

JOINT RETIREMENT INVESTMENT BOARD MEETING

Thursday, April 7, 2011

4:30 pm

Second Floor Conference Room

Independence Hall-725 Old Post Road

Fairfield, CT 06824

FINAL MINUTES

Members Present: Robert Malarkey, Ken Flatto, Paul Hiller, Mike Holland, Erik Kalapir, Ralph Money, Barry Rosen, Rose Sandick, Fred Schaefer, Jean Sturges

Members Absent: Scott Bartlett, Bonnie McWain, Joseph Rigoglioso, Brian Vahey

Others Present: David Hyman, Harvey Kelly, Brendan Nangle

I. Call to Order

Chairman Robert Malarkey called the meeting to order at 4:30 pm.

II. Approve Minutes

Jean Sturges made a motion to approve the minutes. Barry Rosen seconded the motion which carried unanimously.

III. Hear Presentation Regarding Commodities Fund Managers (Evaluation Associates)

David Hyman of Evaluation Associates gave the Board a handout on Commodities Manager Search Candidates. Mr. Hyman introduced Brendan Nangle of EAI who summarized the three commodity firms that EAI thinks highly of—Brevan Howard Asset Management LLP, GE Asset Management, and Invesco. He said Brevan Howard has a strong manager making all strategic decisions and focuses on energy as its specialty. They have a top down view of the marketplace. First Selectman Flatto said the Board should get information showing Brevan Howard's five year performance. Mr. Howard then discussed GE Asset Management which has two portfolio managers and seeks performance more closely linked to the DJ-UBS TR benchmark. GE primarily invests in futures and uses supply and demand analysis. Mr. Flatto noted that Brevan Howard has a much higher fee structure than the other two firms. Mr. Nangle said that's because it's a hedge fund so it's managed differently. Mr. Nangle discussed Invesco. He said they use a balanced risk commodity strategy for its fund. Its objective is to outperform the DJ-UBS TR benchmark. Its strategy is diversified across the commodity spectrum and liquidity is daily. Mr. Flatto noted that Invesco outperformed the other two firms in every quarter. Mr. Nangle said he will put together a track record for each commodity's performance. Mr. Hyman said the Board should use the DJ portfolio as a model and representative benchmark. The hedge fund manager, Brevan Howard, is more expensive and volatile and Mr. Schaefer expressed reservation about that. Mr. Nangle said the best way to follow-up with each commodity manager is to have their representatives meet with the Board in Fairfield or schedule a conference call at the next meeting. Mr. Malarkey asked members if they thought either the subcommittee or all members should meet with the managers. The entire Board wants to hear from the managers. Mr. Hyman suggested having a special meeting by June and inviting all three managers to attend.

IV. Final Approval of a New Pension Board Investment Policy

The Board had a final discussion on the proposed Policy and made a couple of text changes. Ralph Money made a motion to approve the IPS with the Board's changes. Fred Schaefer seconded the motion which carried unanimously.

V. Report from Evaluation Associates

Mr. Hyman said there wasn't much to report because the quarter had just ended, but the funds have done well. He gave a brief update from the market. Mr. Hyman gave the Board a handout from the WSJ about public pensions.

VI. Private Executive Session-Litigation

After new business, First Selectman Flatto made a motion to enter into a private executive session on litigation at 5:35 pm. Mrs. Sturges seconded the motion which carried unanimously. Mr. Malarkey made a motion to end private executive session at 5:48 pm. Mr. Kalapir seconded the motion which carried unanimously. No action was taken.

VII. New Business

Fiscal Officer Paul Hiller said he hopes to get a cost proposal from Hooker & Holcomb and the Board should have an experience study performed. He also said the Board should have an asset liability study performed and should approve of performing this study at the next meeting. After Mr. Hiller said he needs board approval for beneficiary distribution payments, First Selectman Flatto made a motion to authorize the Fiscal Officer to take up to \$1 million out of each equity fund as needed for these payments. Mrs. Sturges seconded the motion which carried unanimously.

VIII. Public Comment-None

IX. Adjourn

Mr. Schaefer made a motion to adjourn the meeting at 5:49 pm. Mr. Flatto seconded the motion which carried unanimously.

Respectfully submitted,

Jennifer S. Carpenter
Recording Secretary