

**West Midlands Pension Fund (WMPF)**  
**Terms of reference for the Investment Advisory Panel (IAP)**

**1. Introduction**

- 1.1 WMPF's Pensions Committee and Investment Advisory Sub-Committee are responsible for the setting and oversight of investment strategy. The Strategic Director of Pensions oversees the implementation of committee policy and the management of day to day functions to support its implementation. The Investment Advisory Panel (IAP) advises the Strategic Director of Pensions on investment issues relating to WMPF.

**2. Membership**

- 2.1 The IAP is made up of –

Strategic Director of Pensions, WMPF (Chair)  
Assistant Director, Investments, WMPF  
WMPF's Investment Consultant  
Two external independent Investment Advisers

- 2.2 At least three members are required to form a quorum, one of whom should be the Chair or a nominated alternative.

**3. Meetings and reporting arrangements**

- 3.1 The IAP meets quarterly. In addition to IAP members, other staff of WMPF may be invited to attend meetings in whole or in part.  
Minutes of meetings are issued to IAP members.  
The IAP prepares an annual report for the Pensions Committee summarising its activities for the period under review.  
Independent Investment Advisers will produce annual reports for the IAP on their work and there will be annual self-assessments.

**4. Role and responsibilities**

The IAP's work covers the following areas -

**4.1 Investment Strategy**

Reviewing the economic and market environment in which WMPF operates.  
Monitoring WMPF's portfolio structure, the adherence to and implementation of WMPF's investment strategy. Ensuring that the management of the WMPF's

assets is consistent with the Statement of Investment Policy (SIP) and other guidelines.

Making recommendations on the continuing suitability of the investment strategy having regard to WMPF's liabilities and funding position.

Identifying possible new asset classes and investment opportunities and assessing their appropriateness for WMPF.

#### **4.2 Monitoring and performance**

Monitoring WMPF's investment performance, the performances of the principal segments of the portfolio and the performances of investment managers both internal and external.

Receiving a quarterly report on each of the internally managed portfolios.

Receiving an annual report on each externally managed portfolio or portfolio segment comprising externally managed funds.

Reviewing due diligence for newly appointed external fund managers and for new funds.

Reviewing WMPF's custody arrangements biennially and other support services as appropriate.

#### **4.3 Risk management**

Reviewing the investment risks taken by WMPF, monitoring how the risks are managed and making recommendations on actions required to address investment risks.

Making recommendations on appropriate limits for individual exposures and holdings.

Reviewing annually lists of approved brokers, deposit takers and other counterparties as appropriate.

#### **4.4 Other**

Monitoring the WMPF's investment costs annually to ensure that they are reasonable.

Reviewing responsible investment issues at least twice per annum.

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