is the Host Authority and is responsible for numerous aspects of WPP's operations. All Constituent Authorities have an equal say in the direction and actions of the pool, and the host relies on the support, input and collaboration of all Constituent Authorities. WPP's strength and progress stems from the incredible levels of collaboration and trust between the Constituent Authorities, alongside their unrelenting commitment to delivering the best possible outcomes for the WPP stakeholders.

The Government launched its LGPS Fit for The Future Consultation on 14 November 2024, outlining a range of proposals to strengthen the management of LGPS investments in 3 key areas:

1. Reforming the LGPS asset pools
2. Boosting LGPS investment in their localities and regions in the UK,
3. Strengthening the governance of both LGPS AAs and LGPS pools

As part of the consultation, the government invited each pool to consider and provide submissions to demonstrate a clear path to meeting the requirements outlined in the consultation document. WPP's business case proposal was approved by Government in April 2025. The proposal sets out a compelling business case for WPP to remain as a stand-alone investment pool for Wales and to proceed with building the additional proposed new Government requirements for the pool operating model. This builds on the success of WPP to date and demonstrates WPP's ability to deliver across all fronts as a standalone investment pool.

I hope that you will find this report informative and that it gives you a sense of the tremendous progress, achievements to date and benefits delivered by the Welsh Constituent Authorities' collaboration. Please do feel free to contact us, using the contact details on Page 33, if you have any questions or feedback.

Yours Sincerely,

Chris Moore

Section 151 Officer,

Carmarthenshire County Council

JGC Chair's Statement

Welcome to the 2024/25 WPP Annual Report, which provides you with a review of the work that the WPP has undertaken over the past twelve months and the plan for the year ahead.

It is pleasing to see that 75% of the assets have now been pooled. Although no new sub funds were launched in 2024/25, further funds were invested in the pool and we are excited to see the launch of the Real Estate Investment programme, due in 2025/26, which will see the percentage increase further. The Real Estate programme will conclude the current Private Markets offerings and during 2025/26, the WPP will host the first WPP Private Markets manager day in Cardiff. Equity and Fixed Income manager days have become an annual occurrence for the WPP, held in London, and these have proven to be a great success over the years.

Responsible Investment remains a key focus for WPP and following the completion of the all-Wales Climate Report in 2023/24, the WPP progressed a number of the key recommendations during the year and completed its first Pool-level climate report. Reporting continues to evolve, and we are looking forward to producing WPP's first All-Wales Impact report in 2025/26. Sustainability is a key focus area and in November 2024, the WPP was delighted to be awarded the ESG innovation award at the LGC Investment Awards ceremony, recognising 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. The Pool has retained its signatory status of the FRC UK Stewardship Code for the fourth year in a row and the Stewardship Code report, as well as other reports can be found on the WPP website.

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. WPP policies continue to be reviewed on a regular basis and quarterly training sessions continue to be held with excellent attendance by officers, pension committee and board members.

Last year I mentioned that we were waiting further pooling guidance from the Government. As mentioned by Chris Moore in his introduction, the Government has since launched its LGPS Fit for The Future Consultation and we are delighted that the Government has approved WPP's business case proposal. Work is now underway to deliver, within the required timescale of 31 March 2026. All eight Constituent Authorities demonstrated excellent collaboration in getting this proposal over the line and once again, I would like to take this opportunity to thank them all for their continued support and contributions.

Finally, I would like to take this opportunity to say what an honour it has been to be Chair of the JGC over the past 12 months. Cllr. Peter Lewis will be taking over the role for 2025/26 and I would like to wish him all the best.

I hope you enjoy reading our Annual Report.

Yours Sincerely,

Councillor Elwyn Williams

Chair of the Wales Pension Partnership Joint Governance Committee 2024/25

About the Wales Pension Partnership

Established in 2017, the WPP is a collaboration of the eight LGPS funds (Constituent Authorities) covering the whole of Wales and is one of eight national Local Government Pension pools.

We have a long, successful history of collaboration, including examples that pre-date the Government's pooling initiative. We are proud of our unique identity as a Pool – our Constituent Authorities represent and span the entirety of Wales. Being democratically accountable means, we provide the best of strong public sector governance and transparency.

Our operating model is designed to be flexible and deliver value for money. We appointed an external fund Operator and make use of external advisers to bring best of breed expertise to support the running of the Pool, this includes Hymans Robertson who have been appointed as the WPP's Oversight Advisor. The Operator is Waystone Management (UK) Limited who has partnered with Russell Investments to deliver effective investment management solutions and provide strong net of fee performance for all the Constituent Authorities.

In response to the "Fit for the Future" consultation announced in November 2024, WPP has established a project to explore and implement the governance and business requirements for WPP to conform with the government guidelines, this project is known as Project Snowdon.

The eight Constituent Authorities of the Wales Pension Partnership are:

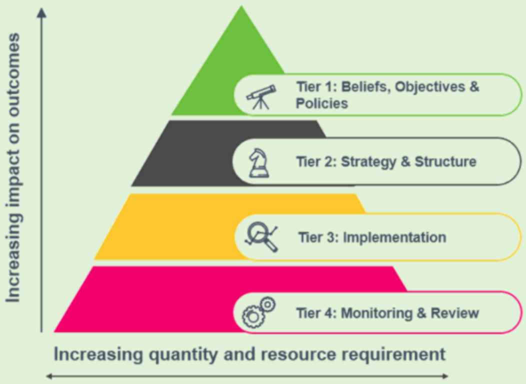
- Carmarthenshire County Council
- Swansea Council
- City of Cardiff Council
- Flintshire County Council
- Cyngor Gwynedd
- Powys County Council
- Rhondda Cynon Taff County Borough Council
- Torfaen County Borough Council

The eight Constituent Authorities have a shared vision and agreement on the means and pace at which this vision will be achieved. The WPP's Beliefs reflect the collaborative nature and shared values of the Constituent Authorities, they are as follows:

- The WPP's role is to facilitate and provide an investment pooling platform through which the interests of the Constituent Authorities can be implemented.
- Good governance should lead to superior outcomes for the WPP's stakeholders.
- Internal collaboration between the Host and Constituent Authorities is critical to achieving the WPP's objectives. External collaboration is also beneficial in delivering cost savings and better outcomes for stakeholders.
- Responsible Investment and effective Climate Risk mitigation strategies, alongside consideration and evidential management of Environmental, Social and Governance issues should result in better outcomes for the WPP's stakeholders.
- Effective internal and external communication is vital to achieving the WPP's objectives.
- External suppliers can be a cost-effective means of enhancing the WPP's resources, capabilities and expertise.

- Fee and cost transparency will aid decision making and improve stakeholder outcomes.
- Continuous learning, innovation and development helps the WPP and its Constituent Authorities to evolve.
- A flexible approach to the WPP pool structure and implementation methods will enable the WPP pool to adapt in future and continue to meet the needs of its stakeholders.

The WPP's beliefs have been given pride of place at the peak of the WPP's governance framework and have been used to guide all of the WPP's activities and decision making, including its objectives and policies. The WPP's governance framework is outlined below, this framework aims to ensure that key decisions are given priority, and resources are focussed on areas most likely to contribute to the future success of the WPP:



The WPP is proud to represent the eight Constituent Authorities and recognises its duty to ensure the needs and requirements of its stakeholders are met. The WPP, through consultation with all eight Constituent Authorities, has formulated a list of primary objectives which stem from its overarching beliefs. These can be summarised as follows:

- To provide pooling arrangements which allow individual funds to implement their own investment strategies (where practical).
- To achieve material cost savings for participating funds while improving or maintaining investment performance after fees.
- To put in place robust governance arrangements to oversee the Pool's activities.
- To work closely with other pools to explore the benefits that all stakeholders in Wales might obtain from wider pooling solutions or potential direct investments.
- To deliver an investment framework that achieves the best outcomes for its key stakeholders; the Constituent Authorities. The Constituent Authorities will be able to use this framework to deliver the best outcomes for their Scheme Members & Employers.
- To embed the delivery of long-term, sustainable investment outcomes into decision making, through capital allocation, the ongoing scrutiny of asset managers, and the exercise of the rights and responsibilities that arise as asset owners.

