DEPARTMENT OF CITY CLERK

CITY HALL

APRIL 23, 2009

The Board of Investment Commissioners meets this day at 2:30 o'clock P.M., in The Conference Room, Third Floor, City Hall.

PRESENT: Mayor David N. Cicilline, Vice-Chairman Bruce Miller, Finance Director, Stephen T. Napolitano, City Treasurer and Myrth York – 4.

ABSENT: Councilman John J. Igliozzi, Allan M. Edwards and Craig Baker – 3.

Also present are Eric Bertonazzi, Wainwright Investment Counsel LLC; Jeffrey D. Fabrizio, Wainwright Investment Counsel LLC; Richard Kerbel, Director of Administration; Sarah Potter, Assistant City Solicitor, Law Department; Karen Gomez, Fiscal Advisor, Parks Department; Gina Raimondo, General Partner, Point Judith Capital; Lori L. Hagen, Second Deputy City Clerk and Sheri A. Petronio, Assistant Clerk.

I INVESTMENT PERFORMANCE ANALYSIS

1.) Recent Performance Estimate

2.) Portfolio Structure and Performance Summary: Asset Class

3.) Manager Performance: Benchmark vs. Manager Analysis

A.) US Equity Managers
B.) International Equity Manager
C.) Fixed Income Managers

II DISCUSSION RELATIVE TO THE DEXTER DONATION FUND AND OTHER TRUST ACCOUNTS

III DISCUSSION AND/OR DECISION RELATIVE TO ASSET ALLOCATION

IV DISCUSSION AND/OR DECISION RELATIVE TO MONITORY SERVICES

V PRESENTATION FROM POINT JUDITH CAPITAL RELATIVE PRIVATE EQUITY

VI REQUEST OF ROBERT F. MC MAHON, SUPERINTENDENT, DEPARTMENT OF PUBLIC PARKS TO TRANSFER $12,500.00 FROM THE EDWARD F. ELY TRUST, CURRENTLY AVAILABLE, TO EXPENDABLE ACCOUNT (826) FOR WINTER ACTIVITIES AT THE BANK OF AMERICA SKATING CENTER.

VII REQUEST OF ROBERT F. MC MAHON, SUPERINTENDENT, DEPARTMENT OF PUBLIC PARKS TO TRANSFER $200,000.00 FROM THE CHARLES H. SMITH TRUST, CURRENTLY AVAILABLE, TO EXPENDABLE ACCOUNT (819) FOR YEAR 2 OF THE BOTANICAL CENTER – URI CONTINUING EDUCATION AGREEMENT AND CONTINUED DEVELOPMENT OF OUTDOOR GARDENS.

VII REQUEST OF ROBERT F. MC MAHON, SUPERINTENDENT, DEPARTMENT OF PUBLIC PARKS, TO TRANSFER $20,000.00 FROM THE EDWARD F. ELY TRUST, CURRENTLY AVAILABLE, TO EXPENDABLE ACCOUNT (826) FOR PERFORMING ARTS IN NEIGHBORHOOD PARKS, SUMMER 2009.

MAYOR CICILLINE: We will take item numbers six, seven and eight. We actually talked about these previously. I think this is the fourth time they've been on the agenda.

MR. NAPOLITANO: I move we approve the three expenditures.

VICE-CHAIRMAN MILLER: I second that motion.

On motion of Mr. Napolitano, seconded by Mr. Miller, it is voted to approve items six, seven and eight on the agenda.

MAYOR CICILLINE: All those in favor.

COMMITTEE: Aye.

MAYOR CICILLINE: All those opposed.

Motion Carries.

MAYOR CICILLINE: Next, I will ask for indulgence from the commissioners and take item number five next since we have a distinguished civic leader of Providence here.

MR. BERTONAZZI: Ladies and gentleman, we have Gina Raimondo here from Point Judith Capital to give us a quick update on fund two, which is what the city is invested in. We are essentially just trying to have one manger a month to come in and give us an update and Point Judith is up. So I will turn it over to Gina.

