Hi Mike,
We just wanted to send along a quick update on the pension funds for next week's meeting and remind you of the annual agenda items routinely included for January. I'm attaching the latest policy statement, as approved last year.
Let me know if there's anything else you need from us. Best wishes to all.
Pat

Equity markets and Meriden's retirement funds got off to a strong start in January, after posting their fourteenth consecutive month of gains in December. Closing out the first half of the Fiscal Year, the City Employees Retirement fund and the Police/Fire Pension accounts have advanced 9.2%, with calendar year gains of 16.5%. The OPEB Healthcare Trust shows returns of 16.3% for 2017, and has gained 7.9% for the 2018 FYTD. Full performance reports will be available later in the month, but the preliminary snapshot is reflected above.

As required by the Board's Investment Policy Statement, a review and reaffirmation of goals and guidelines should be addressed at this meeting. The Board also confirms annually its designation of authorized persons to execute documents in furtherance of resolutions approved by the Board.

At its January meeting last year, the Retirement Board made significant changes that directly impacted fund performance, consolidating equity management, reducing fees, and rebalancing several alternative holdings. These directives followed a performance and due diligence review by Stifel, and renegotiation of portfolio fees requested by the Board in June 2016. While funding capital calls for private equity partnerships invested by Greenspring, Kholsa, Warburg-Pincus, and Oak Hill Partners, we allocated substantial capital from two managed futures funds into global and domestic ETFs and increased overall equity exposure from 58 to 70 percent. Fixed income and cash allocations remain at the mid-range of the Board's policy targets in a rising rate environment.

While anticipating a correction in the equity markets later in the year, we remain positive about corporate earnings and economic conditions. Earnings reports for the final quarter of 2017 begin this week and will invite additional scrutiny because company conference calls will include the first public forecasts from corporate management following the approval of the tax reform bill. Much has been written (and surmised) about the potential impact of reduced tax rates, expensing for new capital investments, and the repatriation of offshore assets/cash – but now we expect to

hear from each publicly-reporting company how they believe the legislation will impact their operations and profitability.

For Board action:

Resolved: The Meriden Pension Board hereby reaffirms its Investment Policy Statement as revised in February 2015, amended in October 2016, updated and affirmed in January 2017; and the Board further directs that copies of the restated IPS be distributed among portfolio managers and consultants engaged to provide services to one or more of the Meriden investment funds.

Resolved: The Meriden Retirement Board hereby confirms the designation of Chairman John Beardsley and/or Director of Finance Michael Lupkas to serve as Authorized Persons for the City Employees Retirement Fund accounts, for the combined Police/Fire Pension Fund accounts, and for accounts held in the name of the OPEB Health Care Trust. Actions, instructions, resolutions, and directions from the Board may be provided by either of the above, or by a duly-elected successor Board chairperson.

This message, and any of its attachments, is for the intended recipient(s) only, and it may contain information that is privileged, confidential, and/or proprietary and subject to important terms and conditions available at http://www.stifel.com/disclosures/emaildisclaimers/. If you are not the intended recipient, please delete this message and immediately notify the sender. No confidentiality, privilege, or property rights are waived or lost by any errors in transmission.