The eight Constituent Authorities recognise that their strength derives from their shared beliefs and their ability to work together to deliver on their unified objectives for the benefit of all WPP stakeholders.

Pool Management

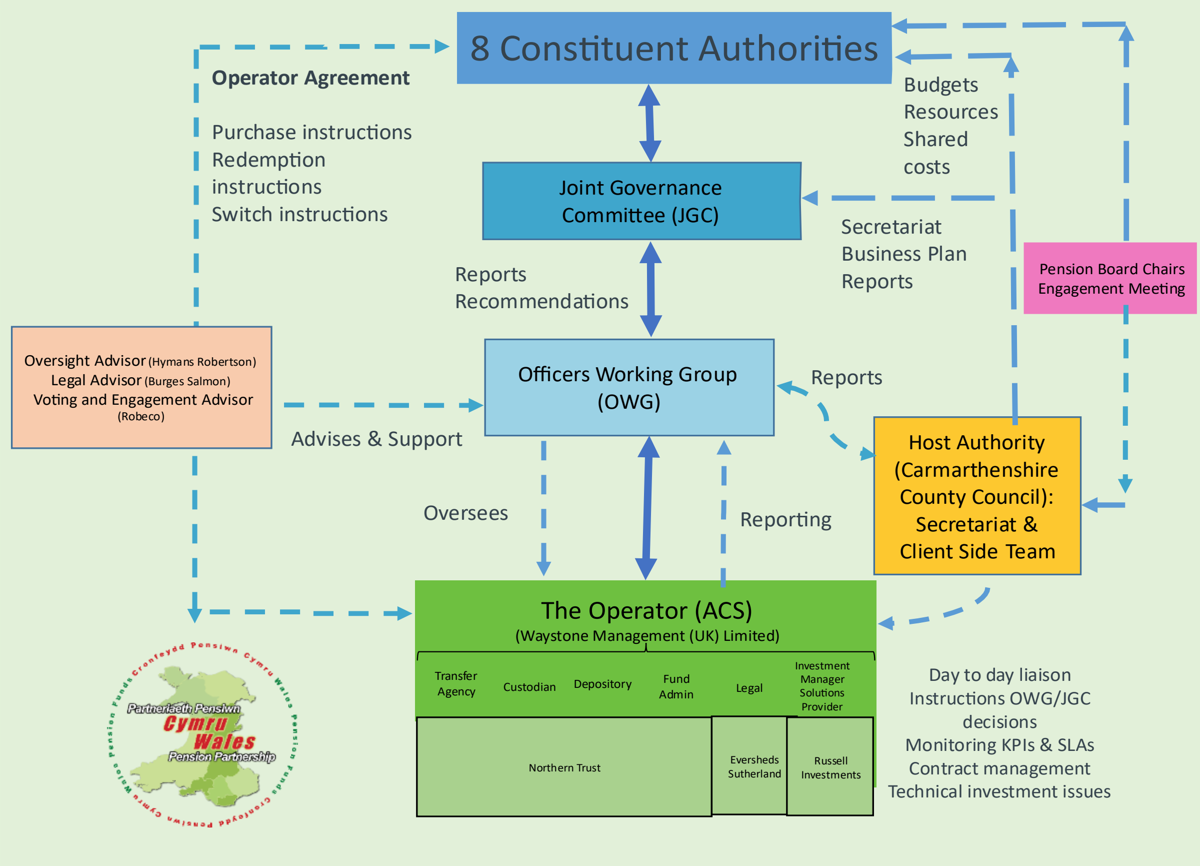
The WPP is responsible for ensuring that its business is conducted in accordance with the law and proper standards. It must also ensure that: public money is safeguarded and properly accounted for; used economically, efficiently and effectively; as well as to secure continuous improvement and delivery in this regard.

The WPP details how it deals with all aspects of Governance through its Inter Authority Agreement (IAA), which defines the standards, roles and responsibilities of the Constituent Authorities, its Members, Committees and Officers. The IAA includes a Scheme of Delegation outlining the decision-making process, taking into account the relevant legislation. The WPP has also developed a Governance Manual which further articulates the WPP's governance arrangements, including its structure, policies and procedures. This is available on the WPP website.

In line with its belief that good governance should lead to superior outcomes for stakeholders, the WPP has put in place a robust governance structure, which has been designed to:

- Deliver on its Objectives
- Be flexible and adaptive
- Demonstrate its commitment to the highest standards of governance
- Meet the needs of its stakeholders
- Foster collaboration and communication within the WPP
- Be transparent
- Be cost effective

The diagram below provides an illustration of the WPP's governance structure. The WPP's Governance Matrix can also be found on our website. It provides a concise overview of the WPP's governance structure and outlines the internal bodies that are responsible for key decisions and actions carried out by the Partnership.



The Constituent Authorities sit at the top of the WPP's governance structure. They retain control of all activity carried out by the WPP and remain responsible for approving the WPP's Business Plan, which outlines the WPP's budget and workplan, as well at its Beliefs and Objectives. The WPP Business Plan can be found on our website. The Constituent Authorities are heavily involved in all aspects of the WPP's governance structure, while the WPP's Joint Governance Committee and Officers Working Group are comprised of representatives from the Constituent Authorities.

The WPP has created a number of committees, groups and roles as part of its governance structure, the creation of which has ensured that the WPP has been able to deliver a robust governance structure to its stakeholders. In particular, the WPP's governance structure seeks to promote;

- Numerous checks and balances
- Various sources of opinions, expertise and advise
- A clear, transparent and democratic decision-making process

A brief introduction to the purpose and membership of the WPP's committees, group and roles can be found below:

Joint Governance Committee

The Wales Pension Partnership Joint Governance Committee (JGC) was formalised in June 2017 and during 2024/25 the JGC has met four times. The JGC is comprised of one elected member from each of the eight Constituent Authorities and a co-opted (non-voting) scheme member representative. The elected member must be a member of that Constituent Authority and that Constituent Authority's Pension Committee.

The Chair and Vice-chair are rotated on an annual basis. The chair during 2024/25 was Cllr. Elwyn Williams – Carmarthenshire County Council (Dyfed Pension Fund) and the vice-chair was Cllr, Medwyn Hughes – Cyngor Gwynedd (Gwynedd Pension Fund)

The JGC is responsible for overseeing the pooling of the investments of the eight Local Government Pension Scheme funds in Wales. The JGC's full set of responsibilities are set out in Schedule 3 (JGC Matters) and Schedule 4 (JGC Terms of Reference) of the Inter Authority Agreement. The JGC plays a critical role in either approving proposals, policies and activities or putting forward recommendations for Constituent Authority consideration.

Given the importance of the JGC's role within the WPP's Governance Structure it is vital that there is a high level of engagement and attendance amongst Members of the JGC. The exemplary levels of engagement and attendance from the JGC Members to date is not only a reflection of their commitment to pooling and the long-term success of the WPP but also the willingness and desire of the Constituent Authorities to work together.

To aid the levels of engagement and collaboration the Welsh Constituent Authorities have agreed that JGC meetings will be hosted on a rotational basis across all eight Constituent Authorities. During 2024/25 four JGC meetings were held with a combination of virtual and hybrid meetings. The JGC dates, venues and attendance for 2024/25 are summarised in the table below:

JGC Date:	Venue	JGC Members / Substitute Members in attendance:
17 July 2024	Virtual via Zoom	7 funds represented, apologies received from Cardiff
18 September 2024	Hybrid, hosted by Clwyd	All 8 funds represented
10 December 2024	Virtual via Zoom	All 8 funds represented
12 March 2025	Hybrid, hosted by Swansea	All 8 funds represented

These meetings are also attended by WPP's external advisors and other service providers, as and when required. The WPP prides itself on being open and transparent and this is evidenced by the fact that JGCs are publicly webcasted, while agendas and minutes are also made publicly available on Carmarthenshire County Council's website.

Officers Working Group

The WPP's Officers Working Group (OWG) was established with the purpose of providing support and advice to the Joint Governance Committee. The group met four times during 2024/25.

The OWG is comprised of practitioners and Section 151 officers from all eight Constituent Authorities. The Chair of the OWG is Chris Moore, Section 151 Officer of Carmarthenshire County Council (Host Authority). OWG meetings are a blend of virtual and in person meetings which are held in Cardiff with two virtual meetings and two in person meeting being held during 2024/25.