MS. RAIMONDO: Nice to see you all again. You will be happy to know that your investment in Point Judith has increased about 22% in value last year. It’s about 40% of the way through the investment and certainly are weathering the storm. I was asked to provide a few thoughts about how we’re doing in the current market as well as a general update. The first few slides I will fly right through. It’s just to reacquaint you with Point Judith Capital. We’re an early stage venture capital firm. We’re based here in Providence. We have two funds under management, about a hundred million dollars between the two funds and we are affiliated with a large asset management firm in Boston called Tutor Investment Corp. Our investment strategy, we are in the business of funding innovation. So we’re funding companies, first institutional capitol that they take in. None of our companies are leveraged. These companies don’t have bank debt. We’re really funding R & D innovation at the earliest states of the company. We’re a cross sector fund, IT, healthcare and internet. My focus is healthcare but we’re happy to be diversified. It’s about a third, a third, a third across those three high growth sectors. The investment team has not changed since you made your original investment in 2006, with five professional all based here in Providence. We’re augmented by three venture partners who are part time with us. These are successful entrepreneurs who have built and sold business in the past in healthcare, IT and internet, and they’re also based here with us in Providence. Next slide, slide five, as I said earlier, we’re in the business, we typically invest kind of two to three million dollars, first institutional money into a company and looking for companies that we think have the potential to become leaders in their industries, in the industries where we focus. So Getwell Network is a healthcare IT company.

At the time we invested, we made a million dollar investment. The company had half a million dollars in revenue and four customers. They ended last year with a hundred employees, fifty million on booking and they're the leading provider of interactive patient services. It took five year to get there and the product is a ten year product. We expect a typical investment will be five years between first investment and liquidity. Getwell Network is just one example. A couple of other examples in our second fund multiple, is one of the internet companies that we invested in out of our second fund, the fund in which you're in. It's a social networking site. At the time we invested they were just getting off the ground. They now have $10 million unique visitors a month, which puts them at the sixth largest social networking site in the world and in certain geographies they are number one. They're the dominant group of social networking company in the Philippians for instance and that company multiplied is one of up ticks in our portfolio. They raised money last year from the largest media company in the Philippians at a 50% up tick from the price that we invested in. So it's a strong performer. Jeff asked me to comment briefly about the current environment, which as we all know is challenging to say the least. We obviously cannot escape what's going on in the world. What's happening in this market? Exits are fewer and farter between. The ideal market is effectively closed for the time being. Companies aren't as inquisitive as they were a year ago. A lot of folks have really pulled back on their investing. On slide six it just kind of shows there has been a substantial retrenchment in venture capital dollars. There is less supply of capital, which valuations are coming down, but the biggest challenge we're facing now, as I was just saying to Eric, is just helping our companies to survive. So our companies have no leverage. Everyone is level funded and our focus is getting them through 2009. We have one down in the portfolio out of the nine companies, which we're very proud of, but the challenge this year is literally just getting through the year. So what we did is every single one of our companies, we have twenty companies in total, nine in the second fund, which are investors, and everyone we did across the board cuts last September. So we try to be proactive. Some in August, some in September, some in October and we really just slashed operating budgets as much as we could and we're continuing to do that wherever appropriate just to conserve cash. I think we acted early and severely in cutting the outbacks of our companies and now we're starting to see the benefit of that. Obviously, we try to control the risk that we can control, which is the cost of it. We can't control how quickly these customers are going to buy are not so that's kind of how we're reacting to this environment. We say that the impact varies by sector. Now I have to say healthcare sector, which is where I invest, which is where a third of the portfolio is, is not seeing the retention. Healthcare deals are still getting done, acquisitions are still being made and we haven't really seen a slow down effect. One of our companies, a company called MedOptions is a healthcare services company. They provide psychiatric services to residents in nursing homes. They're just growing. They will do 25% out client improvement this year over last year even in this recession. Our medical device company, same thing. A company Novare Surgical, which your are an investor in, hit their budget last year and I think they will hit the budget this year. They sell surgical supplies. So some of these things are kind of, and I hate the word recession proof, but a little bit recession resistant. Slide seven, just a few quick snapshots on the current environment. First quarter of this year was the lowest level of venture capital investment in the last eleven years. Big funds in particular are really putting back. Essentially what they're doing is taking the capital they have in their fund and supporting their existing portfolio. They're not making new investments. We are very fortunate in that we only have nine portfolio companies and we reserved about two to one for each of those companies. Many firms have twenty, thirty, forty, fifty portfolio companies. So if you're holding fifty portfolio companies, you're not making new investments. You're taking all the cash you have left and margining for those companies. We do believe that creates a huge advantage for clients like ours because we have the majority of our capital left to deploy. So Eric and I were just chatting. We're actively investing in this market. Fourth quarter of last year we made one investment but it was all about right sizes, the operating budgets of our existing portfolio. This year we're actively investing. We would love to make three or four new investments because the valuation has cratered and of course this is the time to buy. I mean everything thing is on sale and we want to buy. We believe when we look back in five or six years we will say 2009 was the best vintage, 2009 and 2010, those are the best vintage deals. We're about to make an investment tomorrow actually in a company here in Providence. It's not a done deal, but we're signing documents. Confidentially, since you are investors we're going to own a third of that company for a million and a half dollars. Deals like that weren't getting done a year ago. So we're thrilled actually to have capital to invest this year.

