



Investment Advisory Sub-Committee

Minutes - 10 December 2014

Attendance

Members of the Investment Advisory Sub-Committee

Cllr Bert Turner (Chair)
Cllr Peter Bilson
Cllr Tersaim Singh
Cllr Mohammed Arif (Walsall MBC)
Cllr Rachel Harris (Dudley MBC)
Cllr Alan Rebeiro (Solihull MBC)
Malcolm Cantello (Trade Union Representatives)

Trade Union observers

Malcolm Cantello (Unison)

Employees

Mark Chaloner	Assistant Director, Investments
Carl Craney	Democratic Support Officer
Jane Hazeldine	Trustee Management Officer
David Kane	Fund Accountant

Advisors

John Fender – John Fender Associates
James Clifton Brown – CBRE
Mike Daggett – CBRE
Mick Roult - CBRE
Mike Weston - PIP

Part 1 – items open to the press and public

Item No. *Title*

- 1 Apologies for absence (if any)**
Apologies for absence had been received from Cllr Steve Eling (Sandwell MBC), Cllr Damian Gannon (Coventry City Council), Martin Cliff (UNITE), Victor Silvester (UNITE) and Ian Smith ((UNITE).
- 2 Substitute members**
Cllr Sandra Hevican attended the meeting as a Substitute Member for Cllr Steve Eling (Sandwell MBC).
- 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 24 September 2014 be confirmed as a correct record and signed by the Chair subject to the undermentioned amendments:

Minute No 10

- The deletion of “a) A decrease in the allocation to UK equities from 8% to 10% of assets” and the substitution therefor of “a) A decrease in the allocation to UK equities from 10% to 8% of assets”
- The deletion of “b) An increase in the allocation to global equities from 10% to 8%” and the substitution therefor of “b) An increase in the allocation to global equities from 8% to 10%”.

5 **Matters arising**

There were no matters arising from the minutes of the meeting held on 24 September 2014.

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

Item No.	Title	Applicable paragraph
7	Asset allocation and investment performance – 1 July 2014 – 30 September 2014	3
8	Investment management activity – 1 July 2014 – 30 September 2014	3
9	Economic and Market Update – September 2014	3
10	Direct property investment strategy	3
11	Pensions Infrastructure Platform (PIP) - Update	3

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

7 **Asset allocation and investment performance - 1 July 2014 - 30 September 2014**

Mark Chaloner presented a quarterly report which covered the performance of the Fund and the implementation of its investment strategy for the period from 1 July 2014 to 30 September 2014 and which also set out the position of each portfolio at the end of the period.

Mark Chaloner and Geik Drever responded to various questions from members and observers.

Resolved:

That the performance and investment activity for the quarter ended 30 September 2014 be noted.

8 **Investment management activity - 1 July 2014 - 30 September 2014**

Details of the Investment Management Activity between 1 July 2014 and 30 September 2014 were made available for inspection. Geik Drever suggested that, in future and in order to reduce printing costs, members and observers would be invited into the Fund's offices if they wished to review this information. Cllr Mohammed Arif enquired as to whether a computer link to this information could be established. Geik Drever advised that, in view of the confidential nature of the contents of the report, this was not considered appropriate.

Resolved:

1. That the Investment Management Activity 1 July 2014 – 30 September 2014 be received and any matters arising therefrom be referred to the Director of Pensions;
2. That in future, no further copies of the report be printed but members and officers be invited into the Fund's offices if they wished to review the information.

9 **Economic and Market Update - September 2014**

Mark Chaloner presented the report of the Fund's investment advisers, Hymans Robertson LLP, which reviewed the global economy and investment markets.

Resolved:

That global economic and market update paper prepared by the Fund's advisers, Hyman Robertson LLP, be noted.

10 **Direct property investment strategy**

Geik Drever introduced James Clifton–Brown (Chief Investment Officer), Mike Daggett (WMPF Fund Manager) and Mick Roul (WMPF Portfolio Manager) of CBRE to the Sub Committee.

Messrs Clifton–Brown, Daggett and Roul presented a report on the Fund's direct property investment strategy for 2015. Members and observers and John Fender of John Fender Consultancy raised questions and points on the report which were responded to by Messrs Clifton-Brown, Daggett and Roul.

Resolved:

1. That the Fund's direct property investment strategy for 2015 be noted;
2. That arrangements be made for a site visit to some of the Fund's property holdings in Spring / Summer 2015.

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

Geik Drever introduced Mike Weston, Chief Executive, PIP to the Sub Committee. Mike Weston gave a presentation on the work undertaken to date, on proposals for

the future and the opportunities presented by the PIP. He responded to questions from members and observers on the contents of the presentation.

Mike Weston left the meeting.

Geik Drever and Mike Hardwick presented a report which brought the Sub Committee up to date with progress on the Pensions Infrastructure Platform (PIP) and responded to questions from members and observers.

Resolved:

1. That the report and presentation by Mike Weston, the newly appointed Chief Executive of the PIP be noted;
2. That the proposals to continue to support the build out of the PIP be approved on the same terms agreed by the Sub Committee at its meeting on 25 June 2014;
3. That a revised long stop date be not adopted at this stage pending Mike Weston's new business plan for the PIP with progress on the development of the PIP being reported to future meetings.