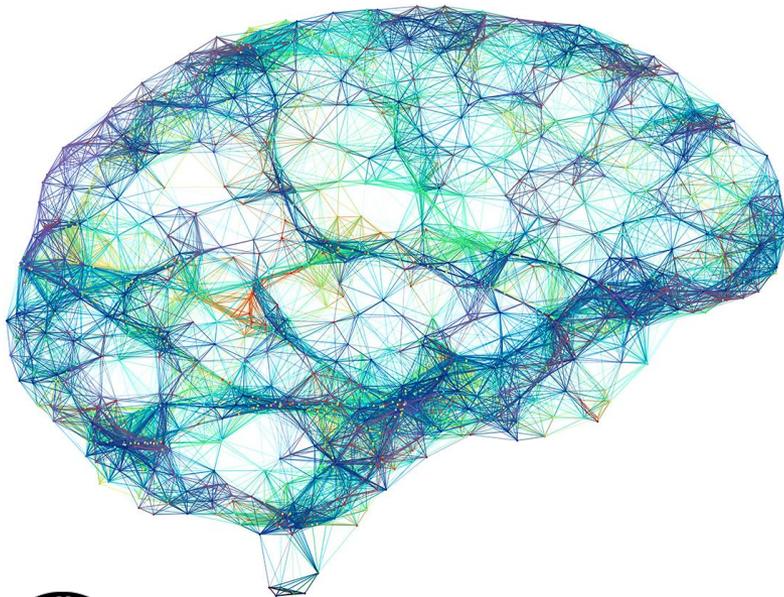


Clwyd Pension Fund Committee

Review & Outlook

Q4 2021



Eamonn Gough

Senior Relationship Manager,
Link Fund Solutions, Link Group

Will Pearce, ASIP

Senior Portfolio Manager

Aidan Quinn, CFA

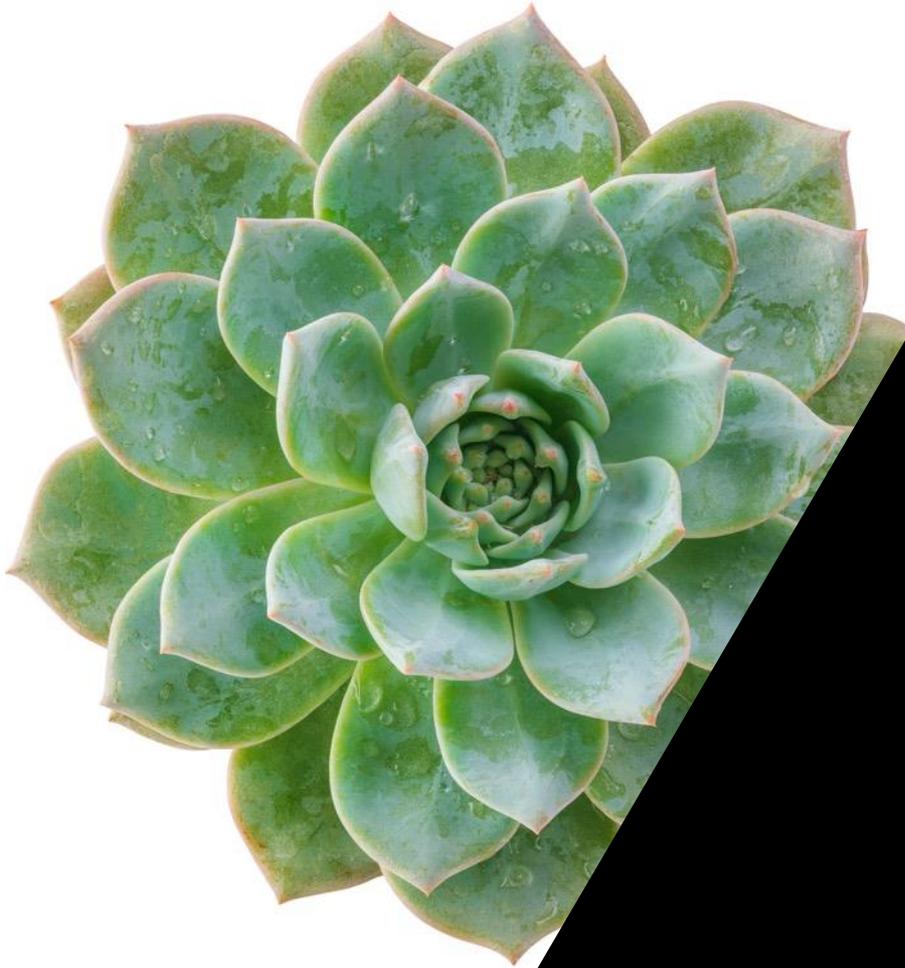
Associate Director,
UK Institutional

Agenda



Link Fund Solutions Introduction	3
Global Opportunities Equity Fund	8
Responsible Investing	16
NEW - Emerging Market Opportunities Equity Fund	22
Sustainable Active	26
Multi Asset Credit	28
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Link Fund Solutions Update



Operator Services – Link Fund Solutions' experience



£91bn
AUM



200
Funds



70+
Investment Manager
relationships



All classes
Of authorised funds supported
(QIS / UCITS / ACS / NURS / PAIF)



Operator Services



Sponsor

Investment Managers &
Russell Investments

EVERSHEDS
SUTHERLAND

Legal & Tax

LINKGroup

Operator



NORTHERN
TRUST

Depository*

Custodian

Securities Lending



NORTHERN
TRUST

Fund Administration

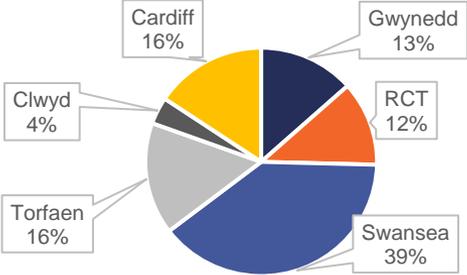
Performance reporting

Transfer Agent

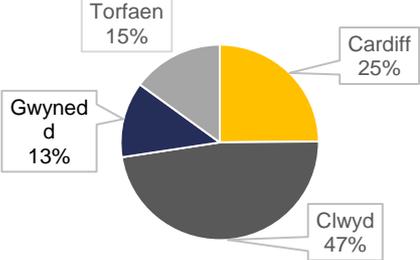
*Note: Depository function within a Co-Ownership ACS has a regulatory responsibility as an independent third party responsible for the safekeeping of assets within the ACS.

