

CITY OF LADUE
MINUTES OF THE COMBINED MEETING
OF THE FIREMEN'S AND POLICEMEN'S
PENSION PLAN AND RETIREMENT
PLAN COMMITTEES
JULY 31st, 2014 at 8:30 A.M.

A combined meeting of the Ladue Uniformed Pension and the Non-Uniform Pension Plan committees of the City of Ladue was convened at the Ladue Police Department's second floor conference room at 8:30 a.m. on July 31st, 2014. The following members were present:

Firemen's and Policemen's Pension
Fund Board of Trustees

Mayor Nancy Spewak
Mr. Joseph Rechter, Chairman
Sgt. Greg Stork
MEMT/FF David Kaiser
Fire Chief John Bailot
Police Chief Rich Wooten

Retirement Committee Non-Uniformed
Employees Retirement Fund

Mayor Nancy Spewak
Mr. Joseph Rechter
Ms. Shelly Benson, Secretary
Mr. Ivan White, Vice-Chairman

Absent: Mr. Bill Francis and Mr. Wesley Jones

Also present: Michael Wooldridge, Assistant to the Mayor / City Clerk; Rick Jett, Finance Director; Commerce Trust representatives: David Hagee and Barbara Turley.

Sgt. Stork moved to approve and adopt the agenda. The motion was seconded by Chief Bailot, and the motion was unanimously approved.

Mr. White moved to approve and adopt the minutes. The motion was seconded by Mr. Kaiser, and the motion was unanimously approved.

No members of the public were present.

Ms. Turley discussed the Active vs. Passive Management debate. She stated you should expect your managers to under perform at times and to try to understand the reason for the under performance. Also, it's a good idea to diversify your managers by combining them with other managers whose strategies are different enough to compliment each other. The key

is to measure your managers over longer time periods. If your plan cannot tolerate shorter-term dips in benchmark-relative performance, passive investing may be the right choice.

Mr. Hagee presented the Portfolios' status and investment results for the second quarter 2014. He discussed the asset allocations and portfolio vs. benchmark returns for both the Uniform and Non-Uniform plans.

Uniform Plan

Asset Allocation: .82% Cash Equivalents, 72.35% Equity Investments, 20.60% Fixed Income Investments, and 6.23% Alternative Investments. Portfolio vs. Benchmark – Last 3 Months – Ladue -3.55% vs. Benchmark 3.88%; Last 12 Months – Ladue 16.88% vs. Benchmark 17.04%; Report Period (1/1/98-6/30/14) Ladue 4.97% vs. Benchmark 6.51%.

Non-Uniform Plan

Asset Allocation: .66% Cash Equivalents, 71.51% Equity Investments, 20.66% Fixed Income Investments, and 7.17% Alternative Investments. Portfolio vs. Benchmark – Last 3 Months – Ladue 3.57% vs. Benchmark 3.88%; Last 12 Months – Ladue 16.88% vs. Benchmark 17.04%; Report Period (1/1/98-6/30/14) Ladue 5.11% vs. Benchmark 6.51%.

Uniform and Non-Uniform Plan

Mr. Hagee reviewed the City of Ladue's Consolidated Portfolio Attribution. He stated the total relative performance versus the benchmark resulted in a .39% under-performance, which was due to several items: Large-cap stocks underperformed again this quarter which is uncharacteristic; Mr. Hagee remains confident in the managers. Mid-cap stocks also underperformed this quarter; Small-Cap were allocated favorably and offset the underperformance of the managers; Emerging markets rebounded sharply; Alternatives continued to be an asset to the portfolio with a 2.91% return for the quarter; and Fixed income also continued to outperform returning 2.64%, above the 2.04% index.

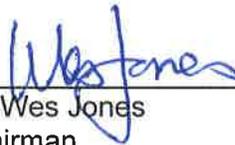
The committee members discussed legislation HB 1882 which changes RSMo. 105.666 training requirements from "2 education programs a year" to "six hours of continuing education

per year". Currently the MAPERS conference is utilized to fulfill training requirements and they will be adjusting the curriculum accordingly to comply with the new statute. Mr. Wooldridge suggested that the committee should consider an alternative to the MAPERS conference, such as setting up several training sessions locally. He stressed the importance of complying with the statute.

Ms. Benson moved to adjourn the meeting. Sgt. Stork seconded the motion, and the motion was unanimously approved. The meeting adjourned at 9:50 AM.



Mr. Joseph E. Rechter
Chairman
Firemen's and Policemen's Pension
Fund Board of Trustees



Mr. Wes Jones
Chairman
Retirement Committee Non-Uniformed
Employees Retirement Fund