CITY OF WOONSOCKET

INVESTMENT BOARD

MINUTES OF THE MEETING OF December 7, 2011

The City of Woonsocket Investment Board met on Wednesday, December 7, 2011.

The following members were in attendance: Roger Begin, Richard Lepine, and William Tsonos.

Also attending was: Thomas M. Bruce III, Diane M. Ciullo, Antonio Afonso, Moses and Afonso, Daniel Waugh, Moses and Afonso, Philip M. Gorgone, P-Solve Asset Solutions, and Justyna Mietelska, P-Solve Asset Solutions.

The meeting was called to order at 8:35am.

Review and Approval of Minutes

A motion was made by Richard Lepine to approve the minutes of the August 26, 2011 meeting, seconded by William Tsonos. Motion carried by unanimous voice vote.

Review of Investment Activity by P-Solve Asset Solutions

As of September 30, 2011 the portfolio has a year to date performance of -10.3%. This performance compares unfavorably to the total portfolio benchmark of -9.8%. The return for total fixed income for the same period was 5.4%, and the portfolio return for total equity was -16.2%

P-Solve representative Phil Gorgone explained that the exposure that the portfolio had, in terms of an impact on assets, would most significantly be caused by a rise in the equity markets by 20% or greater. To contrast, the portfolio would have the greatest decline in value, if equity markets were to fall by 20%.

Mr. Gorgone reported that the asset allocation as of September 30, 2011 consisted of 53% equities, 8% dynamic asset allocation, and 39% fixed income investments.

Discussion of Investment Strategies and P-Solve Recommendations

P-Solve representatives presented details related to a proposed investment policy statement dated December 2011. The policy specified quality of acceptable investments and presented key risk metrics, including variables such as maximum expected annual loss, acceptable size of the liquidity portfolio, and a maximum portion of the total investments associated with a level of high risk.

Other Business

The Board discussed the announced planned objectives of the Rhode Island General Assembly Pension legislation of the upcoming 2012 session.

The motion to adjourn was made by Chairman Begin, seconded by Richard
Lepine. Motion carried by unanimous voice vote.

Meeting adjourned at 10:05 am.