

**THE CITY OF WEST PALM BEACH RESTATED EMPLOYEES'
DEFINED BENEFIT RETIREMENT SYSTEM**

**MINUTES OF THE WORKSHOP HELD ON
NOVEMBER 24, 2009**

A workshop of the Board of Trustees began at 1:42 P.M. in the City Hall (5th Floor) Conference Room 5.19, 401 Clematis Street, West Palm Beach, Florida 33401.

Those Trustees present were:

Benny Rodgers, Secretary
George Hurley, Trustee
Lee Anna Claridge, Trustee

Also present were:

Audrey Ross, Administrator – Resource Centers
Barbara Cassidy, Investment Manager – Barings
Mike Welker, Investment Consultant – The Bogdahn Group

**INVESTMENT MANGER PRESENTATION – BARINGS (PRESENTED BY:
BARBARA CASSIDY)**

Ms. Cassidy introduced herself to the Board and commented that they have now been with this fund for 2 years. She explained that Barings operates in 10 different Countries with 98 Investment Professionals and \$43.7B in assets. She also reviewed a list of their clients and their partners around the world.

Ms. Cassidy stated that they do top down analyses, and reviewed the performance for the quarter ending September 30, 2009. It was a strong performance for the International Equity although they did underperform the index at 15.5% versus 19.5% for the quarter. For the year to date they have outperformed at 31.6% versus the index at 29.6%, and for the one year they have also continued to outperform the index at 5% versus 3.8%.

Ms. Cassidy reviewed the asset allocations by Sector and County/ Region, and explained that the overweight to Japan was a positive to the portfolio as to the underweight in UK was a detractor. Also, they were underweighted in Consumer Discretionary and Utilities in which the portfolio benefited from. She stated that they are comfortable with the way they are positioned going forward. Ms. Cassidy reviewed the top 10 and the bottom 10 contributors to the portfolio within the quarter.

Lastly, Ms. Cassidy shared her thoughts and gave some insight in regards to the current market environments and which she foresees. She explained that the Company's that performed well throughout the quarter have not performed well for the year to date. Also, households are deleveraging but the Government is leveraging and house prices are coming back up but probably not as much as they were. There are now a lot of opportunities to pick up growth quality stocks. Mr. Welker briefly mentioned that in the addendum to the Investment Policy Guidelines for this fund, he changed the

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index to ACWI. Ms. Cassidy shared her thoughts on the change because currently they are based off the EFI.

**INVESTMENT CONSULTANT REPORT – THE BOGDHAN GROUP
(PRESENTED BY: MIKE WELKER)**

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Mr. Welker explained that it is a very volatile time, but this portfolio has done very well. He reviewed some of the market commentary and stated that the theme for the past 6 months has been that the lower quality names have been outperforming. He commented that the riskier you were, the better you did. Mr. Welker reviewed a chart which reflected the quality breakdown of the Russell 1000 and stated that we are starting to see a change where quality names are coming back into play.

Mr. Welker reviewed the asset allocation for the quarter ending September 30, 2009 with 52.1% in Domestic Equity, 35.1% in Domestic Fixed Income, 11% in International Equity and 1.8% in Cash. He also reviewed the dollar amounts behind the allocations and stated that the fund is in line with their Policy. The total fund outperformed the index at 11.65% versus 11.2% for the quarter. The total equities also outperformed at 16.54% versus 16.31%, the total international did great at 21.27% versus the index at 19.52%, and the total fund for the fiscal year was positive and ahead at 3.71% versus the index at 1.85%. Mr. Welker commented that this fund did great seeing that most other funds were negative for the fiscal year, and that they have a very well diversified portfolio.

Mr. Welker briefly reviewed each Manager's performance for the quarter and the fiscal year. He stated that Argent picked the lower quality names which very well benefited them; also Argent blends very well with Dana Equity. Mr. Welker reported that he has no recommendations as this time and thinks the portfolio is in a good position for next year. He stated that you should keep the portfolio traditional, and thinks that next year the markets will move more to higher quality names in which this fund is positioned for.

Lastly he reviewed the revised Investment Policy Guidelines (IPG). He briefly stated that he will be recommending in the near future to take money from Argent, Dana bonds and cash to increase International. He also reviewed the changes that were made to the Policy like increasing the International target to 15% instead of 10%. He will discuss these items more at the next meeting he is present when they have all the Trustees available and a quorum.

There being no other business, and the next regular meeting having been scheduled for January 26, 2010 the workshop concluded at 3:33 PM.

THE DECEMBER 22, 2009 MEETING WAS CANCELED

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NOVEMBER 24, 2009

Benny Rodgers, Secretary