

WALES PENSION PARTNERSHIP JOINT GOVERNANCE COMMITTEE

Friday, 11 September 2020

PRESENT: Councillor G. Caron (Chair)

Councillors:

P. Lewis, C. Lloyd, M. Norris, J.Pughe Roberts, C. Weaver and D.E. Williams.

The following officers were in attendance:

C. Moore, Joint Committee Section 151 Officer (CCC)
L.R. Jones, Joint Committee Monitoring Officer (CCC)
N. Aurelius, Assistant Chief Executive - Resources (TCC)
B. Davies, Director of Financial Services (RCT)
J. Dong, Chief Treasury & Technical Officer (C&CS)
D. Jones-Thomas, Investment Manager (GCC)
P. Latham, Pension Fund Manager (FCC)
C. Lee, Corporate Director of Resources (CoC)
A. Parnell, Treasury & Pension Investments Manager (CCC)
J. Thomas, Head of Financial Services (PCC)
T. Williams, Senior Financial Services Officer (CCC)
J. Laimann, Assistant Democratic Services Officer (CCC)

Also present as observers:

C. Hurst, Pension Fund Manager (PCC)
K. Cobb, Senior Accountant (C&CS)
G. Watkins, Assistant Director of Financial Services (CoC)
D. Fielder, Deputy Head Clwyd Pension Fund (FCC)
B. Owen, Pension Investment Officer (CCC)
A. Bull, Pensions Investment Manager (TCC)

Also present:

A. Tookey, Link Fund Solutions
D. Lowman, Link Fund Solutions
R. Thornton, Link Fund Solutions
K. Midl, Link Fund Solutions
J. Leggate, Russell Investments
S. Mandich, Russell Investments
A. Quinn, Russell Investments
F. Hope, Hymans Robertson
J. Wright, Hymans Robertson
A. Johnstown, Hymans Robertson
D. Armstrong, Northern Trust
N. Round, Northern Trust
R. Smith, Northern Trust

Virtual Meeting - . 10.00 - 11.25 am



1. APOLOGIES FOR ABSENCE

The Joint Governance Committee was advised that Cllr. Aaron Shotton had been replaced by Cllr. Ted Palmer. The Chair thanked Cllr. Shotton for his contributions on behalf of the Joint Governance Committee.

Apologies for absence were received from Cllr. Ted Palmer and Mr Dafydd Edwards, with Delyth Jones-Thomas attending as Mr Edward's deputy.

2. DECLARATIONS OF INTEREST

G. Caron	Member of the Greater Gwent Pension Fund; Wife is deferred member of the Greater Gwent Pension Fund; Son-in-law is member of the Greater Gwent Pension Fund
P. Lewis	Member of the Powys Pension Fund
C. Lloyd	Member of the City & County of Swansea Pension Fund
M. Norris	Member of the Rhondda Cynon Taf Pension Fund
E. Williams	Member of the Dyfed Pension Fund

[Note: There is an exemption within the Code of Conduct for Members, which allows a member who has been appointed or nominated by their authority to a relevant body to declare that interest but remain and participate in the meeting.]

3. TO SIGN AS A CORRECT RECORD THE MINUTES OF THE MEETING OF THE JOINT COMMITTEE HELD ON THE 17TH JULY 2020

RESOLVED that the minutes of the Joint Governance Committee meeting held on 17th July 2020 be signed as a correct record.

4. HOST AUTHORITY UPDATE

[Note: Due to technical difficulties, Councillor Clive Lloyd took over the chairing of the proceedings from this item onwards.]

The Joint Committee received a progress update in relation to the following key areas:

- Governance;
- Ongoing establishment;
- Operator services;
- Communications and reporting;
- Training and meetings; and
- Resources, budget and fees.



The JGC was advised that the scheme member representation proposal was still being developed and would be brought to a future meeting of the JGC.

In response to a query, the JGC was advised that a knowledge assessment questionnaire would be considered in line with a Requirements & Ambitions questionnaire that was currently being drafted.

A question was raised regarding the percentage of total pension fund assets that had been transitioned into the WPP. The JGC was advised that the total percentage was around 65% and that the figure varied between the individual Pension Funds.

RESOLVED that the Host Authority update be received.

5. OPERATOR UPDATE

The Joint Committee received an update from Duncan Lowman and Richard Thornton of Link Fund Solutions and Sasha Mandich of Russell Investments on the progress of the Wales Pension Partnership in relation to the following key areas:

- Current Fund Holdings;
- Fund Launch Progress;
- Corporate Update and Engagement.

The JGC was advised that Richard Thornton had been appointed Head of Relationships Management within Link.

RESOLVED that the update be received.

6. PERFORMANCE REPORTS AS AT 30 JUNE 2020

The JGC received a presentation on the performance reports for the Global Growth Fund, the Global Opportunities Fund and the UK Opportunities Fund as at 30 June 2020.

It was noted that the market values of all three sub funds had increased during the last quarter. WPP Global Growth Fund increased from £1,961,972,648 to £2,373,367,154, WPP Global Opportunities Fund increased from £1,881,872,223 to £2,230,646,643 and the UK Opportunities Fund increased from £480,052,962 to £545,585,824. From inception to date, Global Growth and Global Opportunities had outperformed their benchmarks by 0.42% (gross) / (underperformed by 0.01) (net), and 0.93% (gross) / 0.57% (net). UK Opportunities had underperformed their benchmarks by 1.11% (gross) / 1.39% (net).

In response to a query on target weights, the JGC was advised that these were the weights that had been agreed when the funds had been launched and they could be rebalanced subject to further discussions and agreement from the OWG and JGC.



RESOLVED that the performance reports for the WPP Global Growth Fund, the Global Opportunities Fund and the UK Opportunities Fund as at 30 June 2020 be received.

7. EXCLUSION OF THE PUBLIC

RESOLVED, pursuant to the Local Government Act 1972, as amended by the Local Government (Access to Information) (Variation) (Wales) Order 2007, that the public be excluded from the meeting during consideration of the following item as the reports contained exempt information as defined in paragraph 14 of Part 4 of Schedule 12A to the Act.

8. STOCK LENDING REPORT AS AT 30 JUNE 2020

Following the application of the public interest test it was **RESOLVED**, pursuant to the Act referred to in Minute 7 above, to consider this matter in private, with the public excluded from the meeting, as disclosure would be likely to cause financial harm to the WPP by prejudicing negotiations.

The JGC considered a report on the Stock Lending review as at 30 June 2020.

RESOLVED that the Stock Lending report as at 30 June 2020 be noted.

CHAIR

DATE

