

# ST. CHARLES POLICE PENSION FUND

211 North Riverside Avenue  
St. Charles, Illinois 60174

## SPECIAL MEETING MINUTES

Monday, December 19, 2011

1:00 p.m. – St. Charles Police Department

1. President Laughlin called to order the Special Meeting of the St. Charles Police Pension Board at 1:05 p.m.

### 2. ROLL CALL

Members Present: Larry Laughlin, President; Timothy Beam, Vice President; Michael Schubert, Secretary; Chris Minick, Finance Director; and Warren Drewes, City Treasurer (via conference call)

Members Absent: None

Guests: Jon Willhite, UBS (via conference call)

Laughlin stated that the sole purpose of the meeting will be to discuss/hire potential money managers, investment allocation and insurance.

Willhite began with a review of the Emerging Market Equities. This review included a comparison of Lazard and Glovista. The review included returns in both the up and down market capture ratio, risk ratio, management styles, added value, year to date numbers, etc. Willhite stated that although Lazard has performed well over the years, Glovista has done better with lower pricing. Discussion continued on the pros and cons of both managers.

**Motion:** To terminate Lazard effective immediately and transfer proceeds to Glovista.

**Maker:** Laughlin

**Second:** Schuster

**Roll Call:** Beam – Aye, Schubert – Aye, Minick – Aye, Laughlin – Aye, Drewes – Concur. 4 Ayes, 0 Nays, 0 Absent, 1 Concur. All in favor. Motion carried.

**Motion:** To take \$500,000 from the money market, or whatever the difference is from the proceeds of Lazard, in order to attain \$1.2M for transfer to Glovista.

**Maker:** Laughlin

**Second:** Minick

**Roll Call:** Beam – Aye, Schubert – Aye, Minick – Aye, Laughlin – Aye, Drewes – Concur. 4 Ayes, 0 Nays, 0 Absent, 1 Concur. All in favor. Motion carried.

Willhite stated that his goal is to have approximately 15% of the total assets into a de-risk type of investment. Investments that don't have the same amount of risk as the normal equities market. currently, the Board has Stonebridge Advisors to help in this cause. Willhite stated he would also like the Board to discuss Pimco All Asset All Authority and gave an overview of the different managers, their styles, downside capture ratio, year to date numbers, etc. Discussion was held on the pros and cons of this type of investing.

**Motion:** To allocate \$1.2M to Pimco All Asset Fund with \$500,000 from the money market, \$800,000 from CS McKee and remainder from Pacific Income.  
**Maker:** Minick  
**Second:** Beam  
**Roll Call:** Beam – Aye, Schubert – Aye, Minick – Aye, Laughlin – Aye, Drewes – Concur. 4 Ayes, 0 Nays, 0 Absent, 1 Concur. All in favor. Motion carried.

Willhite began discussion on the Master Limited Partnership Manager Screen. Discussion continued on what this type of investment involves, the pros and cons, volatility, etc. This is just one type of investment, which could generate some cash flow options, to look at in this market until it begins to turn around. It was noted that the Board members did not appear to receive the information relative to this issue before the meeting in order to review it properly, therefore, this item will be tabled to the next meeting.

The issue of Fiduciary Insurance will be tabled until the next meeting.


#### ADJOURNMENT

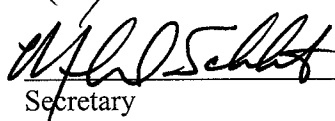
There being no further business, a motion was made by Minick to adjourn the meeting at 1:50 p.m. Seconded by Schubert. Voice Vote. All in favor. Motion carried.

Ayes 4 Nays 0 Absent 0

The meeting was adjourned at 1:50 p.m.

Respectfully submitted,

  
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President

  
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Secretary