West Midlands Pension Fund

WEST MIDLANDS
COMBINED AUTHORITY

SUMMARY REPORT 2016/17

CORE OBJECTIVES

To be a leading performer in the LGPS sector

To ensure the solvency of the Fund and its ability to pay pensions

To achieve target investment returns

To provide excellent customer service

KEY ACHIEVEMENTS 2016/17

Achieving a return on investments of 22.6%, compared to a benchmark of 21.8%

Cumulative savings on investment management fees of almost £58 million year-on-year

Working with the Fund's investment pooling partners to develop LGPS Central

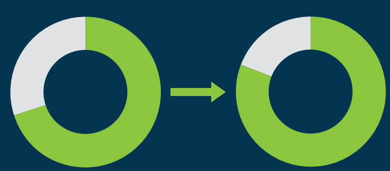
Playing a key role in advancing the cost transparency code for investment managers

LGPS ADVISORY BOARD CODE OF TRANSPARENCY

Awards for governance & trustee development, attaining gold standard in Investors in People

INVESTORS IN PEOPLE | Gold

Actuarial valuation funding level increased from 70% to 81%



STAFF EMPLOYED BY THE FUND

124

NUMBER OF EMPLOYERS

605

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FINANCIAL PERFORMANCE 2016/17

MAIN FUND

OPENING VALUE
£11.7bn

Contributions
£544.9m

Investment income
£205.8m

Investment gains
£2.4bn

+£2.6bn

Pensions payable
(£531.3m)

Net transfers
(£11.1m)

Management costs
(£71.0m)

CLOSING VALUE
£14.3bn

ITA FUND

OPENING VALUE
£460.9m

Contributions
£9.5m

Investment income
£18.3m

Investment gains
£37.1m

Insurance buy-in
£4.2m

+£42m

Pensions payable
(£28.8m)

Net transfers
(£0.1m)

Management costs
(£0.9m)

CLOSING VALUE
£502.9m

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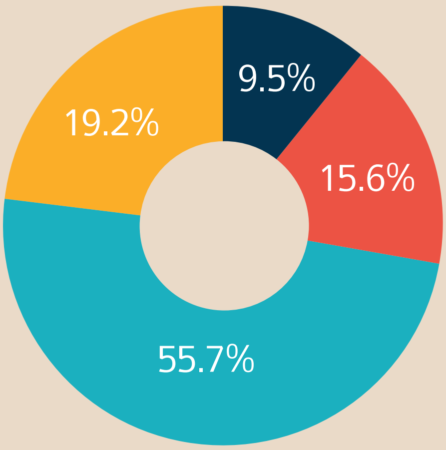
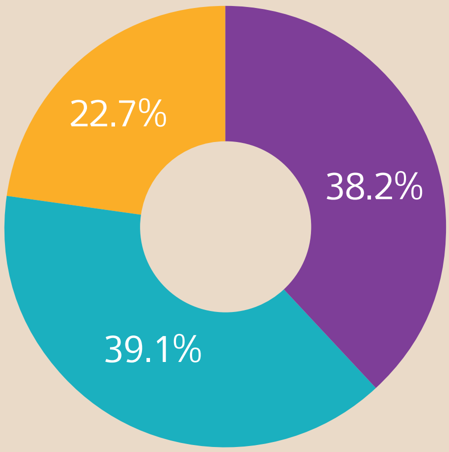
INVESTMENT SUMMARY – MARCH 2017

MAIN FUND



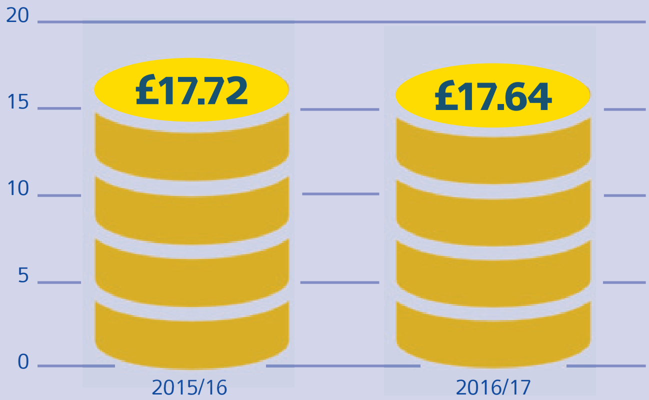
- Private equity
- Alternatives
- Equities
- Bonds and cash

