

CITY OF MAITLAND POLICE OFFICERS & FIREFIGHTERS  
PENSION TRUST FUND BOARD  
Wednesday, January 11, 2006  
Municipal Annex  
Conference Room A

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Call to Order:

Chairman Rizzo called the meeting to order at 6:35 p.m.

Members in Attendance:

Chairman Sasha Rizzo, Officer Jeff Harris, Mr. David O'Connor, Mr. Philip Senderowitz  
Secretary Fire Chief Ken Neuhard, Chief Gary Calhoun, Lt. Jeff Hite, Officer Pete  
Stephens, and D/E Bill McGovern

Absent and Excused:

Others Present: Attorney Adam Levinson, Mr. Pete Prior of Benefits USA, Mr. Ryan  
Fitzpatrick of The Boston Company, Mr. Rick Zylstra of Alliance Bernstein, and Mr. Joe  
DeRosa of Kalson & Company

**International Core Equity Candidates**

**Mr. Ryan Fitzpatrick- The Boston Company- 6:40 p.m-7:40 pm**

Mr. Fitzpatrick introduced himself to the board and provided a brief history of The Boston Company. The Boston Company was founded in 1970 and in 1994 the company was purchased by the Mellon Company. As of September 30, 2005 The Boston Company has \$59 billion dollars in assets. Mr. Fitzpatrick noted that they have 25 Florida clients and several are in the International Product. For five years, starting with the third quarter of 2005, The Boston Company outperformed the EAFE Index. Since inception in December 1996, the fund outperformed the index 11% compared to 5.5%.

Mr. Fitzpatrick said that the team of the portfolio is very experienced stating that the average of the team is over ten years and they have worked together for seven years. Only one analyst left the firm in the last five years. The lead manager of the portfolio is Remi J. Browne with 20 years of experience and nine years with The Boston Company.

Mr. Fitzpatrick said he would be the contact person for this portfolio. Mr. O'Connor asked how they weigh the core, such as cap weighting or equal weighting. Mr. Fitzpatrick said they have no preference but they would lean towards the cap weighting of the company.

Mr. DeRosa asked if it is a prerequisite for an analyst to meet with the company before buying the company and Mr. Fitzpatrick said that is not necessary all the time. Many

times, the companies come to The Boston Company to solicit the support of The Boston Company. Trustee Stephens asked if they had employees overseas that meet with companies. Mr. Fitzpatrick replied The Boston Company does not. Chairman Rizzo asked if they have a liquidity requirement of the company before they invest in them. Mr. Fitzpatrick said yes they do, they must have \$1.5 million dollars in cash before they invest in that company.

Mr. O'Connor asked if the Boston Company has a research analyst and Mr. Fitzpatrick said yes. They create their own models regarding earnings as well as reviewing other analyst's models. Chairman Rizzo asked, with the growth of the fund over the last seven years, what type of growth has the company enjoyed. Mr. Fitzpatrick said they started with \$600 thousand and now the portfolio is worth three billion dollars. Mr. Fitzpatrick said half the portfolio is \$100 billion dollars or more, so there is investing in small cap in the international core portfolio.

Mr. DeRosa asked if the Boston Company is in emerging markets and Mr. Fitzpatrick said no, there are no investments in emerging markets.

Chairman Rizzo asked how the Boston Company values the earnings because a dollar earned in a specific country is not the same as in another country. Mr. Fitzpatrick said that the analyst looks at the balance sheet of the company and converts the value of the earnings into US dollars.

Mr. Fitzpatrick spoke on the risk controls, stating that their style consistency monitors the growth and value characteristics to ensure core positioning, while the average weighted market cap stays close to the benchmark. Mr. Fitzpatrick said the maximum position size is 3% relative to the benchmark, they are fully vested at all times and they do not hedge the fund.

Mr. DeRosa said that the Boston Company has been core value over time. Mr. Fitzpatrick, how do you see the company today? Mr. Fitzpatrick said that is true, in the past the firm has been a value oriented firm but since the late 1990's, the firm has taken a growth tilt to their product.

