

# MINUTES

meeting: INVESTMENT ADVISORY SUB-COMMITTEE

date: 19 JANUARY 2005

## PRESENT:-

Councillor Singh	-	Chair
Councillor Clarke	-	Birmingham City Council
Councillor Ridley	-	Coventry City Council
Councillor Kyles	-	Solihull Metropolitan Borough Council
Councillor Bilson and	-	Wolverhampton City Council
Councillor Mrs J M C Stevenson		

## UNION OBSERVERS

M Clift - TGWU

## EXTERNAL ADVISERS IN ATTENDANCE:-

J Fender	-	J Fender Consultancy
P Gale	-	Gartmore Investments Ltd
H Meaney	-	Healey and Baker
M B Reid	-	Mercer Investment Consulting

## OFFICERS IN ATTENDANCE:-

B Bailey	-	Director for Finance and Physical Resources
J Saunders	-	Finance and Physical Resources
B Summers	-	Finance and Physical Resources
S Stephens	-	Director for Law and Resources
J Rawlings	-	Democratic Support Officer

**Wolverhampton**  
City Council



**PART I OPEN ITEMS**

**Declarations of Interest**

10                    There were no declarations of interest.

**Minutes**

11                    Resolved:-  
                         That the minutes of the meeting held on 13 October 2004 be approved as a correct record.

**Bryan Summers, Chief Investment Officer - Retirement**

12                    The Director for Finance and Physical Resources thanked Bryan Summers, Chief Investment Officer, for his contribution to the work of the West Midlands Pension Fund. On behalf of the Committee, the Chair presented Mr Summers with a gift in recognition of his valued work over the years.

**Exclusion of Press and Public**

13                    Resolved:-  
                         That, in accordance with Section 100A(4) of the Local Government Act 1972, the press and public be excluded from consideration of the items of business in Part II of the Agenda on the grounds that, in view of the nature of the business to be transacted, or the nature of the proceedings, exempt information falling within paragraph 7 of Schedule 12A of the Act is likely to be disclosed.

**PART II - EXEMPT ITEMS**

**Investment Presentations**

                         David da Silva from Nomura Asset Management gave a presentation about Performance of the West Midlands Pensions Fund informing Members that Japan's exports and production were slowing down in line with the global slowdown. David da Silva explained the investment actions in the fourth quarter of 2004 which involved raising target exposures to the Electronics and Communications Sectors while reducing the Infrastructure and Consumption sector targets.

                         Representatives from Bank of Ireland Asset Management (BIAM), one of three active global equity managers, addressed the meeting, and explained that BIAM had recently experienced the loss of five asset managers (two senior) out of a team of 16, along with the Managing Director of BIAM (UK). However, BIAM had appointed two asset managers and a new Chief Executive and the objective was to have a full investment team in place by April 2005. BIAM proposed to continue their current investment style.

Following consideration by the Sub-Committee of the performance of BIAM it was

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Resolved:-

That the appointment of Bank of Ireland Asset Management as active global equity managers be terminated.

**Investment Strategy and Statement of Investment Principles (Appendix 3)**

The Director for Finance and Physical Resources presented a report to facilitate a review of the Statement of Investment Principles (SIP) following the 2004 Actuarial Valuation and approval of the Funding Strategy Statement.

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Resolved:-

That the Panel agree to:-

- (a) approve the new Statement of Investment Principles (SIP);
- (b) end the equity mandate with Deutsche Asset Management;
- (c) appoint a further Global Equity Manager;
- (d) terminate the position with Bank of Ireland and seek a replacement Manager;
- (e) explore the appointment of enhanced indexation managers for the US and Europe portfolio;
- (f) review the options for alternative investments at some future meeting.

**West Midlands Pension Fund Investment Management Activity from 1 September 2004 to 30 November 2004 (Appendix 4)**

The Director for Finance and Physical Resources presented a report giving details of investment activity from 1 September to 30 November 2004.

It was reported that the year on year all property total was +18.2% which represented a strong improvement on the reported figure of +16.6% at August 2004.

It was noted that the proposed purchase of an office development in St Peter Port, Guernsey, had not materialised.

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Resolved:-

That the report be received.