

**VILLAGE OF GROSSE POINTE SHORES  
MINUTES OF PENSION MEETING  
February 14, 2012**

A meeting of the Commission of the Village of Grosse Pointe Shores, A Michigan City Employees Retirement System was held on Tuesday, February 14, 2012 in the Grosse Pointe Shores Municipal Building, 795 Lake Shore Road. The meeting was called to order at 7:35 a.m. by Chairman Vandenberghe.

Present were: Chairman James Vandenberghe  
Commissioner Bruce Campbell  
Mayor Ted Kedzierski  
Commissioner Sgt. James Wardowski  
Commissioner/Finance Officer Rhonda Ricketts  
City Manager Brian P. Vick

Also present: Mr. George Vitta, of Asset Strategies

APPROVAL OF MINUTES OF THE MEETING HELD ON NOVEMBER 18, 2011

On motion by Commissioner Ricketts, seconded by Mayor Kedzierski and duly carried, the minutes of the meeting held on November 18, 2011 were approved.

FINANCIAL STATEMENTS – Received and Filed

INVESTMENT PERFORMANCE ANALYSIS

Investment Consultant, George Vitta reviewed Asset Strategies' second quarter report dated June 30, 2011 with the Commission. Per Mr. Vitta's report:

1. The Strong Total Fund result of +5.12% trailed the Policy Index by 1.52% due to underperformance by Sigma Investment.
2. For (1), (3), (5) and longer periods, Total Fund results are well ahead of expectations and rank favorably among U.S. public funds.
3. The U.S. equity manager, Sigma Investment, trailed its benchmark due to the under allocation to small cap stocks, the strongest performing sector.
4. The diversification among international equity managers is working as expected.
5. The fixed income manager, Wilson Kemp, slightly underperformed due to an emphasis on higher-rated securities among investment-grade corporate bonds.
6. \$1.86 million was invested in the Vanguard Short-Term Investment-Grade Fund as of 12/31/2011.
7. Lyster Watson will be ending their managing of Hedge Funds of Funds. The Committee agreed that they would continue their investment strategy and undertake the due diligence process to identify a replacement firm. Motion by Campbell, Seconded by Kedzierski, to remove the money and reinvest this money in the short term Vanguard Intermediate investment fund. Unanimously Approved.

NEXT MEETING

To be scheduled for a date in April.

ADJOURNMENT

The meeting was adjourned at 9:02 a.m.

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Brian P. Vick, Recording Secretary