

Investment Advisory Sub-Committee

Minutes - 22 June 2016

Attendance

Members of the Investment Advisory Sub-Committee

Cllr Ian Brookfield (Chair)
Cllr Keith Inston (Vice-Chair)
Cllr Peter Bilson
Cllr Tersaim Singh
Cllr Muhammad Afzal (Birmingham City Council)
Cllr Sandra Hevican (Sandwell MBC)
Cllr Sandison (Solihull MBC)
Cllr David Sparks (Dudley MBC)

Trade Union observers

Malcolm Cantello (Unison)
Martin Clift (Unite)
Alan Phillips (GMB)
Ian Smith (Unite)

Employees

Rachel Brothwood	Assistant Director, Actuarial and Pensions - West Midlands Pension Fund
Mark Chaloner	Assistant Director, Investments
Geik Drever	Strategic Director of Pensions - West Midlands Pension Fund
David Evans	Head of Portfolio, Passive Equalities, West Midlands Pension Fund
Dereck Francis	Democratic Support Officer
Rachel Howe	Head of Governance - West Midlands Pension Fund
David Kane	Head of Finance - West Midlands Pension Fund
Mark Taylor	Director of Finance

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 Cllr Keith Chambers (Walsall Metropolitan Borough Council) and Cllr John Mutton (Coventry City Council).
- 2 Substitute members**
No notification of substitutes were received.
- 3 Declarations of interest (if any)**
No declarations of interests were made.

4 **Minutes of last meeting - 16 March 2016**

Resolved:

That the minutes of the previous meeting held on 16 March 2016 be approved as a correct record and signed by the Chair.

5 **Matters arising**

There were no matters arising from the minutes of the previous meeting.

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 items of business as they involve the likely disclosure of exempt information falling within the paragraph 3 of Schedule 12A of the Act.

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

7 **The future of global markets in three and five years**

The Sub Committee received a presentation from Baillie Gifford on their view on the future of global markets in three and five years.

Resolved:

That the presentation from Baillie Gifford be received and noted.

8 **Economic and market update - June 2016**

David Evans, Head of Portfolio, Passive Equities presented a report which summarised the key elements of the review of the global economy and investment markets produced by the Fund's Investment Advisers Hymans- Robertson.

Cllr Ian Brookfield (Chair) asked whether plans were in place in the event that the outcome of the EU Referendum was to leave the EU. In response the Strategic Director for Pensions advised that the Investment Advisory Panel had discussed the matter and further discussions were planned shortly after the referendum.

Resolved:

That the global economic and market update paper prepared by the Fund's adviser, Hymans-Robertson be noted.

9 **Annual report on the Investment Advisory Panel and West Midlands Integrated Transport Authority (WMITA) Investment Strategy Panel**

The Strategic Director for Pensions presented the report on the activities of the Investment Advisory Panel (IAP) and the WMITA Investment Strategy Panel (WMITA ISP) during 2015/16. The Strategic Director also sought approval to re-appoint Hymans Robertson and Scott Jamieson as Investment Advisers.

In response to a question from Malcolm Cantello on whether the costs associated with running the IAP were within the budget, the Strategic Director for Pensions confirmed that provision for the IAP was included in the budget. She also reported on the fees for the services of the two external Investment advisers to the IAP, Hymans Robertson and Scott Jamieson.

Resolved:

1. That the Committee continue with Hymans Robertson as Investment Advisers to both WMPF and the WMITA fund and with Scott Jamieson as Investment Adviser to WMPF for 2016/17.
2. That the work of the Investment Advisory Panel and the WMITA Investment Strategy Panel for 2015/2016 be noted.

10 **Emerging Market Debt review**

David Evans, Head of Portfolio, Passive Equities presented a report on an overview of the restructure of the Fund's emerging market debt portfolio.

Cllr Ian Brookfield welcomed the outcomes from streamlining the structure of the Fund's emerging market debt portfolio, which would lead to projected investment management fee savings of around £1million per annum when compared to the previous management structure of the portfolio.

Resolved:

That the restructuring and associated transition of the Fund's emerging market debt portfolio carried out during the first quarter of 2016 be noted.

11 **Asset allocation and investment performance - quarter one - 1 January - 31 March 2016**

David Evans, Head of Portfolio, Passive Equities summarised the key elements of the quarterly asset allocation and investment monitoring report for the Fund.

Cllr Ian Brookfield expressed his gratitude for all of the work done to achieve the good overall Fund returns in a difficult market environment.

Resolved:

That the contents of the asset allocation and investment monitoring report for the quarter ended 31 March 2016 be noted.

12 **West Midlands Integrated Transport Authority (WMITA) Pension Fund asset allocation and investment monitoring report - 31 March 2016**

The Advisory Sub Committee received a report on the key elements of the quarterly asset allocation and investment monitoring report for the WMITA Fund.

Resolved:

That the contents of the asset allocation and investment monitoring report for the period ended 31 March 2016 be noted.