

CITY OF LADUE
MINUTES OF THE COMBINED MEETING
OF THE FIREMEN'S AND POLICEMEN'S
PENSION PLAN AND RETIREMENT
PLAN COMMITTEES
February 2, 2017 at 8:00 A.M.

A combined meeting of the Ladue Uniform 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 8:00 a.m. on February 2nd, 2017. The following members were present:

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

Mayor Nancy Spewak
Mr. Joseph Rechter, Chairman (by phone)
Mr. William Francis
Sgt. Greg Stork
MEMT/FF David Kaiser
Chief Rich Wooten

Retirement Committee Non-Uniformed
Employees Retirement Fund

Mayor Nancy Spewak
Mr. Wesley Jones, Chairman
Mr. Joseph Rechter (by phone)
Ms. Shelly Benson, Secretary
Mr. Ivan White, Vice-Chairman

Also present: Laura Rider, Assistant to the Mayor / City Clerk; Sam Zes, Finance Director; Marquette Associates representatives: Tom Latzke and Brian Goding; Neuberger Berman representatives: J. Douglas Kramer and Sean Curry; Principal representative William Grayson. Fire Chief Steve Lynn was absent.

Mr. Francis moved to approve and adopt the agenda. The motion was seconded by Ms. Benson, and the motion was unanimously approved.

Dr. Jonathan Dehner represented the public, however had no comment.

The committee reviewed a presentation offered by Mr. Kramer and Mr. Curry of Neuberger Berman. They discussed their Defensive Equity: U.S. Equity Index PutWrite Strategy. Mr. Curry explained this is a way to increase exposure in U.S. Equities by adding value in a transparent, liquid, and cost effective way to the City's portfolios. He stated this is a good alternative to typical Hedge Funds. Mr. Kramer stated this strategy is a way to earn equity-like returns on a smoother path. He emphasized although you don't capture the extreme highs of the market, you also don't have to endure deep lows. After some committee discussion, Mr. Jones suggested the discussion be tabled, to give the committee members time to fully understand this proposal, until the next meeting. The committee agreed.

The committee reviewed a presentation offered by Mr. Bill Grayson from Principal Real Estate Investors. He discussed Principle's approach to portfolio management as well as their strategic theme of diversification, not only in many different areas of the country but also among many types of real estate investments such as Office space, Retail, Multifamily, and Industrial properties.

Mr. Latzke updated the committee on the progress of the transition from Commerce to Marquette. He stated 15 funds were fully liquidated on December 23, 2016 and the proceeds were then re-invested with Marquette fund managers.

Mr. Latzke presented the Portfolios' status and investment results for the fourth quarter 2016. He discussed the asset allocations and portfolio vs. benchmark returns for both the Uniform and Non-Uniform plans.

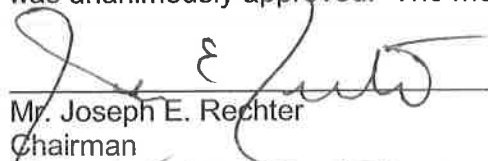
Uniform Plan

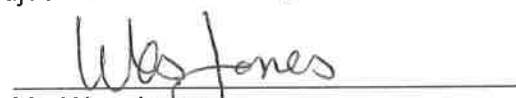
Asset Allocation: 2% Cash Equivalents, 68.3% Equity Investments, 27.9% Fixed Income Investments, and 1.8% Real Estate Investments. Portfolio vs. Benchmark – Last 3 Months – Ladue .8% vs. Benchmark 1%; Last 12 Months – Ladue 7.1% vs. Benchmark 8.3%; Last 10 Years - Ladue 4.7% vs. Benchmark 5.8%.

Non-Uniform Plan

Asset Allocation: 2.2% Cash Equivalents, 69% Equity Investments, 26.8% Fixed Income Investments, and 1.9% Real Estate Investments. Portfolio vs. Benchmark - Last 3 Months – Ladue .9% vs. Benchmark 1%; Last 12 Months – Ladue 7.2% vs. Benchmark 8.3%; Last 10 Years - Ladue 4.7% vs. Benchmark 5.8%.

Ms. Benson moved to adjourn the meeting. Chief Wooten seconded the motion, and the motion was unanimously approved. The meeting adjourned at 10:15 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