

# Investment Advisory Sub-Committee

Minutes - 24 June 2015

## Attendance

### Members of the Investment Advisory Sub-Committee

Cllr Bert Turner (Chair)  
Cllr Jasbir Jaspal  
Cllr Tersaim Singh  
Cllr Muhammad Afzal (Birmingham City Council)  
Cllr Damian Gannon (Coventry City Council)

### Trade Union observers

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

### Observer

Cllr Wendy Thompson

### Employees

Mark Chaloner	Assistant Director, Investments
Geik Drever	Strategic Director of Pensions
Dereck Francis	Democratic Support Officer
Rachel Howe	Head of Governance - West Midlands Pension Fund
David Kane	Head of Finance

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## 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 Cllrs Mohammed Arif (Walsall Metropolitan Borough Council) Angela Sandison (Solihull Metropolitan Borough Council), Lorna McGregor (City of Wolverhampton Council) and Martin Clift (Trade Union Representative)
- 2 Substitute members**  
No notifications of substitutes were received for the meeting.
- 3 Declarations of interest (if any)**  
No declarations of interest were made.
- 4 Minutes of last meeting (18 March 2015)**  
Resolved:  
That the minutes of the meeting held on 18 March 2015 be approved as a correct record and signed by the Chair.

5 **Matters arising**

There were no matters arising from the minutes.

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 item(s) of business as they involve the likely disclosure of exempt information falling within the paragraph 3 of Schedule 12A of the Act set

<i>Item no.</i>	<i>Title</i>
7	Presentation from Royal London
8	Economic and market update - June 2015
9	Asset allocation and investment performance quarter one 2015
10	Transition on overseas equities portfolios
11	Update on investment collaboration opportunities
12	Cleveland planning application update
13	West Midlands Integrated Transport Authority asset allocation and investment monitoring report quarter one 2015

## **Part 2 - exempt items, closed to the public and press**

7 **Presentation from Royal London**

The Sub-Committee received a presentation from Jonathan Platt and Martin Foden from Royal London on 'an introduction to buy and maintain corporate bonds'.

At the end of questions on the presentation Cllr Bert Turner thanked Royal London for making a useful presentation.

8 **Economic and Market Update - June 2015**

Mark Chaloner, Assistant Director, Investments summarised the key elements of the review in 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.

9 **Asset allocation and investment performance quarter one 2015**

Mark Chaloner, Assistant Director, Investments summarised the key elements of the quarterly asset allocation and investment monitoring report for the Fund. The report covered the performance of the Fund and the implementation of its investment strategy for the period 1 January to 31 March 2015. The Assistant Director welcomed feedback on the new format of the performance monitoring report.

In response to a question about possible investment of cash balances into bonds, the Sub Committee was advised that some would be made in due course. In addition some of the cash resources had been invested in equities since the end of the quarter.

Resolved:

That the contents of the Asset Allocation and Investment Performance report for the quarter ended 31 March 2015 be noted.

10 **Transition on overseas equities portfolios**

Mark Chaloner, Assistant Director, Investments outlined the salient points of a report on progress made following the Committee's prior agreement for the Fund to restructure its listed equities portfolios.

Malcolm Cantello (Unison) commented that the work undertaken and changes made had been a real benefit to the Fund.

Resolved:

That the restructuring and associated transition of the Fund's overseas equities portfolios carried out during the first quarter of 2015 be noted.

11 **Update on investment collaboration opportunities**

Geik Drever, Strategic Director of Pensions presented the update report on investments collaboration opportunities.

In response to questions from the Sub Committee, the Strategic Director of Pensions confirmed that the West Midlands Pension Fund was one of the ten large UK pension funds that founded the Pensions Infrastructure Platform (PIP). She also responded to the questions about the costs associated with managing the PIP.

Referring to a meeting with District Regeneration and Local Enterprise Partnership leads on 22 June 2015, the Strategic Director Pensions undertook to ask the PIP to attend a meeting of the Sub Committee later in the year.

Resolved:

That the update on investment collaboration opportunities set out in the report be noted.

12 **Cleveland planning application update**

Geik Drever, Strategic Director of Pensions presented a progress report on the planning application process for a residential scheme for up to 1000 homes on the Fund's agricultural land in Cleveland.

Ian Smith (Unite) queried how much the Fund had spent so far on the planning application process. The Strategic Director of Pensions reported that the Fund had invested a lot of time in this issue during the last four/five years.

Resolved:

That the report be noted including recent developments and the potential courses of action.

13 **West Midlands Integrated Transport Authority asset allocation and investment monitoring report quarter one 2015**

Mark Chaloner, Assistant Director, Investments presented the quarterly asset allocation and investment monitoring report for the West Midlands Integrated Transport Authority (ITA) Pension Fund. The report covered the performance of the Fund and the implementation of its investment strategy for the period 1 January to 31 March 2015.

Resolved:

That the contents of the Asset Allocation and Investment Performance report for the quarter ended 31 March 2015 be noted.