MR. BERTONAZZI: Gina, you were talking a while ago and this fund has been up about 41%. You may be giving us a call here soon. We've got nine portfolio companies in there. You said you would like to take it to fifteen and now is a great time to do it. How much of the remaining capital do you think might have to be held in reserve for support of the nine that are in there already and how much of the remaining capital do you think would be prepared to go into the new investments? How are you guessing at that?

MS. RAIMONDO: Think about the existing investments, some of which have already had follow on investment, like Novare Surgical has already had a follow on. I think about 30% is left for us to invest, maybe 25% is left to invest. Just a brief comment. I think I had mentioned this actually when I was here recently. The quality of entrepreneurs that we're seeing come through the door today is just very high. Again, in 1999 and even in 2006 and 2007, things were getting a little foggy especially in the internet, but you really have to think you're on to something to start something today. Mostly what we're seeing are entrepreneurs who have done it before. Guys who started their last company maybe in the last recession. They're putting a lot of their own money into these companies. They're entrepreneurs who are saying I know the economy is terrible but I'm going to build a product today. This is why you can tell I'm excited about being where we are, which is we're building products we're innovating today so that three, four, five years from now when the market turns around we're going to sell these companies. We're very optimistic about where we are investing today. I think I kind of already went through slide eight and even slide nine. Slide ten, just briefly overview of portfolio. There are nine investments broken down by sector; Two healthcare, three software, four internet. We've really shored up these companies to get through this year. We had two nice up ticks last year, which as I said is the investment value of your portfolio grew about 22% last year, which I'm pretty please with that. In 2008 there was a 22% increase. We're feeling like that's a good place to be. You were asking me earlier when we had our first investment. Our first investment was mid 2006. It's really early to start thinking about when we're going to have an exit. We have had a couple of opportunities to sell companies, but honestly now is not a good time to sell a company. You're not going to get premium value in 2009 probably so you're better off to hold these investment, build value and try to look to sell next year and that's again what we're very focused on but whose to say we wouldn't sell if we got the right price. Slide eleven we've already hashed through. It's just a snapshot of where we are in the portfolio. Like I said, we're looking to invest actively this year so you can expect a couple of capital calls this year. I think you have a one million dollar investment and I think you will probably get two capital calls this year as we fill out the portfolio. The focus of 2009 is really more of what I've said. Make three or four new investments and really take advantage of the fact that a lot of other capital venture firms are not in the game, they're not making new investments. The final thing I'll just comment on is we are patient investor and our appreciative of LPs like you who are also patient. We believe Fund I looks like it will be a 2.5 times to 3 times cash on cash return and I have every reason to believe this will be similar. We were looking to triple the fund, but we're going to need every bit of this six to eight years to do that because it just takes time to build these companies. We're certainly patient. We're not in a rush to flip. We're in the business of building and growing. What we are not saying is typically the companies we're getting involved in are single digit valuations. We will invest in a company, value the whole company and they're between four and seven million dollars. We're trying to get between 20% and 30% ownership of that company and then sell the company for say a hundred million. We're looking for twenty million in proceeds in each company that we invest in and that's kind of how you do the math to get your 3 times on the eighty million dollar fund. Just another brief comment. How you mange in this environment. I do think a lot of what's going to happen in venture is just back to basics. So historically venture capital firms were small. To make your money you can't be managing a half a billion dollar firm. We believe we are poised for success in that it's an $80 million dollar fund, so we can achieve our return thresholds and we have a partner in Tutor, which is a brand name global leading alternative asset management firm. So we do have the network and the brand name but a right size fund to really execute this model. It's interesting, you've probably have know data better than I would. There is a lot of date floating around now, which shows that venture capital and buyouts have been counter cyclical. So if you look from 1950 to the present when buyouts have been hot the venture has not and when venture has been hot buyouts have not and I firmly believe you're going to see that now, which is the bloom is off the rose in the buyout world, the credit markets are closed and leverage is going to generate your returns and this is our time to kind of build value. So that's kind of what I thought. I will be happy to answer any questions.