December 2021 Fund Snapshot - Clwyd

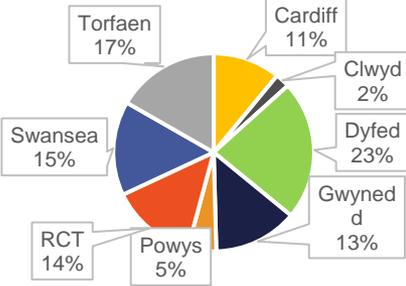
Global Opportunities



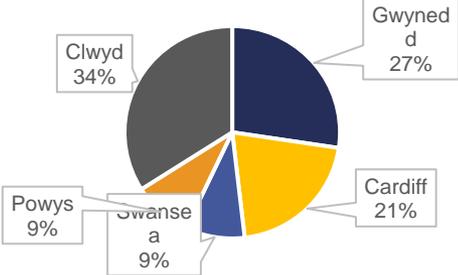
Emerging Markets



Passive*



Multi Asset Credit



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

* Assets with BlackRock

December 2021 LF Wales PP Fund AUM- Clwyd

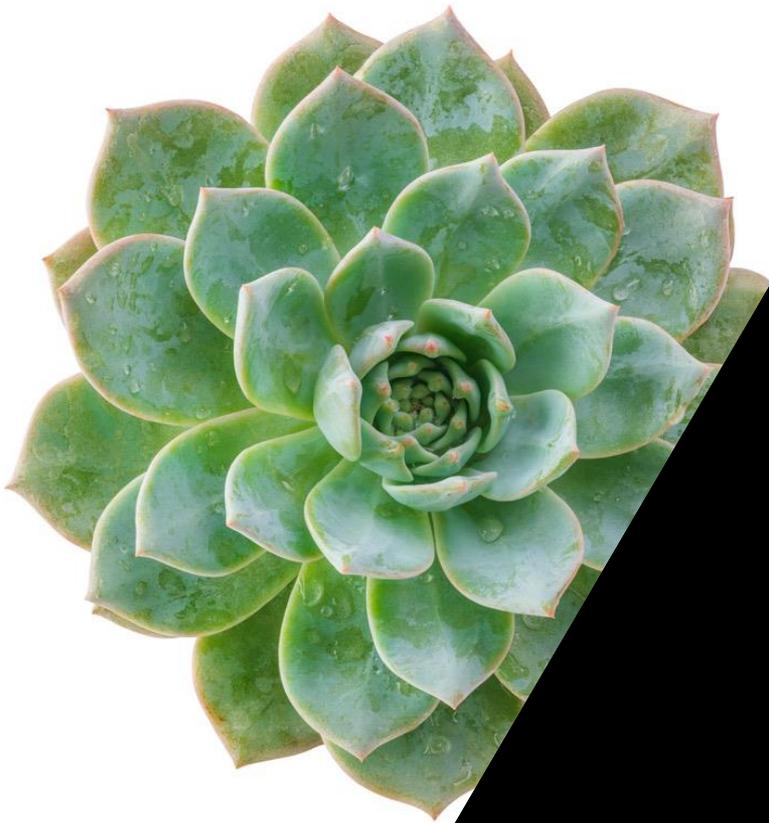
Fund	WPP AUM	Inception date	Clwyd AUM	Invested amount**	Income reinvested
Global Opportunities	£3,434,745,846	14 th Feb 2019	£131,552,143	£83,614,461	£4,452,717
Emerging Markets	£489,091,444	20 th Oct 2021	£232,422,386	£240,000,000	£0
Multi Asset Credit	£751,351,587	12 th Aug 2020	£255,607,961	£238,941,588	£6,087,621
Total Passive Investments*	£5,812,464,076		£136,131,234		
Total	£10,487,652,953		£755,713,724		

Note: All AUM as at 31st December 2021

* Assets with BlackRock

** Excluding dilution levy

Fund Review – Global Opportunities Equity Fund



Combining the strengths of global and regional strategies

Equity portfolio management.

Multi-strategy portfolios combine both **Global and Regional** strategies and are “optimised” at the total level.



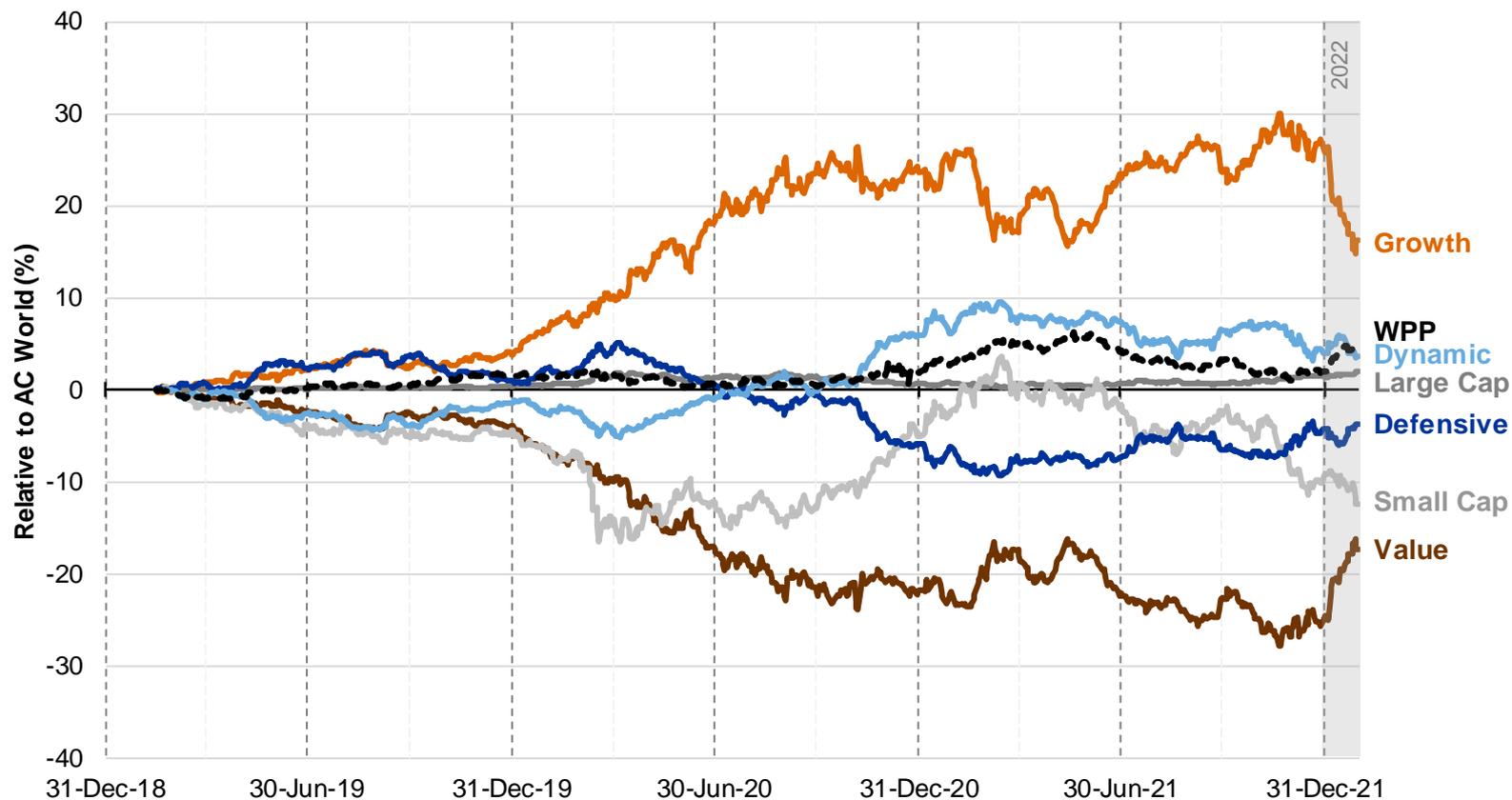
Global managers generate value through cross regional trade-offs amongst **large-cap sectors and stocks**.



Regional managers operate in less efficient **mid/small cap** space and better capture local drivers

