

Lubbock Fire Pension Fund
Tuesday, March 10, 2015
#15 Briercroft Office Park, Lubbock Texas
The Lubbock Fire Pension Fund met in a Special Meeting on Tuesday, March 10, 2015 at 1:00 P.M.

Members Present

Roger Lindsey, Chairman
Kevin Ivy, Vice-Chairman
Randy Butcher, Member
Steve Exter, Member
Alva Littlejohn, Member
Dub Wade, Member

Members Absent

Linda Cuellar, Secretary

Staff Present

Jack Watkins

Staff Absent

Kayla Burcham

Contractors Present

Tim Sharpe

Roger Lindsey, Chairman, called the meeting to order at 1:00 p.m.

1. Presentation by Tim Sharpe of Morgan Stanley Wealth Management

Tim Sharpe with Morgan Stanley Wealth Management presented the results of an asset allocation study performed. He reviewed current asset allocation according to the Investment Policy, and as practically held in the accounts. Mr. Sharpe then reviewed a revised allocation model based on recent decisions by the Board to expand into the Blackstone investment. Continuing, Mr. Sharpe outlined potential changes to the allocation to enhance return without significantly affecting the volatility of the model by adding well established alternative classes.

Mr. Sharpe continued his presentation by reviewing, in detail, the performance of each of the managers and their contribution to the underperformance of the Fund. He further commented on rebalance and the bracket creep that has occurred by keeping certain managers close to the upper or lower limits of their allocations, as well as the effect of this on overall allocation and performance results. He discussed currency exchange rates and the effect of the strengthened dollar on foreign stock performance values. He then related this to underperformance by the international managers used by the Fund.

Focusing on comparative reports, Mr. Sharpe contrasted the Fund's performance and asset allocation with other TLFRA Funds, pointing out that the Fund is in line with others relative to returns and allocations. Mr. Sharpe then discussed rolling averages for the managers and weighted performance aspects of each return.

Roger Lindsey called for a 10 minutes break at 2:20 p.m.

Dub Wade left the meeting.

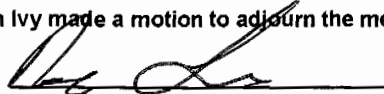
The meeting resumed at 2:30 p.m.

Mr. Sharpe continued his presentation with a discussion of real estate investments by the Fund's active managers and their contribution to underperformance. He briefly discussed the bond portion of the portfolio and described possible alternatives to diversify that portion of the portfolio without increasing risk and volatility for that allocation. He made a preliminary presentation for one such alternative, and after summarizing directives received from this meeting, determined with the Board to make a formal presentation on that alternative at the next schedulable Board meeting.

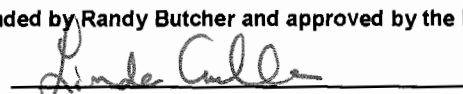
2. Public Comment

No public comment was made.

Kevin Ivy made a motion to adjourn the meeting. The motion was seconded by Randy Butcher and approved by the Board.



Roger Lindsey, Chairman



Linda Cuellar, Secretary