CITY OF STAMFORD POLICEMEN'S PENSION TRUST FUND BOARD

A Regular Meeting of the Stamford Police Pension Board of Trustees was held on Tuesday, May 6, 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. Tom Deegan. Also present were Michael Berkoff and Donna DeVito, Recording Secretary.

The meeting was called to order at 5:36 p.m. by Lt. Noto.

It was announced that Commissioner Abbazia has replaced Commissioner Figueroa on the Pension Board of Trustees.

Approval – Meeting Minutes from April 8, 2014

A MOTION was made by Ms. Palmer, seconded by Officer Merenda, and approved, to accept the minutes of the meeting of April 8, 2014 as presented. Mr. Abbazia abstained.

Clearbrook – Fund Review

Leslie Billett was present from Clearbrook Global Advisors. She reported that she would review the portfolio performance for the 1st quarter through March 31, 2014, review the Fund's Asset Allocation and provide recommendations, and offer portfolio considerations.

Ms. Billett pointed out that the Fund is surpassing the policy benchmark and is doing very well. The value of the portfolio at 3/31/14 was $188,471,540. She noted the quarter return was 2.7% versus the benchmark of 1.4% and the 1 Year return was 13.1% versus the benchmark of 9.7%. She called attention to the fact that the manager's are doing what they are supposed to do. She next reviewed the performance of each sector of the portfolio and pointed out that Columbia Acorn and Royce Penn. were small and midcap funds and their performances were lagging. Clearbrook would like to conduct a search for a small-midcap manager and make a recommendation to restructure this portion of the portfolio.

She next reviewed the current Asset Allocation versus the policy and stated that she was comfortable with the Alternatives allocation being higher than targeted because it produces a meaningful return with less risk. She discussed that the Fund's total portfolio was ranked in the second percentile in the universe of funds of its type for the quarter with a 2.7% return, the one year return ranked them in the top quarter, and over 5 years, they are ranked in the 45th percentile. She stated that she was very satisfied with the rank standing and explained that they are measured in the universe which consists of defined benefit plans with assets between $50-250MM that are U.S. based pension funds. She added for every dollar of risk, the portfolio returns 105% of return and it is a very efficient, highly risk controlled portfolio.

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Ms. Billett then recommended some changes to the portfolio for the Trustees to consider. Mr. Deegan commented that five years ago the portfolio moved away from active managers and got into index funds and he agreed that it was now time to move back into more active managed funds.

Ms. Billett reviewed the following recommendations:

Liquidate Vanguard S%P 500 Index Fund (VINIX) (OPCO) with a current balance of approximately $17,878,204 and transition to Hamlin Capital Mgt (HHDFX).

Liquidate Vanguard International Index Fund (VIDMX) (OPCO) with a current balance of approximately $14,998.075 and transition to Causeway International Equity (CIVIX).

Liquidate Vanguard Bond Fund (VBTIX) (OPCO) with a current balance of approximately $8,141,879 and transition to Baird Short Duration Bond (BSBIX) .

Liquidate PIMCO All Asset All Authority (PAUIX) (OPCO) with a current balance of approximately $4,860,258 and transition to Westwood Income Opportunities Fund (WHGIX).

Ms. Billett stated that the Asset Allocation of the portfolio will not change with these recommendations.

A Motion was made by Ms. Palmer, seconded by Mr. Abbazia, and approved, to accept all the recommendations by Clearbrook as presented. Mr. Deegan abstained.

Pay Bills

Management Fee Hildene Tarp

Lt. Noto requested payment to Hildene Capital Management in the amount of $22,386 for the first quarter 2014 management fee for the Tarp account.

A Motion was made by Officer Merenda, seconded by Mr. Abbazia, Mr. Deegan abstained, to approve payment to Hildene Capital Management the amount of $22,386 for the first quarter management fee for the Tarp account.

BofA Payment Account Fee

Lt. Noto requested payment to the Bank of America for the fourth quarter 2013 payment account fee in the amount of $2,435.34.

A Motion was made by Ms. Palmer, seconded by Mr. Abbazia, Mr Deegan abstained, to approve payment to the Bank of America for the fourth quarter 2013 payment account fee in the amount of $2,435.34.

Discussion/Approval

Retirements

Lt. Noto reported that there were no retirements to discuss.

