

City of Hartford Pension Commission
City Conference Room
260 Constitution Plaza
Hartford, Connecticut
Friday, February 27, 2015
9:00 a.m.

AGENDA

INVESTMENT PROGRAM

- I. Review of Minutes**
 - Meeting of January 23, 2015
- II. Status of the MERF Portfolio**
 - Inventory of Assets as of January 31, 2015
 - MERF's Overall Performance
- III. Private Equity Consultant**
 - 2015 Private Equity Investment Plan
- IV. Update from MERF's General Investment Consultant-NEPC**
 - QE 12.31.2014 Performance Analysis
 - 2015 Capital Markets Assumptions and Actions
 - Education-Real Assets
 - Emerging Markets Debt Blended Currency Manager Review
- V. Report on Annual Performance Review Meeting**
 - Brown Brothers Harriman
- VI. Other Business**
 - Proxy Voting Services Update
 - Transition Manager Update
 - Private Equity Services Update



CITY OF HARTFORD
PENSION COMMISSION

MEMORANDUM

To: Pension Commission
From: *AME*
Adam M. Cloud, Secretary
Date: February 20, 2015
Subject: Review of Minutes from the Meeting of January 23, 2015

Enclosed for your review are the minutes of the investment portion of the Pension Commission meeting of Friday, January 23, 2015.

*INVESTMENTS
AGENDA ITEM I*

City of Hartford Pension Commission
City Conference Room
260 Constitution Plaza
Hartford, CT 06103
Friday, January 30, 2015
9:00 a.m.

MINUTES

INVESTMENT PROGRAM

MEMBERS PRESENT: Peter Stevens, Chairman; Gene Goldman, Commissioner; Nicholas Trigila, Employee Representative and Adam M. Cloud, Secretary

MEMBERS EXCUSED: Frank Lord, Commissioner 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 and Terry Williams, Senior Administrative Analyst

OTHERS PRESENT: Lisa Silvestri, MERF's General Council and Chelsea Mott, City of Hartford Accountant

Chairman Steven introduced Mr. Nicholas Trigila, the MERF's newly-elected Employee Representative. The Commission congratulated Mr. Trigila on his election.

I. Review of Minutes: Meeting of December 19, 2014

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, 2014

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, 2014, the MERF portfolio had a market value of \$1.03 billion and had generated a negative -0.7% return net of fees for the month, which outperformed the benchmark return of a negative -1.3%, by 60 basis points.

Mr. Antoine then reported that the MERF's private equity portfolio posted a positive 3.4% net return for the month, outperforming the benchmark return of a positive 0.1%, by 330 basis points. He also reported that the MERF's equity portfolio posted a net return of a negative -2.1% for the month, underperforming the benchmark return of negative -2.0%, by 10 basis points.

Mr. Antoine went on to report that the MERF's fixed income portfolio posted a return of negative -1.2%, lagging the custom benchmark return of negative -0.5%, by 70 basis points. He noted that the MERF's hedge fund portfolio posted a positive return of +1.1%, outperforming its benchmark returns of positive +0.3%, by 80 basis points. Lastly, he reported that the MERF's private debt portfolio posted a positive +5.5% net return for the month, outperforming its benchmark return of negative -1.1%, by 660 basis points. Discussion ensued.

Lastly, Mr. Antoine reported that the MERF's real estate portfolio posted a return of positive 4.4% net for the month, outperforming the benchmark return of positive 2.6%, by 180 basis points.

For the benefit of Mr. Trigila, Secretary Cloud gave an in-depth overview of the MERF's asset allocation. He noted that each investment serves a particular role in attempting to achieve the MERF's target return of 7.75%. Discussion ensued.

The Commission accepted the report for advice.

III. Report on Annual Performance Review Meetings: Atlanta Capital Management, Eagle Capital Management and Prudential Investment Management

Chairman Stevens introduced the item, describing, along with Secretary Cloud, the MERF's annual manager review process. He then asked the investment staff to speak to the reports. Mr. Draghi, the MERF's Director of Investments, stated that the reports were self-explanatory and asked if there were any questions. Discussion ensued.

The Commission accepted the reports for advice.

IV. Other Business

Chairman Stevens introduced the item. Secretary Cloud informed the Commission of his recent conference presentation on public-private partnerships and updated the Commission on the status of the City's pension contribution to the MERF, noting that the City was current on its payments. In closing, 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