

Christopher P. McCullion, Treasurer, called the Quarterly Performance Meeting of the City of Orlando Pension Advisory Committee, Police and Firefighters' Pension Boards to order at 8:25 a.m. on Thursday, September 1, 2011, in the Overlook conference room, 9th floor, City Hall, Orlando, Florida. There was a quorum for the Pension Advisory Committee, Police and Firefighters' Pension Boards.

PAC Members Present

Todd Berube, SEIU Representative
Jay Carr, Police Department
Cheryl Cummings, Families Parks & Recreation
Gustavo Castro, Economic Development
Paulette Edwards, Housing, Community Development
Rick Howard, Public Works (absent)
Liza Floyd Jacobs, Fire Department
David Rafanowicz, Executive Offices (arrived at 9:30am)
Michael Rhodes, Economic Development
Ricky Suggs, L.I.U.N.A. (absent)
Rebecca W. Sutton, Chair
Steve Brown, L.I.U.N.A.
Daisy Lajas, SEIU Representative (absent)

Police Pension Board Trustees

Jay Smith, Chairman
Laurie Botts, Trustee
William C. Long, Secretary
Tony Blanca, Trustee

Firefighters' Pension Board Trustees

Ronald Glass, Chairman (absent)
Shannon Raybon, Vice-Chair
Mike Droege, Secretary
Kevin Edmonds, Trustee
Mario A. Garcia, Trustee (absent)

Others Present

Christopher P. McCullion, Treasurer
And Executive Director Fire & Police Pension Boards
Katrina Laudeman, Treasury Manager
Deputy Director Fire & Police Pension Boards
Kevin Leonard, NEPC
Keith Stronkowsky, NEPC
Rochelle Burlon, Pension Coordinator
Earl Sanborn, Retired Police Officer

MARKET OVERVIEW AND QUARTERLY PERFORMANCE

Keith Stronkowsky of NEPC gave an update on the market as of the second quarter ending June 30, 2011. He advised that the second quarter of 2011 was dominated by macro-economic concerns including: slowing growth and high unemployment in the United States; the end of monetary stimulus (QE2); the impending U.S. debt ceiling; the rolling peripheral European debt crisis; and elevated commodities prices. As a result, equity markets produced tepid (albeit volatile) returns while bond markets posted positive results as interest rates fell. Nevertheless, global imbalances are seldom resolved gradually...future volatility spikes remain likely. The stock market started off with a bounce during the second quarter, with a total return of 3.0% for the S&P 500 during April however, in reaction to the disappointing news on the economy and continuing concerns about the Greek debt crisis, the S&P 500 declined 7.2% from April 29-June 15, 2011. The total return of the S&P 500 was 0.1% during the second quarter. The total return of the S&P 500 year-to-date June 30 was 6.0%.

Kevin Leonard of NEPC reviewed the second quarter performance as of 2011. The General Employees' Plan returned +1.2% in the second quarter, matching the TUCS Public Fund Median returns. That placed the fund in the 51st percentile for the quarter. The total equity composite (+0.5%) slightly outperformed the TUCS Total Equity Investment Pools Median (+0.4%) for the quarter. Fixed income investments return of +2.1% for the second quarter lagged behind the TUCS total fixed income investment pools median return of +2.3%. The Police and Firefighters'

Plans returned +1.3% during the first quarter, respectively, vs. +1.2% for the TUCS Public Fund Median. The plans ranked in the 47st and 48th percentiles, respectively.

K. Leonard mentioned that he would like to invite to our next quarterly meeting or as soon thereafter, our fixed income manager Payden & Rygel and our large cap growth manager Wells Capital, to give us updates on their overall long term strategies. He would also like to have a private equity education presentation next quarter since NEPC feels this is an asset class the pension funds should be investing in.

APPROVAL OF MINUTES OF JUNE 2, 2011

A MOTION TO APPROVE THE MNUTES OF JUNE 2, 2011, was made by C. Cummings and seconded by M. Rhodes; **MOTION CARRIED UNANIMOUSLY.**

UPDATE ON LEHMAN BROTHERS COLLATERAL SUPPORT AGREEMENT WITH BNY MELLON SECURITIES LENDING

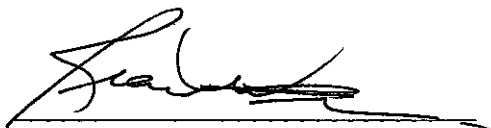
C. McCullion updated the trustees about the Individual Investor Agreement that the PAC recommended and the Mayor signed with BNY to cover a portion of our losses related to the Lehman Brothers Bankruptcy. **A MOTION TO RECOMMEND TO CITY COUNCIL TO HAVE THE MAYOR SIGN THE REQUIRED NOTICES TO EXERCISE OUR PUT OPTION TO SELL LEHMAN SHARES TO BNY MELLON** was made by D. Rafanowicz and seconded by M. Rhodes; **MOTION CARRIED UNANIMOUSLY.**

NEPC AND BNY MELLON CONTRACT EXTENSIONS

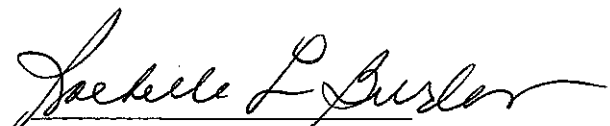
C. McCullion advised that our contracts with BNY Mellon and NEPC is for three years with two one-year extensions, and that we are nearing the end of the initial three year period. **A MOTION TO RECOMMEND TO CITY COUNCIL TO HAVE THE MAYOR SIGN THE AGREEMENTS WITH THESE TWO FIRMS FOR ONE ADDITIONAL YEAR;** was made by M. Rhodes and seconded by D. Rafanowicz; **MOTION CARRIED UNANIMOUSLY.**

Meeting adjourned at 9:50 a.m.

Respectfully submitted,



Rebecca W. Sutton
Chief Financial Officer



Rochelle (Shelly) L. Burlon
Pension Coordinator