



Meeting of the Investment Advisory Sub-Committee Minutes - 25 June 2014

Attendance

Chair Cllr Bert Turner
Vice Chair Cllr Lorna McGregor

Members of the Sub Committee (Wolverhampton CC)

Cllr Tersaim Singh

Trade Union observers

Victor Silvester (UNITE)

District Members

Cllr Mohammad Arif (Walsall MBC)
Cllr Rachel Harris (Dudley MBC)
Cllr Damian Gannon (Coventry City Council)

Advisors

John Fender – John Fender Associates
Graeme Johnston – Hymans Robertson LLP

Employees

Mark Chaloner – Assistant Director – Investments
Geik Drever – Director of Pensions
Mark Taylor – Assistant Director – Finance
Carl Craney – Democratic Support Officer

Item No. Title

1 Apologies for absence (if any)

Apologies for absence had been received from Councillor Muhammed Afzal (Birmingham City Council), Councillor Peter Bilson (Wolverhampton City Council), Councillor Robert Hulland (Solihull MBC), Councillor Alan Rebeiro (Solihull MBC), Malcolm Cantello (UNISON) and Ian Smith (UNITE – Retired Members).

2 Substitute members

No substitute Members had been appointed for the meeting.

3 Declarations of interest (if any)

No declarations of interest were made in relation to items under consideration at the meeting.

4 Minutes of last meeting

Resolved:

That the minutes of the meeting held on 26 March 2014 be confirmed as a correct record and signed by the Chair.

5 Matters arising

There were no matters arising from the minutes of the meeting held on 26 March 2014.

6 Exclusion of the press and public

Exclusion of 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 paragraphs of Schedule 12A of the Act set out below:

Item No.	Title	Applicable paragraph
7	West Midlands Pension Fund (WMPF) Investment Activity – 1 January 2014 – 31 March 2014	3
8	Investment Management Activity – 1 January 2014 – 31 March 2014	3
9	Economic and Market Update – March 2014	3
10	Strategic Investment Allocation Benchmark (SIAB) – Update review	3

11	Investment Strategy Review	3
12	Pensions Infrastructure Platform (PIP) – Update	3

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

7 West Midlands Pensions Fund (WMPF) Investment Activity - 1 January 2014 - 31 March 2014

Mark Chaloner presented a report on the performance and investment activity of the Fund for 1 January 2014 – 31 March 2014 and all transactions together with the position of each portfolio at the end of the reporting period.

Resolved:

That the performance and investment activity for the quarter ended 31 March 2014 be noted.

8 Investment Management Activity - 1 January 2014 - 31 March 2015

Details of the Investment Management Activity between 1 January 2014 – 31 March 2014 were made available for consideration.

Resolved:

That the Investment Management Activity 1 January 2014 – 31 March 2014 be received and any matters arising therefrom be referred to the Director of Pensions for response.

9 Economic and Market Update - March 2014

Mark Chaloner introduced and Graeme Johnson presented a report which updated the Sub Committee on conditions in the global economy and investment markets.

Resolved:

That the global and economic report prepared by the Fund's advisor, Hymans Robertson LLP be received and noted.

10 Strategic Investment Allocation Benchmark (SIAB) - Update review

Geik Drever presented a report which provided an update on recent activity relating to the Strategic Investment Allocation Benchmark (SIAB) and its implementation.

Resolved:

That the report be received and noted.

11 Investment Strategy Review

Geik Drever presented a report which invited the Sub Committee to review the Fund's investment strategy and its appropriateness following the 2013 actuarial review. Graeme Johnston made a presentation on this subject and responded to questions from Councillors and Geik Drever on its contents.

Resolved:

1. that in the light of findings of the review, the Fund continues to deploy its current return seeking investment strategy;
2. That the funding position be monitored and further consideration be given to moving to a lower risk strategy should there be a notable improvement in the funding position;
3. That consideration be given to setting up specific investment strategies for employers whose risk profiles were materially different from that of the main Fund;
4. That the investment strategy review undertaken by Hymans Robertson be noted.

12 **Pensions Infrastructure Platform (PIP) - Update**

Geik Drever presented a report which updated the Sub Committee on progress with the Pensions Infrastructure Platform (PIP) and which outlined changes required to the Fund's position in order to enable continued participation with the project.

Resolved:

That the deadline to support the build stage of the PIP to 31 December 2014, to allow the criteria of six original founding investors required to support the build out to be changed to a minimum of five and enable new founding investors to be included within this group of five, be approved.