Market Performance - ITD

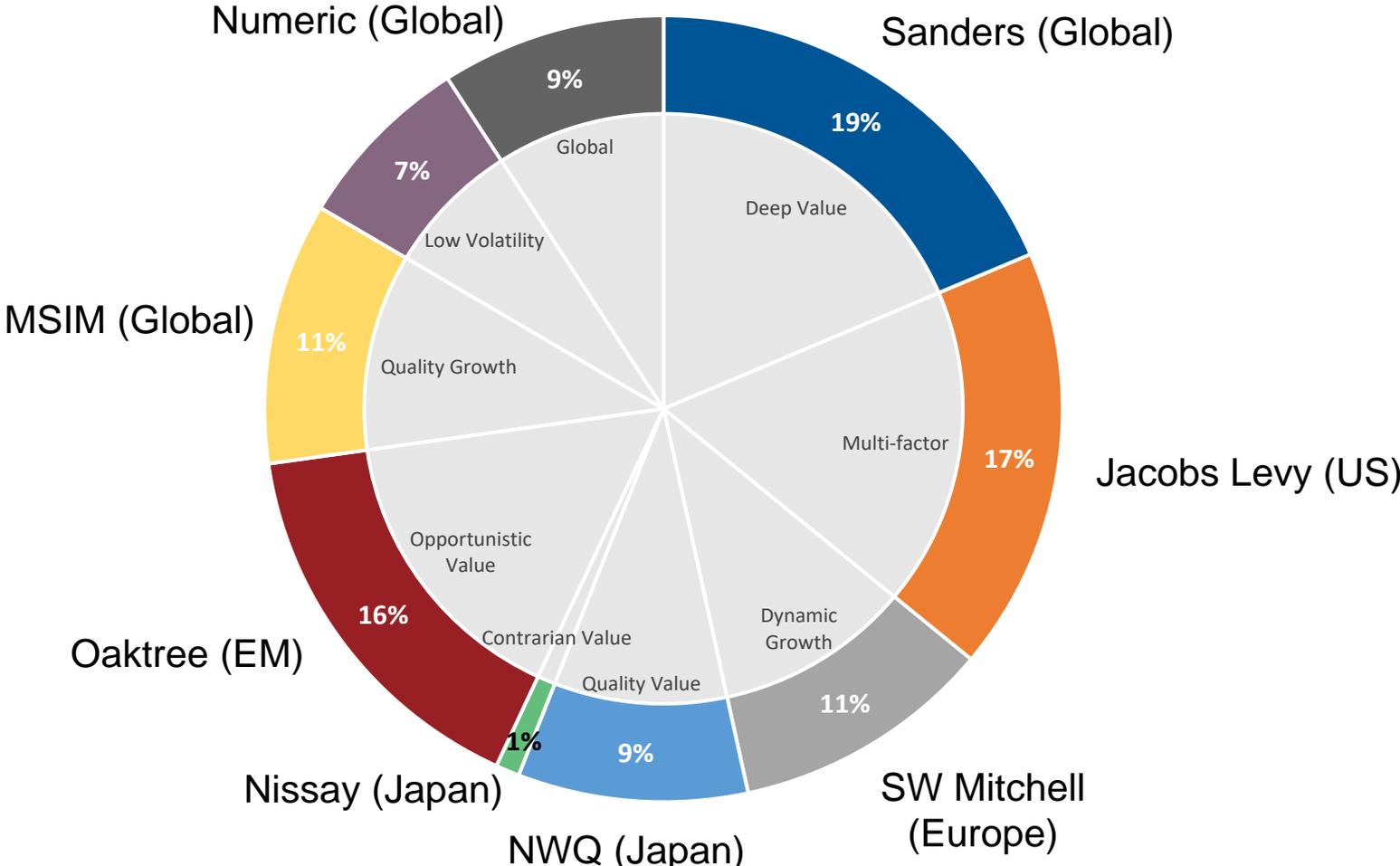
Relative



Source: Bloomberg, FactSet, SSC, Russell Investments as of 27 January 2022.

Notes: Arithmetic excess return, Wales portfolio vs MSCI ACWI NR GBP. 2022 performance is provisional. Style relative performance vs MSCI ACWI, TR, Gross in GBP.

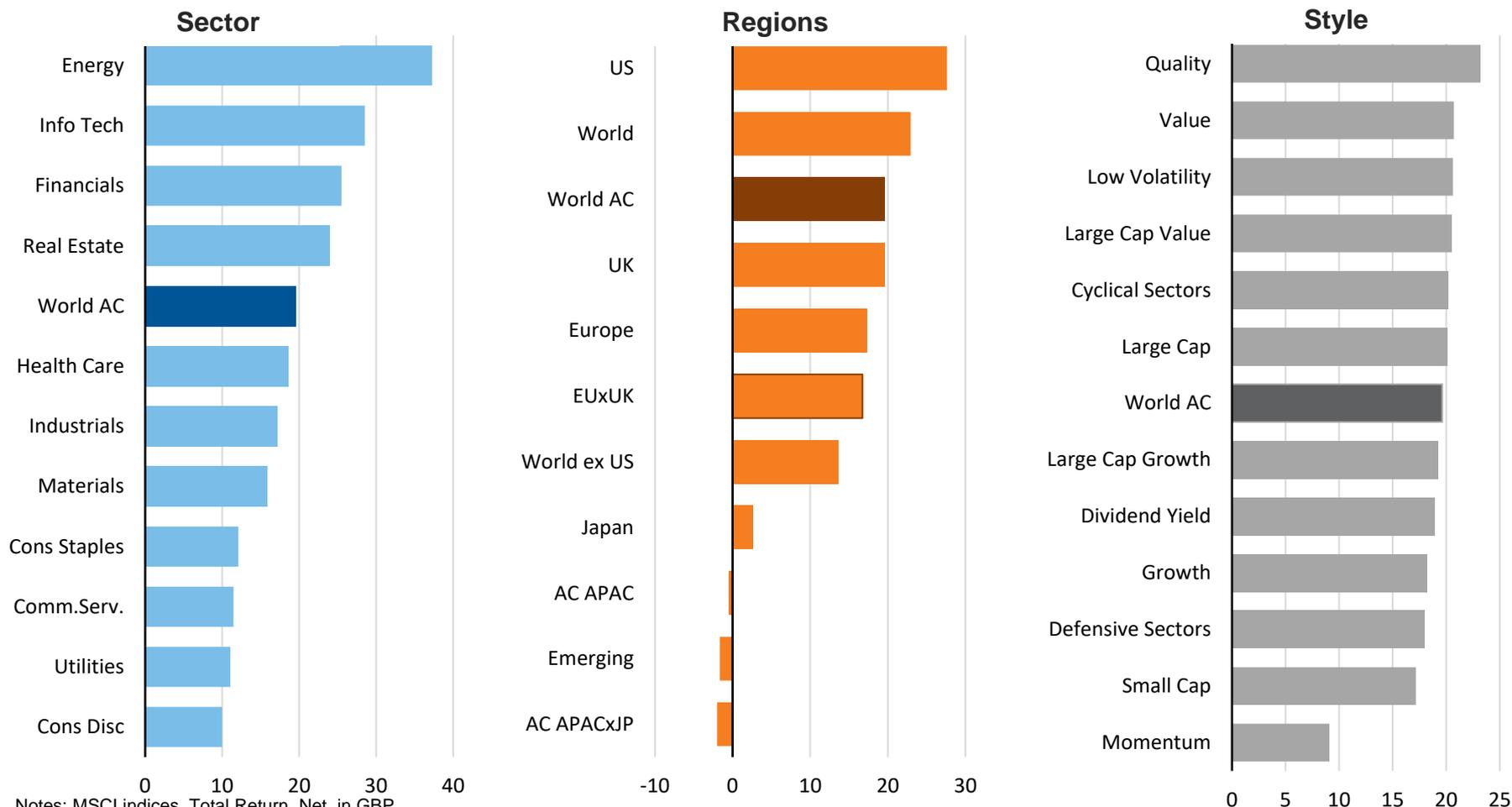
Global Opportunities Equity Fund



Due to rounding, numbers presented may not add up precisely to the totals provided

Market Performance

2021



Notes: MSCI indices, Total Return, Net, in GBP.

Cyclical sectors contain: Consumer Discretionary, Financials, Real Estate, Industrials, Information Technology, Materials, Communication Services

Defensive sectors contain: Consumer Staples, Energy, Healthcare, Utilities. Any past performance is not necessarily a guide to future performance.

Source: MSCI and FactSet as of 31 December 2021.

Performance review

CY 2021 and YTD 2022

31-Dec-21	Q4 Return	1 YR Return	2 YR (AR) Return	ITD (AR) Return
LF Wales PP Global Opportunities Equity Fund (GROSS)	5.2	19.4	16.2	16.1
LF Wales PP Global Opportunities Equity Fund (NET)	5.2	19.1	15.8	15.7
MSCI AC World Index Net	6.2	19.6	16.1	15.5
Excess Returns (GROSS)	-1.0	-0.2	0.1	0.6

28-Jan-22	QTD Return	1 YR Return	2 YR (AR) Return	ITD (AR) Return
LF Wales PP Global Opportunities Equity Fund (GROSS)	-4.0	12.9	12.4	14.0
MSCI AC World Index Net	-5.6	11.8	11.4	12.8
Excess Returns (GROSS)	1.6	1.0	1.0	1.2

Source: Russell Investments as at 31 December 2021 and 28 January 2022.

Notes: Inception: COB 14 February 2019. Since Inception and 2 year Performance is Annualised.

Any past performance is not necessarily a guide to future performance.

Excess return target: 2% in excess of the Fund benchmark (gross of fees) over the longer term.

