The Investment Committee Meeting came to order at 1:00 pm. There was no quorum. No exceptions were made to the posted September 30, 2010 Investment Committee meeting minutes.

**Hedge Fund Discussion**
As approved at the June 1, 2010 meeting, the Investment Committee agreed to restructure the hedge fund category, terminating Fidelity in both the Pension Plan and Managed Investment Pool. New England Pension Consultants (NEPC) and staff had reviewed a search book of replacement managers. As a result, both Blenheim and Brevan Howard made presentations at the meeting. NEPC recommended hiring one of the two firms noted above to manage a 3% target allocation in both the Pension Plan and the Managed Investment Pool.

**Blenheim Global Markets Fund Ltd.**
- Platform Business with Willem Kooyker, the ex-President of Commodities Corporation, as the Head Portfolio Manager.
- There are 12 underlying Portfolio Managers in addition to Willem.
- Started in the mid 1980’s, the fund has a long track record of excellent performance.
- Fundamental based Supply and Demand Analysis.
- The Blenheim Fund trades in multiple commodities markets (grains, metals, energy, etc), equities, fixed income and currency markets.
- Over $7 billion in firm assets under management.

**Brevan Howard Commodities Strategies Master Fund Limited**
- The fund is run by a single Portfolio Manager, Stephane Nicolas, who traded for the Brevan Howard Master Fund and began to run this fund in 2010.
- Nicolas focuses on the trade structure rather than long-term fundamental based Supply and Demand Analysis.
- Brevan Howard is one of the largest and robust hedge fund management companies in the world with over $30 billion in firm assets under management.
• The Brevan Howard fund focuses primarily on commodities, energy, metals and agricultural investments and achieves exposure through derivatives (options and futures), equities and index funds.

The Committee agreed that Blenheim Global Markets Fund Ltd. be engaged to manage a 3% target allocation in both the Pension Plan and the Managed Investment Pool, replacing Fidelity. The Investment Committee will approve the action at a later meeting.

**Performance Review**

*Managed Investment Pool (MIP)*

• As of 11/30/2010, the MIP had a fiscal year to date net of fees return of 11.4%.

• NEPC has placed MetWest, a large cap value equity manager, on watch due to change in fund management.
  - NEPC has recommended termination.
  - NEPC will be presenting a search book with potential replacement managers to UMS Staff.

• As of 9/30/2010, active managers in aggregate added 130 basis points of value (gross of fees) during the trailing year.

• As of 9/30/2010, the Plan out-performed the median endowment over the three, five, and seven-year time periods.

• Rebalancing occurred during the months of October and November to bring the Plan closer to approved targets.

• Board approval was received for the termination of Mesirow and the hiring of Dimensional Fund Advisors (DFA) as the MIP’s new Small Cap Value manager.

*Operating Funds*

• As of 11/30/2010, the Operating Cash Fund has had a fiscal year to date net of fees return of 2.3%.
  - The Committee approved NEPC’s rebalancing recommendations to move $15 million from the Liquidity Pool to the Income Pool and Total Return Pool as follows:
    - $3 million to PIMCO Low Duration,
    - $5 million to PIMCO Floating Income,
    - $2 million to Permal Fixed Income, and
    - $5 million to PIMCO All Asset.

• UMS is prudently moving towards long-term targets due to cash flows and rebalancing.

• In October/November, $17.5 million in funds from the Liquidity Pool were distributed to the Income Pool and Total Return Pool.

• In August 2010, Charles Schwab Corporation announced an agreement to acquire Windward Investment Management, Inc.
On 11/9/2010, the deal was completed and Windward’s name changed to Windhaven.

- NEPC recommends maintaining the investment with Windhaven.

- Commonfund announced that they will complete the liquidation of the hedge fund on December 1st 2010 (this represents roughly 0.1% of the Plan).

**Pension Plan**

- As of 11/30/2010, the Pension Plan had a fiscal year to date return net of fees of 11.2%.
- As of 9/30/2010, managers in aggregate outperformed the benchmarks during the trailing year period by 180 basis points (gross of fees).
- As of 9/30/2010, the Pension Plan placed in the 35th and 73rd percentiles during the quarter and trailing one year time periods.
- The SSgA Russell 2000 Sec-Lending Fund was transferred in whole to the SSgA Non-Lending Fund at the end of August 2010.

Adjournment,

Submitted by
Peter Small for
J. Kelley Wiltbank, Clerk