ITA FUND

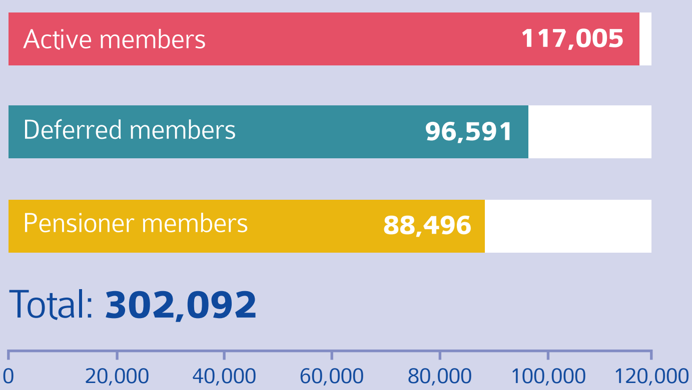


- Diversified growth funds
- Equities
- Bonds and cash

MAIN FUND COST PER MEMBER



MAIN FUND NUMBER OF MEMBERS



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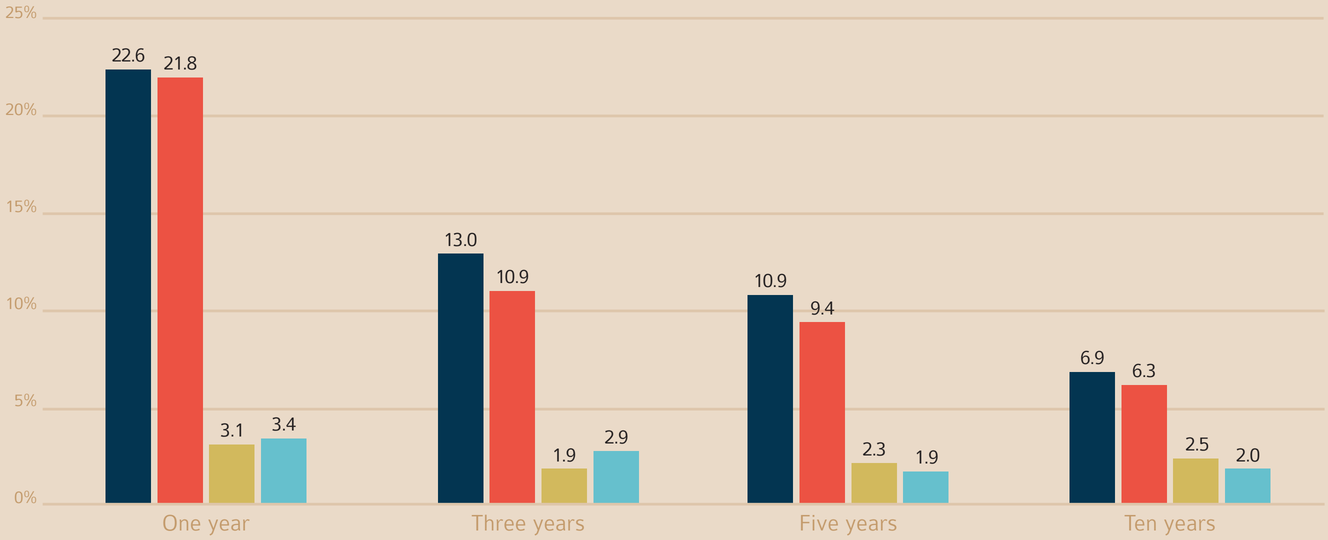
INVESTMENT PERFORMANCE

COMPARATIVE RETURNS OVER ONE, THREE, FIVE AND TEN YEARS TO 31 MARCH 2017

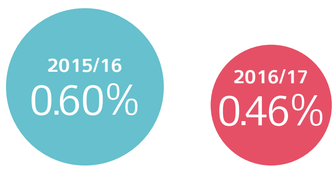


SAVINGS ON INVESTMENT FEES

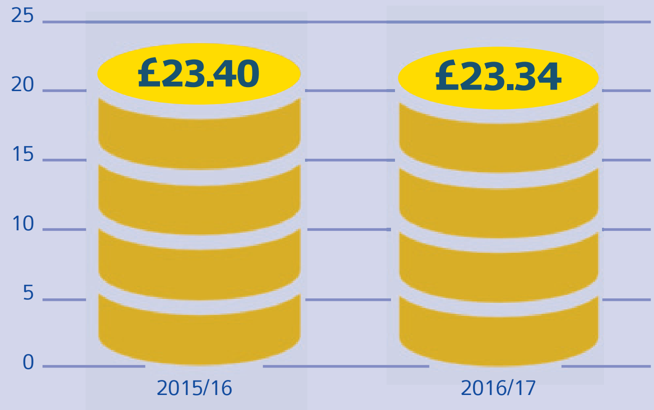
£20m

(year-on-year)

INVESTMENT COSTS AS A PERCENTAGE OF ASSETS



ITA FUND COST PER MEMBER



ITA FUND NUMBER OF MEMBERS