Performance

As of 28 January 2022

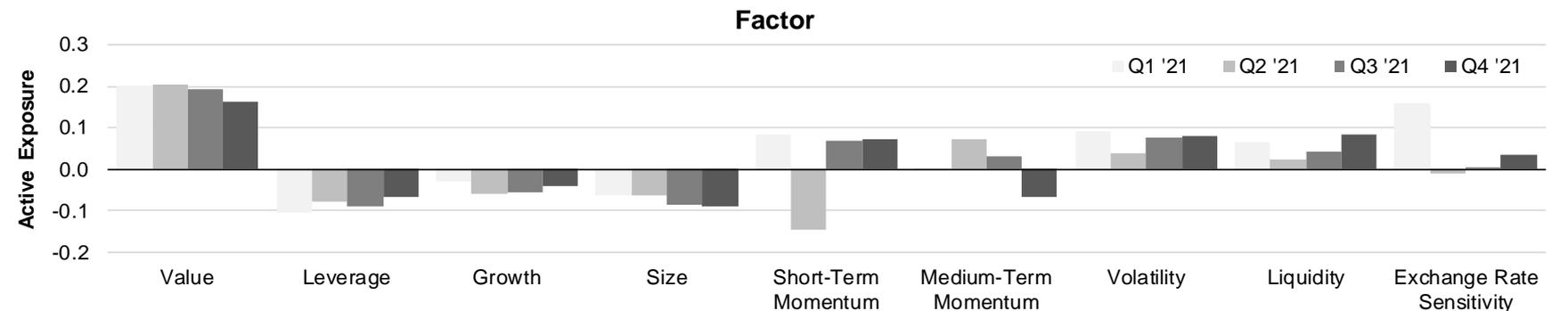
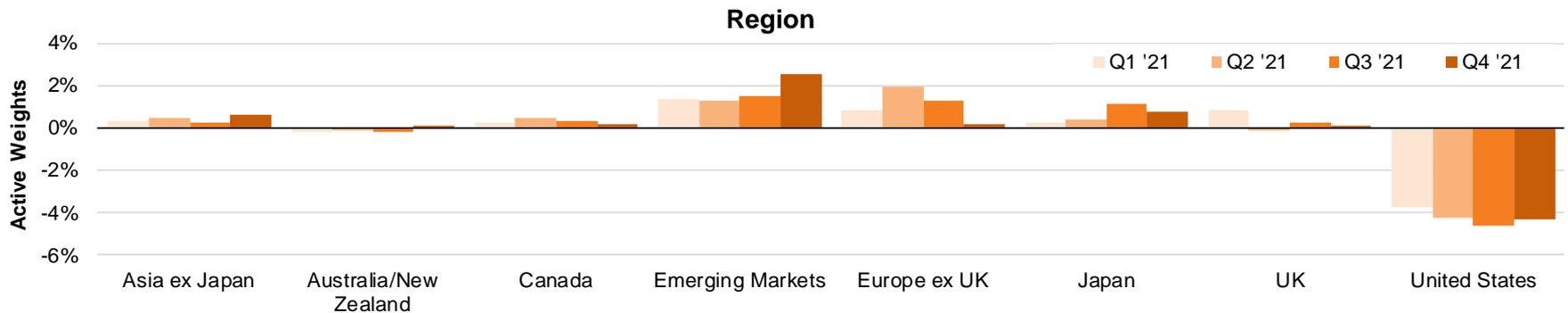
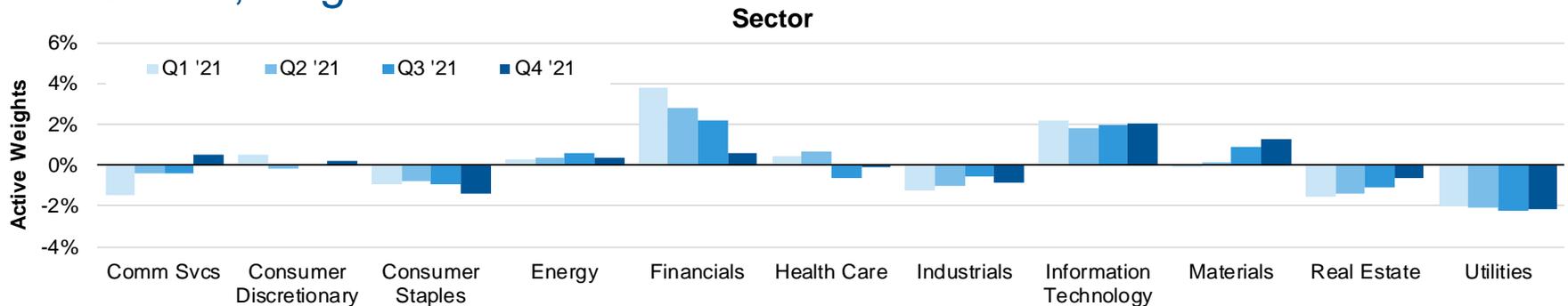
28-Jan-22	Benchmark	Actual Allocation	ITD (AR) Return	ITD (AR) Index	ITD (AR) Excess	Inception Date	Current Day Value at end 28-January-2022
Numeric Low Vol	MSCI World Net	8.50%	6.4	13.9	-7.4	14-Feb-19	280.2mm
Numeric Core	MSCI World Net	8.60%	20.5	17.9	2.6	22-Oct-20	282.6mm
Morgan Stanley	MSCI AC World Index Net	9.30%	16.2	12.8	3.3	14-Feb-19	305.9mm
Sanders	MSCI AC World Index Net	18.00%	18.9	12.8	6.1	14-Feb-19	593.3mm
Jacobs Levy	Russell 1000 Index Net 30%	15.20%	20.2	16.8	3.4	14-Feb-19	501.7mm
NWQ	Topix Net	5.20%	1.2	4.9	-3.7	14-Feb-19	170.1mm
Nissay	Topix Net	4.70%	-6.1	-8.5	2.4	09-Dec-21	155.8mm
SW Mitchell	MSCI Europe Net	10.20%	15.1	8.8	6.3	14-Feb-19	337.2mm
Oaktree	MSCI Emerging Markets Net	15.60%	7.2	5.4	1.8	14-Feb-19	513.3mm
Total	MSCI AC World Index Net	100.00%	14	12.8	1.2	14-Feb-19	3,296.1mm

Source: SS&C and FactSet, Russell Investments performance team estimates as at 31 December 2021

Note: Performance is gross of fees in GBP. Since inception is annualised and calculated from COB 14th February 2019. Model manager performance might not be the same as live fund performance.

Portfolio positioning

Sector, Region and Factors



Responsible Investing



Our global commitment to responsible investing

Key Statistics

7 Years of ESG integration	37 Global ESG specialists ¹	\$49 billion* Global assets in ESG approach	85 Years in business	ESG Score for all recommended products	Stewardship codes Global application of and commitment to the UK and Japan Stewardship Codes
Since 2009 UN-PRI signatory	A / A+ By the UNPRI annual assessment ²	94,598 Proxy votes made at 9,547 meetings in 2020 ³	Proprietary investment tools and frameworks	52 years in institutional investment consulting / manager research	10,810 Votes against management ³

Signatory of:



¹ Includes proxy voting and engagement committee, as at December 2021

² Russell Investments received an A or A+ rating across all categories evaluated in 2020. Russell Investments' Full 2020 PRI Assessment and Transparency Report as well as the PRI methodology can be found at <https://russellinvestments.com/uk/corporate-responsibility/responsible-investing>.

³ Russell Investments' 2020 Proxy and Engagement Report.

Source: Russell Investments as at 31 August 2021. *Global assets in ESG approach as at 30 June 2021. ESG risk exposures or rankings are not exclusive to ESG products and do not imply any ESG characteristics or criteria within the products covered in the communication'

Firm-wide holistic ESG integration

We integrate ESG into our practices and processes



How ESG is integrated at Russell Investments

Source: Russell Investments, for illustrative purposes only.

