

Burlington Employees Retirement System  
Board Meeting Minutes  
June 21, 2012

Board Members Present: James Strouse Richard Goodwin (out at 9:30 AM)  
Ray Nails Jeffrey Wick  
Robert Hooper (8:46 AM) Ben O'Brien

Others Present: Marina Collins Nikki Fuller  
Colin McNeil Barry Bryant

James Strouse convened meeting at 8:41 AM.

1. Agenda: Move item #7-Executive Session to item #2. Mr. Nails moved to amend the agenda, seconded by Mr. Wick. Motion carried 5:0.

2. Executive Session: Mr. Nails moved to go into executive session at 8:42 AM, seconded by Mr. Wick to discuss matters that premature disclosure of which could potentially put the City at risk. Motion carried 5:0. Mr. Hooper entered at 8:46 AM. The board moved out of executive session at 9:06 AM.

3. Approval of Minutes 5/24/12: Mr. Nails moved to approve, seconded by Mr. Wick. Motion carried 6:0.

4. Approval of Bills: Mr. Nails moved to approve, seconded by Mr. Goodwin. Motion carried 6:0.

5. Consideration of Retirement Applications: Mr. Hooper moved to approve, seconded by Mr. Goodwin. Motion carried 6:0.

6. Ratify Refund/Rollover of Contributions: Mr. Nails moved to approve, seconded by Mr. Goodwin. Motion carried 6:0.

7. Performance Review – Barry Bryant, Dahab Associates: Mr. Bryant introduced Dahab Associates, an independent consulting firm, with approximately 85 clients and 14 billion in assets under advisement. Mr. Bryant, summarized for Mr. Wick the BERS assets held by VPIC as well as the Alternative classes under BERS. Mr. Bryant discussed the characteristics of the 3 types of alternative investments; Timber, Emerging Markets and Private Equity. Mr. Bryant discussed with the board that for the next 4 quarters we need to be really focused on whether or not it makes sense to remain in VPIC or not. Mr. Strouse opined that the City Council mandated BERS go to VPIC on Jonathan Leopold's recommendation. The City Council wanted lower investment management fees and this was a substantial savings, however, the analysis needs to take into consideration whether the VPIC returns were better than the universe or worse in that the benefit of simply seeing investment is not enough and Barry will help the board to analyze the returns. Mr. Bryant began the performance review by pointing to page 4 of the booklet,

Market Summary. Mr. Bryant also presented the rankings over the last 4 quarters by handout; showing the risk-on and risk-off characteristics and how well VPIC performed in those environments. He explained that VPIC changed their strategy after poor performance in 2008 and has been working hard to turn that around and are trying to position the portfolio so that it performs well in all environments. (Mr. Goodwin left at 9:30 AM) Mr. Wick pointed out that it looks like there is no consistency when you look at the rankings of our portfolio and the public fund universe. Mr. Bryant explained that if you look at how the market has behaved you will see that one quarter was sharply up while the next was sharply down. After discussion about this Mr. Bryant presented the board with educational materials related to the VPIC portfolio, specifically related to Hedge Funds and what is in the VPIC portfolio and the characteristics of each. See handout. Again, Mr. Bryant urged the board to attend VPIC meetings, which will help them to understand what the BERS assets invested with VPIC are and how they are invested.

8. Adjournment: Mr. Nails moved to adjourn, seconded by Mr. Wick at 10:15 AM. Motion carried 5:0