

MINUTES

meeting: INVESTMENT ADVISORY SUB-COMMITTEE

date: 16 JANUARY 2008

PRESENT:-

Councillor T H Turner (Chair)	-	Wolverhampton City Council
Councillor Bilson	-	Wolverhampton City Council
Councillor Docherty	-	Wolverhampton City Council
Councillor Pugh	-	Wolverhampton City Council
Councillor Mrs Johnson	-	Coventry City Council
Councillor Silvester	-	Sandwell MBC
Councillor Martin	-	Solihull MBC

UNION OBSERVERS:-

M Clift	-	TGWU
I Smith	-	AMICUS/UNITE

EXTERNAL ADVISERS IN ATTENDANCE:-

J Fender	-	John Fender Consultancy
A Owens	-	William M Mercer Limited
N Shaw	-	Gartmore Investment Limited
K Aitchison	-	ING Real Estate Investment Management
M Daggett	-	ING Real Estate Investment Management
I Whittock	-	ING Real Estate Investment Management

OFFICERS IN ATTENDANCE:-

B Bailey	-	Director for Resources and Support
J Saunders	-	Chief Investment Officer, Resources and Support
R Baldwin	-	Resources and Support
C White	-	Resources and Support
M Fox	-	Democratic Support Officer

Wolverhampton
City Council



APOLOGY FOR ABSENCE:-

An apology for absence was submitted on behalf of Councillor Allport (Solihull MBC)

PART I - OPEN ITEMS

Declarations of Interest

50 No interests were declared.

Minutes

51 Resolved:-
That the minutes of the meeting held on 4 July 2007 be approved as a correct record.

Exclusion of Press and Public

52 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 3 of Schedule 12A of the Act is likely to be disclosed.

PART II - EXEMPT ITEMS

Summary of the Investment Sub-Committee Meetings – October 2007 (Appendix 1/32)

53 The report summarised the work of the Sub-Committee during its meetings in the week 21 – 26 October 2007 and was submitted for information only.

Investment Presentations (Appendix 1/33)

The Sub-Committee received a presentation from AXA Rosenberg Investment Management about their Global Equity Fund in which the Pension Fund has an investment. They were represented by Laurence Taylor and Helen Roughsedge (Portfolio Managers).

A booklet was presented which gave an overview of the investment philosophy and process, and which reviewed performance and portfolio exposures. Following the presentation and question period, the Chair thanked the representatives for their attendance at the meeting and they withdrew.

A further presentation was then received from Capital International on their Emerging Markets Debt Fund, which had been identified as an investment opportunity for the Pension Fund. Members noted that they have not invested in this particular fund at the present time but had invested in Capital's Emerging Markets Equities Fund for over ten years, with good returns. Capital International were represented by Kirstie Spence, Research Director and Neil Osborne, Relationship Manager. The presentation was accompanied by a booklet which gave some historical background to the Company's emerging markets investment experience, introduced their emerging markets debt specialists, and detailed the research and investment process in emerging markets debt. It also detailed performance as at 31 December 2007. The representatives commented on the results of the Pension Fund's current investment in Capital's Emerging Markets Equities Fund and indicated that they are keen to work with the Pension Fund on emerging markets debt.

Following the presentation and question period, the Chair thanked the representatives for their attendance at the meeting and they withdrew.

A discussion then took place regarding the presentation and Members noted that the allocation of the Pension Fund to emerging markets debt is 2% and the Fund currently has 1% invested in this asset class, with another Manager having recently been identified. A further commitment would give the Fund its 2% allocation.

54

Resolved:-

That it be agreed to invest £40m on behalf of the West Midlands Pension Fund in Capital International's Global Emerging Markets Debt Fund.

West Midlands Pension Fund Investment Management Activity from 1 September 2007 to 30 November 2007 (Appendix 1/34)

The Director for Resources and Support presented a report giving details of investment activity from 1 September 2007 to 30 November 2007. Representatives of the Fund's newly appointed Property Advisers, ING Real Estate Investment Management, also gave an overview of the Property Portfolio, including recent purchases and sales.

55

Resolved:-

That the report be received and noted.

Superannuation Committee – Date of Next Meeting

56

The Director for Resources and Support advised Members that, following consultation with the Chair, it had been agreed to amend the date of the next meeting of the Superannuation Committee from 9 April to 16 April 2008. He added that the details would be confirmed in writing.