Net-zero carbon emissions goal

NET ZERO BY
2050



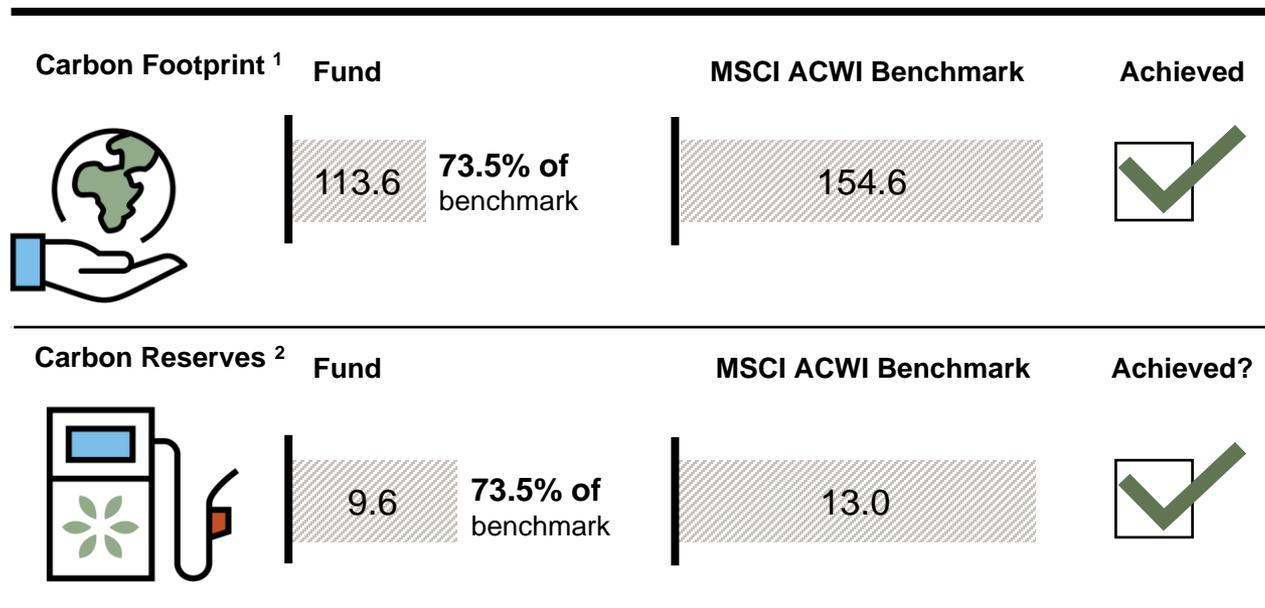
2050 net-zero carbon emissions for its investment portfolios globally

Member of the Net Zero Asset Managers Initiative

2030 carbon neutral for global business operations

Source: Russell Investments, as at 21 April 2021

EPI & Decarbonisation Summary



¹ We define relative carbon footprint as Scope 1 (direct) carbon emissions plus Scope 2 (electricity consumption) carbon emissions measured in metric tons of carbon dioxide equivalent (CO₂-e), divided by company revenue (USD).

² We refer to relative carbon reserves as the asset relative fossil fuel reserves of a company. Specifically it is defined as: Fossil fuel reserves (m tonnes) divided by total company assets (USD).

Calculation Notes

- Scores are calculated for the EPI part of the fund only. It does not include the futures or liquidity reserve.
- Scores are weighted average score divided by coverage for carbon footprint for both the fund and benchmark.
- The carbon footprint score is below the 75% target as we always aim for a little more than the limit to give a buffer on the score between rebalances.

Implementing Decarb for the WPP funds

Without compromising the underlying investment engine

DECARBONISATION



↓ ≥ 25% LOWER
CARBON
FOOTPRINT
RELATIVE TO THE
BENCHMARK



↓ ≥ 25% LOWER
FOSSIL FUEL
RESERVES
RELATIVE
TO THE
BENCHMARK



TARGETED
EXCLUSIONS OF
COAL REVENUES
GENERATING
COMPANIES

- The three approaches above are used on the Emerging Market and Global Opportunities Portfolios with an aim to maintain a low tracking error versus the managers
- Meaning both funds will help you achieve your decarbonisation goals while balancing manager alpha to still deliver you consistent positive returns

Fund Review – Emerging Market Equity Fund



WPP Emerging Market Equity Sub-fund

Aim: Deliver **stable excess returns**, offer access to a range of complementary specialist managers.



ENSURING LOW CORRELATIONS WITH GLOBAL OPPORTUNITIES

Providing deeper access to mid- and smaller capitalisation stocks compared to global opportunities



ADOPTION OF A CHINA SPECIALIST

China has an increasing weight in the EM index and is a broad market suitable for active management



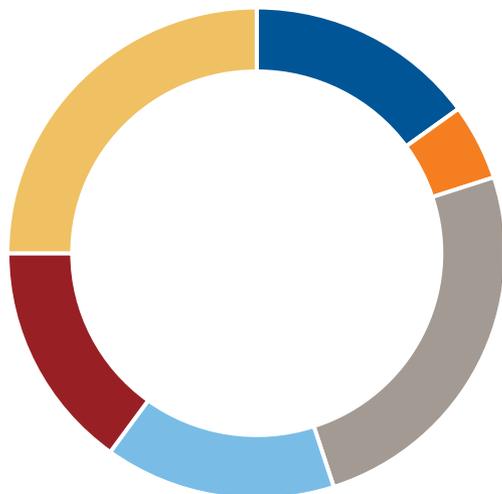
IMPLEMENTING VIA EPI & DECARBONISATION

Utilising EPI framework:

- Trading efficiencies
- Manager access at competitive fees and below typical account size thresholds
- De-carbonisation from launch

Manager Line Up

6 high conviction manager strategies

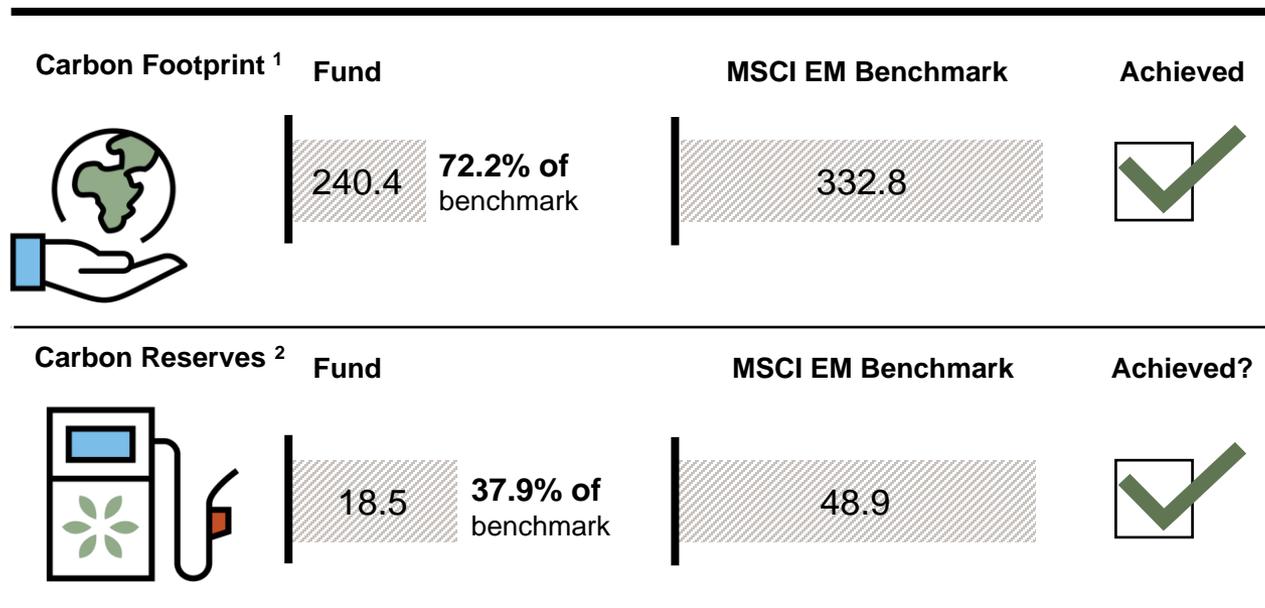


Managers	Investment Focus	%
Artisan	Growth With a Mid-Cap tilt	12%
Bin Yuan	China Specialist	5%
Barrow Hanley	Relative Value Mid Cap Tilt	22%
Axiom	Earning Momentum	23%
Numeric	Systematic Value and Momentum	16%
Oaktree	Pragmatic Value	22%

31-Dec-2021	MTD	Since Inception
LF Wales PP Emerging Markets Equity Fund (GROSS)	0.03	-1.05
MSCI Emerging Markets Index Net	-0.49	-1.10
Excess Returns (GROSS)	0.52	0.05

Source: Russell Investments as at 31 December 2021. Notes: Inception: COB 29 October 2021. Excess return target: 2% in excess of the Fund benchmark (gross of fees) over the longer term. Fund returns are sourced from SS&C, index returns from Confluence. All returns are stated in GBP. Any past performance is not necessarily a guide to future performance.

