

City of Hartford Pension Commission
JCJ Architecture Conference Room
38 Prospect Street
Hartford, Connecticut
Friday, February 21, 2014
9:00 a.m.

AGENDA

INVESTMENT PROGRAM

- I. Review of Minutes: Meeting of January 31, 2014

- II. Status of the MERF Portfolio
 - Inventory of Assets as of January 31, 2014
 - MERF's Overall Performance

- III. NEPC - MERF Quarterly Performance Reports

- IV. Pension Consulting Alliance
 - 2014 Private Equity Investment Plan
 - Vista V Phase I Due Diligence Report

- V. Report on Annual Performance Review Meetings
 - Brown Brother Harriman
 - Pacific Investment Management Company

- VI. Other Business

INVESTMENTS:
AGENDA ITEM I



CITY OF HARTFORD
PENSION COMMISSION

MEMORANDUM

To: Pension Commission
From: Adam M. Cloud, Secretary *Ame*
Date: February 14, 2014
Subject: Review of Minutes from the Meeting of January 31, 2014

Enclosed for your review are the minutes of the investment portion of the Pension Commission meeting of Friday, January 31, 2014.

*INVESTMENTS
AGENDA ITEM I*

City of Hartford Pension Commission
Conference Room
260 Constitution Plaza
Hartford, CT 06103
Friday, January 31, 2014
9:00 a.m.

MINUTES

INVESTMENT PROGRAM

MEMBERS PRESENT: Peter Stevens, Chairman; Frank Lord, Commissioner; Gene Goldman, Commissioner; Marc Nelson, Employee Representative; Adam M. Cloud, Secretary and Carmen I. Sierra, Assistant Secretary

STAFF PRESENT: Gary B. Draghi, Director of Investments; P. Wayne Moore, Assistant Director of Investments; J. Sean Antoine, Principal Administrative Analyst; Terry Williams, Senior Administrative Analyst;

OTHERS PRESENT: Lisa Silvestri, MERF's General Council; Doug Moseley and Kristin Finney-Cooke, both from NEPC

I. Review of Minutes: Meeting of December 20, 2013

Chairman Stevens introduced the item and asked for questions, comments or corrections. There were none.

A motion was made, seconded and adopted to accept the minutes as presented.

II. Status of the MERF Portfolio as of December 31, 2013

Chairman Stevens introduced the item and asked the Investment Unit to report. J. Sean Antoine, the MERF's Principal Administrative Analyst, reported that, at December 31, 2013, the MERF portfolio had a market value of \$1 billion and had generated a 0.8% return net of fees for the month, outperforming the benchmark return of 0.7%, by 10 basis points.

Mr. Antoine then reported that the MERF's alternative portfolio posted a 1.7% net return for the month, underperforming the benchmark return of 2.6%, by 90 basis points. He also reported that the MERF's equity portfolio posted a net return of 1.3% for the month, underperforming the benchmark return of 2.0%, by 70 basis points.

Mr. Antoine went on to report that the MERF's fixed income portfolio posted a flat net return for the month, outperforming the custom benchmark return of -0.4%, by 40 basis points. Lastly, he reported that the MERF's global tactical asset allocation portfolio posted a 1.3% net return for the month, outperforming its benchmark return of 0.9% by 40 basis points.

The Commission accepted the report for advice.

Secretary Cloud asked Gary Draghi, the MERF's Director of Investments, to give an update on the MERF's investment in the New Boston USA Fund (the "Fund"). Mr. Draghi stated that the Fund's limited partners have been meeting to review information and to discuss ongoing concerns and options to achieve the best possible performance from this investment. Mr. Draghi reported that the meetings and subsequent communications with the Fund's general partner were positive. He mentioned that the MERF was one of a focused group of three limited partners that would soon be presenting suggestions to the Fund's general partner for changes that would better align interests with the general partner and provide other benefits to the MERF and all of the other limited partners. Discussion ensued.

The Commission accepted the report for advice.

III. Executive Session

Chairman Stevens introduced the item. Secretary Cloud asked the Commissioners to go into executive session.

A motion was made, seconded and adopted to go into executive session to discuss the MERF's hedge fund mandate and related candidate interviews.

A motion was made, seconded and adopted to exit executive session on the MERF's hedge fund mandate and related candidate interviews.

The Commission accepted the reports for advice.

A motion was made, seconded and adopted to authorize the Secretary to request additional information from Pacific Alternative Asset Management Company, L.L.C. and Grosvenor Capital Management, L.P.

IV. Other Business

Chairman Stevens introduced the item. Secretary Cloud stated that there was no other business.

There being no further business, Chairman Stevens adjourned the meeting.

ATTEST: Adam M. Cloud
Adam M. Cloud, Secretary