



CITY OF STAMFORD POLICEMEN'S PENSION TRUST FUND BOARD

A Regular Meeting of the Stamford Police Pension Board of Trustees was held on Thursday, August 7, 2014 at 5:30 p.m. at Stamford Police Headquarters.

Present at the meeting were Lt. Michael Noto, Officer Michael Merenda, Commissioner Cheryl Palmer, Commissioner Timothy Abbazia and Mr. Michael Berkoff. Also present were Mr. Thomas Deegan, Mr. Timothy Eng and Ms. Leslie Billet of Clearbrook Global Advisors, Attorney Anthony Macleod and Donna DeVito, Recording Secretary.

The meeting was called to order at 5:35 p.m. by Lt. Noto.

Approval – Meeting Minutes from July 15, 2014

A MOTION was made by Ms. Palmer, seconded by Mr. Abbazia, and approved, to accept the minutes of the meeting of July 15, 2014 as presented.

Pay Bills

Clearbrook Investment Consulting

Lt. Noto requested payment to Clearbrook Investment Consulting in the amount of \$67,170.09, Invoice #1906, for their third quarter consulting fee.

A Motion was made by Mr. Berkoff, seconded by Mr. Abbazia, and approved unanimously, to approve payment to Clearbrook Investment Consulting in the amount of \$67,170.09, Invoice #1906, for their third quarter consulting fee.

Bank of America

Lt. Noto reported that payment to Bank of America was made in the amount of \$2,441.61 for their second quarter fee charged for the Paying Agent account.

Clearbrook Global Advisors – Fund Review & CDIS Discussion

Mr. Tom Deegan, Mr. Timothy Eng and Ms. Leslie Billet of Clearbrook Global Advisors joined the meeting. Ms. Billet began by reviewing the Fund's second quarter portfolio performance. She noted that YTD, the total Fund performed 100 basis points over the policy benchmark of 5.5% vs. 4.5%, over one year it exceeded the benchmark 15.1% vs. 13.0% and over 5 years it exceeded it 11.8% vs. 9.8%. She commented that the Fund outpaced the benchmark consistently and significantly, it was well-diversified, sophisticated and intelligently invested in alternatives. It has a very good, long track record. She next reviewed each sector's performance versus their respective benchmarks. She pointed out that

the Fixed Income had been reduced to 9% of the portfolio in anticipation of interest rates rising.

Mr. Deegan reported that in the last two days of July, the Fund had given back most of the equity gains earned since the beginning of the year, due to a 4% selloff across the market. He explained that a selloff was broad, however political unrest related to the Ukraine and Russia's trade sanctions exaggerated the move in the market. He stated that the remainder of the Fund did relatively well and that being in alternatives dampened the fall. As of July 31st, the Fund's assets were \$195,123,279 with a year-to-date return of 4.78%. He informed the Board that there are still overhanging issues in the market with many questions about the strength of recovery in the job market, the broad economy and continued uncertainty with regard to interest rates.

Mr. Timothy Eng next gave a presentation on a fixed income product, Clearbrook Discretionary Investment Solutions, LLC (CDIS). He explained that the product was created by Clearbrook, for its clients, to take the place of a bond portfolio but without the interest rate risk of a bond portfolio. It consists of a portfolio of hedge funds which generates bond-like returns uncorrelated to the Barclays Aggregate Index, with lower volatility. It has outperformed the Barclays Aggregate Index by 4.95% on a cumulative basis since inception three years ago. Lt. Noto questioned which asset allocation this investment would fall into and Mr. Deegan replied it would be in the Alternatives asset class. The Fund's asset allocation was then distributed and reviewed by the Board. Mr. Deegan recommended investing \$10MM into the CDIS product which would bring the alternatives asset class to 33-34% of the portfolio and reduce fixed income to 5%. Mr. Ng informed the board that as a Clearbrook client, the SPPF would only pay the management fee of 50 basis points and would not pay a performance incentive as charged to outside investors. Attorney Macleod stated that he had no issues with going forward with this recommendation because of full disclosure and the fee arrangement discussion. The Board concurred.

Discussion/Approval

A Motion was made by Lt. Noto, seconded and approved unanimously, to go into Executive Session at 6:18 p.m.

A Motion was made by Lt. Noto, seconded and approved unanimously, to come out of Executive Session at 6:25 p.m.

Retirements

A Motion was made by Officer Merenda, seconded by Mr. Berkoff, to approve a regular pension to one officer.

1 QDRO

The Board considered one retiree's request to have the Fund pay a portion of his pension directly to his ex-spouse and determined that a QDRO would be necessary in order to do so.

Old Business

Status 3 Lawsuits

Attorney Macleod provided updates on the three lawsuits.

Status of Retirement Services Bank Transition

Lt. Noto reported that the transition to Peoples Bank is ongoing.

New Business

Golub Distribution

A notice was received from Golub Capital Partners International VIII, L.P. that on July 25, 2014, a distribution of \$98,870 was made to the Fund equal to 2.9% of average invested capital.

Golub Distribution

A notice was received from Golub Capital Partners International 9, L.P. that on July 23, 2014, a distribution of \$11,749 was made to the Fund equal to 2.9% of average invested capital.

Golub Distribution

A notice was received from Golub Capital Partners International VII, L.P. that on July 25, 2014, a distribution of \$61,456 was made to the Fund equal to 2.9% of average invested capital.

City Contributions

The City contributions to the Fund were received.

Fund Review/Statements

Mr. Deegan gave a fund review previously in his report.

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Set Date for Next Meeting

The next meeting of the Board of Trustees will be held on Tuesday, September 9, 2014 at 5:30 p.m.

Adjourn

There being no further business, a Motion was made by Officer Merenda, seconded by Mr. Berkoff, and approved unanimously, to adjourn the meeting 6:40 p.m.