EPI & Decarbonisation Summary



¹ We define relative carbon footprint as Scope 1 (direct) carbon emissions plus Scope 2 (electricity consumption) carbon emissions measured in metric tons of carbon dioxide equivalent (CO₂-e), divided by company revenue (USD).

² We refer to relative carbon reserves as the asset relative fossil fuel reserves of a company. Specifically it is defined as: Fossil fuel reserves (m tonnes) divided by total company assets (USD).

Calculation Notes

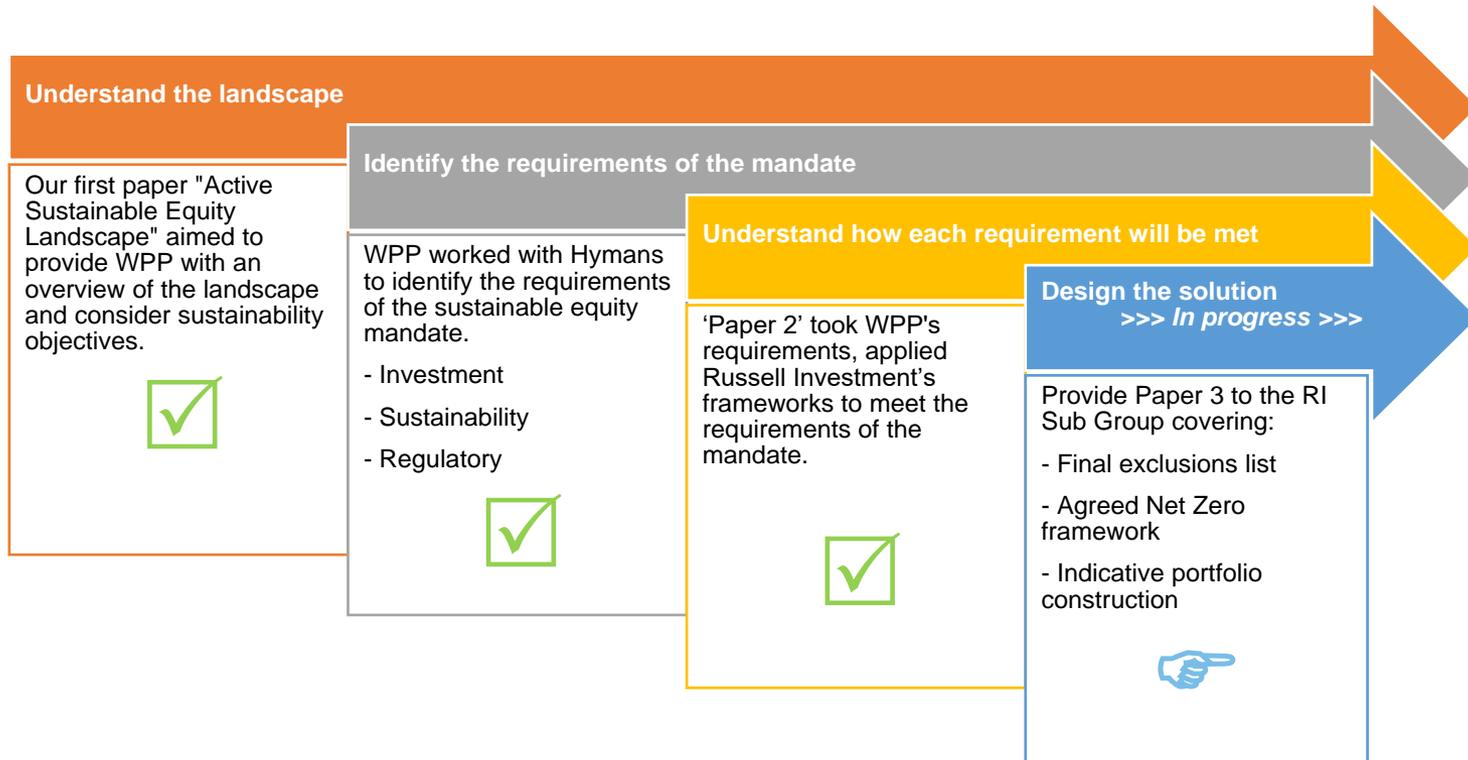
- Scores are calculated for the EPI part of the fund only. It does not include the futures or liquidity reserve.
- Scores are weighted average score divided by coverage for carbon footprint for both the fund and benchmark.
- The carbon footprint score is below the 75% target as we always aim for a little more than the limit to give a buffer on the score between rebalances.

