

LAKE WORTH FIREFIGHTERS' PENSION TRUST FUND
MINUTES OF MEETING HELD
July 27, 2010

The meeting was called to order at 9:10 A.M. in the Conference Room at Station 1, Lake Worth, Florida. Those persons present were:

TRUSTEES

Jimmy Shook
Rich Seamon
Pat Highland

OTHERS

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

ADDITIONS AND DELETIONS

There were no additions or deletions to the Agenda.

PRESENTATIONS BY LARGE CAP GROWTH MANAGERS

WINSLOW CAPITAL MANAGEMENT

Barry Peters appeared before the Board. He advised that he was the Managing Director for the firm. The firm is headquartered in Minneapolis, Minnesota. They are a wholly owned subsidiary of Nuveen. They manage only large cap growth. They have \$11 billion in assets under management. They have had the same portfolio manager team for over 11 years. Their goal is consistency of outperformance over time. They have outperformed 33 out of 35 quarters; 10 out of 11 calendar years; and 33 out of 33 rolling 36 quarterly periods. Mr. Peters reviewed their investment team. The person with the least amount of experience has 17 years of investment experience. He provided a sample client list. He discussed their investment philosophy and objective. Their objective is to construct portfolios to outperform the Russell 1000 Growth by 300 basis points annually measured over 3 to 5 years. Mr. Peters stated that they focus on three different segments of the portfolio: long term sustainable earnings growth (which is the defensive part of the portfolio); quality cyclical growth in the right part of the cycle; and newer industries with rapid growth. He noted that each piece could never be less than 25% or more than 40% of the portfolio. He noted that their non-US exposure can be as high as 20%, although it is currently at 6 – 6.5%. He reviewed their investment process. He reviewed their buy and sell discipline. He stated that they build portfolios in a very intended manner.

Barry Peters departed the meeting.

ATALANTA SOSNOFF CAPITAL

Bob Ruland appeared before the Board. He advised that he was the Portfolio Manager and Principal of the firm. He provided a firm overview. They manage \$10.6 billion in assets. They manage only large cap growth. The team has been managing money together for 9 years. He reviewed their 5, 10 and 20 year cumulative returns through June 30, 2010. He reviewed their client relationships. He reviewed their management structure. Mr. Ruland discussed their equity style. They believe earnings drive stock prices over the long term so they focus on companies entering cycles of accelerated earnings growth. He discussed earnings acceleration and reviewed examples such as Celgene and Apple Inc. He discussed the market environment and style optimization. He reviewed their stock selection process, which includes identifying a change; security analysis; and valuation. He reviewed their sell discipline. He reviewed their calendar

year performance since 1998 and total annualized returns for the 5, 10, 15 and 20 year time periods. He discussed cash weighting. Mr. Ruland noted that their fees were at 80 basis points. He discussed their strategic partnership with Evercore Partners in 2010.

Bob Ruland departed the meeting.

DANA INVESTMENT ADVISORS

Doug Classen appeared before the Board. He provided an overview of the firm. The firm was started in 1980. They have \$2.7 billion in total assets under management. They have 34 employees. He noted that the three highlights about their firm are that they have institutional clients; public sector clients; and have risk-adjusted returns. He discussed risk control. He noted that they stay sector neutral. They have equally weighted holdings within each sector. He discussed the investment process, including their buy and sell disciplines. They are looking for companies that are growing faster than their peers. He reviewed the large growth portfolio characteristics. He reviewed their risk-reward measures and their upside and downside capture ratios. Mr. Classen reviewed performance since inception in 2001. He discussed dividends and reviewed holdings that have raised their dividend payments since October 1, 2008. He summarized their strategy noting that they have lower risk; are disciplined; and have repeatable and consistent performance. He noted that they have outperformed the benchmark in 8 out of 10 years. They have never trailed the benchmark in a down market. He stated that their fees were at 70 basis points on the first \$5 million, with 65 basis points thereafter. He discussed their cash position. He stated that they stay fully invested, with cash typically at 1%.