The OWG, in a similar fashion to the JGC, has a stellar track record in terms of engagement and attendance. There is at least one representative from each Constituent Authority in attendance at all OWG meetings and it is common to see both the Section 151 Officer and Practitioner from all eight Constituent Authorities in attendance.

The WPP's providers and external advisors also attend OWG meetings and provide support or advice when required. At present the WPP's Operator, Oversight Advisor and Investment Management Solutions Provider attend all OWG meetings. Other parties such as LAPFF, bfinance and Audit Wales representatives are also invited to attend OWG when required.

In addition to the OWG meetings, members of the OWG participate in virtual meetings on a fortnightly basis. These virtual meetings are used to deal with any matters that arise in between formal OWG meetings, they are also used to progress work between OWG meetings. These meetings are an invaluable mechanism for progressing work and fostering collaboration between the Constituent Authorities and the WPP's suppliers.

The WPP has also established a number of 'sub-groups', these sub-groups are generally formulated to progress or develop certain elements of the WPP's workplan. All of the sub-groups are made up from a sub-section of the OWG and are responsible for formally reporting back to the entire OWG. Example of WPP sub-groups include;

- The Private Market Sub-Group – which is responsible for formulating and developing the WPP's Private Market Sub-Funds.
- The Risk Register Sub-Group – which is responsible for maintaining the WPP Risk Register and reporting back any changes or developments to the OWG and JGC on a quarterly basis.
- The Responsible Investment Sub-Group – which is responsible for overseeing all Responsible Investment matters within the WPP, including policy development and reviews, external reporting, and scrutiny / oversight.

Host Authority

Carmarthenshire County Council has been appointed as the Host Authority for the Wales Pension Partnership. The Host Authority is responsible for providing administrative and secretarial support to the JGC and OWG, and liaising day to day with the Operator on behalf of all of the LGPS funds in Wales. The role of the Host Authority is set out in Section 6 of the IAA.

The Host Authority's role is critical to the effectiveness and efficiency of the WPP, it is responsible for the day to day management of the Pool and takes ownership of managing and progressing the WPP's activities and endeavours. The size and nature of the Pool means that the Host Authority is responsible for a broad, and ever changing, range of activities and responsibilities, including organising and facilitating WPP training sessions to formulating and submitting the WPP's 'Pooling Update' submissions to the Ministry of Housing, Communities and Local Government (MHCLG).

The Host Authority is the main point of contact for all WPP related questions and is also tasked with maintaining the WPP's communication methods (e.g., Website and LinkedIn). The Host Authority has a substantial internal team from which it can utilise resources and expertise to help it meet its responsibilities. The core members of the Host Authority team are Chris Moore, Anthony Parnell and Tracey Williams.

Monitoring Officer

The Monitoring Officer Role is currently carried out within the Host Authority (Carmarthenshire County Council). The Monitoring Officer is responsible for maintaining the IAA to ensure that it reflects up to date legislative requirements and the WPP's Governance needs and is also responsible for ensuring that the provisions are fully complied with at all levels. The Monitoring Officer attends all JGC meetings.

The Monitoring Officer is well placed to play a proactive role in supporting Members and Officers in both formal and informal settings to comply with the law and with the WPP's own procedures. As the Head of Service with ultimate responsibility for the Democratic Services Unit, the Monitoring Officer is also responsible for the formal recording and publication of the democratic decision-making process.

The Monitoring Officer works closely with the Section 151 Officer in accordance with the provisions of the Local Government and Housing Act 1989 and reports to the Joint Governance Committee if he/she considers that any proposal will give rise to unlawfulness.

Section 151 Officer

Carmarthenshire County Council's Director of Corporate Services is the responsible officer for the administration of the WPP's affairs under Section 151 of the Local Government Act 1972 and carries overall responsibility for the financial administration of the WPP.

Waystone Management (UK) Ltd (The Operator)

The WPP has designed an operating model which is flexible and able to deliver value for money. Waystone Management (UK) Limited (Waystone) has been appointed as the external Operator and, with the support of Russell Investments, they deliver effective investment management solutions and provide strong net of fee performance for all the Constituent Authorities.

There is an Operator Agreement in place with Waystone which sets out the contractual duties of the Operator and governs the relationship between the Operator and the WPP. The JGC and OWG, with the support of its Oversight Advisor, oversee the work that Waystone carries out on behalf of the WPP. The WPP's Operator Engagement Protocols have also been put in place to ensure that there is sufficient levels of direct engagement between the Operator and the individual Constituent Authorities.

Waystone carry out a broad range services for the WPP, these include:

- Facilitating Investment Vehicles & Sub-Funds
- Performance reporting
- Transition implementation
- Manager monitoring and fee negotiations
- Risk reporting
- Class Actions monitoring
- Provide events and individual meetings to provide education and training

Russell Investments (Investment Management Solutions Provider)

In collaboration with Waystone, Russell Investments provides investment manager solution services to the WPP. Alongside Waystone, they work in consultation with WPP's eight Constituent Authorities to establish investment vehicles. Russell's remit includes advising Waystone and WPP on efficiencies around portfolio construction which includes manager selection. Waystone continues to work with Russell Investments, where applicable, to further reduce WPP's costs through multi-manager structures, currency managements solutions, portfolio overlays, transition management and other execution services

Hymans Robertson (The Oversight Advisor)

Hymans Robertson has been appointed as the Oversight Advisors for the WPP. Hymans Robertson's role spans oversight and advice on governance arrangements, operator services, strategic investment aspects and project management support. They attend all OWG and JGC meetings.

Burges Salmon (Legal Advisor)

Burges Salmon provides Legal advice, as and when required. Burges Salmon's remit requires them to provide expertise in FCA regulated funds, tax, public sector procurement and local government. In addition, Burges Salmon also advises on governance arrangements, building complex procurement specifications, advising on the procurement process and evaluation criteria. They also support WPP in finalising legal agreements and formulating FCA prospectus applications.

Northern Trust (The Custodian)

Northern Trust provides services including securities lending, fund administration, compliance monitoring and reporting for the Wales Pension Partnership.

Robeco UK (Proxy Voting & Engagement Provider)

Robeco UK has been appointed as the WPP's Voting and Engagement provider and assists the WPP in formulating and maintaining Voting Policy and Engagement Principles that are in keeping with the Welsh Constituent Authorities' membership of the Local Authority Pension Fund Forum ('LAPFF'). Furthermore, Robeco takes responsibility for implementing the Voting Policy across WPP.

Risks

The Wales Pension Partnership ('WPP') recognises that it faces numerous risks which, if left unmanaged, can limit the WPP's ability to meet its objectives and to act in the best interest of its stakeholders and beneficiaries. However, the WPP also understands that some risks cannot be fully mitigated and that in these instances' risks need to be embraced through active and effective management.

Risk management is a critical element of the WPP's commitment to good governance, the WPP has developed a structured, extensive and robust risk strategy. This strategy will be embedded into the WPP's governance framework to ensure better decision-making, improved outcomes for stakeholders and greater efficiency.

The WPP is well aware of the threat posed by cyber security breaches and the importance of data security. Carmarthenshire County Council, as the Host Authority for the WPP, has a robust framework in place to ensure the security of its network and information systems. The Council also has a detailed Cyber Incident Response Plan, which outlines procedures for preparing, identifying, restricting, and responding to cyber incidents, ensuring business continuity and the preservation of evidence. The Constituent Authorities retain responsibility for individual member data for their respective LGPS Pension Funds.

The WPP's risk strategy seeks to identify and measure key risks and ensure that suitable controls and governance procedures are in place to manage these risks. The WPP believes that risks are fluid in nature and that the severity and probability of risks can change rapidly and without fair warning. To reflect this belief, the WPP's Risk Policy has been developed in such a way that risks can be anticipated and dealt with in a swift, effective manner to minimise potential loss or harm to the WPP and its stakeholders. The Risk Policy outlines how we identify, manage and monitor risks.

In addition, we have developed a risk register to monitor and manage potential risks and a dedicated Risk Sub-Group (made up of Officers from the Constituent Authorities and WPP's Oversight Advisor, Hymans Robertson) has been established to maintain and evaluate the WPP's Risk Register on a quarterly basis.

