

CITY OF LADUE
MINUTES OF THE COMBINED MEETING
OF THE FIREMEN'S AND POLICEMEN'S
PENSION PLAN AND RETIREMENT
PLAN COMMITTEES
OCTOBER 31, 2013 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 October, 2013. The following members were present:

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

Mayor Nancy Spewak
Mr. Joseph Rechter, Chairman
Sgt. Gregory Stork
Fire Chief John Bailot
Fire Capt. Keith Terry
Police Chief Rich Wooten

Retirement Committee Non-Uniformed
Employees Retirement Fund

Mayor Nancy Spewak
Mr. Wesley Jones, Chairman
Mr. Joseph Rechter
Ms. Shelly Benson, Secretary

Absent: Bill Francis and Ivan White

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

Capt. Terry moved to approve and adopt the agenda as amended. The motion was seconded by Sgt. Stork, and the motion was unanimously approved.

Mr. Jones moved to approve and adopt the minutes as amended. The motion was seconded by Mrs. Benson, and the motion was unanimously approved.

There were no members of the public present.

Mr. Hagee presented the Portfolios' status and investment results for the third quarter 2013. He discussed the asset allocations and portfolio vs. benchmark returns for both the Uniform and Non-Uniform plans.

Uniform Plan

Asset Allocation: 0.85% Cash Equivalents, 69.14% Equity Investments, 22.14% Fixed Income Investments, and 7.87% Alternative Investments.

Portfolio vs. Benchmark – Last 3 Months – Ladue -4.95% vs. Benchmark 4.68%; Last 12 Months – Ladue 10.93% vs. Benchmark 12.20%; Report Period (1/1/98-9/30/13) Ladue 4.49% vs. Benchmark 6.08%.

Non-Uniform Plan

Asset Allocation: 0.98% Cash Equivalents, 68.60% Equity Investments, 22.60% Fixed Income Investments, and 7.82% Alternative Investments.

Portfolio vs. Benchmark – Last 3 Months – Ladue 4.85% vs. Benchmark 4.68%; Last 12 Months – Ladue 10.87% vs. Benchmark 12.20%; Report Period (1/1/98-9/30/13) Ladue 4.63% vs. Benchmark 6.08%.

Uniform and Non-Uniform Plan

Mr. Hagee reviewed the City of Ladue's Consolidated Portfolio Attribution. He noted three significant items: the September boost from allocation (underweight bonds) produced a positive quarter, offsetting the negative effect of alternatives; Active management added value versus index performance across all sub-classes in domestic equity; and most of the quarter's outperformance was from active management in domestic equity.

Mr. Hagee reminded the committee that the new benchmark is 53% Russell 3000 Index, 12% MSCI EAFE Index, and 35% Barclays Aggregate Index as of 8/1/13. Prior to 8/1/13, it was 50% Russell 3000 Index, 10% MSCI EAFE Index, and 40% Barclays Aggregate Index.

Mr. Hagee reviewed the City of Ladue's Attribution Detail as of 9/30/13 and noted several items: Large cap stocks outperformed; Mid cap stock allocation and manager selection provided a contribution; Small cap stocks outperformed; International allocation and manager selection detracted; Alternative results were mixed; and Fixed income contributed slightly.

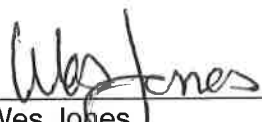
In closing, Mr. Hagee suggested that beginning 4th quarter, Ladue use the MSCI ACWI IMI ex. U.S. index as our benchmark. He stated it was a fairer comparison and more inline with Current International Allocation. The committee agreed, and Chief Wooten moved to approve and adopt

the suggested switch to the new benchmark and amend the Investment Policy Statement. The motion was seconded by Sgt. Stork, and the motion was unanimously approved.

Mrs. Benson moved to adjourn the meeting. Mr. Stork seconded the motion, and the motion was unanimously approved. The meeting adjourned at 9:40 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