MAYOR CICILLINE: Thank you, Gina. Does anyone have any questions? That was an excellent performance of our investment. I believe Eric there is one other matter that we have to vote on from our last meeting and that was the renewal of our State or Israel Bonds.

MR. BERTONAZZI: Yes, there are actually a few things this meetings

MAYOR CICILLINE: Is that the only thing that needs a vote because I have to excuse myself momentarily.

MR. BERTONAZZI: There are a couple of other things that I think the board may need to vote on but they're very quick.

MAYOR CICILLINE: Okay, so the first order of business is our State of Israel Bonds which have expired.

MR. BERTONAZZI: I believe we need a motion to renew them, correct?

MR. BERTONAZZI: Yes, we have a handout for you. One of the bonds matured. They paid off the principal. There are four institutional bond choices for you to pick from of course with our recommendation and our bond managers recommendation. So we showed Loomis sales the choices and these are the four choices you essentially have to summarize for you. There is a floating rate three year bond, a five year floating rate bond, a three year fixed bond and a five year fixed bond which are all reasonably good yields. These are A rated bonds, investment grade A rated bonds. Loomis sales thinks the best choice is the five year floating rate bond, which is currently yielding 2.6875%. That will float with Libor. So if interest rates go up you will get more interest, which is one of the things that appeals to them. It should keep the tenure of our portfolio unchanged. The duration, the maturity of our portfolio will be unaffected by this. This reinvestment of the government of Israel bond would put our Israel bond position back to where it was, which is about 1% of the overall portfolio or one thirty fifth of the bond portfolio. So, I concur with Loomis sales that that's a fine choice and if the board where to decide to go reinvest and roll over, I would agree with the five year floater is a perfectly good place for an investment grade investment.

MS. YORK: The same amount?

MR. BERTONAZZI: Yes, one million. That would keep us at about a 1% position.

MS. YORK: So moved.

MR. NAPOLITANO: Second the motion.

MS. HAGEN: It's a roll call vote and just for clarification this is falling under discussion and/or decision relative to asset allocation.

On motion of Myrth York, seconded by Mr. Napolitano, it is voted to renew the State of Israel Bonds, by the following Roll Call Vote:

AYES: Mayor David N. Cicilline, Vice-Chairman Bruce Miller, Stephen T. Napolitano and Myrth York – 4.

