

**MEETING OF THE TRUSTEES**

**CITY OF CHATTANOOGA GENERAL PENSION PLAN**

**March 20, 2008**

The regular meeting of the City of Chattanooga General Pension Plan was held March 20, 2008 at 8:45 a.m. in the J.B. Collins Conference Room. Trustees present were Daisy Madison, Bettye Lynn Smith, and Terry Lamb. Others attending the meeting were Jeff Claxton, City Benefits Office; Sharon Lea, City Personnel Office; Michael McMahan, Nelson, McMahan & Noblett; Teresa Hicks, First Tennessee Bank; Pat Cox, Consulting Services Group; and Scott Arnwine, Consulting Services Group.

The meeting was called to order by Chairwoman Daisy Madison. A quorum was not present.

The minutes of the meeting held February 21, 2008 were held for ratification and approval for the next meeting.

The following pension benefits and plan expenses held for ratification and approval for the next meeting:

**ACCOUNT SUMMARY**

**ACCOUNTS PAYABLE**

<u>COMPANY</u>	<u>AMOUNT PAYABLE</u>		<u>SERVICES RENDERED</u>
	THIS PERIOD	YTD	
CONSULTING SERVICES GROUP	\$16,343.00	\$51,506.25	Professional services for the period ending March 31, 2008

**INVESTMENT MANAGERS**

DUFF & PHELPS	\$17,354.00	\$55,882.00	Investment management fee for period ending December 31, 2007
NWQ INVESTMENT MGT.	\$32,303.99	\$131,440.76	Investment management fee for period ending December 31, 2007
SMH CAPITAL ADVISORS	\$8,022.79	\$26,623.06	Investment management fee for period ending December 31, 2007

MANAGER TOTAL	\$57,680.78	\$213,945.82	
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**ACCOUNTS RECEIVABLE**

<u>COMPANY</u>	<u>AMOUNT RECEIVED</u>		<u>PURPOSE</u>
	THIS PERIOD	YTD	
No Activity			

**REPORT OF ACCOUNT (S) PAID**

No Activity

**MISCELLANEOUS ITEMS**

NAME

TRANSACTION

No Activity

Large Cap Value Manager Presentation – Wedge Capital Management, L.L.P.

Mr. Cox gave a brief introduction of Wedge Capital. Last month, CSG presented their hire process and suggested several managers. He stated that Wedge stood above the rest, and the Board agreed. The Board decided to go ahead and listen to them today, to learn about their process and firm. He stated that this manager would take over the Russell 1000 Value allocation.

David Thompson, General Partner, and Leah Long, Executive Vice President, made presentations to the Board for Wedge Capital. Mr. Thompson described how the two of them would be personally available to the Board. The firm is independently owned by 13 General Partners and was founded in 1984. The firm is a low P/E value manager with many years of applying a disciplined approach. Mr. Thompson spent a few moments discussing the Quantitative Value Momentum portfolio (QVM) to the Board. The QVM portfolio was designed as a fundamental, multifactor model to efficiently utilize the key measures of value and momentum, employ a unique set of factors to select stocks in each sector, and moderate the value manager tendency of buying and selling too early.

Leah Long described the QVM process. This process is unique because Wedge took traditional value factors and found that these factors work well with both momentum and contrarian factors. They built a model combining these two factors and found that the same factors cannot work for each sector. So, Wedge built a new model and defined their own sectors to identify undervalued companies. Ms. Long next described the systematic investment process, which starts with the 1,000 largest companies. These are broken into 8 economic sectors and are then applied to three to five different factors within each sector. Analysts review the data and then the portfolios are constructed. She stated that Wedge remains sector neutral to the 1,000 largest names and keeps an equal weighting within each name in each sector. Ms. Long next described the ten factors uniquely combined for each sector and the optimal timing for purchasing and selling stocks. The next few moments were spent on the performance ratings and statistics of the Wedge: Large Cap Value: QVM portfolio since its inception date of October 1, 1994.

The board meeting was recessed subject to call of the chair.

There being no further business, the meeting was adjourned.

**MEETING OF THE TRUSTEES**

**CITY OF CHATTANOOGA GENERAL PENSION PLAN**

**March 26, 2008**

The re-adjourned meeting of the City of Chattanooga General Pension Plan was held March 26, 2008 at 2:00 p.m. in the J.B. Collins Conference Room. Trustees present were Daisy Madison, Bettye Lynn Smith, Katie Reinsmidt, and Dan Johnson. Others attending the meeting were Jeff Claxton, City Benefits Office; Sharon Lea, City Personnel Office; and Michael McMahan, Nelson, McMahan & Noblett.

The meeting was called to order by Chairwoman Daisy Madison. A quorum was present.

The minutes of the meeting held February 21, 2008 were ratified and approved.

The administrative actions discussed in the meeting held March 20, 2008 were ratified and approved.

Wedge Capital Investment Decision

The Board discussed the prior presentation of Wedge Capital in the March 20, 2008 board meeting. Ms. Smith made a motion to hire this manager. Mr. Johnson made a second. The Board unanimously agreed.

Mr. McMahan stated that he would forward the documents for signature to Ms. Madison.

The next board meeting was scheduled for Thursday, April 17, 2008 at 8:45 a.m. in the J.B. Collins Conference Room.

There being no further business, the meeting was adjourned.

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Chairman

APPROVED:

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Secretary