

Roles and Responsibilities

Constituent Authorities / Individual Funds

In addition to managing its own liabilities, setting its own employer contributions and administering its pensions:

- Investment strategy decisions
 - Strategic asset allocation
 - ISS/FSS
 - Investment beliefs
 - Delegation of investment manager decisions to the Pool
- Monitoring/reporting
 - Monitoring investment performance of own portfolio
 - Challenge pool if investment managers are underperforming
- Governance
 - Holding pool to account (e.g. if not happy with sub-fund performance, request review)
 - Providing representation on the JGC and OWG
- Operational/BAU
 - Timing of own transitions (initial and ongoing) and switches between sub-funds
 - Custody for non-pooled assets
 - Instructions to invest, redeem, switch in or between the pool sub-funds
- Policies*
 - Rebalancing policy
 - Responsible investment
 - Voting policy
 - Stock lending – what is in/out – existing/future
 - Policy/rules for investment in infrastructure
 - Currency overlay strategy

* WPP will consider the extent to which some policies or guidance should apply at pool level in order to avoid, where possible, the creation of additional sub-funds to accommodate different policies.

Joint Governance Committee Responsibilities

- Governance
 - Conform with IAA (joiners/leavers/cost allocation)
 - Hold Officer Working Group (OWG) to account
 - Oversight of all assets under pool governance (including passive investments)
 - Strategic planning, resourcing plan, business plan and budget for WPP
- Operator relationship
 - Agree specification for Operator and oversee procurement
 - Recommendation on 3rd party Operator to Constituent Authorities
 - Monitor performance of Operator
 - Recommend termination of the Operator, extension or new supplier to Constituent Authorities at end of contract
 - Input to consultation by the Operator on matters such as reviews of Investment Managers and asset transition plans
 - Agree any changes to the Operator Agreement, SLAs or agreed practices, procedures and protocols (“change control”)
- Decisions at pool level
 - Instruct Operator on initial sub-fund and mandate requirements
 - Instruct Operator to establish additional sub-Funds or terminate existing ones
 - Instruct Operator on requirement for any non-ACS pooling vehicles
 - Approve high level transition plan proposed by Operator
 - Decisions on how to access infrastructure
 - Agreeing any common policies (e.g. stock lending/voting)
 - Decide other advisors and suppliers to the WPP
- Communications e.g. government and civil servants, press, etc
- Value for money

Host Authority & Client Side Team

- Secretariat to Joint Committee
- Lead on procurement for pool services (e.g. advisers, etc.)
- Client side team for:
 - Operator contract management
 - Monitoring performance of Operator against SLAs and KPIs
 - Day to day liaison with the Operator and its provider of establishment, consultative and non-consultative services, especially on matters affecting all funds / investors in the pool
 - Liaison with other advisers
 - Reporting Operator performance to the OWG and JGC
 - Executing and reporting progress on the Business Plan agreed with the JGC and OWG
 - Other analysis, support and reports for the OWG and JGC as required.
Examples:
 - options for accessing alternatives / illiquid assets including infrastructure
 - pool policies on ESG
 - implications of regulatory change and required action e.g. MiFID
 - options at end of Operator contract – extend, re-tender, build and own
 - Client side team will NOT be middle man for all instructions to the Operator from individual administering authorities (investors and clients of the Operator) e.g. payments into the pool's investment funds, redemptions, switch instructions can all go directly to the Operator

Operator (Link Fund Solutions) Responsibilities

Core responsibilities

- Establish and operate an ACS and sub-funds for the sole use of the WPP LGPS funds
- Obtain all necessary regulatory approvals
- Fund administration
- All regulated functions and reporting
- Appoint and contract with investment managers
- Select and procure asset servicers (transfer agent/ depository/ custodian/ accounting)
- Propose sub-fund structure
- Manager monitoring and review and manager searches and recommendations (working with investment advisors)
- Asset transition management
- Implementing individual fund rebalancing policy