NAYES: None.

ABSENT: Councilman John J. Igliozzi, Allan M. Edwards and Craig Baker – 3.

Motion Carries.

MR. BERTONAZZI: In the previous meeting, the board requested us to think about a more conservative asset allocation, which we have prepared to go over quickly and we have an updated investment policy statement to go along with that for the future. It's very similar to where the portfolio is now and when you get to this page you will see what I'm talking about. Jeff, can you handout the spreadsheet showing the changes that would go with this.

MR. FABRIZIO: Yes.

MR. BERTONAZZI: Basically, as we talked about in the previous meeting is essentially raising our target, or fixed income target allocation from 25% of the portfolio to 35% of the portfolio. As you can see on page one of the handout titled

Asset Allocation Analysis, page one, it is entitled Investment Alternatives. Basically what we're seeing is, you can see as of in the middle column there this is what the asset allocation looks like by asset class as of March 23rd and column one called alternate is the one I would recommend that we generate in order to move towards that 35% fixed income target to lower our risk from what it has been in the past. Not by a lot but by a noticeable amount and the way we would do that is, if the board decided to go in that direction is what you see on the other spreadsheet that Jeff handed out to you entitled City of Providence Employees' Retirement System April 2009 Asset Allocation. So, if you look at that walking through this spreadsheet you will see that we have a column called before rebalancing. So as of April 21st, those are the dollar values by manager all down that list and in the second column of that section is the percent of total. So that's the percent of the portfolio currently invested in each of those managers and next to it you can see the new target, which is very close because we have been letting the portfolio move in that direction recently anyway. So to cut to the chase the rebalancing or the moves that we would have to do are the following. One, Wainwright is recommending as a part of this asset allocation change it is related to it, is that we pull the money from McKinley Capital, terminate our management there. That's are small and mid growth manager. They've been pretty volatile over the years. They've done an okay job in most time, but they've been struggling to beat their benchmark over the long run and they've been quite volatile relative to the benchmark. I wanted to see a little bit more return from that volatility that we've been getting. So what I'm recommending as a part of this asset allocation change would be to pull the money from McKinley, which is why you see a parentheses of 12.77 million. So if we were to do that, we would pull the money from McKinley and just above it you see how we would recommend adding 5.5 million and 7.77 million to an indexed exposure. So, instead of having active management, we would have index or passive exposure to those Russell indexes, so a mid growth and a small growth index. So we would still have small cap growth and mid cap growth but we would do it passively. That would lower the volatility relative to the index. Still have the equity but in a passive sense. That's one thing we would do and then below that we would recommend that we pull 1.5 million from Boston Partners mid value and five million from Boston Partners small value. They've been doing fine and have no problems, but in order to get the fixed income allocation up to the new target we would have to add six million to Loomis Sales, our sort of low risk bond manger moderate at most actually. So those are the changes, some small relative to the size of the portfolio. Again, the portfolio is 240 million. We're talking about $19 million dollars here in movements. In order to get our portfolio to that new target, that's we're talking about. So the new target for movements would be 28%, with a target for Rogge, which is international government bonds, at 6% and there is your 34%. You will always have that small amount of cash and that type of thing. So we would be in that 35% range. That's the asset allocation changes. It mirrors very closely to where we are in fact now, but it would memorialize it for the long term and across time as the city made its contributions and we did a rebalancing that's the new target that we would rebalance to.

MAYOR CICILLINE: Okay, does anyone have any questions?

VICE-CHAIRMAN MILLER: Actually, I would like to make a motion that we adopt the recommendations.

MR. NAPOLITANO: Second the motion.

On motion of Mr. Miller, seconded by Mr. Napolitano, it is voted to adopt the recommendations as presented by Wainwright, by the following Roll Call Vote:

AYES: Mayor David N. Cicilline, Vice-Chairman Bruce Miller, Stephen T. Napolitano and Myrth York – 4.

NAYES: None.

