

LAKE WORTH FIREFIGHTERS' PENSION TRUST FUND
MINUTES OF MEETING HELD
August 11, 2009

The meeting was called to order at 9:11 A.M. in the Conference Room at Station 1, Lake Worth, Florida. Those persons present were:

TRUSTEES

Mark Lamb
Rich Seamon
Pat Highland
Jimmy Shook

OTHERS

Margie Adcock, Administrator
Adam Levinson, Attorney
Tim Nash, Investment Monitor

ADDITIONS AND DELETIONS

It was noted that Rigel would not be in attendance at the meeting as they were apparently not aware that they were on the agenda. They will be in attendance at the next meeting.

MINUTES

The Trustees reviewed the minutes of the meetings of May 7, 2009; May 22, 2009; and June 18, 2009. A motion was made, seconded, and carried 4-0 to accept the minutes of the meetings of May 7, 2009; May 22, 2009; and June 18, 2009.

INVESTMENT MONITOR REPORT

Tim Nash appeared before the Board. Mr. Nash discussed the market environment and reviewed the Russell style index performance as of June 30, 2009. He stated that it was generally a good quarter. Both growth and value were up about the same. He reviewed the sector performance noting that financials were up the most, along with technology and industrials. Mr. Nash advised that the total market value as of June 30, 2009 was \$22,292,346. The asset allocation was comprised of 42.5% in domestic equities; 7.3% in international equities; 43.1% in fixed income; and 7.0% in cash. He reviewed the performance as of June 30, 2009. The Fund was up 9.18% net of fees for the quarter while the benchmark was up 11.65%. Domestic equities were up 13.92% while the Russell 3000 was up 16.82%. International was up 27.32% while the EAFE was up 25.85%. Fixed income was up 3.77% while the benchmark was up 1.97%.

Mr. Nash provided a review on the individual managers. Cornerstone was up 15.19% while the Russell 1000 Value was up 16.70%. Aletheia was up 20.55% and Rigel was up 5.48% while the Russell 1000 Growth was up 16.32%. Advisory was up 20.24% while the Russell 2500 Value was up 18.76%. Vanguard Developed was up 25.59% while the EAFE was up 25.85%. The Vanguard Emerging Market was up 34.14% while the benchmark was up 34.84%. With respect to fixed income, Davis Hamilton was up 3.41% and the bond holding account was up 10.43% while the benchmark was up 1.97%. Mr. Nash stated that while Rigel lagged for the quarter, he is not recommending any changes at this time.

Mr. Nash reviewed the holdings based sector attribution analysis for the three months ending June 30, 2009. Rigel did not do well with stock selection and that hindered their performance. He reviewed the holdings based market capitalization attribution analysis for the three months ending June 30, 2009. He stated that because the market is down so much from last June, the market caps are down. Rigel is asking for latitude to buy stocks in the lower market cap range of \$3 million. He stated that this is not because they want to buy small cap, it is because the market caps have declined. He stated that he thinks the change will be minor. He would like to give managers the most latitude to do their job. He likes that in general they are in the large cap space. However, he does not mind if they go lower if they see an opportunity. There was a lengthy discussion. He does not think there needs to be a change to the Investment Policy Guidelines at this point. He will need to update the IPS for the Legislative changes. He sent a draft IPS to Mr. Levinson for review. The updated IPS will address the new international maximum limitation of 25% and include the new divestiture requirements. Mr. Nash reviewed the holdings performance summary. There was further discussion on Rigel's request to buy stocks in the lower market cap range. Rigel is requesting the Board sign an acknowledgment and accept the market cap range in the portfolio. Mr. Levinson stated that if there is no limitation in the IPS or contract, he is not sure the Board needs to sign anything. Mr. Nash stated that nothing keeps Rigel from doing what they are doing. The Addendum does not say that they cannot go below \$5 million, it just says that the Board defines large cap as \$5 million. Mr. Nash stated that he would discuss the matter with Rigel and note that the Board acknowledges their request but feels that there is no need to sign the letter.

There was discussion on rebalancing, with specific discussion on international and emerging markets. Mr. Nash stated that he would recommend possibly going to 15% in international but not the full 25% maximum at this time. Mr. Nash stated that it was his recommendation to rebalance back to the Investment Policy in international. International is currently at 7% and the policy maximum limit is currently 10%. He stated that as the Fund is significantly under the policy in international he recommends fully rebalancing back to the limit of 10% in international immediately. He would take 5% from fixed income and move it to the Vanguard Emerging Fund with the balance to be put with Advisory and Aletheia. There was further discussion. A motion was made, seconded and carried 4-0 to rebalance 5% from fixed income and allocate up to the 10% international limit in Emerging Markets and the balance to be put 80% with Aletheia and 20% with Advisory.

ATTORNEY REPORT

Adam Levinson appeared before the Board. He provided a brief overview of the workshops that were held with the employees.

Mr. Levinson stated that the amounts for the 175 premium tax monies were released on Friday. Statewide the State money went down 16%. He stated that Lake Worth Fire had an increase of about 3% from \$314,000 last year to \$323,000 this year.

Mr. Levinson provided an updated version of the Travel Policy. A motion was made, seconded and carried 4-0 to approve the revised Travel and Education Policy and authorize the Chairman to sign the Policy.

Mr. Levinson provided a memorandum from Patricia Shoemaker that summarizes the Bill that was passed as well as a memorandum from his office dated June 2, 2009 summarizing the Legislation.

ADMINISTRATIVE REPORT

Ms. Adcock noted that the term for Richard Seamon, the 5th Trustee, was due to expire on September 30, 2009. A motion was made, seconded and carried 3-0 to reappoint Richard Seamon as the 5th Trustee for another term. Richard Seamon did not vote on his reappointment.

The Board reviewed the financial statement for the period ending June 30, 2009.

The Board was presented with a list of disbursement that included a check register and a separate list of disbursements was attached which included the investment manager disbursements. A motion was made, seconded and carried 4-0 to pay the listed disbursements.

OTHER BUSINESS

There being no further business, the Trustees adjourned the meeting.

Respectfully submitted,

Mark Lamb, Secretary