To deliver on its objectives, the WPP needs to carry out activities or seize opportunities that subject it to risk. The extent to which the WPP is able to effectively balance risk and return will depend on the success of its Risk Policy. It is critical that prior to making decisions the WPP understands the associated risks and considers the means by which these risks could be managed. Effective identification, understanding, management and monitoring of risks will allow the WPP to:

The greatest risk to the WPP's continued operation is its ability to deliver on its primary objectives. The WPP Business Plan is an additional means through which the WPP will give special recognition to risks that pose a material threat to the delivery of its objectives and the actions required to manage these risks.

A detailed management strategy and action plan is in place to manage risks. One of the risks that was considered significant last year, Risk G.15, 'The WPP is not prepared for the outcomes of any consultation or regulatory change' is no longer considered as significant as the latest government consultation has proven that the risk controls in place have ensured that the WPP is well prepared both for the outcome of consultation and regulatory change.

At present, WPP's most significant risks (risks with a risk score of 10 or more and where the current risk score exceeds the target risk score) are:

- WPP Sub-Funds failure to achieve their long term targeted investment returns (Risk I.1)
- The WPP fails to facilitate investment solutions that enable the Constituent Authorities to meet their investment strategy and objectives (Risk I.9)
- Difference of opinion / or views within the WPP cannot be reconciled (Risk G.9)
- Project Snowdon does not meet the timescales and delivery capability laid out in the Government consultation and subsequent WPP business case (Risk G.16), new risk added during 2024/25

During the course of the next twelve months the WPP will prioritise the management of these risks with the aim of reducing the possibility of these risks occurring and the impact that they can have on the WPP. The table below summarises how these risks are currently managed and outlines what actions will be completed during the next 12 months.

Risk:	Current Management Strategy:	Action for the next 12 months:
WPP Sub-Funds failure to achieve their long term targeted investment returns	• Ongoing monitoring of investment performance, market developments and economic outlook reported by the Investment Manager and the Operator and discussed at OWG meetings • Triennial sub-fund benchmarking • Periodic review of Russell Investments carried out by Oversight Advisor • Quarterly reporting on climate & ESG risks • ACS responsibilities matrix in place • The Operator/ the Investment Manager engagement with Investment Managers and ongoing reviews of their process • Manager days hosted by the Operator/ the Investment Manager for OWG/Constituent Authorities Pension Fund Committees	• Additional controls have been included in 2024/25 work plan. • Continue to monitor the investment returns over the next 12 months.
The WPP fails to facilitate investment solutions that enable the Constituent Authorities to meet their investment strategy and objectives	• The development of further sub-funds is a prioritised item within the WPP's business plan. • Frequent consultation with Constituent Authorities on their requirements • Consultation with the Constituent Authorities on the ongoing suitability of existing sub-funds. • Numerous advisors used in the formulation of sub-funds • Oversight advisor in place to oversee investment strategy and sub-fund design • Numerous checks and balances on the decision-making process and approval of invest strategy and sub-funds	• Probability score increased due to increased engagement from new government and expected outcomes. To be monitored over the next 12 months.

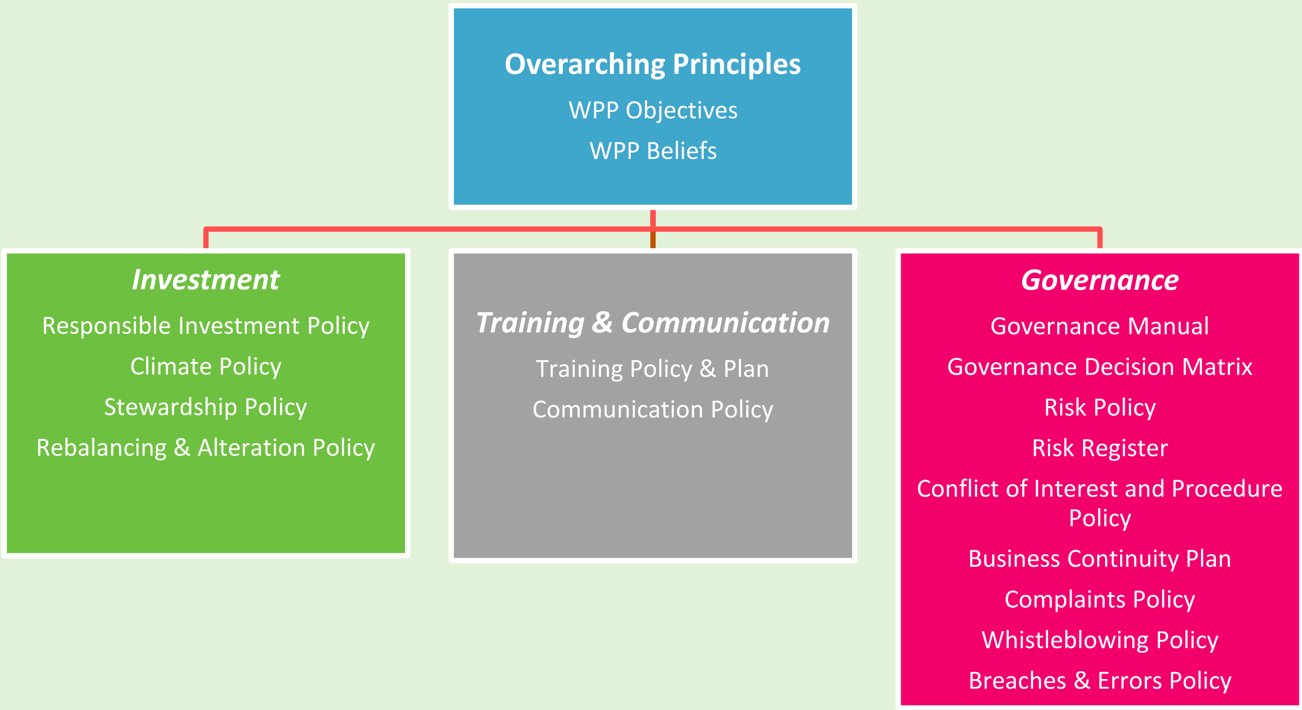
	• Sub fund review document in place	
Difference of opinion / or views within the WPP cannot be reconciled	• High levels of communication between decision makers (and Constituent Authorities) • Codified set of agreed/ united WPP objectives and beliefs • Regular scheduled meetings, and ad hoc meetings if required, to facilitate the sharing and reconciliation of views (for example, via Responsible investment sub-group meetings) • Oversight Advisor in place to provide advice on governance structure • Engagement with relevant bodies on good governance guidance and best practice • Ongoing review of governance structure • Democratic decision-making process in place • Clear escalation process in place for obtain consent if mutual agreement cannot be reached	The WPP have effective control measures in place, however it is expected that there will be further scenarios, in particular around Project Snowdon deliverables that may test this risk, so the risk score will stay as 15 until the next review meeting in Q2 2026.
Project Snowdon does not meet the timescales and delivery capability laid out in the Government consultation and subsequent WPP business case	• Ongoing engagement with Government • Project governance structure including Steering Group set up • Detailed project plan with key milestones, tasks, dates and owners established and monitored on a regular basis • Stakeholder engagement plan developed and monitored on a regular basis • Governance & sign off processes at Constituent Authority established (with input from Legal Advisers) • Project risk register established and monitored on a regular basis	• The timescales and volume of activities to be completed to become a fully operational FCA regulated Company by 1 April 2026 remain challenging. However, as a result of current risk controls, the WPP are comfortable that project Snowdon is progressing in line with the project plan and is 'on track'. • The current probability score of 3, above the target of 2, is due to a number of critical milestones that need to be met to meet the project end date.

The WPP Risk Policy and Risk Register are both publicly available on the WPP's website.

Policies and Processes

The WPP believes that good governance should lead to superior outcomes for WPP's stakeholders. In recognition of this belief, the WPP has devoted resources to developing a robust and extensive governance structure and framework. A key part of WPP's governance structure is focused on developing policies and procedures, in consultation with the Constituent Authorities. In all instances the WPP's policies and procedures have been developed to either complement or subsidise the existing procedures and policies of the Constituent Authorities. The WPP understands the importance of formulating and codifying its policies and procedures. This process allows the WPP, and the Constituent Authorities, to:

The WPP's key policies, registers and plans are listed below and can be found on the WPP website. The policies and procedures are reviewed on a regular basis and the WPP will continually assess whether any additional policies, registers or plans are required.

