Revised 12/21/2009 CITY OF NORWALK

NORWALK MUNICIPAL EMPLOYEES' PENSION BOARD

OCTOBER 14, 2009

ATTENDANCE: Michael Sweeney, Chairman; Joseph Pramer, Gerald Moran, Francis Nash; Sal Iannacone, NASA

STAFF: Thomas Hamilton, Director, Finance Department; John Schlosser, Personnel Administrator

OTHERS: Evaluation Associates: Ellen Petrino, Laura Kunkemueller;

Call to Order

Mr. Sweeney called the meeting to order at 6:00 p.m.

Approval of Minutes for September 9, 2009.

The following changes were noted to the red-lined version as edited by Ms. Kunkemueller:
Page 1, 1st paragraph: "Myron A. Alling, III not Milling. The application of Alexander Johnson was not approved and should be listed as "tabled". On page 3, paragraph 3, replace "over months" with "in the minutes."

** **MR. MORAN MOTIONED TO APPROVE THE EDITED MINUTES OF THE SEPTEMBER 9, 2009 MEETING AS SUBMITTED WITH CORRECTIONS NOTED.**
** **MR. NASH SECONDED.**
** **THE MOTION PASSED UNANIMOUSLY.**

Approval of the Pension Board Applications

Mr. Schlosser stated that all issues regarding the questions on the disability date for Alexander Johnson have been rectified.

** **MR. MORAN MOVED TO APPROVE THE PENSION APPLICATION AS SUBMITTED WITH COMMENCEMENT DATES AS LISTED BELOW:**
** **MR. NASH SECONDED.**
** **THE MOTION PASSED UNANIMOUSLY.**

COMMENCEMENT DATE	NAME
AUGUST 1, 2009:	ALEXANDER JOHNSON

Review of August and September Performance: Evaluation Associates

Ms. Kunkemueller presented the Evaluation Associates Report for the City of Norwalk Fund Structure as of October 13, 2009, and highlighted that the Total Market Equity was within the long term target range and the Fixed Income fund is at 26%. The Performance Measurement for September 30 was reviewed with performance of managers by asset class.

Ms. Petrino added that reporting for private investments is lagged approximately one quarter, market values are as of 6/30/09 adjusted to reflect subsequent cash flows.Estimated remaining calls for private investments as of 9/30/09 are as follows: Pantheon IV ($2.025M), Pantheon VI ($4.35M) Pantheon VII($3.425M), Pantheon Europe ($3.180M) Pantheon Secondary ($1,575M) Alinda ($2.497M), Macquarie ($1.402M).

Presentation by Pantheon Ventures, Inc.

Ms. Petrino introduced David Braman, Senior Partner, CFA with Pantheon who presented the business review.   Mr. Braman provided background on himself and described the Pantheon organization as a leader in funds of funds for over 25 years, with over 300 institutional clients and investments in over 1,000 funds.

He outlined the global presence and regional expertise citing 65 investment professionals with local presence in New York and San Francisco for over 20 years, Europe (London) for 25 years, Asia for over 15 years. Investment professionals cover 13 nationalities and 23 languages.

He provided a current status of the Private Equity Market noting that activity has been severely impacted by the current climate, debt availability is restricted, loan pricing has increased and financial structures are more conservative.   He summarized the outlook stating that pricing of new private equity deals that should fall, but slowly; debt will be available for the right middle-market deals, and severe shake outs of Private Equity Managers will occur.

Mr. Braman referred to the portfolio update, reviewed performance against benchmarks, and provided summaries of the various key funds. Mr. Pramer asked questions on the firm's management objectives, philosophy and investment allocation strategies. Mr. Braman highlighted the historical performance of the primary and secondary funds by segment and referred to sections of the presentation that provided the detailed responses. Mr. Pramer asked what type of solutions they recommend for municipal clients, and Mr. Braman answered that the process starts with a diagnostic analysis of client objectives and investment expectations. Their approach begins with a broad definition of a fully transparent investment platform.

Mr. Sweeney asked what unique advice they would provide in response to their experience managing the City of Norwalk Pension Funds. Mr. Braman referred to the investment summary on page 26 which showed dollars committed in PUSA VI both by stage and by vintage year.

Mr. Hamilton asked if there was a way to flush out an overall improved strategic philosophy for our investment strategy based on the lessons learned from last year. Mr. Braman answered that over the years investors have evolved to be more risk averse with a private equity.

Ms. Petrino thanked Mr. Braman for his extensive portfolio review and summarized that Pantheon has a strong team with significant depth which should help it remain a strong private equity partner for the fund.

<u>Bank Loans and Inflation Hedges</u>

Ms. Kunkemueller presented the Evaluation Associates Report on Bank Loans and Eaton Vance including the initial investment thesis, intervening experience, Eaton Vance overview, EAI current outlook and recommendation. She summarized that since current yields are attractive and there may be some more appreciation potential, EAI recommends that Norwalk revisit this investment at the January meeting and reevaluate the investment thesis at that time. EAI will have other potential investment options available at that time.

There was a discussion about receiving dividends from the Eaton Vance account rather than reinvesting them.

** **MR. NASH MOTIONED TO CONTINUE TO RECEIVE DIVIDENDS IN CASH FROM BANK PORTION OF THE INVESTMENT FUND.**
** **MR. MORAN SECONDED**
** **THE MOTION PASSED UNANIMOUSLY.**

<u>Other Business</u>

Mr. Sweeney requested that Pantheon's quarterly reports be e-mailed as pdf files so they can be reviewed by Board Members on a timely basis, and Ms. Petrino agreed.

Mr. Sweeney asked for comments relative to the 2010 Pension Board calendar. Mr. Nash suggested that EAI continue to closely monitor the fund during the summer months when no meetings are planned and requested that they schedule meetings if the market conditions change.

** **MR. PRAMER MOVED TO APROVE THE MEETING CALENDAR FOR 2010 AS PROPOSED.**

****	MR. MORAN SECONDED**
****	MOTION PASSED UNANIMOUSLY.**

Ms. Petrino suggested an informal luncheon meeting be scheduled to meet the Zesiger portfolio managers. The Committee agreed.

ADJOURNMENT

****	MR. MORAN MOVED TO ADJOURN.**
****	MR. PRAMER SECONDED**
****	MOTION PASSED UNANIMOUSLY.**

The meeting was adjourned at 8:30 p.m.

Respectfully submitted,

Marilyn Knox
Telesco Secretarial Services