

WINTER PARK POLICE OFFICERS' RETIREMENT SYSTEM

**Quarterly Meeting
6 February 2014
6:00 P.M.**

Member: Sgt. Rafael Berrios, Chairman
Sgt. Kevin Roesner, Secretary
Sandy Modell, Trustee
Mike Broschart, Trustee

Attendees: Jeffrey Templeton, Administrator
Burgess Chambers, BCA
Mitchell Brennan, BCA
Bryan Templeton, Administrator Assistant
Kathy Reed, Chief Assistant

Chairman Rafael Berrios called the meeting to order at 6:01 P.M.

A motion was made by Sandy Modell and seconded by Mike Modell to accept the minutes of the meeting dated 5 November 2013 and Quarterly Financial Report Oct-Nov-Dec 2013. All were in favor.

General discussion between members and Burgess Chambers, dealing with how to fund an additional 2.5% increase to the MLP investment to bring it to 5%.

A motion was made by Rafael Berrios and second by Kevin Roesner. to fund the MLP with transfers from the large, medium, small cap funds. All were in favor.

Burgess Chambers gave his Investment Summary Report:

For the quarter, the Plan earned \$2.3 million or +5.83% (+7.78% net). Ahead of the strategic model (+5.16%), and ranked in the top 26th percentile. The three best performing asset categories were: BNY Mellon large-cap passive (+10.5%), Westwood Large-cap (+9.3%) and BNY Mellon small-cap passive (+8.7%).

For the 12 month period, the Plan earned \$6.2 million or +17.9% (or +17.6% net) and ranked in the top 26nd percentile. The three best performing asset categories were: BNY Mellon small-cap passive (+38.8%), BNY Mellon mid-cap passive (+33.5%), and BNY Mellon large-cap passive (+32.4%). The convertible bonds earned an impressive +20.2%. As expected, the core bond portfolio lost -2.2%.

For the two-year period, annualized results were similar to the benchmark and ranked in the top 42nd percentile.

For the three-year period, the Plan earned \$9.7 million, averaging +9.5%(+9.2% net), per year. For the five-year period, the investment program averaged +11.8% (+11.5% net) per year.

The Westwood MLP was funded with \$1 million (2.5%) on December 5, 2013. The current IPS has a 5% target allocation to MLP's and a reduced allocation to fixed income (from 30.0% to 25.0%).

Westwood's large-cap product trailed the benchmark for the five-year periods. The product's lower beta and longer term alpha profile make it suitable for a defined benefit plan seeking managed risk. Products of this type are not expected to keep pace with strong bull market periods of the capital markets cycle. Otherwise, it would be a high risk option. This product is expected to offset a portion of the volatility of this asset category and add value to the index over the long term. The large-cap allocation has a \$12.2 million allocation, of which \$8.1 Million is invested in a passive S & P 500 product and \$4.1 million is with Westwood, or 1/3 of the mandate. The total large-cap mandate continues to perform well, with its 2/3 weighting to the S & P 500 index.

Euro-Pacific international was ahead of the benchmark (+14.4% vs. 13.0%) for the five-year period and ranked in the top 47th percentile. This product missed the benchmark for the three-year period, due to the 12-month results, but was significantly ahead for the quarter (+7.8 vs. 5.7%).

A motion was made by Kevin Roesner and seconded by Sandy Modell to adjourn. All were in favor. 6:32 pm.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'K. Roesner', with a long horizontal flourish extending to the right.

Sgt. Kevin Roesner, Secretary