Sustainable Active



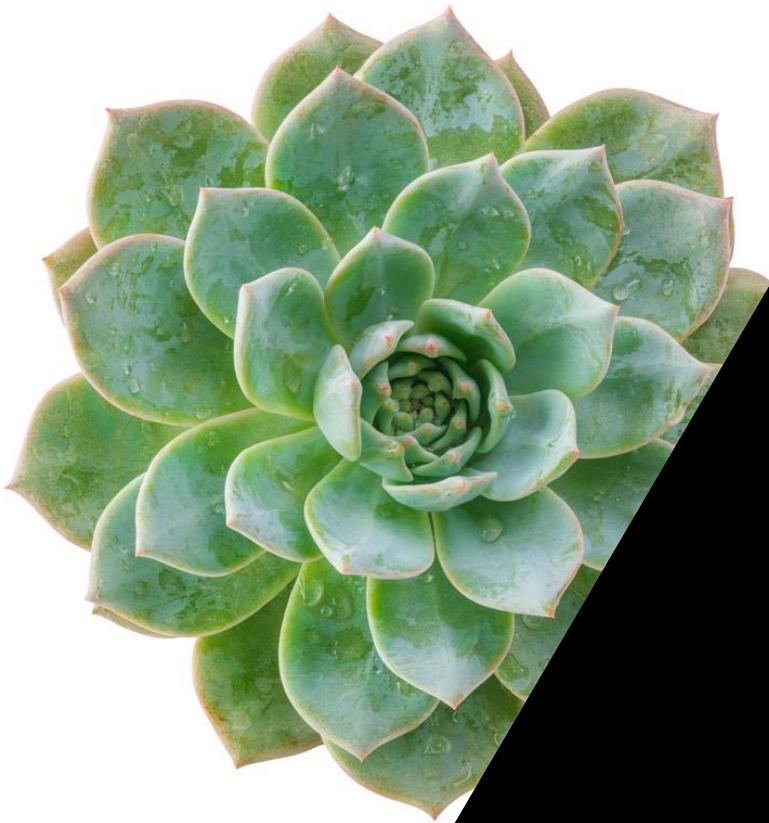
Summary

Sub-fund construction: Progress to date

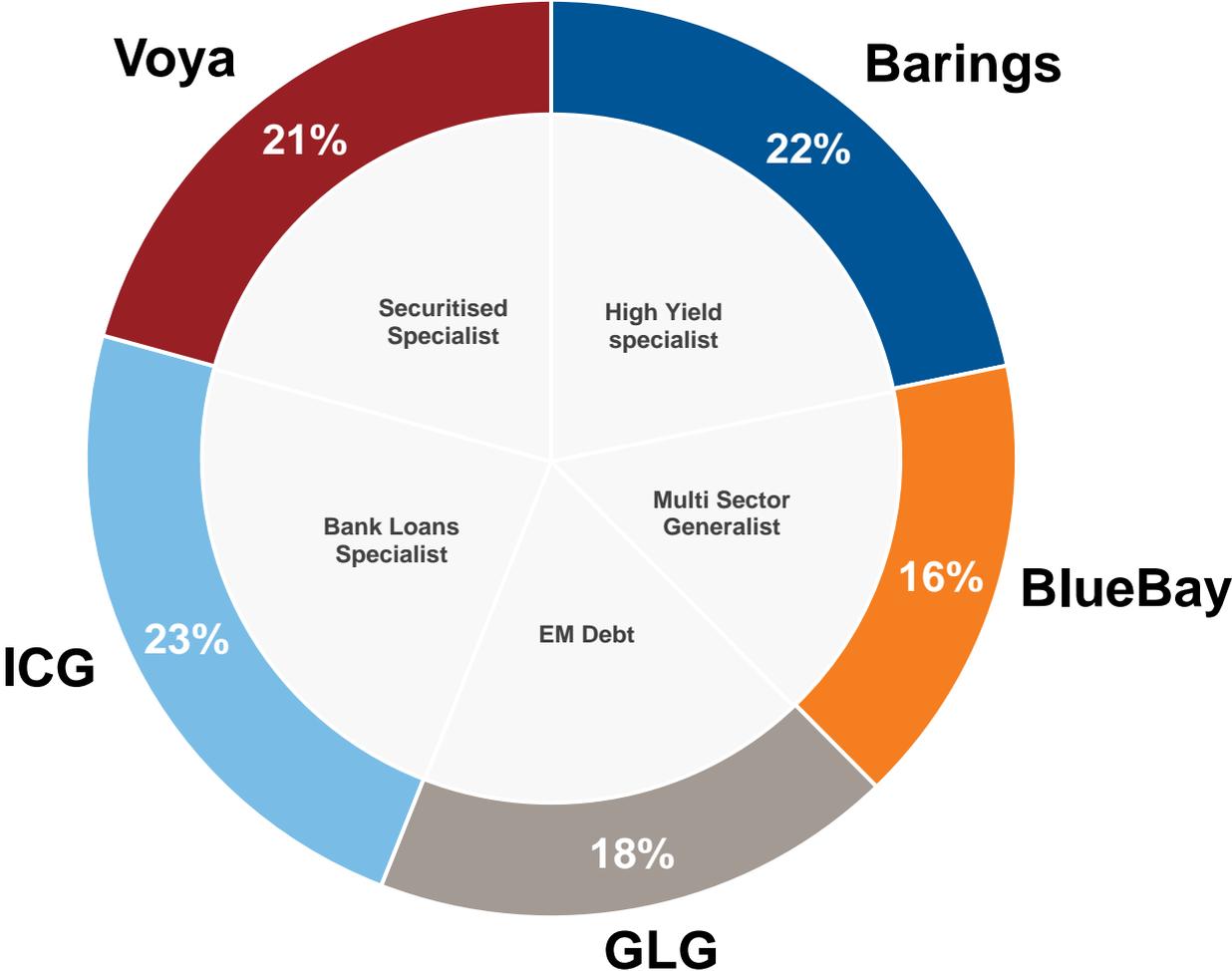


Source: Russell Investments for illustrative purposes only

Fund Review – Multi Asset Credit Fund



Multi Asset Credit Fund (MAC)



Fund Summary

The Multi Asset Credit Fund is made up of one generalist and is complemented by four specialist managers that deliver value-add through security selection, resulting in more consistent expected risk-adjusted returns. The Fund captures various credit risk premia by investing in a wide range of credit instruments, including bank loans, high yield corporates, emerging market debt and asset/mortgage backed securities.

Multi Asset Credit Fund

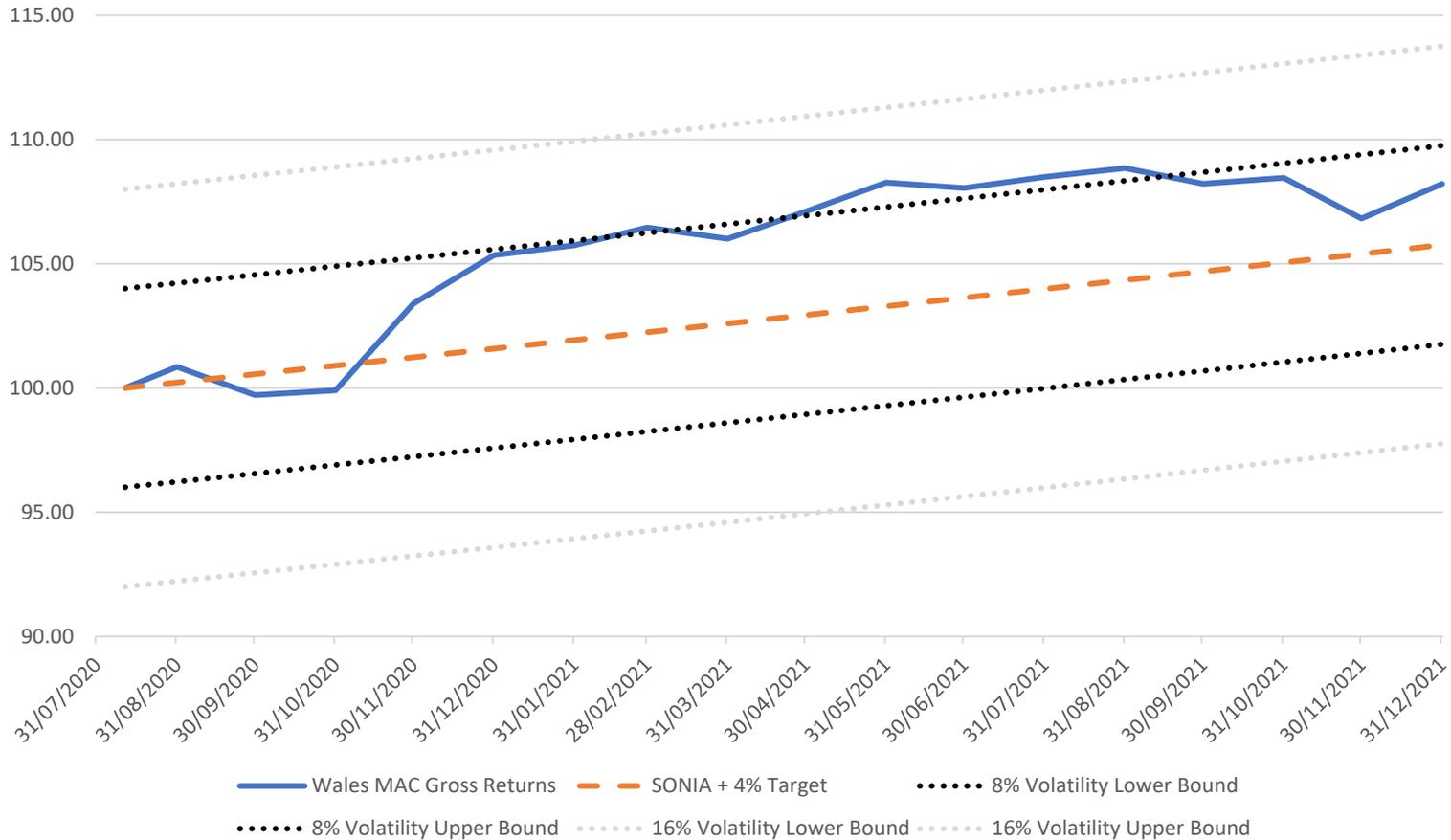
Performance Review

Fund	Q4 2021	1 Year	Since Inception
LF WPP Multi Asset Credit Fund (Gross)	-0.01	2.72	5.85
LF WPP Multi Asset Credit Fund (Net)	-0.10	2.35	5.47
GBP SONIA plus 4%	1.03	4.11	4.11

Return target: GBP SONIA plus 4% (net of fees) over the longer term.

Multi Asset Credit Fund

Performance Through Time



Multi Asset Credit Fund

Performance Review

Manager	Benchmark	Allocation	ITD Return	ITD Index	ITD Excess	Inception Date
BlueBay	Libor 3M USD RATE	16%	6.13	0.18	5.95	19-Aug-20
Barings	Bloomberg Barclays Global High-Yield Bond Index	22%	8.06	5.25	2.82	19-Aug-20
Voya	Libor 3M USD RATE	21%	4.18	0.18	4.00	19-Aug-20
GLG	JPM EMBI Global	18%	-0.26	0.73	-0.99	19-Aug-20
ICG	Libor 3M USD RATE	23%	12.66	0.18	12.48	19-Aug-20

Market Outlook



Russell Investments' global market outlook

The Great Moderation

▪ Cycle outlook remains positive

- Moderation in growth, inflation and investment returns
- Cycle is positive for global equities, above trend growth likely in 2022
- Growth leadership to rotate away from the United States
- Bond yields can rise further, but are close to fair value
- Fed to tighten by less than market expectations