Doug Classen departed the meeting.

BROWN ADVISORY

Charlie Constable and Maneesh Bajaj appeared before the Board. Mr. Bajaj advised that he was the Senior Equity Research Analyst. Mr. Constable advised that he was the Client Service Representative. He provided a brief introduction about the firm. The firm was founded in 1993. The firm is 100% employee owned and no one owns more than 8%. They have a consistent team of experienced investors, with 30 investment professionals. He reviewed their investment philosophy. They seek business models that can support high absolute growth rates. They are sector agnostic as to where they find consistent growth. Their process is built upon fundamental analysis. He reviewed their investment team. He discussed the Brown Advisory network, which is a network of professionals across industry sectors. Mr. Bajaj discussed the investment process. He discussed their universe; their idea generation; their due diligence; their decision process; their portfolio management and their sell discipline. He reviewed performance, noting that they have a consistency of outperformance. He reviewed their portfolio holdings as of June 30, 2010, noting that there were 32 holdings.

Charlie Constable and Maneesh Bajaj departed the meeting.

DISCUSSION ON PRESENTATIONS

There was a lengthy discussion on the presentations from the various managers. Mr. Nash stated that any one of the managers that made a presentation would fit well with the portfolio. It was noted that Brown had no ADRs; lower fees; and only 44% turnover.

Winslow was a commingled fund with 7% in ADRs and 77% turnover. Atalanta had 96% turnover. Mr. Nash stated that the two least correlated managers were Atalanta and Brown; so either would be a good mix to the portfolio. Brown captures more of the upside than Atalanta, but captures less on the downside than Atalanta. There was a lengthy discussion. A motion was made, seconded and carried 3-0 to enter into contract negotiations with Brown.

INVESTMENT MONITOR REPORT

Tim Nash appeared before the Board. Mr. Nash discussed the market environment and reviewed the major market index performance. Mr. Nash reviewed the performance as of June 30, 2010. He advised that the total market value as of June 30, 2010 was \$24,499,830. The asset allocation was comprised of 50.2% in domestic equities; 9.2% in international equities; 35.8% in fixed income; and 4.7% in cash. The Fund was down 5.96% net of fees for the quarter while the benchmark was down 5.65%. Domestic equities were down 10.5% while the Russell 3000 was down 11.32%. Growth domestic equities were down 10.59% while the Russell 1000 Growth was down 11.75%. International was down 12.45% while the benchmark was down 12.26%. Fixed income was up 2.18% while the benchmark was up 3.49%.

Mr. Nash provided a review on the individual managers. Cornerstone was down 10.81% while the Russell 1000 Value was down 11.15%. Aletheia was down 8.10% while the Russell 1000 Growth was down 11.75%. Advisory was down 10.57% while the Russell 2500 Value was down 10.16%. Vanguard Developed was down 14.61% while the EAFE was down 13.75%. The Vanguard Emerging Market was down 9.12% while the benchmark was down 8.29%. With respect to fixed income, Davis Hamilton was up 2.19% while the benchmark was up 3.49%. There was a discussion on Advisory. Mr. Nash stated that he was keeping an eye on them. He likes them as a firm. They are a solid firm. But he is watching them closely and can make a change if that needs to be done. He stated that he would bring manager search options for a future meeting to compliment Cornerstone. He stated that he has no recommendations for any changes at this time.

ATTORNEY REPORT

Adam Levinson discussed a lawsuit filed by the City against the Fund. He stated that he has not seen the Complaint yet as it has not yet been served upon the Fund. However, there was an article about it in the Palm Beach Post. Mr. Levinson advised that the City Attorney asked if he would accept service of the Complaint, to which Mr. Levinson responded in the affirmative. He stated that he believes it is Complaint for a Declaratory Judgment.

OTHER BUSINESS

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

Respectfully submitted,

Mark Lamb, Secretary