

MINUTES

meeting: INVESTMENT ADVISORY SUB-COMMITTEE

date: 23 JULY 2008

PRESENT:-

Councillor Heap (Chair)	-	Wolverhampton City Council
Councillors Bilson, Docherty and Quarmby	-	Wolverhampton City Council
Councillor Allport	-	Solihull Metropolitan Borough Council
Councillor Silvester	-	Sandwell Metropolitan Borough Council

TRADE UNION REPRESENTATIVES:-

M Clift	-	T&GWU
I Smith	-	UNITE (AMICUS)

APOLOGIES FOR ABSENCE:-

Apologies for absence were submitted on behalf of Councillor Clark (Birmingham City Council), Councillor Mrs H Johnson (Coventry City Council), Councillor Zahid Ali (Walsall Metropolitan Borough Council) and J Fender (John Fender Consultancy)

EXTERNAL ADVISERS IN ATTENDANCE:-

H Anthony	-	William M Mercer Ltd
M Daggett	-	ING Real Estate Investment
S Georgiadis	-	Gartmore Investment Ltd

OFFICERS IN ATTENDANCE:-

B Bailey	-	Director for Pension Services
S Kembrey	-	Chief Legal Officer
J Saunders	-	Chief Investment Officer
J H Illidge	-	Democratic Support Officer

Wolverhampton
City Council



PART I - OPEN ITEMS

Retirement of Mr M Woodall – Chief Pensions Officer

- 1 The Chair referred to the imminent retirement of the Chief Pensions Officer, Mike Woodall, in September 2008. On behalf of the West Midlands Pension Fund the Chair paid tribute to Mike, in recognition of 40 years service in Local Government and of his long and dedicated service and exemplary work as Chief Pensions Officer of the West Midlands Pension Fund for the past 14½ years; he commended Mike's courtesy, efficiency and professionalism. He presented Mike with a Brierley Hill crystal cut glass bowl. In responding Mike thanked everyone for their kind words and reflected that his 14½ years service with the Pension Fund had been the best years of his working life. He concluded that the Fund would be in good hands with Brian Bailey taking things forward.

Declarations of Interest

- 2 No interests were declared.

Minutes

- 3 Resolved:-
 That the minutes of the meeting held on 23 April 2008 be approved as a correct record.

Exclusion of Press and Public

- 4 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 (information relating to the business of financial affairs of any particular person) is likely to be disclosed.

PART II - EXEMPT ITEMS

Investment Presentation

The Sub-Committee received a presentation from the Director for Pension Services and the Chief Investment Officer covering how the Investment Management Strategy has evolved over the years, in particular how the new benchmark that developed from the 2007 actuarial valuation is being implemented.

A booklet was circulated to accompany the presentation (Appendix 1/1).

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Resolved:-

(a) That the presentation from the Director for Pension Services and Chief Investment Officer on how the investment strategy has evolved over the years, in particular how the new benchmark that developed from the 2007 actuarial valuation is being implemented, be received and noted.

(b) Agreed the following:

- Short to medium-term response to current market conditions:-
 - Recognise allocation to a number of equity markets may fall below minimum level of strategic risk band.
 - Look to increase top of strategic risk bands in Far East and Emerging Markets by 1.25% and 2.75% respectively.
 - Strategic risk bands of following asset classes to be revised:-

	%
• Index linked	5.2 – 6.2
• Corporate Bonds	3.1 – 4.1
• Active Currency	0.0 – 1.5
• Commodities	3.0 – 4.5
 - Review of the Fund's asset weightings for report in the autumn.

West Midlands Pension Fund Investment Management Activity from 1 March 2008 to 31 May 2008 (Appendix 1/2)

The Director for Pension Services and Mr Mike Daggett (ING Real Estate Investment) presented a report, which outlined details of investment activity from 1 March 2008 – 31 May 2008.

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Resolved:-

The report be received and noted.

Portfolio Management Issues (Appendix 1/3)

The Director for Pension Services presented a report to the Sub-Committee which provided information on the implementation of investment strategy and proposed 2 recommendations, as outlined in paragraph 1.1 of the report.

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Resolved:

- (a) That the report be received and noted.
- (b) Further funds be transferred to Legal and General in their role as passive manager for part of the Japanese portfolio.
- (c) The current contract with Mellon for active currency management be ended.