ABSENT: Councilman John J. Igliozzi, Allan M. Edwards and Craig Baker – 3.

Motion Carries.

MAYOR CICILLINE: Are there any other matters that need votes?

MR. BERTONAZZI: There is one other matter but I don't know if it needs a vote. I'm not sure. I will go very fast. Loomis Sales has written the board a letter and asked if in these times some of the positions that they hold, we don't seem to be there yet, but some companies are going bankrupt. Often, not yet, but it could happen. Often when a bond manger holds bonds in a bankrupt company, sometimes the recovery that they get is in the form of equity or other positions in the company when it comes out of bankruptcy. So the question they're asking is, if that happens is it allowable for them to hold equity even though they are a bond manger or would you like them to simply sell the debt before that happens, before it has a chance to be converted to equity sort of regardless of whether or not they think you might make more money by taking equity from some of these companies going forward. My own recommendation to the board is, I would rather see them stick to managing debt and if they feel somebody's about to go bankrupt sell the debt and not deal with equity, etc. later on, and we have equity managers in the portfolio. I just don't know if that requires a vote from the board. If it does I would recommend we take that option and if it doesn't I'll just do the form that it's okay as far as we're concerned.

MR. MILLER: What would be the value of debt that we would be selling it for?

MR. BERTONAZZI: If a company goes into bankruptcy, that debt is going to be down around pennies on the dollar. So what they're saying is, if we see that happening, if they're going into distress, if you tell us we will sell it while it's still at a price we think it a good price or the best we can get as opposed to holding through the bankruptcy process and taking equity or other securities in.

MAYOR CICILLINE: It doesn't seem like that matches their skill set.

MR. BERTONAZZI: Probably not and I don't think it's a big issue relative to the portfolio anyway. Most of the stuff they hold, almost all of it is investment grade debt anyways. So there is only a tiny sliver of less than investment grade debt in there anyhow. So I'm not sure it would have a big impact one way or the other.

MAYOR CICILLINE: So are you seeking authority from this board to respond to that communication as directed. Your recommendation is, that the directive be that they sell the debt and not take an equity position.

MR. BERTONAZZI: Yes, correct. If that were to happen in the future.

MR. MILLER: Can I make one comment?

MAYOR CICILLINE: Yes.

MR. MILLER: That the report goes to the board.

MR. BERTONAZZI: Okay, sure. We will have them report to us in that instance, which we will pass along.

MAYOR CICILLINE: With that modification, is that a motion Mr. Miller.

MR. MILLER: So moved.

MR. NAPOLITANO: Second.

On motion of Mr. Miller, seconded by Mr. Napolitano, it is voted that the directive to Loomis Sales be to sell the debt and not take an equity position.

AYES: Mayor David N. Cicilline, Vice-Chairman Bruce Miller, Stephen T. Napolitano and Myrth York – 4.

NAYES: None.

ABSENT: Councilman John J. Igliozzi, Allan M. Edwards and Craig Baker – 3.

Motion Carries.

MAYOR CICILLINE: Okay, item number four.

MR. MILLER: This is my issue. Occasionally, we are approached by different legal firms to engage in monitoring services. I understand there has been a few times where it might not be attractive because there is an obligation to use that same firm if you go into litigation. What I would recommend is somebody's firm does not have that requirement that you use your firm for litigation and allow the Finance Director to engage in such services if there is not a financial burden. That way it's more expeditious and then report and then make a decision relative to future engagements and that kind of thing definitely would have to be a board approved process.

MAYOR CICILLINE: So your recommendation is for the board to authorize and respectfully engage a firm or firms who are interested in monitoring our portfolio so long as that engagement does not cost money a., and b., so long as it doesn't obligate the city or this board to engage that firm if we elect to pursue the litigation. Is that a motion?

MR. MILLER: I will make that a motion.

MR. NAPOLITANO: Second.

