AGENDA ITEM SUMMARY

1. NAME OF ITEM: Asset Allocation Study and Recommendations

2. INITIATED BY: Eleanor M. Baker, Chair

3. BOARD INFORMATION: BOARD ACTION: X

4. BACKGROUND:

Kelly Regan with New England Pension Consultants (NEPC) will provide an overview of NEPC’s 2014 capital market observations, including investment opportunities and related recommendations.

5. TEXT OF PROPOSED RESOLUTION:

That the Investment Committee approves the following related to Asset Allocation:

Managed Investment Pool
NEPC recommends that the Investment Committee review the two asset allocation options (Mix A and Mix B). NEPC recommends that the Committee consider adopting Mix B if there is a desire to invest in private equity and lock-up capital. If the Investment Committee wants to maintain liquidity, then NEPC recommends Mix A which includes an allocation to Global Multi-Sector Fixed Income and Emerging Market Small Cap Equity.

Pension
NEPC recommends that the Investment Committee discuss the Plan’s liabilities, goals and objectives. Based on the discussion, there are three asset allocation options to consider (Moderate Asset Allocation, Conservative Asset Allocation and a Liability Driven Asset Allocation).

Operating Fund
There are no recommendations at this time.

2/17/2014