

**TOWN OF STONINGTON
RETIREMENT BOARD
May 4, 2016**

The Stonington Retirement Board held their regular meeting on this date at 9:00 a.m., at the Stonington Police Department. Board members present were: Vincent A. Pacileo III, Chairman; Bill King and Timothy O'Brien. Also in attendance were Devon Francis and Christopher Coleman, representing Fiduciary Investment Advisors (F.I.A.); and James Sullivan, Finance Director.

The meeting was called to order at 9:04 a.m.

Review of Fund Performance:

Ms. Francis distributed F.I.A.'s report entitled Town of Stonington, CT Pension Plan, Quarterly Investment Review, First Quarter 2016. She reviewed the report with the Board, which included the Fiduciary Governance Calendar, Capital Markets Overview, Portfolio and Manager Review and an Asset Allocation Study. The report is on file in the Department of Administrative Services. Ms. Francis stated that no managers are on watch or termination status, therefore, F.I.A. does not recommend any asset allocation changes at this time.

The Fiduciary Governance Calendar for the First Quarter focuses on fees. Ms. Francis reviewed the fee structure on page 6 of the report and stated that the fees are competitive. The Average Weighted Investment Management Fee for the Fund Managers was .50% or approximately \$140,000. Mr. Pacileo noted that the fee for one of the funds is 1.30%, which was much higher than other Fund Manager's fees. Ms. Francis stated that the Fund is more complex and, therefore, more expensive.

Ms. Francis reviewed the Portfolio's performance and noted the beginning of the 1st Quarter was volatile, with a rally in March. The Portfolio yielded the same return as the Blended Benchmark for the 1st Qtr. 2016 and YTD. Although the Portfolio saw a -1.7 and -1.6 return Year to Date and 1 Year, it outperformed the Blended Benchmark for those 2 periods. The Plan outperformed 3 Years and 5 Years and underperformed the Blended Benchmark 7 Years; 10 Years; and since inception.

Mr. O'Brien asked if the Portfolio could withstand a 6 month continuation of the volatility experienced in the 1st part of the Quarter. Ms. Francis stated that the Portfolio is well diversified and weighted to withstand volatility. There are no risky hedge funds, and is conservative in its construction.

Old Business:

Mr. Pacileo stated that there is a \$15,000 line item for review of the 401A & 457 Plans. There is no money to hire a consultant until the budget is approved at Referendum. The Board will meet once the budget is approved to review the two proposals received and hire a consultant to conduct periodic reviews of the two plans.

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New Business: There was no new business conducted.

Approval of December 1, 2015 Minutes:

Mr. King made a motion to approve the Minutes of the December 1, 2015 meeting. Mr. O'Brien seconded and it was so voted.

There being no further business to come before the Board, Mr. Pacileo made a motion to adjourn and Mr. O'Brien seconded. The meeting was adjourned 10:00 a.m.

Respectfully submitted,



Vincent A. Pacileo, III
Chairman

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