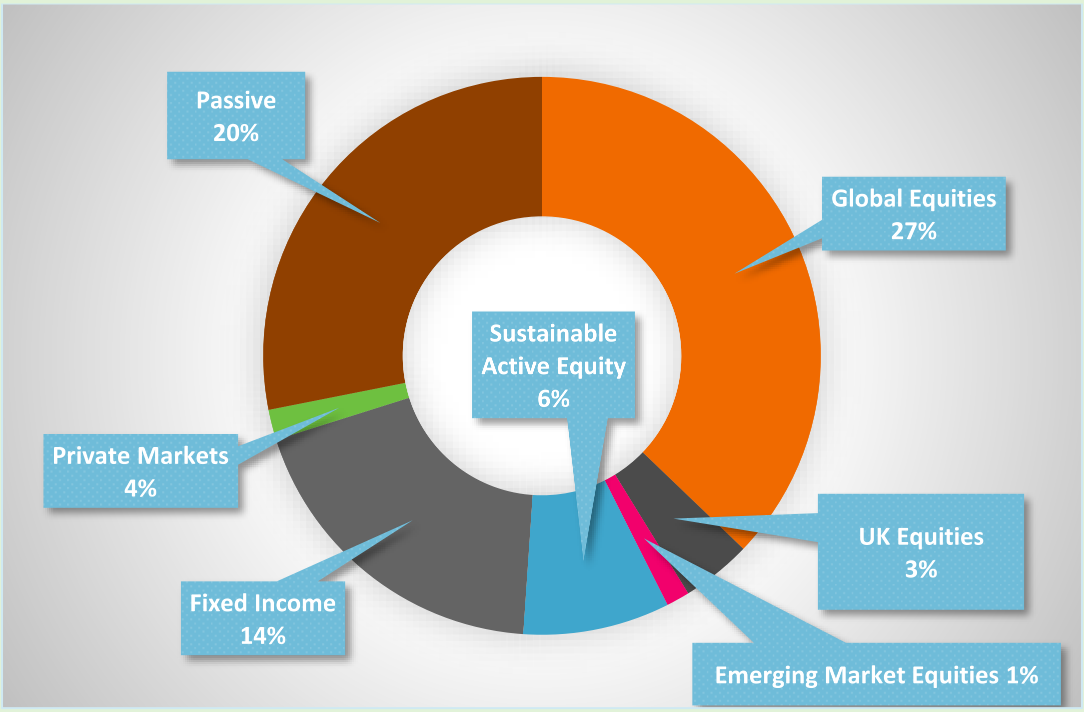


Pooling Progress

The WPP aims to deliver investment solutions that allow the Constituent Authorities to implement their own investment strategies with material cost savings while continuing to deliver investment performance to their stakeholders. Significant progress has been made since 2017 with 75% of assets under pool management as at 31 March 2025, see table below.

% of assets under pool management			
31 March 2018	21%	31 March 2022	72%
31 March 2019	44%	31 March 2023	70%
31 March 2020	47%	31 March 2024	74%
31 March 2021	68%	31 March 2025	75%

This 75% has been invested in a range of asset classes, see pie chart below:



More details regarding the Investments can be found on page 24 (Investments and Performance section).

It is pleasing to see that all eight of the Constituent Authorities have made use of at least one of the sub-funds with all eight investing in the Sustainable Active Equity fund. The pooling progress to date has ensured that the WPP has been able to provide significant benefits of scale to the Constituent Authorities via cost savings and improved value for money. See page 27 for more detail.

WPP continues to consult with CAs to review and develop mechanisms to pool non-pooled assets.

Statement of Accounts and Financial Performance

BUDGET

The following table shows the WPP's actual expenditure during 2024/25 compared with the approved budget for the year, detailing any variances. The Budget was approved by the Joint Governance Committee at the Joint Governance Committee meeting on 13 March 2024 and subsequently by all eight Constituent Authorities.

Wales Pension Partnership 2024/25	Budget (£)	Actual (£)	Variance (£)
Gross Expenditure			
Employee costs [1]	116,000	71,169	44,831
Host Authority costs [2]	24,700	23,867	833
Host Authority Support Services [3]	91,108	91,108	0
Total Host Authority Gross Expenditure [4]	**231,808**	**186,144**	**45,664**
External Consultants [5]	1,410,795	1,739,484	(328,689)
Total Gross Expenditure	**1,642,603**	**1,925,628**	**(283,025)**

Notes:
1. This includes staff employed to work solely on the WPP. The Budget includes a Senior Financial Services Officer (1fte) and an Assistant Accountant (1fte)
2. These costs include staff travelling expenses, subsistence and meeting expenses, admin, office and operational consumables, website (development and ongoing costs), audit fees and translation services
3. These are central recharges from the Host Authority and includes costs apportioned for the Section 151 Officer, Monitoring Officer, Treasury & Pension Investments Manager, Democratic Services Officer and also Premises and HR support
4. The total Host Authority expenditure is funded equally by all eight Pension Funds and are recharged on an annual basis
5. External Consultants include Investment & Legal Consultants, these costs are also funded by all eight Pension Funds

There was an overspend of £283k for the year, which was mainly due to the extra work carried out by WPP's external consultants in relation to Project Snowdon.

COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT (CIES)

This Comprehensive Income and Expenditure Statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices.

2023/24 (£)	**Description**	**2024/25 (£)**
	Expenditure	
68,510	Employee costs	71,169
20,165	Host Authority costs	23,867
1,631,481	External Advisor costs	1,739,484
85,427	Host Authority Support Service costs	91,108
1,805,583	**Total Operating Expenditure**	**1,925,628**
	Income	
(1,805,583)	Constituent Authority Recharges *	(1,925,628)
(1,805,583)	**Total Operating Income**	**(1,925,628)**
0	**Total Comprehensive Income and Expenditure**	**0**

* These costs are funded equally by all eight LGPS Funds and are recharged on an annual basis.

BALANCE SHEET

The Balance Sheet shows the assets and liabilities of the WPP as at 31 March 2025.

31st March 2024 (£)	**Description**	**31st March 2025 (£)**
	Current Assets	
944,947	Short Term Debtors	942,108
944,947	**Total Current Assets**	**942,108**
	Current Liabilities	
(819,845)	Cash and Cash Equivalents	(601,132)
(125,102)	Short Term Creditors	(340,976)
(944,947)	**Total Current Liabilities**	**(942,108)**
0	**Total Net Assets**	**0**

CASH FLOW STATEMENT

The Cash Flow Statement shows the changes in cash and cash equivalents of the WPP during the reporting period.

2023/24 (£)	Description	2024/25 (£)
	Cashflow from operating activities	
0	Net (surplus) / deficit on the provision of services	0
	Adjustments for:	
(215,372)	Decrease in trade and other debtors	2,839
(16,234)	Increase in trade and other creditors	215,874
(231,606)	**Net Cash from operating activities**	**218,713**
	Net (Increase) / Decrease in cash and cash equivalents	
(588,238)	Cash & Cash Equivalents as at 1 April	(819,845)
(819,845)	Cash & Cash equivalents as at 31 March	(601,132)
(231,606)	**Cash and cash equivalents as at 31 March**	**218,713**

NOTES TO THE ACCOUNTS

Statement of Accounting Policies

General

The Statement of Accounts summarises the transactions of the Wales Pension Partnership (WPP) for the 2024/25 financial year and its position at the year ended 31 March 2025. The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

Going Concern

The Financial Statements have been prepared on a going concern basis.

Accruals of Income and Expenditure

Financial Statements have been prepared under the Accruals concept of accounting which requires that both income and expenditure must be recognised in the accounting periods to which they relate rather than on a cash basis.

Cash and Cash Equivalents

The WPP itself does not operate or control its own individual bank account. Carmarthenshire County Council in its role as the Host Authority administers all cash and cash equivalent transactions on behalf of the WPP.

Provisions, Contingent Assets and Liabilities

The WPP have not recognised any provisions, contingent assets or contingent liabilities in the accounts.

