



NEWS RELEASE
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WMPF releases its annual report and accounts

West Midlands Pension Fund has released its 2015-2016 annual report and accounts, revealing a substantial reduction in investment management costs.

The total investment management costs for 2015/16 stood at £69.8 million, equating to 0.60% of assets under management. Investment management costs have reduced by over £11 million year-on-year.

Savings have arisen largely due to the Fund withdrawing from certain externally-managed investments, for example, hedge funds and overseas equities. The Fund is also making greater use of internal management, including the introduction of its in-house global active equities portfolio, which is delivering further significant cost savings.

This reduction reflects the Fund's ongoing approach to proactively reviewing and restructuring its investment portfolio to ensure value for money and the best fit with funding and investment strategies.

Cllr. Ian Brookfield, Chair of West Midlands Pension Fund Pensions Committee, said: "West Midlands Pension Fund is an award winning organisation that continues its drive for greater cost efficiencies and transparency on behalf of its members.

"I am delighted to report that our cost per member has continued to fall as we find more efficient ways of working. We are also making savings through greater use of electronic methods, such as encouraging members where possible to access the web portal for their benefit statements. As a customer-focussed organisation, we are responsive to member needs and wants, such as those learned from our Customer Journey Mapping workshops."

David Kane, Head of Finance at West Midlands Pension Fund, said: “We have continued our work during the last year to identify and analyse the full cost of managing our members’ pensions. We are pleased to report that this has shown that the actions the fund has taken to restructure its investments over the last few years have delivered significant savings.

The Fund has once again complied fully with the requirements of the CIPFA guidance *Accounting for Local Government Pension Scheme Management Expenses*, which encourages LGPS funds to report fully and transparently the total cost of managing their investments.

“The Fund will continue to benchmark its costs against other pension funds, and identify further opportunities to reduce costs, in order to secure the best value for its members.”

-ENDS-

Notes to editors

1. The West Midlands Pension Fund is one of the largest funds of the LGPS in England and Wales.
2. The value of the participating Funds’ portfolios as at 31 March 2016 totalled £11.7 billion. At the same date, the Funds’ membership stood at 287,874 and participating employers totalled 536.
3. The West Midlands Pension Fund strives to be a best practice organisation, delivering a customer focused service, while providing value for money to its stakeholders.

For media enquiries, please contact:

Kevin Thompson
kevin.thompson@wolverhampton.gov.uk
Tel: 01902 554689