



STAMFORD FIREFIGHTERS PENSION FUND

City of Stamford, CT

Chairman Robert Berlingo
Richard Lyons
William J. Smith III
James Hricay
Gerald Kutz

Meeting purpose: Review of current Fund Managers

May 22, 2013

A regular meeting of the Stamford Firefighters Pension Fund was held on Wednesday May 22, 2013 at 12:00pm noon at Stamford Fire Headquarters.

Present at the meeting were: Trustee Chairman Robert Berlingo (on Conference Call), Trustee Mr. Richard Lyons, Trustee Mr. James Hricay, Trustee Firefighter Gerald Kutz, and Fund Advisor John Beirne. Absent: Trustee Assistant Chief William Smith. No meeting Guests. Various fund managers attended to present their individual funds listed below.

The meeting was called to order at 12:22pm by Chairman Berlingo.

Public Comment

No public comment.

Introduction

Chairman Berlingo introduced Beach Point Capital Management

Beach Point Capital Management – Opportunity in Senior Bank Loans Update

Paul Labib and Will Kozicki (on Conference Call from Chicago) presented for Beach Point Loan Fund.

Reviewed performance results since investment in March of 2013.

Fund currently yields a total return of approximately 6%.

The team investing for the Loan Fund is of hedge fund caliber.

Currently approximately 2 billion in assets and 1 billion in dedicated loan account.

The fund has a strong focus on safety of loan assets.

Beach Point expects the technical to be strong for the rest of the year (2013).

Chairman Berlingo asked how the Fidelity reports are updated from Beach Point. Paul Labib indicated that the fund results are verified at month end by independent agency and then transmitted to Fidelity. However, a weekly report is published with unofficial results.

Paul Labib was asked to put Chairman Berlingo and Trustee Hricay on the email list for that report. Trustee Hricay will forward the report to the Comptroller's Office for the city.

Beach Point Capital Management – Total Return Fund

Paul Labib presented for Beach Point Total Return Fund.

Fund's total yield currently at 8.6%.

Hilton Hotels were a major asset of the fund but is being reduced and now down to 2%.

Fund is up approximately 5.3% YTD through April. In May the fund is up approximately 1.25% which translates to approximately 6.5% to date for 2013.

Average yield for the fund is 10%, with portfolio 760 bp long and 40 bp short yielding 720 bp carried interest rates.

Currently the fund is harvesting the distressed debt bought in 2008 and 2009 because of the high values.

WHV Investment Management – International Equity Strategy

Brian Forth presented for WHV International Equity Fund.

Recent developments: Judy Stevens retired as President/CEO and Andrew Turner was named her replacement. Also, Kurt Hauser retired as Chairman in April 2013.

They feel that Global Capitalism is the single largest driver of growth worldwide. The Emerging Markets have 10-15 million people a year moving from farms to cities.

Over the next 10 years they believe we will see the urbanization of 1.5 billion people in China alone.

China is currently the largest user of energy at 21% with the US using only 9% of the world's energy.

They have added 2 stocks to the portfolio and no eliminations over the last 12 months.

Trustee Lyons asked why they have not been more reactive to the changes we have seen in the markets. Forth commented that they have not seen moves in their strategies and thus not much movement in the held companies.

General Discussion

Mr. John Beirne presented a review of the current portfolio. He commented that the high yield and the stock market are doing very well. Lots of instability in the bond market. Two years ago, the IMF said we would be growing at 4% and we are at 2%. The Firefighters fund is structured for inflation and growth.

Mountain Lake investment is up nearly 11.5%.

John drafted a letter to Zesiger about the Board's dissatisfaction with the fund's performance and forwarded it to Trustee Smith for review and mail out on our letterhead. In his absence, John to forward letter to Trustee Hricay and Chairman Berlingo for review and send.

A **MOTION** was made by Trustee Lyons and seconded by Trustee Hricay at 2:45pm to liquidate Tocqueville, add \$5 million in cash and move to Omega Advisors. Total value would be approximately \$7 million. Motion **PASSED** unanimously.

Fund Advisor Beirne commented that any capital calls from Blackstone, Zephyr or Entrust would be taken from cash and Zesiger.

A Freedom of Information Request (FOI) was received by the city on behalf of the pension fund. The request was forwarded to the Pension Board for review and action. Chairman Berlingo asked Fund Advisor Beirne to review the request and provide the correct report.

Trustee Hricay asked where we were on the Social Security Checks of retirees?

After discussion it was decided to have Trustee Hricay work with payroll to get the checks done.

A **MOTION** was made by Trustee Hricay and seconded by Trustee Lyons at 2:55pm to have Trustee Hricay work with Payroll to do social security checks on the current retirees. Motion **PASSED** unanimously.

Chairman Berlingo indicated that he will call David Yanek to discuss the end of year pricing and valuation process in preparation for the annual audit.

Executive Session

A **MOTION** was made by Trustee Lyons and seconded by Trustee Hricay at 3:02pm to go into executive session to discuss a personal matter. Motion **PASSED** unanimously.

A **MOTION** was made by Trustee Lyons and seconded by Trustee Hricay at 3:10pm to leave executive session. Motion **PASSED** unanimously.

Discussion of personal issues took place and no action was taken.

End Executive Session

Trustee Kutz raised a concern that Hooker and Holcombe has once again changed actuarial assumptions without the review or approval of the board. At the last meeting, it was agreed to pay H&H for work performed to date. It was discussed that any actuarial assumption changes would be brought in front of this board for review and approval prior to being forwarded to the city.

Chairman Berlingo was unaware that anything had been transmitted to the city and indicated that he would call Bill Woollacott from H&H and find out what has happened.

Trustee Kutz reemphasized the disagreement from the union of letting Hooker and Holcombe change actuarial assumptions without a proper experience study. He also reemphasized that H&H clearly treats the city as their client, not the pension board.

Trustee Hricay commented that he will be verifying the calculations being sent to the Actuary to verify the math.

Review of the minutes of the previous meeting

Firefighter Gerald Kutz read the minutes from the March 12, 2013 meeting.

Trustee Lyons adjusted the format so that Executive Sessions are shown correctly in the minutes. Trustee Kutz made the appropriate corrections.

A **MOTION** was made by Trustee Lyons and seconded by Trustee Hricay at 3:25pm to accept the minutes as amended. Motion **PASSED** unanimously.

Review of Retirements approved since last meeting

1 firefighter was granted regular retirement pension by unanimous vote.

1 fire marshal was granted regular retirement pension by unanimous vote.

A **MOTION** was made by Trustee Lyons and seconded by Trustee Hricay at 3:30pm to adjourn the meeting. Motion **PASSED** unanimously.