Value Added Tax (VAT)

Transactions are shown net of VAT, all VAT is accounted for by Carmarthenshire County Council.

Employee Benefits

Direct employees supporting the activities of the WPP are contractually employed by Carmarthenshire County Council, with additional support being provided by Carmarthenshire on a recharge methodology. Employee remuneration costs will be disclosed within the Financial Statements of Carmarthenshire County Council.

Investments

No investments are held directly with the WPP. The sub funds opened as part of the pooling arrangement sit within the financial statements of the respective pension funds. The Operator costs and other fees relating to these investments are shared between the eight LGPS Funds based on their individual percentage share of WPP assets and are deducted directly from the Net Asset Value (NAV). These are not cash transactions.

Short Term Debtors

2023/24 (£)	Description	2024/25 (£)
942,666	Constituent Authorities	940,695
2,281	Prepayments	1,413
944,947	**Total Short-Term Debtors**	**942,108**

Short Term Creditors

2023/24 (£)	Description	2024/25 (£)
0	Trade Creditors	117,090
125,102	Accruals	223,886
125,102	**Total Short-Term Creditors**	**340,976**

Audit Costs

In 2024/25 the WPP incurred the following fees relating to financial audit and inspection, payable to the Wales Audit Office.

2023/24 (£)	Description	2024/25 (£)
6,297	Audit Fees	6,404
6,297	**Total External Audit Fees**	**6,404**

Related Party Transactions

WPP is required to disclose material transactions between partners, bodies, individuals or related parties, that could potentially influence the decisions of the JGC or be influenced by the JGC. The WPP has arrangements in place requesting members and Officers to identify and disclose related party transactions. These interests are declared and assessed at the start of each JGC meeting.

Any transactions between parties outlined above will require disclosure to allow the users of these financial statements to assess the extent to which the JGC's independence could potentially be impaired or influenced by another party's ability to transact with the Committee.

During 2024/25 Carmarthenshire County Council, as Host Authority for the WPP raised debtor invoices to all eight LGPS pension funds to recover the running costs of the WPP, as detailed in the CIES. The tables below show the total value of transactions raised during 2024/25 and the debtor balances outstanding as at 31 March 2025.

2023/24 (£)	Description	2024/25 (£)
225,698	Cardiff & Vale of Glamorgan Pension Fund	240,704
225,698	Clwyd Pension Fund	240,704
225,698	Dyfed Pension Fund	240,704
225,698	Gwynedd Pension Fund	240,704
225,698	Powys Pension Fund	240,704
225,698	Rhondda Cynon Taf (RCT) Pension Fund	240,704
225,698	City and County of Swansea Pension Fund	240,704
225,698	Greater Gwent (Torfaen) Pension Fund	240,704
1,805,583*	**Total Related Party Transactions**	**1,925,628***

* Rounding

2023/24 (£)	Description	2024/25 (£)
134,667	Cardiff & Vale of Glamorgan Pension Fund	134,385
134,667	Clwyd Pension Fund	134,385
134,667	Gwynedd Pension Fund	134,385
134,667	Powys Pension Fund	134,385
134,667	Rhondda Cynon Taf (RCT) Pension Fund	134,385
134,667	City and County of Swansea Pension Fund	134,385
134,667	Greater Gwent (Torfaen) Pension Fund	134,385
942,666*	**Related Party Transactions outstanding at year end**	**940,695**

* Rounding

Carmarthenshire County Council charged the WPP for administration and support services during 2024/25. Invoices have also been received from Cyngor Gwynedd for services they have provided in the form of translation services. The table below shows the value of these services and the creditor balances outstanding as at 31 March 2025.

Related Party Transactions - Creditors	Value of services provided during 2024/25 £	Balance outstanding as at 31 March 2025 £
Carmarthenshire County Council	165,216	0
Cyngor Gwynedd	8,564	0
Total	**173,780**	**0**

The Director of Corporate Services and the Monitoring Officer are both Senior Officers within Carmarthenshire County Council.

<u>Prior Period Adjustment</u>

No Prior Period adjustments were made during the financial year 2024/25.

Investments and Performance

The WPP's Constituent Authorities have total assets of circa £25.8bn (as at 31 March 2025), £19.3bn of which are invested in WPP's existing sub-funds, outlined in the table below.

Sub Fund	Asset Value *	Managed by	Performance Benchmark	Participating Funds **	Underlying Investment Managers
Global Growth	£3.541 bn	Russell Investments	MSCI ACWI ND	Cardiff 4% Dyfed 32% Gwynedd 12% Powys 2% RCT 50%	Baillie Gifford, Pzena, Pinestone and Numeric
Global Opportunities	£3.402 bn	Russell Investments	MSCI ACWI ND	Cardiff 16% Gwynedd 14% RCT 15% Swansea 35% Torfaen 20%	Morgan Stanley, Numeric, Sanders, Jacobs Levy, SW Mitchell, Nissay, Intermede and Oaktree
UK Opportunities	£0.765 bn	Russell Investments	FTSE All Share	Cardiff 21% Torfaen 79%	Baillie Gifford, Ninety-One, J O Hambro, Liontrust and Fidelity
Emerging Markets	£0.273 bn	Russell Investments	MSCI Emerging Markets	Cardiff 44% Gwynedd 23% Powys 6% Torfaen 27%	Artisan, Bin Yuan, Barrow Hanley, Axiom, Numeric and Oaktree
Sustainable Active Equity	£1.524 bn	Russell Investments	MSCI ACWI ND	Cardiff 9% Clwyd 24% Dyfed 12% Gwynedd 21% Powys 5% RCT 7% Swansea 11% Torfaen 11%	Sparinvest, Mirova, Neuberger Berman and Wellington
Global Credit	£1.026 bn	Russell Investments	Bloomberg Barclays Global Aggregate Credit Index (GBP Hedged)	Cardiff 15% Dyfed 33% Gwynedd 23% Powys 3% Torfaen 26%	Metlife, Fidelity, Coolabah and Robeco
Global Government	£0.503 bn	Russell Investments	FTSE World Government Bond Index	Cardiff 48% Torfaen 52%	Bluebay and Colchester
Multi-Asset Credit	£0.849 bn	Russell Investments	3 Month GBP SONIA plus 4%	Cardiff 20% Clwyd 39% Gwynedd 29% Powys 4% Swansea 8%	ICG, Man GLG, BlueBay, Barings and Voya
UK Credit Fund	£0.727 bn	Waystone Management (UK) Limited	ICE BofA ML Eur-Stg plus 0.65%	RCT 100%	Fidelity

Absolute Return Bond Fund	£0.533 bn	Russell Investments	3 month GBP SONIA plus 2%	Gwynedd 76% Powys 14% Swansea 10%	Wellington, Aegon, Oaktree and DNCA

* Asset Under Management (AUM) value as at 31 March 2025

** % holdings as at 31 March 2025

Investment Performance

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.

	WPP 12-month performance to the 31 March 2025 (Net of Fees)			
	Inception Date	**Fund %**	**Benchmark %**	**Relative %**
Equity sub-funds				
Global Growth	February 2019	0.86	3.10	(2.24)
Global Opportunities	February 2019	6.02	4.87	1.15
UK Opportunities	October 2019	6.66	10.46	(3.80)
Emerging Markets	October 2021	5.21	7.37	(2.16)
Sustainable Active Equity	June 2023	0.21	4.87	(4.66)
Fixed Income sub-funds				
UK Credit	August 2020	2.63	3.09	(0.46)
Global Government Bond	August 2020	3.01	3.38	(0.37)
Global Credit	August 2020	4.72	4.84	(0.12)
Multi-Asset Credit Fund	August 2020	7.07	9.28^	
Absolute Return Bond	September 2020	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

The Officers Working Group receives quarterly, six monthly and annual performance reports. The Group reviews and challenges the performance of Investment Managers on behalf of the WPP. The Constituent Authorities also carry out their own analysis of WPP's investment performance at a local level, this will include manager attendance at Pension Committees. Furthermore, the Investment Managers of the Sub-Funds hold quarterly investors calls where members of the OWG are able to challenge the Investment Manager and the underlying Managers. 12 months is considered too short a period over which to evaluate investment performance, longer term investment performance is the priority, and this is monitored and evaluated to ensure the ongoing suitability of all sub funds.