▪ Sentiment is neutral

- Omicron has created caution

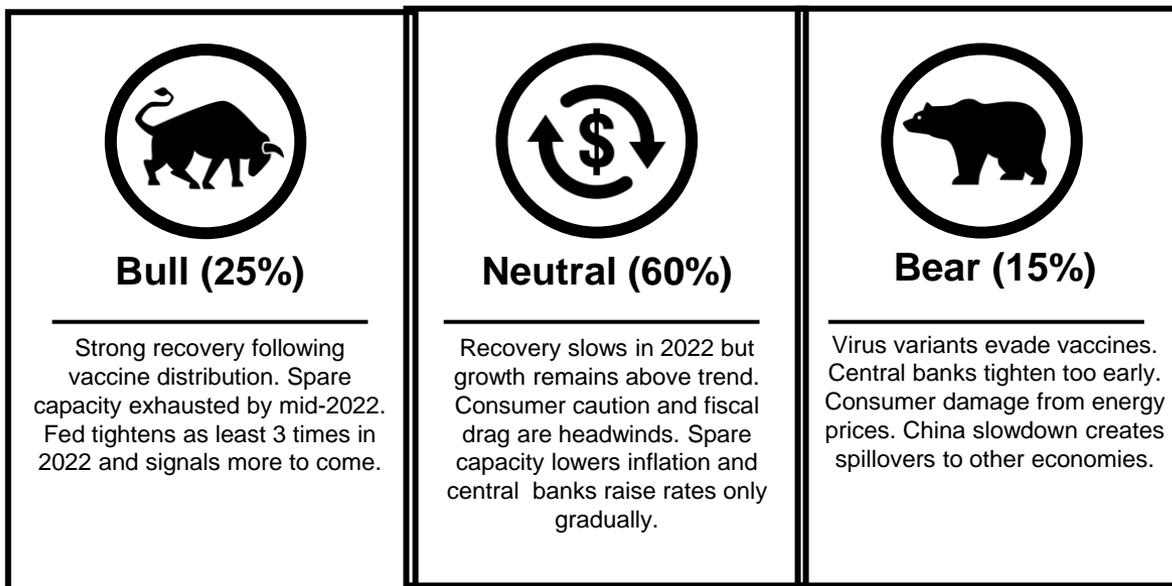
▪ Key risks

- Omicron
- China slowdown
- Inflation remains high
- Central bank mistakes

Source: Russell Investments. January 2022.

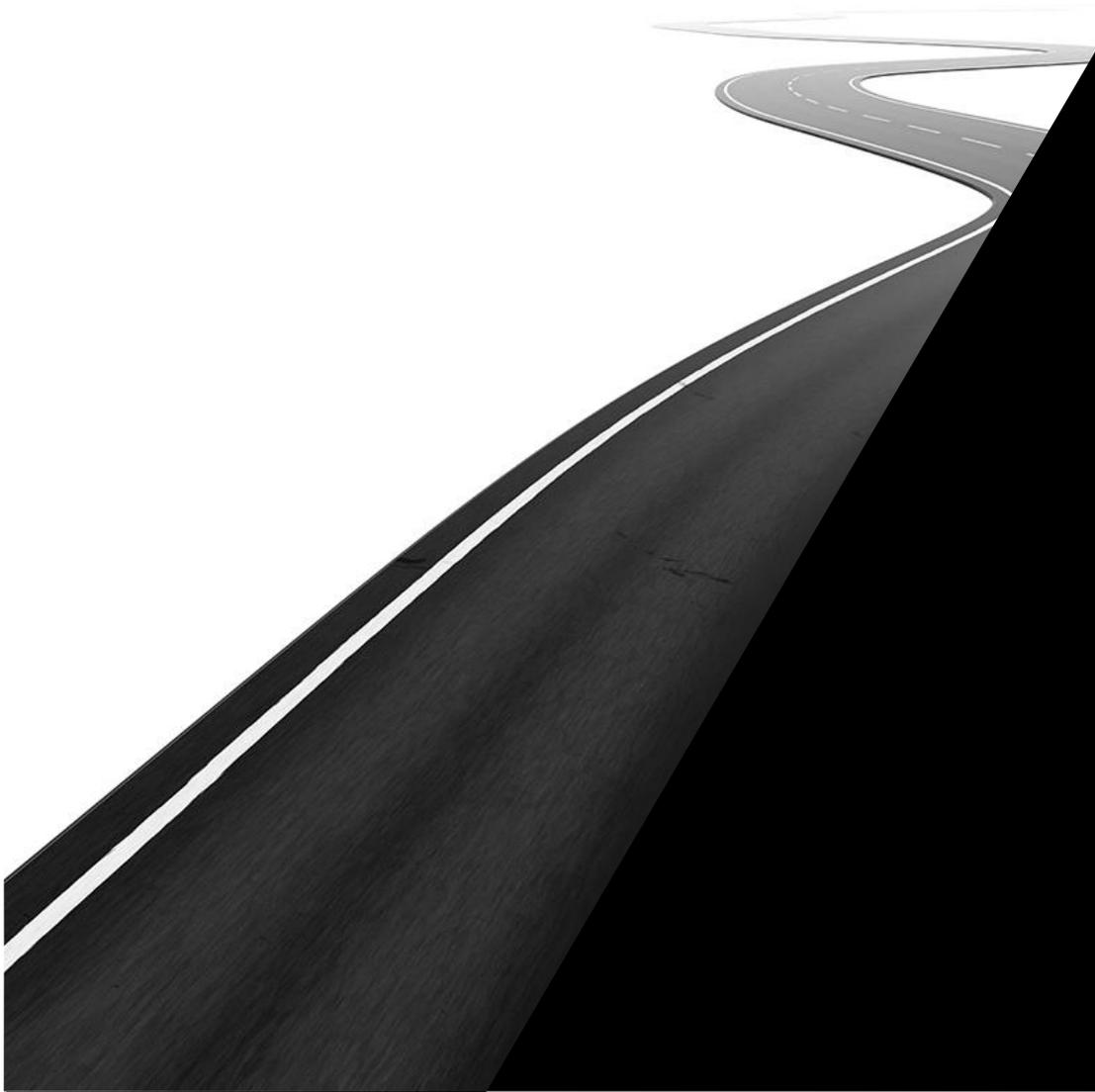
Economic Scenarios

Recession risk is lower than normal, resulting in a positive skew to the outlook



Source: Russell Investments. January 2022.

Appendix



Performance

As of 31 December 2021

31-Dec-21	Benchmark	Actual Allocation	ITD (AR) Return	ITD (AR) Index	ITD (AR) Excess	Inception Date	Value at end 31-Dec-2021
Numeric Low Vol	MSCI World Net	7.00%	7.5	16.8	-9.3	14-Feb-19	240.0mm
Numeric Core	MSCI World Net	8.70%	27.3	25.6	1.8	22-Oct-20	297.2mm
Morgan Stanley	MSCI AC World Index Net	10.20%	22.9	15.5	7.4	14-Feb-19	351.5mm
Sanders	MSCI AC World Index Net	17.70%	20.7	15.5	5.2	14-Feb-19	606.3mm
Jacobs Levy	Russell 1000 Index Net 30%	16.60%	22.3	20.1	2.2	14-Feb-19	568.5mm
NWQ	Topix Net	8.90%	1.8	6.9	-5.1	14-Feb-19	304.1mm
Nissay	Topix Net	0.90%	-5	-3.8	-1.2	09-Dec-21	31.6mm
SW Mitchell	MSCI Europe Net	10.10%	16.6	10.9	5.7	14-Feb-19	346.1mm
Oaktree	MSCI Emerging Markets Net	15.10%	7.5	6.4	1.1	14-Feb-19	517.8mm
Total Gross	MSCI AC World Index Net	100.00%	16.1	15.5	0.6	14-Feb-19	3,433.6mm
Total Net	MSCI AC World Index Net	100.00%	15.7	15.5	0.3	14-Feb-19	

Source: SS&C and FactSet, Russell Investments performance team estimates as at 31 December 2021

Note: Performance is gross of fees in GBP. Since inception is annualised and calculated from COB 14th February 2019. Model manager performance might not be the same as live fund performance.

Important information and disclosures

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The value of investments and the income from them can fall as well as rise and is not guaranteed. You may not get back the amount originally invested.

Any past performance figures are not necessarily a guide to future performance. Some investments/bonds may not be liquid and therefore may not be sold instantly. If these investments must be sold on short notice, you might suffer a loss.

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