

CITY OF LADUE  
MINUTES OF THE COMBINED MEETING  
OF THE FIREMEN'S AND POLICEMEN'S  
PENSION PLAN AND RETIREMENT  
PLAN COMMITTEES  
February 11<sup>th</sup>, 2021

A combined meeting of the Ladue Uniform Pension and the Non-Uniform Pension Plan Committees of the City of Ladue was convened via Zoom and at City Hall at 8:00 a.m. on February 11<sup>th</sup>, 2021. The following members were present:

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

Chairman Joe Rechter  
Mayor Nancy Spewak, Ex-Officio  
Mr. William Francis

Sgt. Greg Stork  
Chief Steve Lynn  
MEMT/FF David Kaiser

Retirement Committee Non-Uniformed  
Employees Retirement Fund

Chairman Wesley Jones  
Mayor Nancy Spewak  
Ms. Shelly Benson  
Mr. Ivan White  
Mr. Scot Bollinger  
Mr. Joseph Rechter

Also present were Sam Zes, Finance Director; Laura Rider, Assistant to the Mayor/City Clerk, Tom Latzke and Brian Goding from Marquette; and Nate Kellogg, President Director of Manager Search at Marquette. Member Ken Andreski was absent.

Mr. Bollinger moved approval and adoption of the agenda, upon second by Mr. White the motion was unanimously approved.

Mr. Bollinger moved approval of the minutes of the meeting of November 11<sup>th</sup>, 2020, upon second by Chief Lynn the motion was unanimously approved.

Public Forum: None

Mr. Latzke presented the Portfolios' status and investment results for the fourth quarter 2020 beginning with an economic overview. Equity markets continue to set new highs, investors question if tech stocks are in a bubble. December unemployment rate unchanged at 6.7%, double the pre-pandemic levels. Interest rates are expected to remain low through 2021. Another stimulus bill is upcoming, while federal debt is approaching WWII levels. U.S. consumers are in better shape, which means stimulus packages are working with foreclosures and bankruptcies remaining low. Positive vaccine news led to a strong rebound in deep value stocks and IT has been a winner in the COVID environment, up 11.4% in December and 45.8% on the year. The progression of E-commerce during the pandemic causes the future for offices and retail to remain very uncertain.

Uniform Plan

Asset Allocation: .2% Cash Equivalents, 63.1% Equity Investments, 7.8% Defensive Equity, 18.3% Fixed Income Investments, and 10.6% Real Estate Investments. Portfolio vs. Benchmark – Last 3 Months – Ladue 11.4% vs. Benchmark 11.2%; YTD – Ladue -12.6% vs. Benchmark 11.1%; Last 10 Years - Ladue 7.7% vs. Benchmark 8.8%.

Non-Uniform Plan

Asset Allocation: .4% Cash Equivalents, 63.2% Equity Investments, 7.7% Defensive Equity, 18.5% Fixed Income Investments, and 10.2% Real Estate Investments. Portfolio vs. Benchmark - Last 3 Months – Ladue 11.5% vs. Benchmark 11.2%; YTD - Ladue -12.6% vs. Benchmark 11.1%; Last 10 Years - Ladue 7.7% vs. Benchmark 8.8%.

Mr. Latzke and Mr. Goding presented the updated investment policy as discussed at the last meeting. Upon conclusion of discussion, Mr. Rechter made a motion to accept the updated policy to allow for high yield bonds, upon second by Chief Lynn the motion was unanimously approved.

Mr. Nat Kellogg introduced himself to the committee and discussed the U.S. Equity environment and value versus growth and also briefed the committee on the City's current U.S. Equity lineup. He stated our portfolio structure is designed to capture long term outperformance of certain sub-segments of the U.S. equity market and equities remained strong despite the pandemic. Value looks cheap relative to growth and history. Active manager implementation in value means managers are looking for stocks that are cheap on more than just a price basis. Overweight to small cap stocks is larger than the value overweight and should benefit from a gradual "re-opening" of the U.S. economy. As the economy recovers it's reasonable to expect a modest rise in interest rates which would benefit value stocks relative to growth stocks. He also stated Marquette rebalanced or raised fund for the City in 11 of the 12 months of 2020.

The next meeting was scheduled for May 13<sup>th</sup>, at 8:00 AM.

Mr. Bollinger moved adjournment, upon second by Chief Lynn the motion was unanimously approved. The meeting adjourned at 9:00 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