During 2023/24, the WPP launched the Private Debt, Infrastructure and Private Equity Investment programmes, with the Real Estate Investment programmes due to be launched in 2025/26. The draw down value of the Private Market Investment programmes as at 31 March 2025 was £1,096m, further funds will be transitioned into these programmes in 2025/26.

Private Market Investment Programmes	**Participating Constituent Authorities**	**Draw down value as at 31 March 2025**
Private Debt	Cardiff, Clwyd, Dyfed, Gwynedd, Powys, Swansea and Torfaen	£0.302 bn
Infrastructure – closed ended	Clwyd, Dyfed, Gwynedd, Powys, RCT, Swansea and Torfaen	£0.235 bn
Infrastructure – open ended	Cardiff, Gwynedd, Powys, Swansea and Torfaen	£0.445 bn
Private Equity	Cardiff, Clwyd, Gwynedd, Powys and Swansea	£0.114 bn
Total		**£1.096 bn**

In addition to the sub-funds and Investment programmes outlined above, the WPP's Constituent Authorities also hold passive investments with BlackRock Asset Management. The Constituent Authorities' passive investments are effectively within the Pool but are held by the respective WPP Authorities in the form of insurance policies. The passive investments are as follows:

Constituent Authority	**Asset Value as at 31/3/25**	**% of each Constituent Authorities' assets**
Cardiff & Vale of Glamorgan	£0.768 bn	25%
Dyfed	£1.092 bn	31%
Gwynedd	£0.465 bn	15%
Powys	£0.179 bn	21%
RCT	£0.824 bn	17%
Swansea	£0.688 bn	20%
Greater Gwent (Torfaen)	£1.049 bn	24%
Total	**£5.065 bn**	

The OWG is always looking at ways to develop investment performance monitoring mechanisms with a key focus on ESG and Climate Risk metrics. Hymans Robertson produce quarterly Climate Risk and ESG reports for the equity and fixed income sub funds which draw on third party climate and ESG data. This allows the RI Working Group to scrutinise present portfolio positioning, benchmark portfolios against index comparators and determine the actions that need to be taken. These reports are presented to the OWG and JGC on a quarterly basis.

Pooling Costs and Fee Savings

There are various costs associated with pooling; there are transition costs which are one-off costs that occur at the point when the funds are transitioned into the sub-funds and there are also annual running costs. The transition costs for the sub funds which have been pooled as at 31 March 2025 are shown in the table below:

Sub-Funds	Explicit * £000's	Implicit ** £000's	Total Transition Costs £000's	Year charge occurred
Global Equities	2,197	15,009	17,206	2018/19
UK Equities	1,080	3,580	4,660	2019/20
Fixed Income	817	7,566	8,383	2020/21
Sustainable Active Equity	1,068	820	1,888	2023/24

* Explicit costs include transition manager fees, trading commissions and taxes.

** Implicit costs include opportunity costs and market impact.

There were no transition costs in 2024/25.

The total annual running costs for 2024/25 equates to £6,624k which includes the host authority and external provider costs.

Through pooling and economies of scale, lower Investment Management fees have resulted in cost savings for Constituent Authorities. The table below illustrates the annual cost savings for WPP's Global Equity Sub-Funds, UK Opportunities Equity Sub-Fund, Emerging Markets Sub-Fund and the Fixed Income Sub-Funds:

	Asset Value as at 31/3/25 £000's	Gross Annual Savings * £000's	Savings as a % of Asset Value
Global Equities	8,467,711	13,928	0.16%
UK Equities	765,495	677	0.09%
Emerging Markets	272,996	673	0.25%
Fixed Income	3,638,032	207	< 0.01%
Total	**13,144,234**	**15,485**	**0.12%**

* Please note that Gross figures do not include the transition and running costs

The data above shows that although there are high initial costs for transitioning individual fund's assets into the pool, the annual savings far outweighs the annual running costs, £8,861k (£15,485k less £6,624k) in 2024/25 (excluding transition costs).

Passive Investments, as detailed on page 26 also provides a total fee saving of c£2m per annum.

Responsible Investment

Responsible investment (RI) – alongside consideration and evidential management of Environmental, Social and Governance (ESG) issues – has been a key priority for the WPP since we were established in 2017. Various activities have been carried out over the year to embed RI practices in all that we do, which we believe will result in better outcomes for the Pool's stakeholders.

During the year, the WPP progressed a number of recommendations from the all-Wales Climate Report (AWCR), including the Climate Framework and climate-focus list, and evolving the fixed-income Sub-Funds. WPP completed its first Pool-level climate report in line with the Task Force on Climate-related Financial Disclosures and is looking at developing its reporting further in 2025/26 with its first all-Wales Impact Report. WPP continued to retain its signatory status of the FRC UK Stewardship Code for the fourth year in a row.

The WPP RI Sub-Group was established in 2020, in order to support the development and implementation of the WPP's overall RI activity and policies. Over the reporting period, the RI Sub-Group carried out various activities and discussions, including:

- Formulating an annual WPP RI workplan that allows the WPP to progress its RI objectives, including training needs
- Working with WPP's appointed investment managers, Voting & Engagement (V&E) provider, advisers and other service providers to ensure that WPP's RI, Stewardship and Climate policies are effectively implemented
- Reviewing our RI, Stewardship and Climate policies – with input from our service providers – to ensure they continue to meet the Pool's needs
- Monitoring RI activity, including ESG metrics and V&E reporting, and challenging where necessary; including an updated analysis of WPP's deforestation exposure across the equity Sub-Funds
- Considering market and regulatory developments to ensure that WPP can take evolving best practice into account, as well as responding to relevant government consultations
- Discussions on climate goals, including decarbonisation objectives
- Discussions on relevant ESG themes, including feeding into the engagement-theme selection process of WPP's V&E Provider. WPP played an active role in both of Robeco's client panels during the year, with a number of engagement areas actively discussed, including human rights (with a particular focus on conflict-affected and high-risk areas); biodiversity (including the interlink between climate and nature); sovereign engagement (including policy engagement); and climate change (including on transition minerals and collaborative engagements).
- The embedding of our escalation principles, in collaboration with WPP's investments managers and V&E Provider
- Representing the WPP on RI matters, including acting as a spokesperson in external forums and in discussion with non-profit organisations, such as Friends of the Earth Cymru and Size of Wales

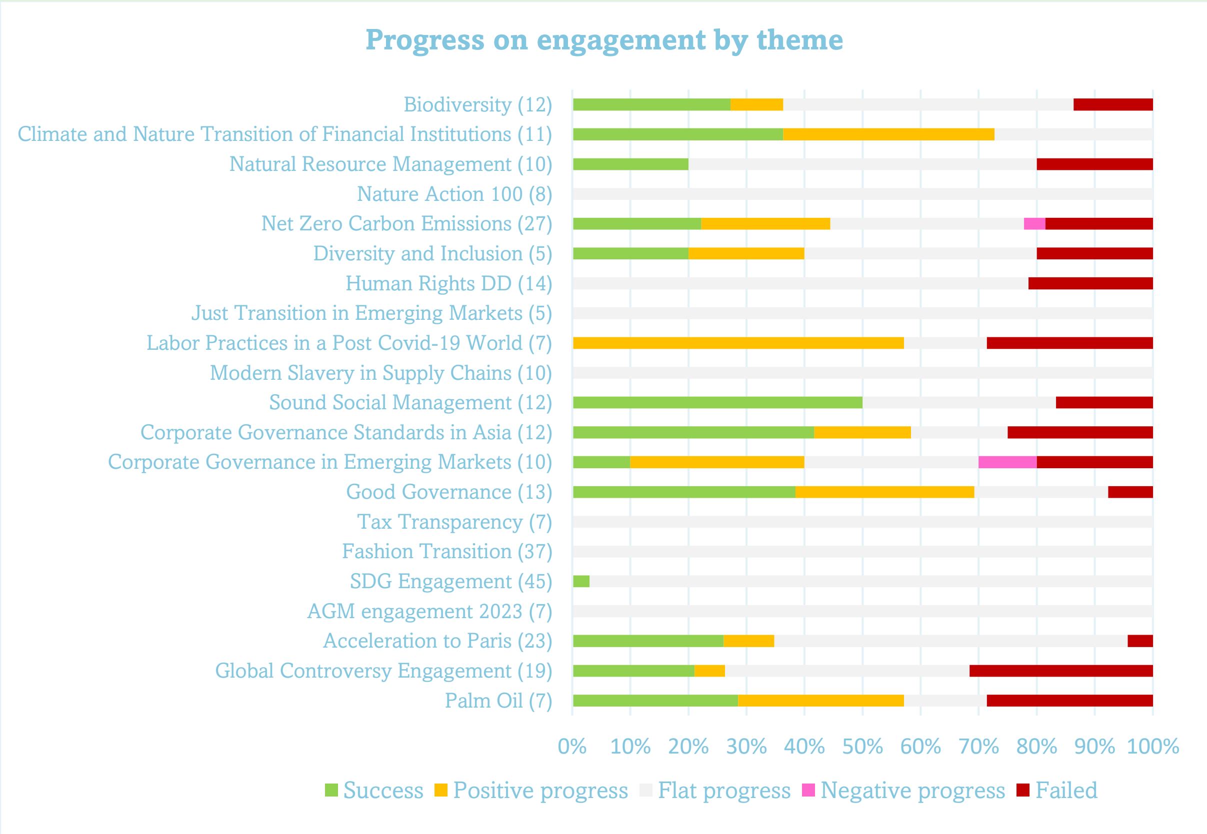
Significant work was carried out in the development of new investment vehicles for WPP, including the real estate programme, which includes a specific bucket to local and impact investment, and the development of a bespoke passive ESG solution.

