SPECIAL CIVILIAN PENSION BOARD MEETING

The Special Civilian Pension Board meeting was held on March 10, 2014 at 5:30 p.m. with Chairman Lynn presiding. Members present were Mr. Koenig, Mrs. Mitchell, Mr. Blakeman, and Mrs. Hettinger. Mr. Bonar and Mr. Clendaniel were absent. Councilman Dixon was also present.

AGENDA ADDITIONS/DELETIONS

Mr. Koenig moved for approval of the agenda as presented, seconded by Mrs. Hettinger and unanimously carried.

Approval of Minutes - Civilian Pension Board Meeting of November 14, 2013

Mrs. Hettinger moved for approval of the minutes of the Civilian Pension Board meeting of November 14, 2013. The motion was seconded by Mr. Koenig and unanimously carried.

Approval of Minutes - Civilian Pension Board Meeting of February 26, 2014

Mrs. Hettinger moved for approval of the minutes of the Civilian Pension Board meeting of February 26, 2014. The motion was seconded by Mr. Koenig and unanimously carried.

Investment Manager Recommendation - Replacement of Harding Loevner Global Equity Institutional Fund with Oppenheimer International Growth Y Fund

During the Civilian Pension Board Meeting held on February 26, 2014, Mr. Jeff Marzinsky, Principal and Employee Benefits Consultant, Milliman, Inc., advised members that the Harding Loevner Global Equity Institutional Fund was initially recommended by the General Employee Pension Fund's prior advisor as a non-U.S. developed market stock fund. He indicated that this fund had a large U.S. stock exposure, which was causing some overlap with its holdings as well as with some of the holdings of other mutual funds in the Civilian Pension Fund's portfolio. He stated that, with the U.S. exposure, it was really not an international mutual fund, as it should be. It was suggested that a more focused international fund be considered as a replacement. Mr. Marzinsky recommended the Oppenheimer International Growth Y Fund as a replacement for the Harding Loevner fund due to its better returns, better rank compared to its peers, lower level of risk for the performance it was generating, and comparable Alpha and Sharpe statistics. He noted that it also had expenses comparable to the other funds evaluated.

Due to the lack of a quorum of members present, the Board was unable to take official action.

During the Special Civilian Pension Board Meeting held on March 10, 2014, Mr. Lynn reminded members that Mrs. Donna Mitchell, Controller/Treasurer, had recommended approval of the recommendation of Milliman, Inc. to replace the Civilian Pension Fund's investment in the Harding Loevner Fund with the suggested Oppenheimer fund during the Civilian Pension Board meeting held on February 26, 2014.

Mr. Blakeman moved to replace to replace the Civilian Pension Fund's investment in the Harding Loevner Global Equity Institutional Fund with the Oppenheimer International Growth Y Fund, as recommended by the investment manager, Milliman, Inc. The motion was seconded by Mrs. Hettinger and unanimously carried.

By unanimous consent, the meeting adjourned at 5:31 p.m.

Sean M. Lynn
Chair

SML/JS/dd
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