Old Business

Status 3 Lawsuits

Lt. Noto reported that there was no update on the three lawsuits.

Status of Custody Bank Search

Leslie Billett reported that Clearbrook conducted a search for a paying agent to replace the Bank of America. This was done in response to a letter sent by BofA on March 13, 2014 indicating it was vacating this business line for public fund clients, citing mounting regulatory requirements.

She indicated that included in the search were Amalgamated Bank, Commerce Bank, People's Bank, Wilmington Trust, United Bank and US Bank. The finalists were Commerce Trust and People's Bank and it was Clearbrook's recommendation that People's Bank serve as the paying agent for the Pension Fund. The total annual cost will be $11,088 based on the current number of retirees. Some of the factors contributing to choosing People's were that there is a single fee structure that makes it possible to monitor costs more easily, they are Connecticut based, and they are eager to serve business in the state.

A Motion was made by Ms. Palmer, seconded by Officer Merenda, and approved, to accept People's Bank as the paying agent of the Pension Fund. Mr. Deegan abstained.

New Business

Profit Distribution Golub

Notice was received from Golub Capital, advising that during the first quarter, the Pension Fund's interest in Golub Capital Partners International 9, L.P. earned a net GAAP profit of 2.7% of average invested capital and on April 28, 2014 a distribution was made to the Pension Fund in the amount of $10,652.

Notice was received from Golub Capital, advising that during the first quarter, the Pension Fund's interest in Golub Capital Partners International VIII, L.P. earned a net GAAP profit of 2.5% of average invested capital and on April 25, 2014 a distribution was made to the Pension Fund in the amount of $70,329.

Notice was received from Golub Capital, advising that during the first quarter, the Pension Fund's interest in Golub Capital Partners International VII, L.P. earned a net GAAP profit of 2.5% of average invested capital and on April 25, 2014 a distribution was made to the Pension Fund in the amount of $52,540.

Golub Capital Reinsurance

Notice was received from Golub Capital offering an opportunity to invest in a new Re-insurance company that will be Bermuda-based. The expected annual return is over 15% and they are looking for commitments to begin the fund in July. Mr. Deegan stated that he was very comfortable with Golub and with the funds they have invested with them currently and he recommended this new opportunity with them as a good investment. The board will consider and discuss further at the June meeting.

Wolf Popper

A letter was received from Wolf Popper dated April 7, 2014 stating that during February 2014, they have determined that the Fund did not incur any losses and did not need to take any action at this time. They also noted that the Fund should be eligible to participate in a settlement regarding Massey Energy Company and to notify the Fund's custodian bank to file a claim.

All Blue Investment Manager Change

A letter was received from AllBlue Limited, dated May 1, 2014, advising of the change in investment manager.

Fund Review

Mr. Deegan reported the Rubicon investment continues to underperform expectations. He recommended redeeming $2MM from the $4.8MM in the Fund and to place it a money market account.

A Motion was made by Officer Merenda, seconded by Mr. Abbazia, and approved, to redeem $2MM from the Rubicon Global Fund and place it in a money market account. Mr. Deegan abstained.

Independent Trustee

A Motion was made by Lt. Noto, seconded by Mr. Abbazia, and approved unanimously, to accept Tom Deegan's resignation as the Independent Trustee of the Police Pension Fund.

Lt. Noto thanked Mr. Deegan for his 10+ years of service on the Board and for the personal amount of time he spent in making the Fund prosperous and successful.

Discussion took place relating to the replacement of the Independent Trustee of the Pension Fund.

Two candidates were presented.

A Motion was made by Lt. Noto, seconded by Officer Merenda, and approved, to nominate Michael Berkoff as the new Independent Trustee of the Police Pension fund. Ms. Palmer abstained.

Lt. Noto welcomed Michael Berkoff as the new Independent Trustee. He stated that Mr. Berkoff had previously served on the Pension Fund for four years and it was important to have consistency and history with the position. Mr. Deegan commented that he had full faith in Mr. Berkoff's ability to do the job and thanked the board for allowing him to be a part of this organization for the past 10 years.

Set Date for Next Meeting

The next meeting of the Board of Trustees will be held on Tuesday, June 3, 2014 at 5:30 p.m.

Adjourn

There being no further business, a Motion was made by Lt. Noto, seconded by Ms. Palmer, and approved unanimously, to adjourn the meeting 7:10 p.m.