As part of its commitment to stewardship, Robeco continued to provide the WPP's V&E function, implementing voting across WPP's active-equity portfolio, while also carrying out engagement activity across all the Pool's active Sub-Funds, as well as the BlackRock passive funds. Work progressed on using the Robeco voting infrastructure on passive equity. Over 2024/25, WPP cast over 16,000 votes at over 1,300 meetings across its equity Sub-Funds. Below is a summary of WPP's voting activity over the year:

Voting activity	2024/25
Number of meetings	1,362
Number of agenda items voted	16,379
With management Against management	14,409 1,969
Meetings with at least one vote against management	56%

Source: Robeco

The WPP maintains a number of stewardship themes: (a) governance for sustainable outcomes; (b) supporting people; and (c) focusing on net zero. This allows scrutiny and reporting to be focused, allowing for greater collaboration across WPP's partners (including the Local Authority Pension Fund Forum). The table below is a summary of WPP's engagement activity, through Robeco, over the year:



Further information on WPP's V&E activity, including details on WPP's stewardship themes and stewardship framework, can be found in our annual Stewardship Code Report, which is published on our website.

Communications & Engagement

The WPP has a communication policy in place which sets out how the WPP will carry out its internal and external communication strategies. WPP recognises that failure to communicate effectively poses a material risk to the WPP and the best interests of the WPP's stakeholders, the consequences of which may include miscommunication, poor decision making and delayed timescales.

The WPP believes in being open and transparent as well as regularly engaging with its key stakeholders. As such, the WPP ensures that the Joint Governance Committee meetings are accessible to the public via a live webcast stream and meeting papers are made publicly available. Regular Local Pension Board Chairs engagement meetings are also being held as a means of fostering stakeholder engagement. During the year, we continued to deliver against our engagement protocols which ensures the continued engagement and collaboration amongst the WPP's Constituent Authorities and providers, this is carried out via the following engagement mechanisms:

Engagement mechanisms	Frequency
Strategic Relationship Review meeting	Bi-Annual
JGC Engagement	Quarterly
Manager Performance Meetings/ Calls	Quarterly
Training Events	Quarterly
OWG Engagement	Quarterly
Bi-Weekly Meetings	Every 2 Weeks
Pension Fund Committees	Annual
Manager Engagement Days	Annual
Member Communications	Annual
Pension Board Chairs Engagement	Bi-Annual
Engagement via the website & LinkedIn	Continuous

These engagements are carried out via a blend of in person, virtual and hybrid meetings.

The WPP website is regularly updated and remains an excellent tool to: learn and understand more about the pool; keep track of our recent activities; and discover our policies, procedures and governance arrangements. The website can be found here: **https://www.walespensionpartnership.org/**

WPP also has a LinkedIn page which is regularly updated:
https://www.linkedin.com/company/wales-pension-partnership-wpp/

The WPP will continue to review and develop its communication and engagement methods.

Training

The WPP has a training policy which sets out the WPP's approach to training and requirements. The policy outlines the strategy that WPP has put in place to ensure that its personnel and decision makers have the required knowledge base to fulfil their roles and make decisions that will deliver the best possible outcomes for the WPP's stakeholders. WPP's training policy and annual training plans are designed to supplement existing Constituent Authority training, it is not intended to replace or override the need for and importance of local level training. Local level training needs will continue to be addressed by the Constituent Authorities while the WPP will offer training that is relevant to the WPP's pooling activities.

During 2024/25, the WPP continued to hold its training sessions virtually with four training events being held over the year. They were open to Constituent Authority Pension Committee and Pension Board members, as well as Officers and JGC members, with excellent attendance at all sessions. The topics covered during 2024/25 were:

- Product Knowledge – WPP Pooled Investments
- Overview of cyber security and consideration for WPP
- Policies – Responsible Investment, Climate and Stewardship
- RI – Net Zero journey planning
- RI – Climate Metrics
- Progress of other LGPS Pools & Collaboration Opportunities
- Pooling Guidance

Induction training was also provided to new JGC members.

In December 2024 a training requirements questionnaire/ assessment was issued to all JGC members and Officers. The topics outlined below are based on current WPP topical priorities and from an analysis of the WPP training requirements questionnaire/ assessment responses.

During 2025/26 the WPP will facilitate training on the following topics:

- Product Knowledge
    - Private Credit and infrastructure asset Classes
    - Local / impact investments within the Private Market asset classes
- Stewardship
    - Voting & Engagement
    - Stewardship code and reporting requirements
- Responsible Investment (RI)
    - Biodiversity and Natural Capital
    - Climate Scenarios and Fiduciary duty
- Pooling Consultation & Regulatory Requirements
    - Pooling Consultation
    - Any new regulatory / guidance developments

The Training Policy and full WPP Training Plan for 2025/26 can be found on the WPP website.

Conclusion

As you can see the WPP has had another very productive year. We would like to thank all of the WPP's Personnel, the Constituent Authorities, advisors and providers who have made this possible. The Officers Working Group and Joint Governance Committee also deserve a special mention for their work and support throughout the year.

Whilst it is important to recognise the achievements of the last 12 months our focus has already shifted to the 12 months ahead. The work due to be carried out over the next 12 months, will see the WPP continue to develop further as a Pool so that it can continue to meet and facilitate the interests and needs of the Constituent Authorities and deliver the requirements set out in the Government's LGPS Fit for The Future Consultation – Project Snowdon.

A workplan of the areas that WPP will focus on during 2025/26 has been developed and forms part of our 2025-2028 business plan which is available on our website.

Particular highlights over the next year will include:

- Delivery of Project Snowdon
- Launching the Real Estate Investment Programme and further vintages of the current Private Market Investment Programmes
- Maintain signatory to the UK Stewardship Code
- Develop stewardship reporting further with a new All Wales Impact Report
- Procurement of the Legal Service Provider

We hope you enjoyed this year's Annual Report, and we look forward to being able to provide you with a further update next year. Further information on the WPP and ongoing updates on the WPP's progress can be found on the website and LinkedIn page.

Contact Details

If you require further information about anything in or related to this business plan,

please contact the Wales Pension Partnership:

Postal Address - Wales Pension Partnership

Carmarthenshire County Council

Treasury & Pension Investments Section

County Hall

Carmarthen

SA31 1JP

E-mail - WalesPensionPartnership@carmarthenshire.gov.uk

Further information on the WPP and ongoing updates on the WPP's progress can be found on the website and LinkedIn page.

The website and LinkedIn page can be found here:

https://www.walespensionpartnership.org/

https://www.linkedin.com/company/wales-pension-partnership-wpp/