

MINUTES

meeting: **INVESTMENT ADVISORY SUB-COMMITTEE**

date: **16 JANUARY 2013**

PRESENT:-

Councillor T Singh (Chair)	-	Wolverhampton City Council
Councillor Bilson	-	Wolverhampton City Council
Councillor Heap	-	Wolverhampton City Council
Councillor T H Turner	-	Wolverhampton City Council
Councillor Bains	-	Coventry City Council (part)
Councillor Silvester	-	Sandwell MBC
Councillor Martin	-	Solihull MBC (part)

TRADE UNION REPRESENTATIVES:-

M Clift	-	UNITE
I Smith	-	UNITE

EXTERNAL ADVISORS IN ATTENDANCE:-

G Johnston	-	Hymans Robertson
J Fender	-	John Fender Consultancy
M Daggett	-	CBREGI
M Roulton	-	CBREGI

OFFICERS IN ATTENDANCE:-

G Drever	-	Director of Pensions
K Dervey	-	Senior Investment Manager
M Hardwick	-	Investment Manager
N Perrins	-	Chief Pensions Service Manager
M Webb	-	Solicitor-Head of Service-Civil Litigation and Contracts
M Fox	-	Democratic Support Officer-Governance

Wolverhampton
City Council



APOLOGIES FOR ABSENCE:

An apology for absence was submitted on behalf of Councillor Eling (Sandwell MBC).

PART I – OPEN ITEMS
(open to press and public)

Substitute Members

17 Councillor Silvester attended the meeting on behalf of Councillor Eling.

Declarations of Interest

18 No interests were declared.

Minutes

19 Resolved:-
That the minutes of the meeting held on 17 October 2012 be approved as a correct record.

Exclusion of Press and Public

20 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 the paragraph 3 of schedule 12A of the act (information relating to the business or financial affairs of any particular person) is likely to be disclosed.

Investment Presentations (Appendix 1/9)

The Sub-Committee received a presentation from Credit Suisse in connection with its role as 1 of the Fund's transition managers. They were represented by Steve Webster, head of the bank's transition management business in Europe. The presentation was accompanied by a written document which gave information about the need for transition managers, transitions catalysts, the available options and cost comparisons.

After a period of questions, the Chair thanked the representative for his attendance at the meeting and he withdrew.

A further presentation was then received from the Pension Fund's in house passive portfolio Investment Manager, David Evans, who explained how in-house passive portfolios are managed. He detailed the workings of index funds, the investment process, total market values and the characteristics of the various portfolios with the aid of a written presentation. David responded to various questions raised by the Sub-Committee, following which the Chair thanked him for his attendance.

21

Resolved:

That the presentations on transitions managers and in-house passive portfolios be received.

Strategic Investment Allocation Benchmark (SIAB) Update Review (Appendix 1/10)

A report was submitted which provided an update on the implementation plan on the 2012 SIAB. Graeme Johnston from Hymans Robertson presented a paper on the review of the Fund's Fixed Interest portfolio.

22

Resolved:-

That the report be noted.

Pensions Infrastructure Platform (PIP) (Appendix 1/11)

This report provided an update on the progress of the National Association of Pension Fund's infrastructure initiative of July 2012, following which the Pension Fund had agreed to support becoming a founding member of the PIP, subject to certain conditions being met. The Director answered questions raised by the Trade Union observers about the investment and it was noted that the Fund has now signed up as a Founding Investor with commitments of £100,000 to set up the PIP. Further reports will be submitted as the situation develops and the soft commitment will not be drawn until the PIP is fully operational and all terms and conditions are satisfied.

23

Resolved:-

That the report be noted.

Local Infrastructure Investment (Appendix 1/12)

The report reviewed existing investment in local infrastructure projects and examined potential future opportunities given recent developments in this area.

24

Resolved:-

That the report be noted.

West Midlands Pension Fund Investment Management Activity
From 1 July – 30 September 2012 (Appendix 1/13)

This report detailed investment management activity between July – September 2012. The Director advised that the market value of the Fund had increased since the period represented by the report.

25

Resolved:-

That the report be received.