

Investment Advisory Sub-Committee

Minutes - 9 December 2015

Attendance

Members of the Investment Advisory Sub-Committee

Cllr Peter Bilson
Cllr Jasbir Jaspal (Vice-Chair) (in the Chair)
Cllr Tersaim Singh

District Members

Cllr Mohammed Arif (Walsall MBC)
Cllr Damian Gannon (Coventry City Council)
Cllr Angela Sandison (Solihull MBC)

Trade Union observers

Malcolm Cantello (Unison)
Martin Clift (Unite)
Victor Silvester (Unite)
Ian Smith (Unite)

Employees

Mark Chaloner	Assistant Director, Investments
Geik Drever	Strategic Director - Pension Fund
Mark Taylor	Director of Finance, s151 Officer
Rachel Brothwood	Assistant Director, Actuarial and Pensions
Dereck Francis	Democratic Support Officer
Rachel Howe	Head of Governance
David Kane	Head of Finance

Part 1 – items open to the press and public

Item No. *Title*

- 1 Apologies for absence (if any)**
Apologies for absence were submitted on behalf of Cllr Ian Brookfield (City of Wolverhampton Council), Cllr Sandra Hevican (Sandwell Metropolitan Borough Council) and David Sparks (Dudley Metropolitan Borough Council).
- 2 Substitute members**
No notification of substitutes were received for the meeting.
- 3 Declarations of interest (if any)**
No declarations of interests were made

4 **Minutes of last meeting (23 September 2015)**

Resolved:

That the minutes of the meeting held on 23 September 2015 be approved as a correct record and signed by the Chair.

5 **Matters arising**

With reference to minute no. 6 (Trustee Training 2016), Geik Drever, Strategic Director of Pensions reported that Trustees should have received their training spreadsheets for completion. She asked if they had not already done so, that they respond to Jane Hazeldine on how many training hours they had completed. The data would then be reported to the next meeting.

The Strategic Director of Pensions also reported that a newly appointed Communications Officer would be pulling together information for circulation to Trustees on investment matters from the Financial Times and other publications. This was in response to the request from Cllr David Sparks.

6 **Exclusion of the press and public**

Resolved:

That in accordance with Section 100A(4) of the Local Government Act 1972, the press and public be excluded from the meeting for the following items of business as they involve the likely disclosure of exempt information falling within the paragraph 3 of Schedule 12A of the Act.

Part 2 - exempt items, closed to public and press

7 **Asset allocation and investment performance - quarter three 1 July to 30 September 2015**

Mark Chaloner, Assistant Director, Investments summarised the key elements of the quarterly asset allocation and investment monitoring report for the Fund.

The Assistant Director, Investments responded to the Sub Committee's questions on performance on emerging market equities and emerging market debt and on maximising returns on cash.

Resolved:

That the contents of the asset allocation and investment monitoring report for the quarter ended 30 September 2015 be noted.

8 **West Midlands Integrated Transport Authority Pension Fund asset allocation and investment monitoring report - quarter three - 1 July to 30 September 2015**

Mark Chaloner, Assistant Director, Investments summarised the key elements of the quarterly asset allocation and investment monitoring report for the West Midlands Integrated Transport Authority (WMITA) Pension Fund.

Cllr Mohammad Arif queried why the West Midlands Pension Fund and WMITA Pension Fund quarterly monitoring reports could not be merged. Geik Drever, Strategic Director of Pensions explained that the two Funds were separate entities and so separate reporting was required.

Resolved:

That the contents of the asset allocation and investment monitoring report for the quarter ended 30 September 2015 be noted.

9 **Economic and market update - December 2015**

Mark Chaloner, Assistant Director, Investments summarised the key elements of the review of the global economy and investment markets produced by the Fund's Investment Advisers Hymans, Robertson.

Resolved:

That the global economic and market update paper prepared by the Fund's adviser, Hymans Robertson be noted.

10 **The Markets in Financial Investments Directive**

Geik Drever, Strategic Director of Pensions outlined the salient points of the report on the Markets in Financial Investments Directive (MiFID) II, designed to improve investor protection, and the Directive's potential implications for West Midlands Pension Fund.

The Strategic Director of Pensions also responded to the Sub Committee's questions on whether the Directive applied to the Fund and on the likelihood of the Fund meeting the criteria to be reclassified as a professional client under the Directive.

Resolved:

That the coming implementation of MiFID II and its implications for the West Midlands Pension Fund be noted.

11 **Cleveland planning application update**

The Committee received an update on the planning application process for up to 1,000 homes on the Fund's agricultural land in Cleveland.

Geik Drever, Strategic Director of Pensions responded to the Sub-Committee's questions on the Fund's intentions regarding taking forward development of the land if planning approval is granted.

Resolved:

That the update report be noted.

12 **Direct property investment strategy**

The Sub Committee reviewed the Fund's direct property investment strategy for 2016. In doing so it received a presentation from Mike Daggett, James Clifton-Brown and Mick Rout of CBRE Global Investors; who managed the Fund's direct property portfolio.

Resolved:

That the Fund's direct property investment strategy for 2016 be noted.