Trustee Stephens asked what the fees are and Mr. Fitzpatrick said the fees are 1.18% for the co-mingled funds and expects the fees to come down.

Mr. Fitzpatrick said if there are no more questions, thank you for inviting The Boston Company.

**Mr. Rick Zylstra- Alliance Bernstein-7:45 p.m-8:45 p.m.**

Mr. DeRosa introduced Mr. Zylstra from Alliance Bernstein and Mr. Zylstra said he will provide a brief history of the company. Mr. Zylstra reviewed the team that is assigned to the core international portfolio, stating that Mr. Seth Masters is the lead team member, with 19 years experience and 14 years with the firm.

Mr. DeRosa asked that if Alliance is an International Large Cap Growth, is Bernstein Large Cap Value? Mr. Zylstra said that is correct, both are based on large cap equities.

Mr. Zylstra reported that the Alliance Bernstein Style Blend for the third quarter, the fund earned 12% compared to the index of 10.4%. For the year to date the fund earned 11.5% compared to 9.1%, for one year 27.7% versus 25.8% and since inception 15.1% versus 12.0%. Mr. Zylstra said the objective of the fund is to be over 2% premium to the MSCI EAFE, before fees.

Mr. Zylstra provided the investment process overview which begins with the primary Research Universe of approximately 1,000 stocks. Then the portfolio candidates are rated as primary rated stocks. From that group, they select the attractive investments implemented by the Portfolio Oversight Group, and finally, the selection is made for the International Large Cap Growth Portfolio consisting of 50-75 stocks.

Mr. Zylstra noted that the portfolio is a bottom up investment style compared to top down. In other words, in technology, the weighting of the sector in the portfolio will come from the companies listed in the technology sector.

Mr. DeRosa asked if Bernstein can sell a specific equity while Alliance is buying the same specific equity and Mr. Zylstra said they can and have. Mr. DeRosa also asked if there is interaction between the analysts of Alliance and Bernstein and Mr. Zylstra said they communicate quite often, providing different points of view on the company before either group buys the company.

Mr. DeRosa asked Mr. Zylstra what percentage of the portfolio is in emerging markets, as the report shows 9.5%. Mr. Zylstra said that is on the high side, the portfolio is not usually as high as the 9.5% as shown. Mr. DeRosa also asked if the fund is hedged and Mr. Zylstra said that they do hedge the fund.

Trustee Stephens asked Mr. Zylstra what the fees are for this portfolio. Mr. Zylstra said the fees for this product is 80bps plus 18 -20 bps for administrative costs, so the fees are about one percent.

Mr. Zylstra asked if there were any further questions and if not, that would conclude his presentation and thanked the board for the chance to present to the trustees.

Chairman Rizzo suggested the board review the information and have another special meeting next week or the week after to select the manager. Mr. DeRosa said he likes Alliance because they are very core balanced as opposed to the Boston Company that is value. Chairman Rizzo said that the board has come this far, it does not make sense to rush into the decision without reviewing the material from each company. Additionally, Chairman Rizzo asked the Kalson & Company provide a summary. Mr. DeRosa noted he provided the summary at the last meeting. Chairman Rizzo asked Secretary Neuhard to provide a copy of the summary to the trustees and post the meeting for January 25, 2006 at 6:30 pm.

**Meeting Dates for 2006**

Secretary Neuhard provided a schedule of dates for the upcoming year for the board to consider. The dates are the following: March 1, June 7, September 6 and December 6.

**Annual Volunteer Appreciation Dinner**

Chairman Rizzo said the appreciation dinner is going to be held on 2/21/06 at the Sweetwater Country Club.

**Adjournment**

Trustee Stephens moved to adjourn at 9:37 pm. Trustee Hite seconded the motion and the motion passed.

There will be a special meeting to select the money managers on January 25, 2006 @6:30 pm

Next regular meeting date is scheduled for March 1, 2006 @ 6:30 pm

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Chairman