On motion of Mr. Miller, seconded by Mr. Napolitano, it is voted authorize and respectfully engage a firm or firms who are interested in monitoring the portfolio, as long as that engagement does not cost money or obligate the city or this board to engage that firm if we elect to pursue the litigation.

MR. BERTONAZZI: I'm in support of that.

MAYOR CICILLINE: You can do a voice vote on this.

MS. HAGEN: Yes, because it doesn't involve money.

MAYOR CICILLINE: All those in favor.

COMMITTEE: Aye.

MAYOR CICILLINE: All those opposed.

Motion Carries.

MAYOR CICILLINE: Mr. Miller, could you chair the rest of the meeting for me or is that it?

MR. BERTONAZZI: I will go over the flash if you want.

MAYOR CICILLINE: I apologize but Mr. Miller is more than capable.

MR. MILLER: Thank you sir. Should we do the Dexter Donation or should we start at one? Whey don't we start with one. Recent performance estimate.

MR. BERTONAZZI: Okay, I will quickly go over our performance. The flash you have in front of you entitled, Current Investment Position and Performance Estimate a one pager shows and I will cut to the chase our month-to-date return is 4.6% positive, putting us down just a little over 2% year-to-date. So we're recovering pretty nicely lately along with the markets beating the S&P by wide margins, while it's down still over 5%. Again, this was through April 21st or Tuesday I guess it was, just the other day. You can see that if you look at the month-to-date column, the equity managers have had a pretty strong month-to-date. Boston Partners small value for example is up 15% month-to-date. Some of the others are up in the 10% range and the bonds are doing well. You see Loomis has had a strong month. That's a very strong month for a bond manager being up 1.2%. You can see that Rogge, our international fixed income manager, is down lately. That's almost virtually all explained by the strengthening dollar. The dollar has been strengthening and we have exposure to those other currencies by design through that so we expect that to happen at that time and in general our hedge funds down at the bottom have also been helping us year-to-date. The most note worthy is Forest Global, which is actually up almost 23% year-to-date this year in the convertible arbitrage space. So, all in all, a very strong month-to-date and performing well against the S&P and doing pretty well relative to the madness that's going to be going on out there in the markets this year. I would be glad to go over any questions. I know it's only an informational meeting now, but I would go over any questions on anything that you would like at this time.

VICE-CHAIRMAN MILLER: Are there any questions from the board?

MS. YORK: Very impressive.

VICE-CHAIRMAN MILLER: Okay, next is the Dexter Donation.

MR. BERTONAZZI: You will find those portfolios are actually doing a little better because the equity has run very hard lately. So those small portfolios are down around a half percent year-to-date as opposed 2.3%. I don't believe the Dexter Donation board has taken the money yet. We're prepared to give it when they want it, but they haven't pulled it out yet. We will be ready and able to give it to them very quickly when they are ready.

MS. HAGEN: They haven't made any decisions relative to that.

MR. BERTONAZZI: That's really all I would have to say there. I had Jeff passed out a document called an investment policy statement for the city to go along with the new asset allocation. It just sort of puts in writing for the future the fact that we have changed this asset allocation and what are goals. Your actuarial rate of return and that type of thing and the approach that we take.

MR. NAPOLITANO: I think if possible, it's just a suggestion. That maybe we should get these copies over to the Retirement Board along with the realignment information you just provided to us and we approved. Just for an informational type thing.

VICE-CHAIRMAN MILLER: I would also recommend that we adopt this at our nest meeting.

MR. BERTONAZZI: Okay.

VICE-CHAIRMAN MILLER: Thank you. Any questions from the board? Any other business?

MR. NAPOLITANO: I move that we adjourn.

MS. HAGEN: There is really no adjournment. There is no quorum.

VICE-CHAIRMAN MILLER: That's true.

Upon the departure of Mayor Cicilline, there no longer being a quorum present, the meeting ended at 3:15 o'clock P.M.

Lori L. Hagen

Second Deputy City Clerk

Sheri A. Petronio

Assistant Clerk