

City of Hartford Pension Commission
City Conference Room
260 Constitution Plaza
Hartford, Connecticut
Friday, May 27, 2016
9:00 a.m.

AGENDA

INVESTMENT PROGRAM

- I. Review of Meeting Minutes**
 - Minutes of April 29, 2016

- II. Status of the MERF Portfolio**
 - Inventory of Assets as of April 30, 2016
 - MERF's Overall Performance

- III. General Consultant**
 - Real Estate Pacing Plan
 - Performance Reports for Quarter ended 3.31.2016
 - I. Real estate
 - II. Private debt
 - Large cap growth search interview date(s)

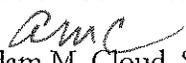
- IV. Other Business**



CITY OF HARTFORD

PENSION COMMISSION

MEMORANDUM

To: Pension Commission
From: 
Adam M. Cloud, Secretary
Date: May 20, 2016
Subject: **Review of Minutes from the Meetings of April 29, 2016**

Enclosed for your review are the minutes of the investment portion of the Pension Commission meeting of Friday, April 29, 2016.

**City of Hartford Pension Commission
City Conference Room
260 Constitution Plaza
Hartford, CT 06103
Friday, April 29, 2016
9:00 a.m.**

MINUTES

INVESTMENT PROGRAM

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

MEMBERS ECXUSED: Nicholas Trigila, Employee Representative

STAFF PRESENT: Gary B. Draghi, Director of Investments; P. Wayne Moore, Assistant Director of Investments; J. Sean Antoine, Principal Administrative Analyst; Donna Parker, Plan Administrator and Rebecca Crowley, Assistant Plan Administrator

OTHERS PRESENT: Lisa Silvestri, Assistant Corp. Council; Kristin Finney-Cooke and William Forde, both from NEPC

I. Review of Minutes as of March 24, 2016

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 March 31, 2016

Chairman Stevens introduced the item and asked the Investment Unit to report. J. Sean Antoine, the MERF's Principal Administrative Analysts, reported that, at March 31, 2016, the MERF portfolio had a market value of \$982 million and had generated a positive 4.0% net of fees return for the month, which lagged the benchmark return of positive 4.7%, by 70 basis points.

Mr. Antoine then reported that the MERF's equity portfolio posted a positive 7.1%, net of fees return for the month underperforming the benchmark return of positive 7.8%, by 70 basis points. He also reported that the MERF's international developed and emerging markets equities portfolios both posted positive relative returns for the month.

Mr. Antoine went on to report that the MERF's fixed income portfolio posted a positive 2.4% net return for the month, lagging its custom benchmark return. Discussion ensued.

With regard to alternative investments, Mr. Antoine noted that the MERF's real assets posted strong absolute returns that exceeded its benchmark, while the other private asset classes had strong relative returns but underperformed their benchmarks.

Lastly, Mr. Antoine reviewed the MERF's asset allocation positioning relative to its targets and target ranges.

The Commission accepted the report for advice.

III. General Investment Consultant

Quarter ended 3.31.2016 Performance

Chairman Stevens introduced the item. Secretary Cloud asked Kristin Finney-Cooke of NEPC, the MERF's general consultant, to report to the Commission. Ms. Finney-Cooke began by noting NEPC presented a summary of the Large Cap Growth finalists that were voted to present to the Board at the December 2015 meeting. She noted that given the market movements to start 2016, NEPC wanted to provide Q1 performance and reaffirm the Board's vote to interview all four finalists. Ms. Finney-Cooke reported that NEPC stated that they will work with MERF staff to find dates to interview each manager. Discussion ensued.

Ms. Finney-Cooke also reported that NEPC supplemented the MERF's staff presentation on the March performance by touching on what drove markets in January, February, and March. She noted that the MERF performed exceptionally well in the first quarter as it protected capital in January and February but also participated in the March rally.

Lastly, Ms. Finney-Cooke presented the updated work plan which highlighted the real estate pacing plan in May and Hedge Fund review in June. Discussion ensued.

The Commission accepted the report for advice.

IV. Batterson Park

Chairman Stevens introduced the item and recommended that the Commission enter executive session for the purpose of discussing commercial or financial information given in confidence, not required by statute.

A motion was made, seconded and adopted to enter into executive session.

A motion was made, seconded and adopted to exit executive session.

A motion was made, seconded and adopted to authorize the Treasurer to enter into an agreement with Mayor Bronin regarding a \$5,000,000 transfer of a parcel of land in Batterson Park to the MERF. Treasurer Cloud will begin to explore the use of outside counsel to draft an agreement by and between the City and the MERF.

V. Deferred Compensation Plan Recommendations

Chairman Stevens introduced the item. Secretary Cloud asked the MERF's investment staff to report to the Commission. Gary Draghi, The MERF's Director of Investments reported that the deferred compensation committee met recently regarding plan changes and would like to recommend that the Pension Commission approve edits to the Deferred Compensation Plan ("the Plan") Investment Policy State wording to update for current best practices and to enhance terminology and replace underperforming investments as outlined in the materials presented.

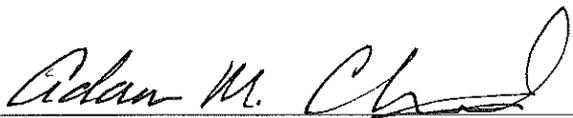
Mr. Draghi went on to noted that these changes have been recommended by Retirement Plan Advisors ("RPA") the City of Hartford's deferred compensation Plan investment consultant and were approved by the deferred compensation Plan committee. Discussion ensued.

A motion was made, seconded and adopted to except the Deferred Compensation Plan Committee recommendation to approve edits to the Deferred Compensation Plan ("the Plan") Investment Policy State wording to update for current best practices and to enhance terminology and replace underperforming investments.

VI. Other Business

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

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

ATTEST: 
Adam M. Cloud, Secretary